

MATAMATA CHRISTIAN SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

School Directory

Ministry Number: 01186

Principal: Alistair Paterson

School Address: 91a Smith Street, Matamata

School Postal Address: 91a Smith Street, Matamata

School Phone: (07) 888 5444

School Email: office@matamata.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Term Expired/ Expires
Les Steed-Conway	Chair Person	Voted	2022
Alistair Paterson	Principal ex Officio	School Representative	2022
Craig Hawes	Parent Rep	Voted	2022
Tim Chen	Parent Rep	Voted	2022
Karlyn Mataitoga	Parent Rep	Voted	2022
Spence Reichardt	Parent Rep	Assoc Rep	2022
Kobus Engelbrecht	Parent Rep	Assoc Chair	2022
Glen Cane	Parent Rep	Assoc Rep	2022
Michele Lee	Staff Rep	Voted	2022

Accountant / Service Provider: CATAS Ltd

MATAMATA CHRISTIAN SCHOOL

Annual Report - For the year ended 31 December 2020

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Matamata Christian School

Statement of Responsibility

For the year ended 31 December 2020

The Board of Trustees accepts responsibility for the preparation of the annual financial statements and the judgements used in these financial statements.

The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2020 fairly reflects the financial position and operations of the school.

The School's 2020 financial statements are authorised for issue by the Board.

LES STEED-CONWAY

Full Name of Board Chairperson

ALISTAIR BLAIR PATERSON

Full Name of Principal



Signature of Board Chairperson



Signature of Principal

4.3.2022

Date:

07.03.2022

Date:

Matamata Christian School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue				
Government Grants	2	693,628	682,859	605,810
Locally Raised Funds	3	39,485	45,878	44,259
Use of Proprietor's Land and Buildings		99,600	99,600	99,600
Interest income		2,484	3,250	3,938
		<u>835,197</u>	<u>831,587</u>	<u>753,607</u>
Expenses				
Locally Raised Funds	3	26,933	32,589	22,334
Learning Resources	4	569,176	626,794	496,226
Administration	5	74,091	83,623	72,738
Property	6	132,649	130,752	126,817
Depreciation	7	34,574	27,000	30,496
		<u>837,423</u>	<u>900,758</u>	<u>748,611</u>
Net Surplus / (Deficit) for the year		(2,226)	(69,171)	4,996
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(2,226)</u>	<u>(69,171)</u>	<u>4,996</u>

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes which form part of these financial statements.



Matamata Christian School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

	Notes	Actual 2020 \$	Budget (Unaudited) 2020 \$	Actual 2019 \$
Balance at 1 January		181,270	179,633	174,635
Total comprehensive revenue and expense for the year		(2,226)	(69,171)	4,996
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		2,194	1,639	1,639
Equity at 31 December	21	181,238	112,101	181,270
Retained Earnings		181,238	112,101	181,270
Reserves		-	-	-
Equity at 31 December		181,238	112,101	181,270

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes which form part of these financial statements.



Matamata Christian School

Statement of Financial Position

As at 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Assets				
Cash and Cash Equivalents	8	5,217	(23,383)	18,787
Accounts Receivable	9	54,684	40,640	40,640
GST Receivable		3,930	6,245	6,245
Inventories	10	12,295	7,947	7,947
Investments	11	127,708	94,123	94,123
		<u>203,834</u>	<u>125,572</u>	<u>167,742</u>
Current Liabilities				
Accounts Payable	13	59,104	43,488	43,487
Borrowings - Due in one year	14	2,821	2,821	2,821
Finance Lease Liability - Current Portion	15	6,683	5,259	5,259
		<u>68,608</u>	<u>51,568</u>	<u>51,567</u>
Working Capital Surplus/(Deficit)		135,226	74,004	116,175
Non-current Assets				
Property, Plant and Equipment	12	59,776	56,033	83,034
		<u>59,776</u>	<u>56,033</u>	<u>83,034</u>
Non-current Liabilities				
Borrowings	14	8,462	11,283	11,283
Finance Lease Liability	15	5,300	6,653	6,653
		<u>13,762</u>	<u>17,936</u>	<u>17,936</u>
Net Assets		<u>181,240</u>	<u>112,101</u>	<u>181,273</u>
Equity	21	<u>181,238</u>	<u>112,101</u>	<u>181,270</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes which form part of these financial statements.



Matamata Christian School

Statement of Cash Flows

For the year ended 31 December 2020

		2020	2020	2019
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
Cash flows from Operating Activities				
Government Grants		226,822	178,488	204,230
Locally Raised Funds		39,603	45,878	49,153
Goods and Services Tax (net)		2,315	-	(4,335)
Funds Administered on Behalf of Third Parties		-	-	(6,645)
Payments to Employees		(121,968)	(115,016)	(101,164)
Payments to Suppliers		(117,582)	(149,773)	(107,424)
Interest Received		2,698	3,250	3,431
Net cash from/(to) Operating Activities		31,888	(37,173)	37,247
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		-	5,000	
Purchase of Property Plant & Equipment (and Intangibles)		(4,618)	(5,000)	(51,496)
Purchase of Investments		(33,585)	-	(26,374)
Net cash from/(to) Investing Activities		(38,203)	-	(77,870)
Cash flows from Financing Activities				
Furniture and Equipment Grant		2,194	1,639	1,639
Finance Leases Received/Payments		(6,627)	(6,636)	(6,184)
Loans Received/Repayment of Loans		(2,821)	-	14,104
Net cash from/(to) Financing Activities		(7,254)	(4,997)	9,560
Net increase/(decrease) in cash and cash equivalents		(13,569)	(42,170)	(31,063)
Cash and cash equivalents at the beginning of the year	8	18,787	18,787	49,850
Cash and cash equivalents at the end of the year	8	5,218	(23,383)	18,787

The statement of cash flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries and the use of land and buildings grant and expense have been excluded.

The above Statement of Cash Flows should be read in conjunction with the accompanying notes which form part of these financial statements.



Matamata Christian School

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

a) Reporting Entity

Matamata Christian School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2020 to 31 December 2020 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been consistently applied throughout the period.

Financial Reporting Standards Applied

The Education and Training Act 2020 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as 'having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders'.

PBE Accounting Standards Reduced Disclosure Regime

The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the expenditure threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

Measurement Base

The financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

Presentation Currency

These financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

Specific Accounting Policies

The accounting policies used in the preparation of these financial statements are set out below.

Critical Accounting Estimates And Assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the significant accounting policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 12.

Critical Judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised.



Recognition of grants

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carry forward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

c) Revenue Recognition

Government Grants

The school receives funding from the Ministry of Education. The following are the main types of funding that the School receives.

Operational grants are recorded as revenue when the School has the rights to the funding, which is in the year that the funding is received.

Teachers salaries grants are recorded as revenue when the School has the rights to the funding in the salary period they relate to. The grants are not received in cash by the School and are paid directly to teachers by the Ministry of Education.

Other Grants

Other grants are recorded as revenue when the School has the rights to the funding, unless there are unfulfilled conditions attached to the grant, in which case the amount relating to the unfulfilled conditions is recognised as a liability and released to revenue as the conditions are fulfilled.

Grants for the use of land and buildings are also not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Proprietor. Use of land and building grants are recorded as income in the period the school uses the land and building.

Donations, Gifts and Bequests

Donations, gifts and bequests are recorded as revenue when their receipt is formally acknowledged by the School.

Interest Revenue

Interest Revenue earned on cash and cash equivalents and investments is recorded as revenue in the period it is earned.

d) Use of Land and Buildings Expense

The property from which the School operates is owned by the Proprietor. The expense is based on an assumed market rental yield on the land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Proprietor.

e) Operating Lease Payments

Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight line basis over the term of the lease.

f) Finance Lease Payments

Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of 90 days or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

h) Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for credit losses (uncollectable debts). The schools receivables are largely made up of funding from the Ministry of Education, therefore the level of uncollectable debts is not considered to be material. However, short-term receivables are written off when there is no reasonable expectation of recovery.

i) Inventories

Inventories are consumable items held for sale and comprised of stationery and school uniforms. They are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is the estimated selling price in the ordinary course of activities less the estimated costs necessary to make the sale. Any write down from cost to net realisable value is recorded as an expense in the Statement of Comprehensive Revenue and Expense in the period of the write down.

j) Investments

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

k) Property, Plant and Equipment

Land and buildings owned by the Proprietor are excluded from these financial statements. The Board's use of the land and buildings as 'occupant' is based on a property occupancy document.

Improvements to buildings owned by the Proprietor are recorded at cost, less accumulated depreciation and impairment losses.



Property, plant and equipment are recorded at cost or, in the case of donated assets, fair value at the date of receipt, less accumulated depreciation and impairment losses. Cost or fair value as the case may be, includes those costs that relate directly to bringing the asset to the location where it will be used and making sure it is in the appropriate condition for its intended use.

Gains and losses on disposals (i.e. sold or given away) are determined by comparing the proceeds received with the carrying amounts (i.e. the book value). The gain or loss arising from the disposal of an item of property, plant and equipment is recognised in the Statement of Comprehensive Revenue and Expense.

Finance Leases

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty whether the school will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Depreciation

Property, plant and equipment except for library resources are depreciated over their estimated useful lives on a straight line basis. Library resources are depreciated on a diminishing value basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	4 years
Library resources	12.5% Diminishing value

l) Intangible Assets

Software costs

Computer software acquired by the School are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software that the school receives from the Ministry of Education is normally acquired through a non-exchange transaction and is not of a material amount. Its fair value can be assessed at time of acquisition if no other methods lead to a fair value determination. Computer software purchased directly from suppliers at market rates are considered exchange transactions and the fair value is the amount paid for the software.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

m) Impairment of property, plant, and equipment and intangible assets

The school does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

Non cash generating assets

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

n) Accounts Payable

Accounts Payable represents liabilities for goods and services provided to the School prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

o) Employee Entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, and also annual leave earned, by non teaching staff, to but not yet taken at balance date.



Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

p) Financial Instruments

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are categorised as 'financial assets measured at amortised cost' for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as 'financial assets at fair value through other comprehensive revenue and expense' for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. All of these financial liabilities are categorised as 'financial liabilities measured at amortised cost' for accounting purposes in accordance with financial reporting standards.

q) Borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the school has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Borrowings include but are not limited to bank overdrafts, operating leases, finance leases, painting contracts and term loans.

r) Goods and Services Tax (GST)

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

s) Budget Figures

The budget figures are extracted from the School budget that was approved by the Board.

t) Services received in-kind

From time to time the School receives services in-kind, including the time of volunteers. The School has elected not to recognise services received in kind in the Statement of Comprehensive Revenue and Expense.



2. Government Grants

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operational Grants	170,477	173,559	139,215
Teachers' Salaries Grants	466,806	500,000	398,376
Other MOE Grants	56,345	9,300	68,219
	<u>693,628</u>	<u>682,859</u>	<u>605,810</u>

The school has opted in to the donations scheme for this year. Total amount received was \$10,200.

Other MOE Grants total includes additional COVID-19 funding totalling \$18,750 for the year ended 31 December 2020.

3. Locally Raised Funds

Local funds raised within the School's community are made up of:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue			
Donations	6,834	5,432	6,517
Activities	19,614	23,325	17,604
Trading	5,442	7,105	7,188
Fundraising	2,750	2,560	2,604
Other Revenue	4,845	7,456	10,346
	<u>39,485</u>	<u>45,878</u>	<u>44,259</u>
Expenses			
Activities	23,531	25,691	15,211
Trading	3,124	5,191	6,141
Fundraising (Costs of Raising Funds)	-	788	588
Transport (Local)	278	919	394
	<u>26,933</u>	<u>32,589</u>	<u>22,334</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>12,552</u>	<u>13,289</u>	<u>21,925</u>

4. Learning Resources

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Curricular	8,261	20,116	12,535
Library Resources	551	316	176
Employee Benefits - Salaries	553,149	588,525	473,050
Staff Development	7,215	17,837	10,465
	<u>569,176</u>	<u>626,794</u>	<u>496,226</u>



5. Administration

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Audit Fee	4,973	2,844	3,144
Board of Trustees Fees	1,710	2,240	2,060
Board of Trustees Expenses	1	761	1,527
Communication	1,355	1,813	1,595
Consumables	6,735	6,727	3,878
Operating Lease	1,177	642	186
Other	17,849	26,561	19,683
Employee Benefits - Salaries	35,625	35,860	35,859
Service Providers, Contractors and Consultancy	4,666	6,175	4,806
	<u>74,091</u>	<u>83,623</u>	<u>72,738</u>

6. Property

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Caretaking and Cleaning Consumables	3,663	3,037	3,002
Consultancy and Contract Services	19,875	13,665	13,481
Grounds	3,300	6,721	3,393
Heat, Light and Water	4,688	4,821	4,940
Repairs and Maintenance	1,523	2,908	2,401
Use of Land and Buildings	99,600	99,600	99,600
	<u>132,649</u>	<u>130,752</u>	<u>126,817</u>

The use of land and buildings figure represents 8% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

7. Depreciation

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Furniture and Equipment	5,544	-	2,949
Information and Communication Technology	10,090	-	12,698
Motor Vehicles	9,391	-	7,043
Leased Assets	8,500	-	6,673
Library Resources	1,049	-	1,133
	<u>34,574</u>	<u>27,000</u>	<u>30,496</u>



8. Cash and Cash Equivalents

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash on Hand	50	50	50
Bank Current Account	1,070	(27,524)	14,646
Bank Call Account	4,097	4,091	4,091
Cash and cash equivalents for Statement of Cash Flows	5,217	(23,383)	18,787

9. Accounts Receivable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Receivables	5,175	7,379	7,379
Receivables from the Ministry of Education	10,189	8,103	8,103
Interest Receivable	492	706	706
Teacher Salaries Grant Receivable	38,828	24,452	24,452
	54,684	40,640	40,640
Receivables from Exchange Transactions	5,667	8,085	8,085
Receivables from Non-Exchange Transactions	49,017	32,555	32,555
	54,684	40,640	40,640

10. Inventories

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
School Uniforms	12,295	7,947	7,947
	12,295	7,947	7,947

11. Investments

The School's investment activities are classified as follows:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Asset			
Short-term Bank Deposits	127,708	94,123	94,123
Total Investments	127,708	94,123	94,123



12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2020	\$	\$	\$	\$	\$	\$
Furniture and Equipment	36,132	524			(5,544)	31,112
Information and Communication Technology	12,981	2,934			(10,090)	5,825
Motor Vehicles	16,435				(9,391)	7,044
Leased Assets	9,428	6,698			(8,500)	7,626
Library Resources	8,058	1,160			(1,049)	8,169
Balance at 31 December 2020	83,034	11,316	-	-	(34,574)	59,776

The net carrying value of equipment held under a finance lease is **\$5,523 (2019: \$7,325)**

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2020	\$	\$	\$
Furniture and Equipment	73,720	(42,608)	31,112
Information and Communication Technology	121,405	(115,580)	5,825
Motor Vehicles	23,478	(16,434)	7,044
Leased Assets	33,292	(25,666)	7,626
Library Resources	24,384	(16,215)	8,169
Balance at 31 December 2020	276,279	(216,503)	59,776

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Furniture and Equipment	23,431	15,650			(2,949)	36,132
Information and Communication Technology	13,570	12,109			(12,698)	12,981
Motor Vehicles	-	23,478			(7,043)	16,435
Leased Assets	14,670	1,431			(6,673)	9,428
Library Resources	8,932	259			(1,133)	8,058
Balance at 31 December 2019	60,603	52,927	-	-	(30,496)	83,034

The net carrying value of equipment held under a finance lease is **\$7,325 (2019: \$14,670)**



2019	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Furniture and Equipment	73,196	(37,064)	36,132
Information and Communication Technology	118,471	(105,490)	12,981
Motor Vehicles	23,478	(7,043)	16,435
Leased Assets	26,594	(17,166)	9,428
Library Resources	23,224	(15,166)	8,058
Balance at 31 December 2019	264,963	(181,929)	83,034

13. Accounts Payable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operating Creditors	10,907	9,667	9,666
Banking Staffing Overuse	9,369	9,369	9,369
Employee Entitlements - Salaries	38,828	24,452	24,452
	59,104	43,488	43,487
Payables for Exchange Transactions	59,104	43,488	43,487
	59,104	43,488	43,487

The carrying value of payables approximates their fair value.

14. Borrowings

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Due in One Year	2,821	2,821	2,821
Due Beyond One Year	8,462	11,283	11,283
	11,283	14,104	14,104

The school has borrowings at 31 December 2020 of \$11,283 (31 December 2019 \$14,104). This loan is from the Energy Efficiency and Conservation Authority for the purpose of LED Lighting. The loan is unsecured, interest is 0% per annum and the loan is payable quarterly in equal instalments of \$705.



15. Finance Lease Liability

The School has entered into a number of finance lease agreements for computers and other ICT equipment. Minimum lease payments payable:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
No Later than One Year	6,683	5,259	5,259
Later than One Year and no Later than Five Years	5,300	6,653	6,653
	<u>11,983</u>	<u>11,912</u>	<u>11,912</u>

16. Related Party Transactions

The School is a controlled entity of the Crown, and the Crown provides the major source of revenue to the school. The school enters into transactions with other entities also controlled by the Crown, such as government departments, state-owned enterprises and other Crown entities. Transactions with these entities are not disclosed as they occur on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted if dealing with that entity at arm's length.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the school would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

The Proprietor of the School (Peria Christian Education Incorporated)) is a related party of the Board because the proprietor appoints representatives to the Board, giving the proprietor significant influence over the Board. Any services or contributions between the Board and Proprietor have been disclosed appropriately, if the proprietor collects fund on behalf of the school (or vice versa) the amounts are disclosed.

The Proprietor provides land and buildings free of charge for use by the Board as noted in Note 1(c). The estimated value of this use during the current period is included in the Statement of Comprehensive Revenue and Expense as 'Use of Land and Buildings'.

17. Remuneration

Key management personnel compensation

Key management personnel of the School include all trustees of the Board, Principal, Deputy Principals and Heads of Departments.



	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	1,710	2,060
Full-time equivalent members	0.06	0.15
<i>Leadership Team</i>		
Remuneration	245,635	232,721
Full-time equivalent members	2.00	2.00
Total key management personnel remuneration	247,345	234,781
Total full-time equivalent personnel	2.06	2.15

The full time equivalent for Board members has been determined based on attendance at Board meetings, Committee meetings and for other obligations of the Board, such as stand downs and suspensions, plus the estimated time for Board members to prepare for meetings.

Principal

The total value of remuneration paid or payable to the Principal was in the following bands:

	2020 Actual \$000	2019 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	140 - 150	130 - 140
Benefits and Other Emoluments	0 - 4	0 - 3
Termination Benefits	Nil	Nil

Other Employees

The number of other employees with remuneration greater than \$100,000 was in the following bands:

Remuneration \$000	2020 FTE Number	2019 FTE Number
0	0.00	0.00
	0.00	0.00

The disclosure for 'Other Employees' does not include remuneration of the Principal.

18. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be trustees, committee member, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

	2020 Actual	2019 Actual
Total	Nil	Nil
Number of People	Nil	Nil



19. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2020 (Contingent liabilities and assets at 31 December 2019: nil).

Holidays Act Compliance – schools payroll

The Ministry of Education performs payroll processing and payments on behalf of school boards of trustees, through payroll service provider Education Payroll Limited.

The Ministry's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. The current phase of this review is to design potential solutions for any compliance breaches discovered in the initial phase of the Programme. Final calculations and potential impact on any specific individual will not be known until further detailed analysis and solutions have been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2020, a contingent liability for the school may exist.

20. Commitments

(a) Capital Commitments

There are no Capital or operating commitments as at 31 December 2020 (Capital commitments at 31 December 2019: nil)

21. Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but attempts to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.

22. Financial Instruments

The carrying amount of financial assets and liabilities in each of the financial instrument categories are as follows:

Financial assets measured at amortised cost

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash and Cash Equivalents	5,217	(23,383)	18,787
Receivables	54,684	40,640	40,640
Investments - Term Deposits	127,708	94,123	94,123
Total Financial assets measured at amortised cost	187,609	111,380	153,550



Financial liabilities measured at amortised cost

Payables	59,104	43,488	43,487
Borrowings - Loans	11,283	14,104	14,104
Finance Leases	11,983	11,912	11,912
Total Financial Liabilities Measured at Amortised Cost	82,370	69,504	69,503

23. Events After Balance Date

There were no significant events after the balance date that impact these financial statements.

24. Comparatives

There have been a number of prior period comparatives which have been reclassified to make disclosure consistent with the current year.

25. Breach of Legislation

The Board of Trustees did not comply with Section 135 (1) of the Education and Training Act 2020, which requires the Board to provide its annual report to the auditor-general by 31 March 2021.

The Board of Trustees did not comply with Section 137 (1) of the Education and Training Act 2020, which requires the Board to provide its audited financial statements to the Ministry of Education by 31 May 2021.





Tel: +64 07 571 6280
Fax: +64 07 571 6281
www.bdo.nz

BDO TAURANGA
Level 1 The Hub, 525 Cameron Road,
Tauranga 3110
PO Box 15660, Tauranga 3144
New Zealand

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF MATAMATA CHRISTIAN SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The Auditor-General is the auditor of Matamata Christian School (the School). The Auditor-General has appointed me, Fraser Lellman, using the staff and resources of BDO Tauranga, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 18, that comprise the statement of financial position as at 31 December 2020, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2020; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity Standards Reduced Disclosure Regime as applicable to entities that qualify as Tier 2.

Our audit was completed on 7 March 2022. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

PARTNERS: Fraser Lellman CA
Donna Taylor CA

Kenneth Brown CA
Paul Manning CA

Janine Hellyer CA
Jenny Lee CA

ASSOCIATE: Michael Lim CA

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board for the financial statements

The Board is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

The Board's responsibilities, in terms of the requirements of the Education and Training Act 2020, arise from section 87 of the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the School's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up

to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the analysis of variance, Board of Trustees listing and Kiwisport report, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the School.



Fraser Lellman
BDO Tauranga
On behalf of the Auditor-General
Tauranga, New Zealand