

Fairfield College

Annual Report

for the year ended 31 December 2019

School Directory:

Ministry Number: 129
Principal: Richard Crawford
School Address: 25 Bankwood Road, Hamilton
School Postal Address: P O Box 12 228, Hamilton 3248
School Phone: 07 853 5660
School Email: adminfc@faircol.school.nz

Members of the Board of Trustees:

Name	Position	How Position Gained	Occupation	Term Expired/ Expires
Darise Mackenzie	Chairperson, Parent Rep	Elected	Teacher Aide	June 2022
Richard Crawford	Principal	ex Officio		
Leiticia Koschany	Parent Rep	Elected	School Librarian	June 2022
Colin Leeming	Parent Rep	Elected	Electrician	June 2022
Andrew Harries	Parent Rep	Elected	Teacher	June 2022
Kit Buckley	Parent Rep	Elected	Manager	June 2022
Chris Laird	Parent Rep	Elected	Builder	June 2022
Deborah Fisher	Parent Rep	Elected	Volunteer	June 2022
Kiran Gibbard	Staff Rep	Elected	Teacher	June 2022
Sophie Brown	Student Rep	Elected	Student	June 2022
Te Huia Pompey	Parent Rep	Term Expired		June 2019
Tania Heke	Parent Rep	Term Expired		June 2019
Sally Winchester	Staff Rep	Term Expired		June 2019
Elizabeth Bainbridge	Student Rep	Term Expired		June 2019

Accountant / Service Provider: Russell Wilkinson

Fairfield College

Annual Report

for the year ended 31 December 2019

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Fairfield College

Statement of Responsibility

for the year ended 31 December 2019

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 2019 fairly reflects the financial position and operations of the School.

The School's 2019 financial statements are authorised for issue by the Board.

Darise Mackenzie
Full Name of Board Chairperson

Richard James Craford
Full Name of Principal


Signature of Board Chairperson


Signature of Principal

5/6/2020
Date

5/6/2020
Date

Fairfield College

Statement of Comprehensive Revenue and Expense

for the year ended 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government grants	2	8,215,706	8,161,605	8,168,761
Locally raised funds	3	331,895	146,738	271,750
Interest income		13,879	9,807	6,782
		<u>8,561,480</u>	<u>8,318,150</u>	<u>8,447,293</u>
Expenses				
Locally raised funds	3	176,224	53,234	118,750
Learning resources	4	5,181,686	5,214,578	5,145,812
Administration	5	522,669	473,433	461,183
Finance		4,613	846	4,667
Property	6	2,534,022	2,468,524	2,461,745
Depreciation	7	247,323	235,000	243,020
Loss on disposal of property, plant and equipment		1,582	-	1,987
		<u>8,668,119</u>	<u>8,445,615</u>	<u>8,437,164</u>
Net Surplus (Deficit) for the year		<u>(106,639)</u>	<u>(127,465)</u>	<u>10,129</u>
Other comprehensive revenue and expenses		-	-	-
Total comprehensive revenue and expense for the year		<u><u>(106,639)</u></u>	<u><u>(127,465)</u></u>	<u><u>10,129</u></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.

Fairfield College

Statement of Changes in Net Assets / Equity

for the year ended 31 December 2019

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Balance at 1 January	978,143	978,143	948,788
Total comprehensive revenue and expense for the year	(106,639)	(127,465)	10,129
Capital contributions from the Ministry of Education: Contribution - furniture and equipment grant	-	-	19,226
Equity at 31 December	<u>871,504</u>	<u>850,678</u>	<u>978,143</u>
Retained Earnings	871,504	850,678	978,143
Equity at 31 December	<u>871,504</u>	<u>850,678</u>	<u>978,143</u>

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.

Fairfield College

Statement of Financial Position

as at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and cash equivalents	8	191,346	277,343	495,195
Accounts receivable	9	318,603	323,824	323,824
GST receivable		36,208	6,445	6,445
Prepayments		34,017	5,355	5,355
Inventories	10	844	964	964
Investments	11	300,000	-	-
		<u>881,018</u>	<u>613,931</u>	<u>831,783</u>
Current Liabilities				
Accounts payable	13	432,781	436,487	436,487
Revenue received in advance	14	71,917	-	47,294
Provision for cyclical maintenance	15	74,434	-	74,055
Painting contract liability - current portion	16	25,879	8,821	48,737
Finance lease liability - current portion	17	52,383	17,781	58,964
Borrowings - due in one year	18	14,900	14,900	14,900
Funds held for capital works projects	19	77,947	-	118,882
Funds held on behalf of COL Cluster	20	58,558	-	15,980
		<u>808,799</u>	<u>477,989</u>	<u>815,299</u>
Working Capital Surplus / (Deficit)		72,219	135,942	16,484
Non Current Assets				
Property, plant and equipment	12	1,135,547	1,039,091	1,274,091
Non Current Liabilities				
Provision for cyclical maintenance	15	305,058	303,770	250,346
Painting contract liability	16	-	-	8,821
Finance lease liability	17	17,665	6,823	24,603
Borrowings	18	6,539	6,762	21,662
Tennie Memorial		7,000	7,000	7,000
		<u>336,262</u>	<u>324,355</u>	<u>312,432</u>
Net Assets		<u>871,504</u>	<u>850,678</u>	<u>978,143</u>
Equity		<u>871,504</u>	<u>850,678</u>	<u>978,143</u>

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

Fairfield College

Statement of Cash Flows

for the year ended 31 December 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government grants		2,230,727	2,096,582	2,226,611
Locally raised funds		404,229	148,487	310,629
Goods and Services Tax (net)		(29,763)	10,372	10,732
Payments to employees		(1,340,343)	(1,354,474)	(1,288,002)
Payments to suppliers		(1,065,090)	(816,553)	(903,841)
Interest paid		(4,613)	(846)	(4,667)
Interest received		12,621	9,807	6,878
Net cash from operating activities		207,768	93,375	358,340
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(61,871)	(215,197)	(187,737)
Purchase of investments		(300,000)	-	-
Proceeds from the sale of investments		-	-	7,000
Net cash from investing activities		(361,871)	(215,197)	(180,737)
Cash flows from Financing Activities				
Furniture and equipment grant		-	-	19,226
Finance lease payments		(62,009)	(32,393)	(36,585)
Repayment of loans		(15,123)	(14,900)	(9,643)
Painting contract payments		(31,679)	(48,737)	(33,726)
Funds held for capital works projects		(40,935)	-	28,666
Net cash from financing activities		(149,746)	(96,030)	(32,062)
Net increase/(decrease) in cash and cash equivalents		(303,849)	(217,852)	145,541
Cash and cash equivalents at the beginning of the year	8	495,195	495,195	349,654
Cash and cash equivalents at the end of the year	8	191,346	277,343	495,195

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.

Fairfield College

Notes to the Financial Statements

for the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting entity

Fairfield College (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. The Board of Trustees (the Board) is of the view 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 2019 to 31 December 2019 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 Act 1989 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".

Standard early adopted

In line with the financial statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in note 29.

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.

Fairfield College
Notes to the Financial Statements (cont'd)
for the year ended 31 December 2019

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 lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of 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 grant 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.

Use of land and buildings grants are recorded as revenue in the period the School uses the land and buildings. These are not received in cash by the School as they equate to the deemed expense for using land and buildings which are owned by the Crown.

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.

Fairfield College
Notes to the Financial Statements (cont'd)
for the year ended 31 December 2019

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 Crown and managed by the Ministry of Education on behalf of the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Ministry.

e) 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.

f) 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.

g) Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for credit losses. The school applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped on the days past due. Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Prior Year Policy

Accounts receivable represents items that the School has issued invoices for or accrued for, but has not received payment for at year end. Receivables are initially recorded at fair value and subsequently recorded at the amount the School realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the School will not be able to collect all the amounts due. The amount that is uncollectable (the provision for uncollectibility) is the difference between the amount due and the present value of the amounts expected to be collected.

h) Inventories

Inventories are consumable items held for sale and comprises stationery. 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.

Fairfield College
Notes to the Financial Statements (cont'd)
for the year ended 31 December 2019

i) 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 amount is not trivial.

Prior Year Policy

Bank term deposits for periods exceeding 90 days are classified as investments and are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. After initial recognition bank term deposits are measured at amortised cost using the effective interest method less impairment.

j) Property, Plant, and Equipment

Land and buildings owned by the Crown 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 Crown 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.

Property, plant and equipment acquired with individual values under \$1,000 are not capitalised. They are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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 depreciated over the shorter of the lease term and its useful life.

Fairfield College
Notes to the Financial Statements (cont'd)
for the year ended 31 December 2019

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:

Building improvements to Crown owned assets	40 years
Furniture and equipment	10 years
Information and communication technology	3-5 years
Motor vehicles	5 years
Textbooks	4 years
Leased assets held under a finance lease	3-5 years
Sports equipment	2 years
Other fixed assets	10 years
Library resources	12.5% diminishing value

k) 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.

l) 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.

Fairfield College
Notes to the Financial Statements (cont'd)
for the year ended 31 December 2019

m) 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 annual leave earned 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.

n) Revenue Received in Advance

Revenue received in advance relates to funds received from grants and fees received from students where there are unfulfilled obligations for the School to provide services in the future. The fees are recorded as revenue as the obligations are fulfilled and the fees earned.

o) Provision for Cyclical Maintenance

The property from which the School operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's 10-year property plan (10YPP).

p) Financial Assets and Liabilities

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 "loans and receivables" 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) 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 Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Fairfield College
Notes to the Financial Statements (cont'd)
for the year ended 31 December 2019

r) Budget Figures

The budget figures are extracted from the School budget that was approved by the Board at the start of the year.

s) 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.

Fairfield College
Notes to the Financial Statements (cont'd)
for the year ended 31 December 2019

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
2. Government grants			
Operational grants	1,876,748	1,804,248	1,827,771
Teachers' salaries grants	3,997,483	4,000,000	3,948,295
Use of land and buildings grants	1,988,842	2,000,000	1,990,435
Other MOE grants	223,154	244,019	274,914
Other government grants	129,479	113,338	127,346
	<u>8,215,706</u>	<u>8,161,605</u>	<u>8,168,761</u>

3. Locally raised funds

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

Revenue

Donations	6,140	8,509	29,692
Fundraising	43,458	13,716	57,342
Other revenue	135,151	24,008	55,225
Trading	28,707	36,467	34,978
Activities	84,240	31,038	52,727
Community pool	34,199	33,000	41,786
	<u>331,895</u>	<u>146,738</u>	<u>271,750</u>

Expenses

Fundraising (costs of raising funds)	18,519	6,436	19,110
Trading	6,299	2,061	1,912
Activities	132,006	30,870	82,115
Community pool	19,400	13,867	15,613
	<u>176,224</u>	<u>53,234</u>	<u>118,750</u>

Surplus (deficit) for the year locally raised funds

	<u>155,671</u>	<u>93,504</u>	<u>153,000</u>
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The school had an overseas trip to Hawaii in 2019 for students' Kapa Haka group. The knowledge and experience the students gained from this trip will supplement their ability to do well in their assessments. The trip is also a life-changing experience for the students and will not only develop academic growth but also character growth. The trip was funded mainly through student contributions. Total income received from students was \$41,622 and total expenditure on the trip was \$42,042. Funds spent on the trip mainly related to air tickets and accommodation. (2018 - Business Studies trip to China and Rugby trip to Australia)

4. Learning resources

Curricular	229,770	236,409	236,932
Information and communication technology	10,265	9,352	12,792
Extra-curricular activities	1,876	1,336	1,425
Library resources	2,890	4,027	2,525
Employee benefits - salaries	4,921,150	4,951,719	4,883,525
Staff development	15,735	11,735	8,613
	<u>5,181,686</u>	<u>5,214,578</u>	<u>5,145,812</u>

Fairfield College
Notes to the Financial Statements (cont'd)
for the year ended 31 December 2019

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
5. Administration			
Audit fees	9,865	8,484	8,995
Board of Trustees fees	4,030	2,927	4,077
Board of Trustees expenses	2,599	1,204	2,453
Communication	15,148	13,998	14,438
Consumables	76,294	63,919	64,975
Operating lease	-	8,071	-
Other	74,518	47,712	50,471
Employee benefits - salaries	325,585	308,143	296,770
Insurance	11,730	16,535	16,574
Service providers, contractors, consultancy	2,900	2,440	2,430
	<u>522,669</u>	<u>473,433</u>	<u>461,183</u>

6. Property

Caretaking and cleaning consumables	13,826	8,721	10,054
Consultancy and contract services	95,025	89,496	106,550
Cyclical maintenance provision	62,740	53,424	46,547
Grounds	55,509	42,709	42,154
Heat, light, and water	96,325	89,503	72,917
Rates	15,339	12,845	13,375
Repairs and maintenance	99,649	68,140	74,654
Use of land and buildings	1,988,842	2,000,000	1,990,435
Security	16,202	7,574	11,749
Employee benefits - salaries	90,565	96,112	93,310
	<u>2,534,022</u>	<u>2,468,524</u>	<u>2,461,745</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

Building improvements - crown	41,926	41,000	41,485
Furniture and equipment	20,395	18,000	18,656
Information and communication	140,540	130,000	134,212
Motor vehicles	450	1,000	450
Textbooks	5,121	5,000	5,832
Leased assets	21,078	20,000	22,417
Sports equipment	-	1,000	592
Library resources	2,803	3,000	2,996
Other fixed assets	15,010	16,000	16,380
	<u>247,323</u>	<u>235,000</u>	<u>243,020</u>

Fairfield College
Notes to the Financial Statements (cont'd)
for the year ended 31 December 2019

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
8. Cash and Cash Equivalents			
ASB Current account	32,525	23,811	23,811
ASB SSC AP Payers account	2,412	1,665	1,665
ASB Saver account	81,756	221,420	439,272
ASB Jubilee account	13,597	13,459	13,459
ASB COL account	60,054	15,987	15,987
ASB Student Council account	827	826	826
Petty cash	175	175	175
Cash and cash equivalents for Statement of Cash Flows	191,346	277,343	495,195

The carrying value of short term deposits with maturity dates of 90 days or less approximates their fair value.

Of the \$191,346 Cash and Cash Equivalents, \$77,947 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2020 on Crown owned school buildings under the School's Five Year Property Plan.

9. Accounts Receivable

Receivables	17,436	22,569	22,569
Interest receivable	1,258	-	-
Teacher salaries grant receivable	299,909	301,255	301,255
	318,603	323,824	323,824
Receivables from exchange transactions	18,694	22,569	22,569
Receivables from non-exchange transactions	299,909	301,255	301,255
	318,603	323,824	323,824

10. Inventories

Stationery	844	964	964
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11. Investments

The School's investment activities are classified as follows:

Current Asset:

Short term bank deposits	300,000	-	-
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Fairfield College
Notes to the Financial Statements (cont'd)
for the year ended 31 December 2019

12. Property, Plant and Equipment

	Opening Balance					Total (NBV)
	NBV	Additions	Disposals	Impairment	Depreciation	
	\$	\$	\$	\$	\$	
2019						
Building improvements - Crown	877,061	-	-	-	(41,926)	835,135
Furniture & equipment	65,787	30,862	-	-	(20,395)	76,254
Information and communication	209,448	48,490	-	-	(140,540)	117,398
Motor vehicles	2,380	-	-	-	(450)	1,930
Textbooks	6,709	4,396	-	-	(5,121)	5,984
Leased assets	37,574	19,365	-	-	(21,078)	35,861
Sports equipment	-	-	-	-	-	-
Library resources	20,970	3,037	(1,582)	-	(2,803)	19,622
Other fixed assets	54,162	4,211	-	-	(15,010)	43,363
Balance at 31 December 2019	1,274,091	110,361	(1,582)	-	(247,323)	1,135,547

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019			
Building improvements - Crown	1,677,031	841,896	835,135
Furniture & equipment	167,754	91,500	76,254
Information and communication	333,408	216,010	117,398
Motor vehicles	4,500	2,570	1,930
Textbooks	10,071	4,087	5,984
Leased assets	60,352	24,491	35,861
Library resources	112,385	92,763	19,622
Other fixed assets	138,039	94,676	43,363
Balance at 31 December 2019	2,503,540	1,367,993	1,135,547

	Opening Balance					Total (NBV)
	NBV	Additions	Disposals	Impairment	Depreciation	
	\$	\$	\$	\$	\$	
2018						
Building improvements - Crown	897,018	21,528	-	-	(41,485)	877,061
Furniture & equipment	75,623	8,820	-	-	(18,656)	65,787
Information and communication	214,111	129,549	-	-	(134,212)	209,448
Motor vehicles	2,830	-	-	-	(450)	2,380
Textbooks	11,004	1,537	-	-	(5,832)	6,709
Leased assets	26,281	33,710	-	-	(22,417)	37,574
Sports equipment	592	-	-	-	(592)	-
Library resources	22,290	3,663	(1,987)	-	(2,996)	20,970
Other fixed assets	47,902	22,640	-	-	(16,380)	54,162
Balance at 31 December 2018	1,297,651	221,447	(1,987)	-	(243,020)	1,274,091

Fairfield College
Notes to the Financial Statements (cont'd)
for the year ended 31 December 2019

12. Property, Plant and Equipment (cont'd)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018			
Building improvements - Crown	1,677,031	799,970	877,061
Furniture & equipment	143,887	78,100	65,787
Information and communication	571,416	361,968	209,448
Motor vehicles	4,500	2,120	2,380
Textbooks	22,033	15,324	6,709
Leased assets	65,499	27,925	37,574
Library resources	118,270	97,300	20,970
Other fixed assets	159,372	105,210	54,162
Balance at 31 December 2018	<u>2,762,008</u>	<u>1,487,917</u>	<u>1,274,091</u>

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
13. Accounts Payable			
Operating creditors	108,498	111,678	111,678
Employee entitlements - salaries	299,909	301,538	301,538
Employee entitlements - leave accrual	24,374	23,271	23,271
	<u>432,781</u>	<u>436,487</u>	<u>436,487</u>
Payables for exchange transactions	432,781	436,487	436,487
Payables for non-exchange transactions - taxes payable (PAYE and rates)	-	-	-
Payables for non-exchange transactions - other	-	-	-
	<u>432,781</u>	<u>436,487</u>	<u>436,487</u>

The carrying value of payables approximates their fair value

14. Revenue received in Advance

F Hausman	865	-	1,115
Student automatic payments	26,978	-	21,764
Trust Waikato	5,000	-	6,500
Grassroots Trust	9,545	-	-
WEL Energy Trust	12,000	-	-
Jubilee Fund	9,170	-	9,170
Landscaping Fund	3,843	-	3,843
Other	4,516	-	4,902
	<u>71,917</u>	<u>-</u>	<u>47,294</u>

Fairfield College
Notes to the Financial Statements (cont'd)
for the year ended 31 December 2019

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
15. Provision for Cyclical Maintenance			
Provision at the start of the year	324,401	324,401	277,854
Increase to the provision during the year	55,091	53,424	46,547
Use of the provision during the year	-	(74,055)	-
Provision at the end of the year	<u>379,492</u>	<u>303,770</u>	<u>324,401</u>
Cyclical maintenance - current	74,434	-	74,055
Cyclical maintenance - term	<u>305,058</u>	<u>303,770</u>	<u>250,346</u>
	<u>379,492</u>	<u>303,770</u>	<u>324,401</u>

16. Painting Contract Liability

Current liability	25,879	8,821	48,737
Non current liability	-	-	8,821
	<u>25,879</u>	<u>8,821</u>	<u>57,558</u>

In 2007 the Board signed an agreement with Programmed Maintenance Services Ltd (the contractor) for an agreed programme of work covering a fourteen year period. The programme provides for two exterior repaints of the Ministry owned buildings in 2007 and 2014, with regular maintenance in subsequent years. The agreement has an annual commitment of \$39,900 (with annual CPI adjustment). The liability is the best estimate of the actual amount of work completed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the time value of money.

17. Finance Lease Liability

The School has entered into fourteen finance lease agreements for photocopiers, a telephone system and teacher laptops. Minimum lease payments payable:

No later than one year	52,383	17,781	58,964
Later than one year and no later than five years	17,665	6,823	24,603
Later than five years	-	-	-
	<u>70,048</u>	<u>24,604</u>	<u>83,567</u>

18. Borrowings

Due in one year	14,900	14,900	14,900
Due beyond one year	6,539	6,762	21,662
	<u>21,439</u>	<u>21,662</u>	<u>36,562</u>

The school has borrowings at 31 December 2019 of \$21,439 (31 December 2018 - \$36,562). This loan is from the ASB Bank for the purpose of purchasing a server. The loan is unsecured, interest is 5.29% per annum and the loan is payable with interest in equal instalments of \$1,391.

Fairfield College
Notes to the Financial Statements (cont'd)
for the year ended 31 December 2019

19. Funds Held for Capital Works Projects

During the year the school received and applied funding from the Ministry of Education for the following capital works projects:

2019	Opening Balances	Receipts from MOE	Payments	Closing Balances
	\$	\$	\$	\$
Rationalisation (in progress)	(27,870)	60,074	31,714	490
C Block refurbishment (in progress)	2,320	-	-	2,320
Key replacement (completed)	(1,216)	1,216	-	-
D Block refurbishment (in progress)	70,847	-	-	70,847
M Block music (in progress)	42,097	4,677	47,817	(1,043)
LSC cladding and roof repair (completed)	33,604	235	33,839	-
Y Block boiler (in progress)	(900)	31,274	27,055	3,319
D Block lighting (in progress)	-	42,826	40,812	2,014
Y Block heatpumps (completed)	-	28,446	28,446	-
	<u>118,882</u>	<u>168,748</u>	<u>209,683</u>	<u>77,947</u>

Represented by:

Funds held on behalf of the Ministry of Education	78,990
Funds due from the Ministry of Education	(1,043)
	<u>77,947</u>

2018	Opening Balances	Receipts from MOE	Payments	Closing Balances
	\$	\$	\$	\$
Rationalisation (in progress)	27,675	577,784	633,329	(27,870)
C Block refurbishment (in progress)	8,554	-	6,234	2,320
Key replacement (completed)	60,981	-	62,197	(1,216)
ALC carpet (completed)	(3,144)	3,144	-	-
D Block refurbishment (in progress)	(3,850)	89,967	15,270	70,847
Air conditioner F Block (completed)	-	6,733	6,733	-
M Block music (in progress)	-	42,097	-	42,097
LSC cladding and roof repair (in progress)	-	33,604	-	33,604
Y Block boiler (in progress)	-	-	900	(900)
	<u>90,216</u>	<u>753,329</u>	<u>724,663</u>	<u>118,882</u>

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
20. Funds Held on Behalf of Community of Learning Cluster			
Funds held at beginning of the year	15,980	-	-
Funds received from cluster members	60,624	-	15,980
Funds received from MoE	2,400	-	-
Interest received	382	-	-
Funds spent on behalf of the cluster	(20,828)	-	-
Funds held at year end	<u>58,558</u>	<u>-</u>	<u>15,980</u>

Fairfield College
Notes to the Financial Statements (cont'd)
for the year ended 31 December 2019

21. 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 conditions 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.

Colin Leeming is a trustee of the Board and also owns Matrix Electrical. During the year the School contracted Matrix Electrical Limited to carry out lighting and other electrical work on M and D Blocks. The total value of all transactions for the year was \$118,486 (2018: \$20,821) and \$45,556 was outstanding as at balance date (Prior Period: \$645). Because this amount is more than \$25,000 for the year the contract requires Ministry approval under section 103 of the Education Act 1989.

22. Remuneration

Key management personnel compensation

Key management personnel of the School includes all Trustees of the Board, Principal, Deputy Principals and Heads of Department.

	2019	2018
	Actual	Actual
	\$	\$
Board Members		
Remuneration	4,030	4,077
Full time equivalent members	0.12	0.10
Leadership Team		
Remuneration	522,842	473,286
Full time equivalent members	4.00	4.00
Total key management personnel remuneration	526,872	477,363
Total full time equivalent personnel	4.12	4.10

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:

	2019	2018
	Actual	Actual
	\$000	\$000
Salaries and other short term employee benefits:		
Salary and other payments	180 - 190	160 - 170.
Benefits and other emoluments	5 - 10	4 - 5
Termination benefits	Nil	Nil



Fairfield College
Notes to the Financial Statements (cont'd)
for the year ended 31 December 2019

22. Remuneration (cont'd)

Other Employees

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

Remuneration \$000	2019 FTE	2018 FTE
100 - 110	3	1

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

23. 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 members, 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:

	2019 Actual	2018 Actual
Total value	Nil	Nil
Number of people	Nil	Nil

24. Contingencies

There are no contingent liabilities (except as listed below) and no contingent assets as at 31 December 2019 (Contingent liabilities and assets at 31 December 2018 - nil).

Holidays Act Compliance - Schools Payroll

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

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance. The Ministry has recognised an estimated provision based on the analysis of sample data, which may not be wholly representative of the total dataset for Teacher and Support Staff Entitlements. A more accurate estimate will be possible after further analysis of non-compliance has been completed, and this work is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2019, a contingent liability for the school may exist.

25. Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has entered into the following contract agreements for capital works.:

(i) A \$814,449 contract with Mitchell Construction as agent of the Ministry of Education for rationalisation project which is expected to be completed by 2020. This project is fully funded by the Ministry and \$765,898 has been received. Total spent on the project to date amounts to \$765,408.

(ii) A \$38,168 contract as agent of the Ministry of Education for the M Block refurbishment project which is expected to be completed by 2020. This project is fully funded by the Ministry and \$46,774 has been received. Total spent on the project to date amounts to \$47,817.

(iii) A \$38,975 contract as agent of the Ministry of Education for the D Block lighting project which is expected to be completed by 2020. This project is fully funded by the Ministry and \$42,826 has been received. Total spent on the project to date amounts to \$40,812.

Fairfield College
Notes to the Financial Statements (cont'd)
for the year ended 31 December 2019

25. Commitments (cont'd)

(a) Capital Commitments (cont'd)

Capital commitments at 31 December 2018:

- (i) Rationalisation - \$705,824 received of which \$733,694 had been spent.
- (iii) Key Replacement - \$60,981 received of which \$62,197 had been spent.
- (iv) M Block Refurbishment - \$42,097 received of which none had been spent.
- (v) LSC Recladding and Rood Repairs - \$33,604 received of which none had been spent.

(b) Operating Commitments

As at 31 December 2019 the Board has not entered into any operating lease agreements.

26. 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 revenue 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.

27. Financial Instruments

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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Financial assets measured at amortised cost (2018: Loans and receivables)			
Cash and cash equivalents	191,346	277,343	495,195
Receivables	318,603	323,824	323,824
Investments - term deposits	300,000	-	-
Total financial assets measured at amortised cost	809,949	601,167	819,019
Financial liabilities measured at amortised cost			
Payables	432,781	436,487	436,487
Finance leases	70,048	24,604	83,567
Painting contract liability	25,879	8,821	57,558
Total financial liabilities measured at amortised cost	528,708	469,912	577,612

28. Events After Balance Date

On March 11, 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26 March, New Zealand increased its' COVID-19 alert level to level 4 and a nationwide lockdown commenced. As part of this lockdown all schools were closed. Subsequently all schools and kura reopened on 18 May 2020.

At the date of issuing the financial statements, the school has been able to absorb the majority of the impact from the nationwide lockdown as it was decided to start the annual Easter school holidays early. In the periods the school is open for tuition, the school has switched to alternative methods of delivering the curriculum, so students can learn remotely.

At this time the full financial impact of the COVID-19 pandemic is not able to be determined, but it is not expected to be significant to the school. The school will continue to receive funding from the Ministry of Education, even while closed.

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



29. Adoption of PBE IFRS 9 Financial Instruments

In accordance with the transitional provisions of PBE IFRS 9, the school has elected not to restate the information for previous years to comply with PBE IFRS 9. Adjustments arising from the adoption of PBE IFRS 9 are recognised in the opening equity at 1 January 2019. Accounting policies have been updated to comply with PBE IFRS 9. The main updates are:

- Receivables: This policy has been updated to reflect that impairment of short-term receivables is now determined by applying an expected credit loss model.
- Investments : This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

Upon transition to PBE IFRS 9 there were no material adjustments to the financial statements.

30. Failure to Comply With Section 87 of the Education Act 1989

The Board of Trustees has failed to comply with Section 87 of the Education Act 1989, as the Board were unable to provide their audited financial statements to the Ministry of Education by 31 May 2020. The disruption caused by the Covid-19 restrictions, including the closure of the school, meant that the audit could not proceed as planned. This resulted in the school missing the statutory deadline.