

# **Marlborough School**

## **Annual Report for the year ended 31 December 2020**

<b>Ministry Number:</b>	1361
<b>Principal:</b>	Sue Buckley
<b>School Address:</b>	Wykeham Place, Auckland
<b>School Postal Address:</b>	4 Wykeham Place, North Shore City, 0629
<b>School Phone:</b>	09-4810365
<b>School Email:</b>	office@marlboroughprimary.school.nz
<b>Service Provider:</b>	Edtech Financial Services Ltd

**Marlborough Primary School**

**Members of the Board of Trustees**

For the year ended 31 December 2020

<b>Name</b>	<b>Position</b>	<b>How position on Board gained</b>	<b>Occupation</b>	<b>Term expired/expires</b>
Anthony Wrigley	Parent Representative	Election	ICT Tech	June 2022
Cherie Holland	Board Chair	Election	Solicitor	June 2022
Maggie Hu	Parent Representative	Election	Retail	June 2022
Sue Buckley	Principal	Ex officio	Principal	
Katie Sandilands	Parent Representative	Election	Lecturer	June 2022
Michael Butler	Parent Representative	Election	Project Manager	June 2022
Deanne Wotton	Staff Representative		Teacher	June 2022

# Marlborough School

## Annual Report

For the year ended 31 December 2020

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**Marlborough 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.

Cherie Lisa Holland  
Full Name of Board Chairperson

  
Signature of Board Chairperson

05/09/2021  
Date:

SUZANNE MARGARET BUCKLEY  
Full Name of Principal

  
Signature of Principal

05/09/2021  
Date:

**Marlborough School**  
**Statement of Comprehensive Revenue and Expense**

For the year ended 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
<b>Revenue</b>				
Government Grants	2	3,731,461	2,598,564	2,891,685
Locally Raised Funds	3	30,584	14,100	124,212
Interest Income		3,313	3,600	8,325
International Students	4	8,870	3,996	13,870
		<u>3,774,228</u>	<u>2,620,260</u>	<u>3,038,092</u>
<b>Expenses</b>				
Locally Raised Funds	3	32,687	-	35,086
International Students	4	2,170	-	1,183
Learning Resources	5	2,179,163	1,687,176	1,863,203
Administration	6	106,070	114,492	108,784
Finance		3,997	-	6,109
Property	7	1,038,415	803,340	978,983
Depreciation	8	79,925	54,996	76,959
Impairment of Property, Plant and Equipment	13	-	-	37,160
		<u>3,442,427</u>	<u>2,660,004</u>	<u>3,107,467</u>
<b>Net Surplus / (Deficit) for the year</b>		<b>331,801</b>	<b>(39,744)</b>	<b>(69,375)</b>
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u><u>331,801</u></u>	<u><u>(39,744)</u></u>	<u><u>(69,375)</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.

**Marlborough School**  
**Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2020

		2020	2020	2019
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Balance at 1 January</b>		658,536	658,536	718,161
Total comprehensive revenue and expense for the year		331,801	(39,744)	(69,375)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		39,000	-	9,750
<b>Equity at 31 December</b>	24	<b>1,029,337</b>	<b>618,792</b>	<b>658,536</b>
Retained Earnings		1,029,337	618,792	658,536
<b>Equity at 31 December</b>		<b>1,029,337</b>	<b>618,792</b>	<b>658,536</b>

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.

**Marlborough School**  
**Statement of Financial Position**

As at 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
<b>Current Assets</b>				
Cash and Cash Equivalents	9	187,713	267,782	26,149
Accounts Receivable	10	191,603	174,800	243,451
GST Receivable		5,653	27,000	51,054
Prepayments		7,065	7,000	7,748
Inventories	11	448	700	617
Investments	12	206,013	200,000	200,000
Funds Due from Capital works	18	484,695		352,872
		<b>1,083,190</b>	<b>677,282</b>	<b>881,891</b>
<b>Current Liabilities</b>				
Accounts Payable	14	167,134	178,504	229,028
Revenue Received in Advance	15	1,342	-	12,704
Provision for Cyclical Maintenance	16	14,400	37,700	20,050
Finance Lease Liability - Current Portion	17	29,395	29,922	27,116
Funds Held for Capital Works Projects	18	53,293	-	165,064
		<b>265,564</b>	<b>246,126</b>	<b>453,962</b>
<b>Working Capital Surplus/(Deficit)</b>		<b>817,626</b>	<b>431,156</b>	<b>427,929</b>
<b>Non-current Assets</b>				
Property, Plant and Equipment	13	254,029	240,458	295,454
		<b>254,029</b>	<b>240,458</b>	<b>295,454</b>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	16	25,300	28,450	35,750
Finance Lease Liability	17	17,018	24,372	29,097
		<b>42,318</b>	<b>52,822</b>	<b>64,847</b>
<b>Net Assets</b>		<b>1,029,337</b>	<b>618,792</b>	<b>658,536</b>
<b>Equity</b>	24	<b>1,029,337</b>	<b>618,792</b>	<b>658,536</b>

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

# Marlborough School

## Statement of Cash Flows

For the year ended 31 December 2020

	2020	2020 Budget	2019
Note	Actual	(Unaudited)	Actual
	\$	\$	\$
<b>Cash flows from Operating Activities</b>			
Government Grants	1,018,811	690,056	745,632
Locally Raised Funds	20,732	31,906	89,386
International Students	(3,834)	(8,708)	19,726
Goods and Services Tax (net)	45,401	24,054	(47,289)
Payments to Employees	(310,268)	(353,118)	(567,922)
Payments to Suppliers	(341,351)	(332,489)	(152,862)
Cyclical Maintenance Payments in the year	(13,655)	-	-
Interest Paid	(3,997)	-	(6,109)
Interest Received	4,809	4,043	5,088
<b>Net cash from/(to) Operating Activities</b>	<b>416,648</b>	<b>55,744</b>	<b>85,650</b>
<b>Cash flows from Investing Activities</b>			
Proceeds from Sale of Property Plant & Equipment (and Intangibles)	-	-	-
Purchase of Property Plant & Equipment (and Intangibles)	(39,915)	(104,378)	(343,398)
Purchase of Investments	(6,013)	-	-
<b>Net cash from/(to) Investing Activities</b>	<b>(45,928)</b>	<b>(104,378)</b>	<b>(343,398)</b>
<b>Cash flows from Financing Activities</b>			
Furniture and Equipment Grant	39,000	-	9,750
Finance Lease Payments	(4,562)	102,459	15,758
Funds Held for Capital Works Projects	(243,594)	187,808	(187,808)
<b>Net cash from/(to) Financing Activities</b>	<b>(209,156)</b>	<b>290,267</b>	<b>(162,300)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>161,564</b>	<b>241,633</b>	<b>(420,048)</b>
Cash and cash equivalents at the beginning of the year	9 26,149	26,149	446,197
<b>Cash and cash equivalents at the end of the year</b>	<b>9 187,713</b>	<b>267,782</b>	<b>26,149</b>

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.



## Marlborough School

# Notes to the Financial Statements

For the year ended 31 December 2020

### 1. Statement of Accounting Policies

#### Reporting Entity

Marlborough 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.

#### 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.

##### Cyclical maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision of cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 16.

##### 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 13.

## **Marlborough School**

# **Notes to the Financial Statements (cont.)**

For the year ended 31 December 2020

### ***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.

### **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 the 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.

#### ***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.

#### ***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.

### **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.

### **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.

## Marlborough School

# Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

### 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.

### 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.

### Inventories

Inventories are consumable items held for sale and comprise 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.

### 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.

### 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.

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:

Buildings	8-50 years
Furniture and equipment	3-10 years
Information and communication technology	5-10 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value

## Marlborough School

# Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

### **Impairment of property, plant, and equipment**

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 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.

### **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.

### **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.

### **Revenue Received in Advance**

Revenue received in advance relates to payments received for Student funds 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.

The School holds sufficient funds to enable the refund of unearned fees in relation to this revenue received in advance, should the School be unable to provide the services to which they relate.

## **Marlborough School**

# **Notes to the Financial Statements (cont.)**

For the year ended 31 December 2020

### **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 ten year property plan (10YPP).

### **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 a mortised 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.

### **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.

### **Budget Figures**

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

### **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.

**Marlborough School**  
**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2020

**2 Government Grants**

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operational Grants	689,959	419,376	511,779
Teachers' Salaries Grants	1,924,866	1,308,540	1,310,846
Use of Land and Buildings Grants	899,649	655,656	843,094
Resource Teachers Learning and Behaviour Grants	3,544	-	4,319
Other MoE Grants	208,967	214,992	199,195
Other Government Grants	4,476	-	22,452
	<b>3,731,461</b>	<b>2,598,564</b>	<b>2,891,685</b>

The School has opted in to the donations scheme for this year. Total amount received was \$57,000.

Other MOE Grants total includes additional COVID-19 funding totalling \$19,190 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 \$
<b>Revenue</b>			
Donations	7,454	2,496	73,059
Activities	22,029	11,604	47,845
Trading	1,101	-	3,308
	<b>30,584</b>	<b>14,100</b>	<b>124,212</b>
<b>Expenses</b>			
Activities	31,762	-	31,276
Trading	925	-	2,910
Fundraising (Costs of Raising Funds)	-	-	900
	<b>32,687</b>	<b>-</b>	<b>35,086</b>
<b>Surplus/ (Deficit) for the year Locally Raised Funds</b>	<b>(2,103)</b>	<b>14,100</b>	<b>89,126</b>

**4 International Student Revenue and Expenses**

	2020 Actual Number	2020 Budget (Unaudited) Number	2019 Actual Number
International Student Roll	1	1	1
	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Revenue</b>			
International Student Fees	8,870	3,996	13,870
<b>Expenses</b>			
International Student Levy	2,170	-	1,183
	<b>2,170</b>	<b>-</b>	<b>1,183</b>
<b>Surplus/ (Deficit) for the year International Students</b>	<b>6,700</b>	<b>3,996</b>	<b>12,687</b>

**Marlborough School**

**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2020

**5 Learning Resources**

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Curricular	13,865	34,080	27,534
Information and Communication Technology	14,978	22,452	19,645
Library Resources	52	996	545
Employee Benefits - Salaries	2,136,840	1,570,548	1,782,417
Staff Development	13,428	59,100	33,062
	<u>2,179,163</u>	<u>1,687,176</u>	<u>1,863,203</u>

**6 Administration**

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Audit Fee	7,188	8,004	7,718
Board of Trustees Fees	3,910	4,596	3,900
Board of Trustees Expenses	7,413	8,820	6,456
Communication	3,496	3,504	3,485
Consumables	13,899	15,492	13,155
Legal Fees	-	3,000	-
Other	4,907	6,168	5,087
Employee Benefits - Salaries	47,503	46,404	52,692
Insurance	5,080	3,504	4,517
Service Providers, Contractors and Consultancy	12,674	15,000	11,774
	<u>106,070</u>	<u>114,492</u>	<u>108,784</u>

**7 Property**

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Caretaking and Cleaning Consumables	15,293	10,368	12,178
Consultancy and Contract Services	35,738	32,496	33,816
Cyclical Maintenance Expense	(2,445)	8,004	(7,650)
Grounds	11,883	10,404	11,756
Heat, Light and Water	18,606	20,004	21,345
Rates	122	108	105
Repairs and Maintenance	6,258	12,792	7,199
Use of Land and Buildings	899,649	655,656	843,094
Security	4,695	8,004	8,360
Employee Benefits - Salaries	48,616	45,504	48,780
	<u>1,038,415</u>	<u>803,340</u>	<u>978,983</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 nationwide revaluation exercise that is conducted every 30 June for the Ministry of Education's year end reporting purposes.

**Marlborough School**  
**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2020

**8 Depreciation**

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Buildings - School	1,531	2,050	1,521
Furniture and Equipment	37,193	24,186	32,448
Information and Communication Technology	5,521	3,760	11,989
Leased Assets	33,640	18,800	28,940
Library Resources	2,040	6,200	2,061
	<u>79,925</u>	<u>54,996</u>	<u>76,959</u>

**9 Cash and Cash Equivalents**

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	200	200	200
Bank Current Account	166,717	242,582	5,166
Bank Call Account	20,796	25,000	20,783
Short-term Bank Deposits	-	-	-
Cash and cash equivalents for Statement of Cash Flows	<u>187,713</u>	<u>267,782</u>	<u>26,149</u>

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

Of the \$187,713 Cash and Cash Equivalents, \$53,293 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2021 on Crown owned school buildings under the School's Five Year Property Plan.

**10 Accounts Receivable**

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	49,000	20,000	37,806
Interest Receivable	1,747	2,800	3,243
Bank Staffing Underuse	-	60,000	115,688
Teacher Salaries Grant Receivable	140,856	92,000	86,714
	<u>191,603</u>	<u>174,800</u>	<u>243,451</u>
Receivables from Exchange Transactions	50,747	22,800	41,049
Receivables from Non-Exchange Transactions	140,856	152,000	202,402
	<u>191,603</u>	<u>174,800</u>	<u>243,451</u>

**11 Inventories**

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	448	700	617
	<u>448</u>	<u>700</u>	<u>617</u>

**12 Investments**

The School's investment activities are classified as follows:

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	206,013	200,000	200,000
Total Investments	<u>206,013</u>	<u>200,000</u>	<u>200,000</u>



**Marlborough School**

**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2020

**13 Property, Plant and Equipment**

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2020</b>						
Buildings	27,278	-	-	-	(1,531)	25,747
Furniture and Equipment	190,246	14,216	-	-	(37,193)	167,269
Information and Communication Technology	9,910	-	-	-	(5,521)	4,389
Leased Assets	52,238	23,351	-	-	(33,640)	41,949
Library Resources	15,782	933	-	-	(2,040)	14,675
<b>Balance at 31 December 2020</b>	<b>295,454</b>	<b>38,500</b>	<b>-</b>	<b>-</b>	<b>(79,925)</b>	<b>254,029</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2020</b>			
Buildings	71,229	(45,482)	25,747
Furniture and Equipment	483,902	(316,633)	167,269
Information and Communication Technology	80,534	(76,145)	4,389
Leased Assets	102,963	(61,014)	41,949
Library Resources	74,816	(60,141)	14,675
<b>Balance at 31 December 2020</b>	<b>813,444</b>	<b>(559,415)</b>	<b>254,029</b>

The Board considers that no assets have suffered an impairment during the year.

The net carrying value of equipment held under a finance lease is \$41,949 (2019: \$52,238).

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2019</b>						
Buildings	33,262	-	(4,463)	-	(1,521)	27,278
Furniture and Equipment	145,919	100,993	(24,218)	-	(32,448)	190,246
Information and Communication Technology	27,958	1,345	(7,404)	-	(11,989)	9,910
Leased Assets	54,913	32,233	(5,968)	-	(28,940)	52,238
Library Resources	14,192	3,651	-	-	(2,061)	15,782
<b>Balance at 31 December 2019</b>	<b>276,244</b>	<b>138,222</b>	<b>(42,053)</b>	<b>-</b>	<b>(76,959)</b>	<b>295,454</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2019</b>			
Buildings	71,229	(43,951)	27,278
Furniture and Equipment	469,686	(279,440)	190,246
Information and Communication Technology	80,533	(70,623)	9,910
Leased Assets	104,378	(52,140)	52,238
Library Resources	73,883	(58,101)	15,782
<b>Balance at 31 December 2019</b>	<b>799,709</b>	<b>(504,255)</b>	<b>295,454</b>

The net carrying value of equipment held under a finance lease is \$52,238 (2018: \$54,913).

**Marlborough School**  
**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2020

**14 Accounts Payable**

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operating Creditors	13,363	68,000	127,332
Accruals	5,388	8,004	5,280
Employee Entitlements - Salaries	141,805	94,000	88,992
Employee Entitlements - Leave Accrual	6,578	8,500	7,424
	<u>167,134</u>	<u>178,504</u>	<u>229,028</u>
Payables for Exchange Transactions	167,134	178,504	229,028
	<u>167,134</u>	<u>178,504</u>	<u>229,028</u>

The carrying value of payables approximates their fair value.

**15 Revenue Received in Advance**

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
International Student Fees	-	-	12,704
Other	1,342	-	-
	<u>1,342</u>	<u>-</u>	<u>12,704</u>

**16 Provision for Cyclical Maintenance**

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Provision at the Start of the Year	55,800	55,800	63,450
Adjustment to the provision during the year	(13,128)	-	-
Increase/(decrease) to the Provision During the Year	10,683	8,004	(7,650)
Use of the Provision During the Year	(13,655)	2,346	-
Provision at the End of the Year	<u>39,700</u>	<u>66,150</u>	<u>55,800</u>
Cyclical Maintenance - Current	14,400	37,700	20,050
Cyclical Maintenance - Term	25,300	28,450	35,750
	<u>39,700</u>	<u>66,150</u>	<u>55,800</u>

**17 Finance Lease Liability**

The school has entered into a number of finance lease agreements for IT equipment. Minimum lease payments payable (includes interest portion):

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
No Later than One Year	25,561	29,922	31,306
Later than One Year and no Later than Five Years	25,979	24,372	32,457
	<u>51,540</u>	<u>54,294</u>	<u>63,763</u>

## Marlborough School

### Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

#### 18 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:

2020		Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
10-15 Floor & Wall	<i>In progress</i>	(24,514)	-	-	-	(24,514)
5-8 Classrooms	<i>In progress</i>	19,440	-	-	-	19,440
SYA Plan	<i>Completed</i>	(5,400)	-	-	-	(5,400)
AMS Block	<i>In progress</i>	-	12,000	21,050	-	(9,050)
Site Carpark	<i>In progress</i>	90,000	-	-	-	90,000
Heat Pumps	<i>In progress</i>	35,624	-	44,124	-	(8,500)
VRU Restoration	<i>In progress</i>	(20,000)	-	-	-	(20,000)
ILE Projects Rms 1-4	<i>In progress</i>	20,000	-	-	-	20,000
Upper Court	<i>In progress</i>	-	88,000	95,245	-	(7,245)
Dental Clinic	<i>In progress</i>	-	42,710	42,710	-	-
Hall	<i>In progress</i>	-	15,866	-	-	15,866
Alarm	<i>In progress</i>	(15,956)	-	1,348	-	(17,304)
Asbestos	<i>In progress</i>	(287,002)	1,000,000	1,197,693	-	(484,695)
<b>Totals</b>		<b>(187,808)</b>	<b>1,158,576</b>	<b>1,402,170</b>	<b>-</b>	<b>(431,402)</b>

#### Represented by:

Funds Held on Behalf of the Ministry of Education  
Funds Due from the Ministry of Education

53,293
(484,695)
<u>(431,402)</u>

2019		Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$	\$	\$
10-15 Floor & Wall	<i>In progress</i>	-	-	24,514	-	(24,514)
SYA Plan	<i>Completed</i>	-	1,200	6,600	-	(5,400)
Alarm	<i>In progress</i>	-	-	15,956	-	(15,956)
5-8 Classrooms	<i>In progress</i>	-	20,000	560	-	19,440
Site Carpark	<i>In progress</i>	-	90,000	-	-	90,000
Heat Pumps	<i>In progress</i>	-	40,000	4,376	-	35,624
VRU Restoration	<i>In progress</i>	-	22,065	42,065	-	(20,000)
ILE Projects Rms 1-4	<i>In progress</i>	-	20,000	-	-	20,000
Asbestos Project	<i>In progress</i>	-	140,000	427,002	-	(287,002)
<b>Totals</b>		<b>-</b>	<b>333,265</b>	<b>521,073</b>	<b>-</b>	<b>(187,808)</b>

During 2019 the school has undertaken a project in relation to asbestos in the buildings. The full amount expended on this project is recoverable from the Ministry of Education.

#### 19 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.

**Marlborough School**  
**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2020

**20 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	3,910	3,900
Full-time equivalent members	0.05	0.07
<i>Leadership Team</i>		
Remuneration	356,420	331,237
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	<u>360,330</u>	<u>335,137</u>
Total full-time equivalent personnel	<u>3.05</u>	<u>3.07</u>

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
<i>Salaries and Other Short-term Employee Benefits:</i>		
Salary and Other Payments	140-150	130-140
Benefits and Other Emoluments	0-10	0-10
Termination Benefits	-	-

*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
100-110	2	1
	<u>2</u>	<u>1</u>

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

**21 Compensation and Other Benefits Upon Leaving**

There were no compensation or other benefits paid or payable to persons upon leaving.

**22 Contingencies**

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

(Contingent liabilities and assets as 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.

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

### 23 Commitments

As at 31 December 2020 the Board has entered into contract agreements for capital works as follows:

(a) Contract for the AMS Block as agent for the Ministry of Education is part of the Asbestos Project already approved by the Ministry. This project is fully funded by the Ministry and \$12,000 has been received of which \$21,050 has been spent on the project to balance date.

(b) Contract for the Upper Court project as agent for the Ministry of Education. This project is fully funded by the Ministry and \$88,000 has been received of which \$95,245 has been spent on the project to balance date.

(c) Contract for the Dental Clinic project as agent for the Ministry of Education. The project is fully funded by the Ministry and \$42,710 has been received of which \$42,710 has been spent on the project to balance date.

(d) Contract for the School Hall project as agent for the Ministry of Education. The project is a cyclical maintenance project and \$15,866 has been received of which Nil has been spent on the project to balance date.

(Capital commitments as at 31 December 2019:

(a) Contract for Floor & Walls to be completed which will be fully funded by the Ministry of Education. \$78,480 has been received of which \$102,994 has been spent on the project to date.

(b) Contract for Classrooms 5-8 Upgraded as agent for the Ministry of Education. This project is fully funded by the Ministry \$20,000 has been received of which \$560 has been spent on the project to balance date.

(c) Contract for Site Carpark/Drainage as agent for the Ministry of Education. The project is fully funded by the Ministry and \$90,000 has been received of which Nil has been spent on the project to balance date.

(d) Contract for Heat Pumps as agent for the Ministry of Education. The project is fully funded by the Ministry and \$40,000 has been received of which \$4,375 has been spent on the project to balance date.

(e) Contract for ILE Project as agent for the Ministry of Education. The project is fully funded by the Ministry and \$20,000 has been received of which Nil has been spent on the project to balance date.

(f) Contract for Alarm Upgrade as agent for the Ministry of Education. The project is fully funded by the Ministry and \$15,956 has been spent on the project to balance date.

(g) Contract for Asbestos Project as agent for the Ministry of Education. The project is fully funded by the Ministry and \$140,000 has been received of which \$287,002 has been spent on the project to balance date.)

### 24 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.

### 25 Financial Instruments

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Financial assets measured at amortised cost</b>			
Cash and Cash Equivalents	187,713	267,782	26,149
Receivables	191,603	174,800	243,451
Investments - Term Deposits	206,013	200,000	200,000
<b>Total Financial assets measured at amortised cost</b>	<b>585,329</b>	<b>642,582</b>	<b>469,600</b>
<b>Financial liabilities measured at amortised cost</b>			
Payables	167,134	178,504	229,028
Finance Leases	46,413	54,294	56,213
<b>Total Financial Liabilities Measured at Amortised Cost</b>	<b>213,547</b>	<b>232,798</b>	<b>285,241</b>

### 26 Events After Balance Date

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

### 27 Breach of Law - Failure to comply with Section 87 of the Education Act 1989

The Board of Trustees did not comply with Section 87A(1) of the Education Act 1989 in that the Board of Trustees did not report by the 31 May 2021, the date fixed by the Ministry of Education, by which schools were required to have sent their annual report to the Ministry of Education.