

MANA COLLEGE

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019



MANA COLLEGE

Ministry Number:	254
Principal:	John Murdoch
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MANA COLLEGE

Annual Report - For the year ended 31 December 2019

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Mana 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.

Rosei Tara Hineera-Pua
Full Name of Board Chairperson

Rosei Hineera-Pua
Signature of Board Chairperson

30 August 2020
Date

John Campbell Murdoch
Full Name of Principal

[Signature]
Signature of Principal

30 August 2020
Date

Mana 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	6,125,218	5,199,228	5,882,643
Locally Raised Funds	3	227,791	80,189	188,267
Interest income		5,695	-	7,702
Gain on Sale of Property, Plant and Equipment		-	-	217
		<u>6,358,704</u>	<u>5,279,415</u>	<u>5,878,829</u>
Expenses				
Locally Raised Funds	3	168,650	44,693	173,543
International Students	4	-	-	268
Learning Resources	5	4,543,511	3,833,992	4,083,022
Administration	6	335,449	309,317	348,651
Finance		2,879	550	1,826
Property	7	1,342,657	991,519	1,189,422
Depreciation	8	125,014	99,344	115,973
		<u>6,518,160</u>	<u>5,279,415</u>	<u>5,892,705</u>
Net (Deficit) for the year		<u>(159,456)</u>	<u>-</u>	<u>(13,876)</u>
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(159,456)</u>	<u>-</u>	<u>(13,876)</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.

Mana College

Statement of Changes in Net Assets/Equity For the year ended 31 December 2019

Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Balance at 1 January	<u>371,657</u>	<u>371,657</u>	<u>318,560</u>
Total comprehensive revenue and expense for the year	(159,456)	-	(13,870)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	29,473
Forgiveness of Loan	-	-	37,500
Equity at 31 December	<u>212,201</u>	<u>371,657</u>	<u>371,657</u>
Retained Earnings	212,201	371,657	371,657
Equity at 31 December	<u>212,201</u>	<u>371,657</u>	<u>371,657</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.

Mana College
Statement of Financial Position
As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	9	55,870	178,913	183,731
Accounts Receivable	10	386,666	292,500	290,301
GST Receivable		-	13,000	13,389
Prepayments		5,021	9,000	8,801
		<u>447,557</u>	<u>493,413</u>	<u>496,222</u>
Current Liabilities				
GST Payable		753	-	-
Accounts Payable	13	353,848	335,500	332,054
Revenue Received in Advance	14	18,135	8,000	7,981
Provision for Cyclical Maintenance	15	128,754	7,111	7,111
Finance Lease Liability - Current Portion	16	20,947	12,000	12,357
Funds held in Trust	17	-	35,000	18,824
Funds held for Capital Works Projects	18	48,969	-	50,736
		<u>571,406</u>	<u>397,611</u>	<u>429,053</u>
Working Capital (Deficit)/Surplus		(123,849)	95,802	67,219
Non-current Assets				
Investments	11	2,338	2,338	2,338
Property, Plant and Equipment	12	489,422	455,000	483,178
		<u>491,760</u>	<u>457,338</u>	<u>485,516</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	53,889	172,483	155,843
Finance Lease Liability	16	23,393	9,000	9,897
Funds held on behalf of Porirua Activity Centre	19	78,428	-	15,338
		<u>155,710</u>	<u>181,483</u>	<u>181,078</u>
Net Assets		<u>212,201</u>	<u>371,657</u>	<u>371,657</u>
Equity		<u>212,201</u>	<u>371,657</u>	<u>371,657</u>

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

Mana 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		1,612,579	1,503,223	1,509,469
Locally Raised Funds		176,805	80,711	200,938
Goods and Services Tax (net)		14,142	392	(8,358)
Payments to Employees		(973,006)	(887,762)	(727,920)
Payments to Suppliers		(940,569)	(638,461)	(1,018,600)
Interest Paid		(2,879)	(550)	(1,826)
Interest Received		6,636	(55)	6,757
Net cash from Operating Activities		(106,292)	117,458	(39,552)
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		(12,381)	(62,104)	-
Purchase of PPE (and Intangibles)		(75,150)	(9,062)	(53,917)
Net cash to Investing Activities		(87,531)	(71,166)	(53,917)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	29,473
Finance Lease Payments		(21,641)	(1,254)	(7,973)
Funds Administered on Behalf of Third Parties		89,368	838	13,681
Funds Held for Capital Works Projects		(1,765)	(50,734)	87,724
Net cash from Financing Activities		65,962	(51,150)	122,905
Net (decrease)/increase in cash and cash equivalents		(127,861)	(4,816)	29,436
Cash and cash equivalents at the beginning of the year	9	183,731	183,731	154,295
Cash and cash equivalents at the end of the year	9	55,870	178,915	183,731

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

Mana College

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

Mana 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 that the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 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 31.

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.

Mana College

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

Useful lives of property, plant and equipment

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

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carryforward 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 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.

Mana College

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

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) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for credit losses. 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 based 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.

i) 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.

j) Investments

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

Mana College

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

k) 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 \$500 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 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:

Building improvements	20 years
Furniture and equipment	10 years
Information and communication technology	5 - 10 years
Motor Vehicles	10 years
Library resources	12.5% Diminishing value
Leased assets	Over Life of the Lease

Mana College

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

l) Intangible Assets

Software costs

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

Computer software licences with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

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

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

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

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

Non cash generating assets

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

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

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

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

n) Accounts Payable

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

Mana College

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

o) Employee Entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

Long-term employee entitlements

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

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

p) Revenue Received in Advance

Revenue received in advance relates to fees received from students and grants received 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 international students, should the School be unable to provide the services to which they relate.

q) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

r) Shared Funds

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. The cluster of schools operate activities outside of school control. These amounts are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

s) 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).

Mana College

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

t) Financial Assets and Liabilities

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

Investments that are shares are categorised as "fair value through profit or loss" for accounting purposes in accordance with financial reporting standards.

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

u) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

v) Budget Figures

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

w) 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.

Mana College

Notes to the Financial Statements

For the year ended 31 December 2019

2. Government Grants

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational Grants	1,262,478	1,307,882	1,227,959
Teachers' Salaries Grants	3,604,725	2,972,021	3,221,668
Use of Land and Buildings Grants	914,369	963,937	853,595
Resource Teachers Learning and Behaviour Grants	517	-	41,437
Other MoE Grants	339,106	255,386	320,880
Other Government Grants	4,024	-	17,085
	<u>6,125,218</u>	<u>5,199,226</u>	<u>5,682,643</u>

3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
Donations	4,585	-	14,666
Bequests & Grants	26,540	-	-
Activities	71,066	54,858	101,891
Trading	35,430	-	6,420
Fundraising	34,945	9,500	32,865
Other Revenue	55,225	15,831	32,425
	<u>227,791</u>	<u>80,189</u>	<u>168,267</u>
Expenses			
Activities	89,899	44,693	101,163
Trading	48,356	-	10,085
Fundraising (Costs of Raising Funds)	24,424	-	28,074
Regional Polyfest	-	-	8,936
Other Locally Raised Funds Expenditure	5,971	-	25,285
	<u>168,650</u>	<u>44,693</u>	<u>173,543</u>
Surplus for the year Locally raised funds	<u>59,141</u>	<u>35,496</u>	<u>14,724</u>

Mana College
Notes to the Financial Statements
For the year ended 31 December 2019

4. International Student Revenue and Expenses

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
International Student Roll	0	1	0
	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
International Student Fees	-	-	-
Expenses			
International Student Levy	-	-	268
	-	-	268
<i>(Deficit) for the year International Students'</i>	-	-	(268)

5. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	218,699	211,246	210,850
Information and Communication Technology	47,880	33,000	32,609
Library Resources	578	1,000	834
Employee Benefits - Salaries	4,256,539	3,568,746	3,822,042
Staff Development	19,815	20,000	16,687
	4,543,511	3,833,992	4,083,022

6. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	13,609	9,438	10,038
Board of Trustees Fees	3,790	6,250	5,800
Board of Trustees Expenses	2,636	2,000	2,738
Communication	19,335	14,000	21,269
Consumables	(9,166)	(731)	13,314
Operating Lease	21,589	6,209	21,011
Other	63,301	39,700	44,989
Employee Benefits - Salaries	203,235	215,951	209,720
Insurance	3,775	-	2,684
Service Providers, Contractors and Consultancy	12,575	16,000	16,500
Welfare	680	500	590
	335,449	309,317	348,651

Mana College
Notes to the Financial Statements
For the year ended 31 December 2019

7. Property

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	16,506	12,200	18,796
Consultancy and Contract Services	126,493	93,624	97,199
Cyclical Maintenance Provision	19,689	16,640	(2,431)
Grounds	21,309	4,000	4,116
Heat, Light and Water	66,524	49,000	59,613
Rates	41,825	48,000	41,311
Repairs and Maintenance	49,345	24,000	50,001
Use of Land and Buildings	914,369	663,937	853,595
Security	9,395	6,200	7,965
Vehicles	3,363	(1,500)	(1,587)
Employee Benefits - Salaries	73,839	75,418	40,884
	<u>1,342,657</u>	<u>991,519</u>	<u>1,169,422</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.

8. Depreciation

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements - Crown	12,453	9,504	12,453
Furniture and Equipment	41,996	38,000	40,383
Information and Communication Technology	43,748	34,000	36,166
Motor Vehicles	2,968	5,000	4,758
Textbooks	580	750	945
Leased Assets	21,846	10,000	16,997
Library Resources	1,425	2,000	4,271
	<u>125,014</u>	<u>99,344</u>	<u>115,973</u>

Mana College
Notes to the Financial Statements
For the year ended 31 December 2019

9. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	-	200	200
ASB Main Account	21,712	163	4,939
International Students	153	200	152
Cyclical Maintenance	18,854	350	350
Depreciation	9,841	7,500	7,382
ASB 12-3254-0044197-02	7,310	17,500	17,646
MOE Loan/EO	-	500	408
Short-term Bank Deposits	-	152,500	152,654
Cash and cash equivalents for Cash Flow Statement	55,870	178,913	183,731

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

Of the \$55,870 Cash and Cash Equivalents, \$48,969 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.

10. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	121,646	60,000	60,503
Receivables from the Ministry of Education	-	6,500	6,455
Interest Receivable	4	1,000	945
Teacher Salaries Grant Receivable	265,016	225,000	222,358
	386,666	292,500	290,301
Receivables from Exchange Transactions	121,650	61,000	61,448
Receivables from Non-Exchange Transactions	265,016	231,500	228,853
	386,666	292,500	290,301

11. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Non-current Asset Shares	2,338	2,338	2,338
Total Investments	2,338	2,338	2,338

Mana College

Notes to the Financial Statements

For the year ended 31 December 2019

12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Building Improvements	156,252	-	-	-	(12,453)	143,799
Furniture and Equipment	166,295	23,919	-	-	(41,995)	148,217
Information and Communication	122,547	60,207	-	-	(43,748)	139,006
Motor Vehicles	3,031	-	-	-	(2,966)	65
Textbooks	1,625	-	-	-	(560)	1,065
Leased Assets	22,311	43,727	-	-	(21,846)	44,192
Library Resources	11,117	3,405	-	-	(1,425)	13,097
Balance at 31 December 2019	483,178	131,258	-	-	(125,014)	489,422

The net carrying value of equipment held under a finance lease is \$44,192 (2018: \$22,311)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Building Improvements	249,060	(105,261)	143,799
Furniture and Equipment	300,330	(242,113)	148,217
Information and Communication	286,043	(147,037)	139,006
Motor Vehicles	44,497	(44,432)	65
Textbooks	6,468	(5,442)	1,065
Leased Assets	104,247	(60,055)	44,192
Library Resources	28,465	(15,368)	13,097
Balance at 31 December 2019	1,109,130	(619,708)	489,422

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Building Improvements	166,705	-	-	-	(12,453)	156,252
Furniture and Equipment	183,604	23,074	-	-	(40,383)	166,295
Information and Communication	130,209	28,504	-	-	(36,166)	122,547
Motor Vehicles	7,789	-	-	-	(4,758)	3,031
Textbooks	2,571	-	-	-	(946)	1,625
Leased Assets	26,776	12,533	-	-	(16,998)	22,311
Library Resources	12,520	2,867	-	-	(4,270)	11,117
Balance at 31 December 2018	532,174	66,978	-	-	(115,974)	483,178

Mana College
Notes to the Financial Statements
For the year ended 31 December 2019

12. Property, Plant and Equipment (Cont.)

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2018			
Building Improvements	249,060	(92,808)	156,252
Furniture and Equipment	728,236	(561,941)	166,295
Information and Communication Technology	722,838	(500,291)	122,547
Motor Vehicles	60,135	(57,104)	3,031
Textbooks	8,993	(7,368)	1,625
Leased Assets	60,520	(38,209)	22,311
Library Resources	167,365	(156,248)	11,117
Balance at 31 December 2018	1,997,147	(1,513,969)	483,178

13. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	62,459	85,000	84,333
Accruals	9,721	9,500	9,438
Capital Accruals for PPE Items	-	-	217
Employee Entitlements - Salaries	265,016	225,000	222,398
Employee Entitlements - Leave Accrual	16,652	16,000	15,668
	353,848	335,500	332,054
Payables for Exchange Transactions	353,848	335,500	332,054
	353,848	335,500	332,054

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Grants in Advance - Ministry of Education	4,178	-	-
Alumni Blazers Bond	3,030	-	2,599
Other	10,927	8,000	5,382
	18,135	8,000	7,981

Mana College
Notes to the Financial Statements
For the year ended 31 December 2019

15. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	162,954	162,954	165,385
Increase/ (decrease) to the Provision During the Year	19,689	16,640	(85,648)
Use of the Provision During the Year	-	-	83,217
Provision at the End of the Year	<u>182,643</u>	<u>179,594</u>	<u>162,954</u>
Cyclical Maintenance - Current	128,754	7,111	7,111
Cyclical Maintenance - Term	53,889	172,483	165,843
	<u>182,643</u>	<u>179,594</u>	<u>162,954</u>

16. Finance Lease Liability

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	20,947	12,000	12,357
Later than One Year and no Later than Five Years	23,393	9,000	9,897
	<u>44,340</u>	<u>21,000</u>	<u>22,254</u>

17. Funds held in Trust

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	-	35,000	18,824
Funds Held in Trust on Behalf of Third Parties - Non-current	-	-	-
	<u>-</u>	<u>35,000</u>	<u>18,824</u>

These funds relate to arrangements where the school is agent for representative amounts and therefore these are not included in the Statement of comprehensive Revenue and Expense.

Mana College

Notes to the Financial Statements

For the year ended 31 December 2019

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:

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
Upgrade Tech Block	<i>in progress</i>	735	-	-	-	735
Burst Water Cylinder	<i>completed</i>	1	-	(1)	-	-
Master Planning Involvement	<i>in progress</i>	50,000	115	(10,794)	-	39,321
Block C - Asbestos Removal	<i>in progress</i>	-	11,286	(2,373)	-	8,913
Totals		50,736	11,401	(13,168)	-	48,969

Represented by:

Funds Held on Behalf of the Ministry of Education

Funds Due from the Ministry of Education

48,969

-

48,969

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
10YOO Strategic Planning	<i>completed</i>	4,000	(4,000)	-	-	-
Marae Upgrade	<i>completed</i>	(8,214)	-	6,214	-	-
Boiler Project	<i>completed</i>	9,529	-	(9,529)	-	-
Upgrade Tech Block	<i>in progress</i>	6,121	-	(5,388)	-	735
Urgent Sewer Drain Repairs	<i>completed</i>	700	-	(700)	-	-
Burst Water Cylinder	<i>in progress</i>	128	2,905	(3,032)	-	1
Master Planning Involvement	<i>in progress</i>	-	50,000	-	-	50,000
GSE Modifications	<i>completed</i>	-	12,600	(12,600)	-	-
Totals		14,264	61,505	(25,033)	-	50,736

Mana College
Notes to the Financial Statements
For the year ended 31 December 2019

19. Funds for Porirua Activity Centre

Mana College is the lead school funded by the Ministry of Education to provide the umbrella service for Porirua Activity Centre.

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Funds Held at Beginning of the Year	15,338		-
Transfer of Funds from Old Lead School	10,000	-	-
Transfer of Funds Due from Old Lead School	63,226	-	-
Revenue			
Funds received from the Ministry of Education	108,391	-	15,338
Other Revenue	280	-	-
	<u>108,671</u>	-	<u>15,338</u>
Total funds available	<u>197,235</u>	-	<u>15,338</u>
Expenses			
Employee Benefit - Salaries	45,102	-	-
Administration	11,320	-	-
Learning Support	15,614	-	-
Property	46,765	-	-
	<u>118,807</u>	-	<u>-</u>
Funds Held at Year End	<u><u>78,428</u></u>	-	<u><u>15,338</u></u>

20. 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.

Mana College

Notes to the Financial Statements

For the year ended 31 December 2019

21. Remuneration

Key management personnel compensation

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

	2019 Actual \$	2018 Actual \$
Board Members		
Remuneration	3,790	5,800
Full-time equivalent members	0.46	0.37
Leadership Team		
Remuneration	522,943	511,176
Full-time equivalent members	4.00	4.00
Total key management personnel remuneration	526,733	516,976
Total full-time equivalent personnel	4.46	4.37

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 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	200 - 210	190 - 200
Benefits and Other Emoluments	4 - 5	4 - 5
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
100 - 110	1.00	3.00
110 - 120	1.00	0.00
	2.00	3.00

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

Mana College

Notes to the Financial Statements

For the year ended 31 December 2019

22. Compensation and Other Benefits Upon Leaving

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

	2019 Actual	2018 Actual
Total	\$5,000	-
Number of People	1	-

23. Contingencies

There are no contingent liabilities (except as noted 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 and payments 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.

24. Commitments

(a) Capital Commitments

As at 31 December 2019 the Board not has entered into any contract agreements for capital works.
(Capital commitments at 31 December 2018: \$Nil)

(b) Operating Commitments

As at 31 December 2019 the Board has not entered into any operating contracts.
(Operating commitments at 31 December 2018: \$Nil)

25. 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.

Mana College
Notes to the Financial Statements
For the year ended 31 December 2019

26. Financial Instruments

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

Financial assets measured at amortised cost (2018: Loans and receivables)

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	55,870	178,913	183,731
Receivables	388,688	292,500	290,301
Investments	2,338	2,338	2,338
Total Financial assets measured at amortised cost	444,874	473,751	476,370

Financial liabilities measured at amortised cost

Payables	353,848	335,500	332,054
Finance Leases	44,340	21,000	22,254
Total Financial Liabilities Measured at Amortised Cost	398,188	356,500	354,308

27. 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 the 18th of May 2020.

At the date of issuing the financial statements, the school has been able to absorb some 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. The school will continue to receive funding from the Ministry of Education, even while closed. However, economic uncertainties have arisen which are likely to negatively affect the operations and services of the school. We describe below the possible effects on the school that we have identified, resulting from the COVID-19 pandemic:

- A reduction in locally raised funds revenue because the schools ability to undertake fund raising events in the community and/or collect donations or other contributions from parents, may be compromised. Costs already incurred arranging future events may not be recoverable; and / or
- A reduction in revenue from student fees & charges from international students and/or Board of Trustee operated boarding facilities, including the potential loss of current and prospective students due to the disruption and/or pressures created by COVID-19.

Because of the matters noted above, the school may experience a significant reduction in expected revenue and may not be able to reduce its costs as quickly (or experienced significant additional costs not budgeted for). As a result the school may be experiencing financial difficulties. The Ministry of Education has provided the school with a letter of support to ensure the School can meet its obligations as they fall due.

The School has entered into an agreement with the Ministry for a capital works project to help expand and improve the school's facilities. This work is expected to commence in 2020.

Mana College

Notes to the Financial Statements

For the year ended 31 December 2019

28. Comparatives

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

29. Financial Difficulties

The School is experiencing financial difficulties, at balance date the School has recorded a deficit of \$159,456 for the current year and a working capital deficit of \$123,849. The financial difficulties have arisen mainly because the School has incurred several deficits over recent years. The School is managing this by tighter budgetary control to reduce future deficits.

These financial statements are prepared on a going concern basis. The going concern assumption is dependent on the continuing support from the Ministry of Education. The Ministry of Education has confirmed it will continue to provide the School with resources, so it may meet its obligations as they fall due.

30. Breach of Law – 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 progress as planned. This resulted in the school missing the statutory deadline.

31. 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 opening equity at 1 January 2019. Accounting policies have been updated to comply with PBE IFRS 9. The main updates are:

- Note 10 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.

- Note 11 Investments:

Term deposits: 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 IFRS9 there were no material adjustments to these financial statements.

MANA COLLEGE

Members of the Board of Trustees
For the year ended 31 December 2019

Name	Position	How position on Board gained	Occupation	Term expired / expires
Ranel Wineera Parai	Chairperson	Elected		June 2022
John Murdoch	Principal	ex Officio	Principal	
Barbara Edmonds	Parent Rep	Elected	Ministerial Advisor	June 2022
Randall Hippoite	Ngati Toa Rep	Co-opted	Social Worker	June 2022
Vanessa Jackson	Parent Rep	Elected	Administrator	June 2022
Te Rina Leonard	Parent Rep	Elected	Deputy Chief Executive	June 2022
Kaylene Riley	Staff Rep	Elected	Teacher	June 2022
Harmony Fanuel	Student Rep	Elected	Student	September 2020

MANA COLLEGE

Kiwi Sport Statement

For the year ended 31 December 2019

Kiwi Sport is a Government funding initiative to support sport for school aged children.

In 2019 the School received Kiwi Sport funding of \$10,131 (2018: \$9,466).

Kiwi Sport funding was used to fund student participation in sports programmes.

