

RAPHAEL HOUSE RUDOLF STEINER SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019



School Address: 27 Matuhi Street, Tirohanga, Lower Hutt 5010

School Phone: 04 569 5161

School Email: Info@raphaelhouse.school.nz

Ministry Number: 0133

Accountant / Service Provider: Accounting For Schools Limited

RAPHAEL HOUSE RUDOLF STEINER SCHOOL

Annual Report - For the year ended 31 December 2019

Index

Page	Statement
1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expense
3	Statement of Changes in Net Assets/Equity
4	Statement of Financial Position
5	Statement of Cash Flows
6 - 10	Statement of Accounting Policies
11 - 20	Notes to the Financial Statements
	Other Information
21	Members of the Board of Trustees
22	Kiwisport Statement
23 - 25	Independent Auditors Report
26 - 39	Analysis of variance

RAPHAEL HOUSE RUDOLF STEINER SCHOOL

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.

Andrea Mary Wakelin

Full Name of Board Chairperson

David George Stephenson

Full Name of Principal

Awakeli

Signature of Board Chairperson

DS

Signature of Principal

28 May 2020

Date:

28 May 2020

Date:

RAPHAEL HOUSE RUDOLF STEINER SCHOOL

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue				
Government Grants	2	3,432,846	3,452,877	3,295,523
Locally Raised Funds	3	736,522	698,086	726,767
Use of Land and Buildings Integrated		424,000	416,000	424,000
Interest Earned		716	500	1,466
International Students	4	112,164	146,400	120,929
		<u>4,706,248</u>	<u>4,713,863</u>	<u>4,568,685</u>
Expenses				
Locally Raised Funds	3	87,130	86,950	104,511
International Students	4	13,984	9,968	22,017
Learning Resources	5	3,640,472	3,555,297	3,471,120
Administration	6	271,589	312,599	243,080
Finance		4,278	3,200	348
Property	7	663,051	647,949	637,992
Depreciation	8	54,271	49,500	52,251
		<u>4,734,775</u>	<u>4,665,463</u>	<u>4,531,319</u>
Net Surplus / (Deficit) for the year		(28,527)	48,400	37,366
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(28,527)</u>	<u>48,400</u>	<u>37,366</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.

RAPHAEL HOUSE RUDOLF STEINER SCHOOL

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Balance at 1 January	(87,040)	(87,040)	(124,406)
Total comprehensive revenue and expense for the year	(28,527)	48,400	37,366
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	11,473	-	-
Equity at 31 December	<u>(104,094)</u>	<u>(38,640)</u>	<u>(87,040)</u>
Retained Earnings	(104,094)	(38,640)	(87,040)
Equity at 31 December	<u>(104,094)</u>	<u>(38,640)</u>	<u>(87,040)</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.

RAPHAEL HOUSE RUDOLF STEINER SCHOOL

Statement of Financial Position

As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	9	96,508	54,960	95,733
Accounts Receivable	10	303,372	205,000	220,387
GST Receivable		-	5,000	2,521
Prepayments		4,925	1,000	432
		<u>404,805</u>	<u>265,960</u>	<u>319,073</u>
Current Liabilities				
GST Payable		3,333	-	-
Accounts Payable	12	210,514	210,000	225,446
Revenue Received in Advance	13	151,212	65,000	71,116
Provision for Cyclical Maintenance	14	14,547	8,100	5,940
Painting Contract Liability - Current Portion	15	38,449	38,000	39,234
Finance Lease Liability - Current Portion	16	17,987	6,000	15,832
Funds held in Trust	17	45,057	-	23,120
		<u>481,099</u>	<u>327,100</u>	<u>380,688</u>
Working Capital Surplus/(Deficit)		(76,294)	(61,140)	(61,615)
Non-current Assets				
Property, Plant and Equipment	11	162,359	145,500	171,633
		<u>162,359</u>	<u>145,500</u>	<u>171,633</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	127,017	80,000	93,526
Painting Contract Liability	15	39,265	38,000	76,929
Finance Lease Liability	16	23,879	5,000	26,603
		<u>190,161</u>	<u>123,000</u>	<u>197,058</u>
Net Assets		(104,096)	(38,640)	(87,040)
Equity		(104,094)	(38,640)	(87,040)

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

RAPHAEL HOUSE RUDOLF STEINER SCHOOL

Statement of Cash Flows

For the year ended 31 December 2019

	Note	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash flows from Operating Activities				
Government Grants		765,000	785,027	847,680
Locally Raised Funds		686,200	708,274	743,412
International Students		172,165	146,232	4,799
Goods and Services Tax (net)		5,851	(2,481)	5,754
Payments to Employees		(1,050,379)	(967,949)	(1,095,297)
Payments to Suppliers		(515,076)	(523,008)	(494,945)
Cyclical Maintenance Payments in the year		(8,820)	-	(4,329)
Interest Paid		(4,277)	(3,199)	(348)
Interest Received		716	500	1,466
Net cash from / (to) the Operating Activities		51,380	143,396	8,192
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(26,670)	(95,336)	(32,691)
Proceeds from Sale of Investments		-	-	50,000
Net cash from / (to) the Investing Activities		(26,670)	(95,336)	17,309
Cash flows from Financing Activities				
Furniture and Equipment Grant		11,473	-	-
Finance Lease Payments		(18,896)	40,535	(14,327)
Painting contract payments		(38,449)	(106,248)	(46,788)
Funds Administered on Behalf of Third Parties		21,937	(23,120)	23,120
Net cash from Financing Activities		(23,935)	(88,833)	(37,995)
Net increase/(decrease) in cash and cash equivalents		775	(40,773)	(12,494)
Cash and cash equivalents at the beginning of the year	9	95,733	95,733	108,227
Cash and cash equivalents at the end of the year	9	96,508	54,960	95,733

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.

RAPHAEL HOUSE RUDOLF STEINER SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

Raphael House Rudolf Steiner School (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 26.

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 11.

RAPHAEL HOUSE RUDOLF STEINER SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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 Proprietor.

Other Grants

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

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

RAPHAEL HOUSE RUDOLF STEINER SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

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.

k) Property, Plant and Equipment

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

Property, plant and equipment are recorded at cost or, in the case of donated assets, fair value at the date of receipt. 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.

RAPHAEL HOUSE RUDOLF STEINER SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

Depreciation

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

The estimated useful lives of the assets are:

Furniture and equipment	4 - 20 years
Information and communication technology	3 - 5 years
Leased assets held under a Finance Lease	3 - 5 years
Library resources	12.5% Diminishing value
Motor vehicles	5 years

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is

l) 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.

m) 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.

n) 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.

o) Revenue Received in Advance

Revenue received in advance relates to fees received from international 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.

RAPHAEL HOUSE RUDOLF STEINER SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

p) 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.

q) 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.

r) Provision for Cyclical Maintenance

The property from which the school operates is owned by the Proprietor. The Board is responsible for maintaining the land, building 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 provisions for cyclical maintenance represents the obligations the Board has to the Proprietor and is based on the Board's ten year property plan (10YPP).

s) 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.

t) 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.

u) Budget Figures

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

v) 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.

RAPHAEL HOUSE RUDOLF STEINER SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2019

2. Government Grants

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational grants	682,938	678,000	666,742
Teachers' Salaries Grants	2,667,846	2,667,850	2,541,091
Other MoE Grants	82,062	107,027	87,690
	<u>3,432,846</u>	<u>3,452,877</u>	<u>3,295,523</u>

3. Locally Raised Funds

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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Activities	30,440	23,900	24,347
Donations	704,400	666,586	696,524
Fundraising	287	700	1,043
Other Revenue	8	250	3,601
Trading	1,387	6,650	1,252
	<u>736,522</u>	<u>698,086</u>	<u>726,767</u>
Expenses			
Activities	84,667	85,000	102,222
Trading	2,463	1,950	2,289
	<u>87,130</u>	<u>86,950</u>	<u>104,511</u>
<i>Surplus for the year Locally raised funds</i>	<u>649,392</u>	<u>611,136</u>	<u>622,256</u>

4. International Student Revenue and Expenses

	2019	2019	2018
	Actual	Budget	Actual
	Number	(Unaudited)	Number
International Student Roll	20	11	15
	<u>20</u>	<u>11</u>	<u>15</u>
	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
International Student Fees	112,164	146,400	120,929
Expenses			
International Student Levy	1,664	-	1,330
Employee Benefit - Salaries	8,543	3,100	9,542
Other Expenses	3,777	6,868	11,145
	<u>13,984</u>	<u>9,968</u>	<u>22,017</u>
<i>Surplus for the year International Students'</i>	<u>98,180</u>	<u>136,432</u>	<u>98,912</u>

RAPHAEL HOUSE RUDOLF STEINER SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2019

5. Learning Resources

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Curricular	139,282	177,027	144,943
Employee Benefits - Salaries	3,457,036	3,331,320	3,284,109
Information and Communication Technology	16,308	21,500	25,258
Library Resources	2,558	650	192
Staff Development	25,288	24,800	16,618
	<u>3,640,472</u>	<u>3,555,297</u>	<u>3,471,120</u>

6. Administration

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Audit Fee	5,941	8,000	5,768
Board of Trustees Fees	1,430	2,000	-
Board of Trustees Expenses	5,502	5,050	2,036
Communication	10,215	9,823	10,283
Consumables	13,695	10,560	9,585
Employee Benefits - Salaries	184,091	231,846	181,937
Insurance	12,822	5,000	4,481
Other	23,063	23,820	19,624
Service Providers, Contractors and Consultancy	14,830	16,500	9,366
	<u>271,589</u>	<u>312,599</u>	<u>243,080</u>

7. Property

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Caretaking and Cleaning Consumables	14,388	12,700	10,419
Consultancy and Contract Services	33,380	31,800	30,291
Cyclical Maintenance Expense	50,918	46,478	37,426
Employee Benefits - Salaries	69,124	69,779	67,033
Heat, Light and Water	30,508	29,100	31,832
Rates	1,087	2,800	2,859
Repairs and Maintenance	39,646	39,292	34,132
Use of Land and Buildings	424,000	416,000	424,000
	<u>663,051</u>	<u>647,949</u>	<u>637,992</u>

The use of land and buildings figure represents 8% of the school's total property value. This is used as a 'proxy' for the market rental yield on the value of the land and buildings.

RAPHAEL HOUSE RUDOLF STEINER SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2019

8. Depreciation

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Furniture and Equipment	19,458	22,500	23,583
Information and Communication Technology	15,054	11,500	12,444
Leased Assets	17,944	14,000	14,723
Library Resources	1,424	1,200	1,187
Motor Vehicles	391	300	314
	<u>54,271</u>	<u>49,500</u>	<u>52,251</u>

9. Cash and Cash Equivalents

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Current Account	94,128	54,960	94,603
Bank Call Account	2,380	-	1,130
	<u>96,508</u>	<u>54,960</u>	<u>95,733</u>
Cash equivalents and bank overdraft for Cash Flow Statement			

10. Accounts Receivable

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	109,400	30,000	46,136
Receivables from the Ministry of Education	7,153	-	-
Teacher Salaries Grant Receivable	186,819	175,000	174,251
	<u>303,372</u>	<u>205,000</u>	<u>220,387</u>
Receivables from Exchange Transactions	109,400	30,000	46,136
Receivables from Non-Exchange Transactions	193,972	175,000	174,251
	<u>303,372</u>	<u>205,000</u>	<u>220,387</u>

RAPHAEL HOUSE RUDOLF STEINER SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2019

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2019						
Furniture and Equipment	100,705	4,652	-	-	(19,458)	85,899
Information Technology	18,373	19,409	-	-	(15,054)	22,728
Leased Assets	41,162	18,327	-	-	(17,944)	41,545
Library Resources	11,393	-	-	-	(1,424)	9,969
Motor Vehicles	-	2,609	-	-	(391)	2,218
Balance at 31 December 2019	171,633	44,997	-	-	(54,271)	162,359

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2019			
Furniture and Equipment	455,807	(369,908)	85,899
Information Technology	208,104	(185,376)	22,728
Leased Assets	90,297	(48,752)	41,545
Library Resources	61,177	(51,208)	9,969
Motor Vehicles	6,379	(4,161)	2,218
Balance at 31 December 2019	821,764	(659,405)	162,359

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2018						
Furniture and Equipment	108,121	16,167	-	-	(23,583)	100,705
Information Technology	17,660	13,157	-	-	(12,444)	18,373
Leased Assets	32,539	23,346	-	-	(14,723)	41,162
Library Resources	9,213	3,367	-	-	(1,187)	11,393
Motor Vehicles	314	-	-	-	(314)	-
Balance at 31 December 2018	167,847	56,037	-	-	(52,251)	171,633

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2018			
Furniture and Equipment	451,154	(350,449)	100,705
Information Technology	188,694	(170,321)	18,373
Leased Assets	71,970	(30,808)	41,162
Library Resources	61,177	(49,784)	11,393
Motor Vehicles	3,770	(3,770)	-
Balance at 31 December 2018	776,765	(605,132)	171,633

RAPHAEL HOUSE RUDOLF STEINER SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2019

12. Accounts Payable

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operating Creditors	13,931	24,000	40,673
Accruals	5,941	7,500	7,268
Employee Entitlements - Salaries	186,819	175,000	174,251
Employee Entitlements - Leave Accrual	3,823	3,500	3,254
	<u>210,514</u>	<u>210,000</u>	<u>225,446</u>
Payables for Exchange Transactions	210,514	210,000	225,446
	<u>210,514</u>	<u>210,000</u>	<u>225,446</u>

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
International Student Fees	120,169	60,000	60,168
Other	31,043	5,000	10,948
	<u>151,212</u>	<u>65,000</u>	<u>71,116</u>

14. Provision for Cyclical Maintenance

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	99,466	99,466	66,369
Increase to the Provision During the Year	50,918	46,478	37,426
Adjustment to the Provision	(8,820)	(57,844)	-
Use of the Provision During the Year	-	-	(4,329)
Provision at the End of the Year	<u>141,564</u>	<u>88,100</u>	<u>99,466</u>
Cyclical Maintenance - Current	14,547	8,100	5,940
Cyclical Maintenance - Term	127,017	80,000	93,526
	<u>141,564</u>	<u>88,100</u>	<u>99,466</u>

RAPHAEL HOUSE RUDOLF STEINER SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2019

15. Painting Contract Liability

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Liability	38,449	38,000	39,234
Non Current Liability	39,265	38,000	76,929
	77,714	76,000	116,163

In 2014 the Board signed an agreement with Programmed Property Services Ltd (the contractor) for an agreed programme of work covering a seven year period. The programme provides for an interior and exterior repaint of the Proprietor owned buildings in 2015, 2016 and 2017 with regular maintenance in subsequent years. The agreement has an annual commitment of between \$44,854 and \$47,540 taking into account a contract variation in February 2017. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

16. Finance Lease Liability

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	17,987	6,000	15,832
Later than One Year and no Later than Five Years	23,879	5,000	26,603
	41,866	11,000	42,435

17. Funds held in Trust

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	45,057	-	23,120
	45,057	-	23,120

These funds are homestay funds held in trust for international students

RAPHAEL HOUSE RUDOLF STEINER SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2019

18. Related Party Transactions

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

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

The Proprietor of the School (Rudolf Steiner School Trust) is a related party of the Board because the proprietor appoints representatives to the Board, giving the proprietor significant influence over the Board. Any services or contributions between the Board and Proprietor have been disclosed appropriately.

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

Wages for the employees of the Proprietor are all paid via the payroll of the Board of Trustees. The Proprietor subsequently reimburses the Board of Trustees for the Proprietor's share of employee costs. In addition where invoices paid relate to the Board of Trustees and the Proprietor the entity that paid the invoice claims reimbursement from the other entity for that entity's share of expenses. At balance date an amount of \$10,834 was owing to the Proprietor and a total of \$94,249 was owed from the Proprietor to the Board of Trustees.

19. 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	2018
	Actual	Actual
	\$	\$
<i>Board Members</i>		
Remuneration	1,430	-
Full-time equivalent members	0.23	0.19
<i>Leadership Team</i>		
Remuneration	397,602	428,818
Full-time equivalent members	4.00	4.25
Total key management personnel remuneration	<u>399,032</u>	<u>428,818</u>
Total full-time equivalent personnel	<u>4.23</u>	<u>4.44</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.

RAPHAEL HOUSE RUDOLF STEINER SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2019

19. Remuneration (Cont.)

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	130 - 140	130 - 140
Benefits and Other Emoluments	3 - 4	3 - 4

Other Employees

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

Remuneration	2019 FTE Number	2018 FTE Number
\$000 110 - 120	1	1

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

20. 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	-	-
Number of People	-	-

21. 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.

RAPHAEL HOUSE RUDOLF STEINER SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2019

22. Commitments

(a) Capital Commitments

As at 31 December 2019 there were no capital commitments.

(Capital commitments at 31 December 2018: nil)

(b) Operating Commitments

As at 31 December 2019 the Board has not entered into any contracts:

23. 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.

24. Financial Instruments

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Financial assets measured at amortised cost (2018: Loans and receivables)			
Cash and Cash Equivalents	96,508	54,960	95,733
Receivables	303,372	205,000	220,387
Total Loans and Receivables	399,880	259,960	316,120
Financial liabilities measured at amortised cost			
Payables	210,514	210,000	225,446
Finance Leases	41,866	11,000	42,435
Painting Contract Liability	77,714	76,000	116,163
Total Financial Liabilities Measured at Amortised Cost	330,094	297,000	384,044

25. 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. While the disruption is currently expected to be temporary, there is a level of uncertainty around the duration of the closures.

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:

RAPHAEL HOUSE RUDOLF STEINER SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2019

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 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 income in advance balance in Note 13 includes \$7,377 which was repaid after a decision was made by 3 international students not to return to the school for the 2020 year. As the decision not to return was made after year-end this is a non-adjusting subsequent event and therefore the figures in these financial statements have not been adjusted.

26. 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.

Upon transition to PBE IFRS9 there were no material adjustments to these financial statements.

RAPHAEL HOUSE RUDOLF STEINER SCHOOL

Members of the Board of Trustees

For the year ended 31 December 2019

Name	Position	How position on Board gained	Occupation	Term expired/expires
Andrea Wakelin	Chairperson, Parent Rep	Elected June 2019	Consultant	June 2022
Stefan Weir	Chairperson	Elected June 2016	Public Servant	Retired June 2019
David Stephenson	Principal	Appointed	Principal	
Esmee Elias-Tito	Parent Rep	Elected June 2019	Deputy Principal	June 2022
Kyle Gibson	Parent Rep	Elected June 2019	Self Employed	June 2022
Sunil Bhawe	Parent Rep	Elected June 2019	Teacher	June 2022
William Crawford	Parent Rep	Elected June 2016	Medical Doctor	Retired June 2019
Shane Goodwin	Parent Rep	Elected June 2016	Consultant	Retired June 2019
Mania Maniapoto Ngaia	Parent Rep	Elected June 2016	Educator	Retired June 2019
Rewa Henderson	Student Rep	Elected November 2018	Student	September 2019
Emerald Clark	Staff Rep	Elected June 2019	Self Employed	June 2022
Diana Marsh	Staff Rep	Elected June 2016	Teacher	Retired June 2019
Janet Molloy	Proprietors' Rep	Re-elected June 2019	Retired	June 2022
Christine Nicholls	Proprietors' Rep	Re-elected June 2019	Self Employed	June 2022
Chris Rae	Proprietors' Rep	Re-elected June 2019	Partnership Manager	June 2022
Sorcha Ruth	Student Rep	Elected November 2019	Student	September 2019

RAPHAEL HOUSE RUDOLF STEINER SCHOOL

Kiwisport Statement

For the year ended 31 December 2019

Kiwisport is a Government funded initiative to support students' participation in organised sport.

Our school received \$6,676 (2018: \$6,326) as part of the 2019 Operational Grant through this initiative to increase our student participation in organised sport.

This funding was spent on employing a part time Sports Coordinator and purchasing sports equipment.