

# **Mercer School**

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

<b>Ministry Number:</b>	1372
<b>Principal:</b>	Paula Sadgrove
<b>School Address:</b>	15 Glass Road, Mercer
<b>School Postal Address:</b>	15 Glass Road, RD 2 Mercer, 2474
<b>School Phone:</b>	09-2326817
<b>School Email:</b>	principal@mercerc.school.nz
<b>Service Provider:</b>	Edtech Financial Services Ltd

# **Mercer School**

## **Members of the Board of Trustees**

For the year ended 31 December 2020

<b>Name</b>	<b>Position</b>	<b>How position on Board gained</b>	<b>Term expired/expires</b>
Carolyn Wratt	Chairman	Elected	06-2022
Logan Tukiri	BOT Member	Elected	06-2022
Stacey Plowman	BOT Member	Elected	06-2022
Darien McGrath	BOT Member	Elected	06-2022
Jessica Momberg	Staff Representative	Elected	06-2022
Paula Faitala	Principal	Principal	06-2022

# Mercer School

## Annual Report

For the year ended 31 December 2020

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**Mercer School**  
**Statement of Responsibility**  
For the year ended 31 December 2020

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

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

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

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

*Carolyn Wratt*


Full Name of Board Chairperson

*Paula Faitala*

Full Name of Principal



Signature of Board Chairperson



Signature of Principal

*9/6/2021*

Date:

*9/6/2021*

Date:

**Mercer School**

**Statement of Comprehensive Revenue and Expense**

For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Revenue</b>				
Government Grants	2	673,410	674,594	696,619
Locally Raised Funds	3	34,379	43,915	47,418
Interest Income		1,812	1,600	2,885
		<hr/>	<hr/>	<hr/>
		709,601	720,109	746,922
<b>Expenses</b>				
Locally Raised Funds	3	18,972	7,310	23,315
Learning Resources	4	415,753	469,929	477,796
Administration	5	65,438	59,555	63,089
Finance		685	-	906
Property	6	188,669	162,220	174,919
Depreciation	7	27,024	20,000	26,966
Loss on Disposal of Property, Plant and Equipment		140	-	-
		<hr/>	<hr/>	<hr/>
		716,681	719,014	766,991
<b>Net Surplus / (Deficit) for the year</b>		(7,080)	1,095	(20,069)
Other Comprehensive Revenue and Expense		-	-	-
		<hr/>	<hr/>	<hr/>
<b>Total Comprehensive Revenue and Expense for the Year</b>		(7,080)	1,095	(20,069)

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

## Mercer School

### Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

	2020	2020	2019
Notes	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Balance at 1 January</b>	<u>378,111</u>	<u>398,837</u>	<u>398,180</u>
Total comprehensive revenue and expense for the year	(7,080)	1,095	(20,069)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	1,824	-	-
<b>Equity at 31 December</b>	<u>372,855</u>	<u>399,932</u>	<u>378,111</u>
Retained Earnings	372,855	399,932	378,111
<b>Equity at 31 December</b>	<u>372,855</u>	<u>399,932</u>	<u>378,111</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.

# Mercer School

## Statement of Financial Position

As at 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Current Assets</b>				
Cash and Cash Equivalents	8	50,164	73,373	11,245
Accounts Receivable	9	23,965	25,315	30,545
GST Receivable		-	-	5,633
Prepayments		1,350	-	892
Inventories	10	336	336	587
Investments	11	61,955	61,955	80,711
Funds Held for Capital Works Projects	17	13,194	1,558	40,145
		<u>150,964</u>	<u>162,537</u>	<u>169,758</u>
<b>Current Liabilities</b>				
GST Payable		7,037	7,087	-
Accounts Payable	13	44,490	44,101	88,669
Revenue Received in Advance	14	2,417	2,417	4,274
Provision for Cyclical Maintenance	15	-	-	17,801
Finance Lease Liability - Current Portion	16	3,941	3,941	4,436
		<u>57,885</u>	<u>57,546</u>	<u>115,180</u>
<b>Working Capital Surplus/(Deficit)</b>		93,079	104,991	54,578
<b>Non-current Assets</b>				
Property, Plant and Equipment	12	331,409	346,573	340,531
		<u>331,409</u>	<u>346,573</u>	<u>340,531</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	15	49,733	49,733	12,895
Finance Lease Liability	16	1,899	1,899	4,103
		<u>51,632</u>	<u>51,632</u>	<u>16,998</u>
<b>Net Assets</b>		<u>372,856</u>	<u>399,932</u>	<u>378,111</u>
<b>Equity</b>	23	<u>372,855</u>	<u>399,932</u>	<u>378,111</u>

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

# Mercer School

## Statement of Cash Flows

For the year ended 31 December 2020

	2020	2020	2019
Note	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
<b>Cash flows from Operating Activities</b>			
Government Grants	230,051	171,314	92,323
Locally Raised Funds	37,585	47,131	49,959
Goods and Services Tax (net)	12,670	12,720	(1,601)
Payments to Employees	(106,902)	(63,960)	(86,107)
Payments to Suppliers	(162,698)	(154,940)	(76,688)
Interest Paid	(685)	-	(906)
Interest Received	2,107	535	2,775
Net cash from/(to) Operating Activities	<u>12,128</u>	<u>12,800</u>	<u>(20,245)</u>
<b>Cash flows from Investing Activities</b>			
Proceeds from Sale of Property Plant & Equipment (and Intangibles)	(140)	-	(11,805)
Purchase of Property Plant & Equipment (and Intangibles)	(20,094)	(28,234)	(80,711)
Purchase of Investments	18,756	18,756	-
Net cash from/(to) Investing Activities	<u>(1,478)</u>	<u>(9,478)</u>	<u>(92,516)</u>
<b>Cash flows from Financing Activities</b>			
Furniture and Equipment Grant	1,824	-	-
Finance Lease Payments	(507)	(507)	(3,906)
Funds Held for Capital Works Projects	26,952	38,587	39,838
Net cash from/(to) Financing Activities	<u>28,269</u>	<u>38,080</u>	<u>35,932</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u><u>38,919</u></u>	<u><u>41,402</u></u>	<u><u>(76,829)</u></u>
Cash and cash equivalents at the beginning of the year	8 11,245	31,971	88,074
<b>Cash and cash equivalents at the end of the year</b>	8 <u><u>50,164</u></u>	<u><u>73,373</u></u>	<u><u>11,245</u></u>

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

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



## Mercer School

# Notes to the Financial Statements

For the year ended 31 December 2020

### 1. Statement of Accounting Policies

#### Reporting Entity

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

#### Basis of Preparation

##### Reporting Period

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

##### Basis of Preparation

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

#### Financial Reporting Standards Applied

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

#### PBE Accounting Standards Reduced Disclosure Regime

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

#### Measurement Base

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

#### Presentation Currency

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

#### Specific Accounting Policies

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

#### Critical Accounting Estimates And Assumptions

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

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

#### Cyclical maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision of cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 15.

#### 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.

## Mercer School

# Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

### *Critical Judgements in applying accounting policies*

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

#### *Classification of leases*

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

#### *Recognition of grants*

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

## **Revenue Recognition**

### **Government Grants**

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

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

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

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

### **Other Grants**

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

### **Donations, Gifts and Bequests**

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

### **Interest Revenue**

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

### **Use of Land and Buildings Expense**

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

### **Operating Lease Payments**

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

### **Finance Lease Payments**

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

## Mercer School

# Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

### Cash and Cash Equivalents

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

### Accounts Receivable

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

### Inventories

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

### Investments

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

### Property, Plant and Equipment

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

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

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

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

### Finance Leases

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

### Depreciation

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

The estimated useful lives of the assets are:

Buildings	7-10 years
Building improvements - Crown	10-14 years
Furniture and equipment	5-15 years
Information and communication technology	2-5 years
Leased assets held under a Finance Lease	3-4 years
Library resources	12.5% Diminishing value

## Mercer School

# Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

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

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

#### *Non cash generating assets*

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

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

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

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

### **Accounts Payable**

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

### **Employee Entitlements**

#### *Short-term employee entitlements*

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

#### *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.

### **Revenue Received in Advance**

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

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

## **Mercer School**

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

For the year ended 31 December 2020

### **Provision for Cyclical Maintenance**

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

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

### **Financial Instruments**

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

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

The School's financial liabilities comprise accounts payable 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.

### **Goods and Services Tax (GST)**

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

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

Commitments and contingencies are disclosed exclusive of GST.

### **Budget Figures**

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

### **Services Received In-Kind**

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

**Mercer School**

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

For the year ended 31 December 2020

**2 Government Grants**

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	157,235	139,814	120,449
Teachers' Salaries Grants	310,115	383,160	397,248
Use of Land and Buildings Grants	133,244	120,120	131,858
Other MoE Grants	72,816	31,500	47,064
Other Government Grants	-	-	-
	<u>673,410</u>	<u>674,594</u>	<u>696,619</u>

The School has opted in to the donations scheme for this year. Total amount received was \$6,300

Other MOE Grants total includes additional COVID-19 funding totalling \$18,552 for the year ended 31 December 2020.

**3 Locally Raised Funds**

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

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Revenue</b>			
Donations	8,454	19,625	24,528
Activities	17,253	12,790	17,737
Trading	1,213	1,500	1,191
Fundraising	7,249	10,000	2,429
Other Revenue	210	-	1,533
	<u>34,379</u>	<u>43,915</u>	<u>47,418</u>
<b>Expenses</b>			
Activities	16,760	4,610	20,653
Trading	996	700	1,415
Fundraising (Costs of Raising Funds)	1,216	2,000	1,247
	<u>18,972</u>	<u>7,310</u>	<u>23,315</u>
	<u>15,407</u>	<u>36,605</u>	<u>24,103</u>

*Surplus/ (Deficit) for the year Locally Raised Funds*

**4 Learning Resources**

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	23,573	34,200	13,609
Equipment Repairs	230	400	8,890
Information and Communication Technology	9,240	10,200	2,270
Library Resources	-	2,500	-
Employee Benefits - Salaries	379,406	416,629	447,104
Staff Development	3,304	6,000	5,923
	<u>415,753</u>	<u>469,929</u>	<u>477,796</u>

**Mercer School**

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

For the year ended 31 December 2020

**5 Administration**

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Audit Fee	4,350	4,000	4,223
Board of Trustees Fees	3,350	4,000	4,528
Board of Trustees Expenses	4,375	4,900	5,301
Communication	1,557	800	831
Consumables	2,356	600	2,096
Operating Lease	(199)	-	286
Other	6,009	6,771	6,413
Employee Benefits - Salaries	35,825	29,084	32,223
Insurance	1,995	3,700	1,488
Service Providers, Contractors and Consultancy	5,820	5,700	5,700
	<u>65,438</u>	<u>59,555</u>	<u>63,089</u>

**6 Property**

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Caretaking and Cleaning Consumables	2,690	2,000	2,536
Consultancy and Contract Services	11,850	12,000	12,350
Cyclical Maintenance Expense	19,037	8,000	4,024
Grounds	5,258	3,000	3,267
Heat, Light and Water	3,099	4,500	6,272
Rates	745	600	466
Repairs and Maintenance	6,999	7,000	10,304
Use of Land and Buildings	133,244	120,120	131,858
Security	368	-	-
Employee Benefits - Salaries	5,379	5,000	3,842
	<u>188,669</u>	<u>162,220</u>	<u>174,919</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 of the property. Property values are established as part of the nationwide revaluation exercise that is conducted every 30 June for the Ministry of Education's year end reporting purposes.

**7 Depreciation**

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Buildings - School	2,700	2,700	2,632
Building Improvements - Crown	8,157	8,000	8,157
Furniture and Equipment	10,533	4,000	9,997
Information and Communication Technology	1,351	1,500	1,876
Leased Assets	3,900	3,500	3,846
Library Resources	383	300	458
	<u>27,024</u>	<u>20,000</u>	<u>26,966</u>

**Mercer School**

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

For the year ended 31 December 2020

**8 Cash and Cash Equivalents**

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash on Hand	1,632	1,632	1,633
Bank Current Account	48,532	71,741	9,612
Cash and cash equivalents for Statement of Cash Flows	<u>50,164</u>	<u>73,373</u>	<u>11,245</u>

**9 Accounts Receivable**

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Receivables	17	7	5,080
Interest Receivable	(10)	1,350	285
Teacher Salaries Grant Receivable	23,958	23,958	25,180
	<u>23,965</u>	<u>25,315</u>	<u>30,545</u>
Receivables from Exchange Transactions	7	1,357	5,365
Receivables from Non-Exchange Transactions	23,958	23,958	25,180
	<u>23,965</u>	<u>25,315</u>	<u>30,545</u>

**10 Inventories**

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Stationery	336	336	587
	<u>336</u>	<u>336</u>	<u>587</u>

**11 Investments**

The School's Investment activities are classified as follows:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Asset			
Short-term Bank Deposits	61,955	61,955	80,711
Total Investments	<u>61,955</u>	<u>61,955</u>	<u>80,711</u>



Mercer School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

12 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2020</b>						
Land	150,000	-	-	-	-	150,000
Buildings	56,413	8,100	-	-	(2,700)	61,813
Building Improvements	57,252	-	-	-	(8,157)	49,095
Furniture and Equipment	56,085	8,539	-	-	(10,533)	54,091
Information and Communication Technology	9,966	-	-	-	(1,351)	8,615
Leased Assets	7,609	1,403	-	-	(3,900)	5,112
Library Resources	3,206	-	(140)	-	(383)	2,683
<b>Balance at 31 December 2020</b>	<b>340,531</b>	<b>18,042</b>	<b>(140)</b>	<b>-</b>	<b>(27,024)</b>	<b>331,409</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2020</b>			
Land	150,000	-	150,000
Buildings	104,264	(42,451)	61,813
Building Improvements	98,800	(49,705)	49,095
Furniture and Equipment	178,181	(124,090)	54,091
Information and Communication Technology	47,164	(38,549)	8,615
Leased Assets	15,635	(10,523)	5,112
Library Resources	24,201	(21,518)	2,683
<b>Balance at 31 December 2020</b>	<b>618,245</b>	<b>(286,836)</b>	<b>331,409</b>

The net carrying value of equipment held under a finance lease is \$5,112 (2019: \$7,609).

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2019</b>						
Land	150,000	-	-	-	-	150,000
Buildings	59,045	-	-	-	(2,632)	56,413
Building Improvements	65,409	-	-	-	(8,157)	57,252
Furniture and Equipment	54,278	11,804	-	-	(9,997)	56,085
Information and Communication Technology	11,842	-	-	-	(1,876)	9,966
Leased Assets	6,722	4,733	-	-	(3,846)	7,609
Library Resources	3,664	-	-	-	(458)	3,206
<b>Balance at 31 December 2019</b>	<b>350,960</b>	<b>16,537</b>	<b>-</b>	<b>-</b>	<b>(26,966)</b>	<b>340,531</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2019</b>			
Land	150,000	-	150,000
Buildings	96,165	(39,752)	56,413
Building Improvements	98,800	(41,548)	57,252
Furniture and Equipment	179,080	(122,995)	56,085
Information and Communication Technology	47,164	(37,198)	9,966
Leased Assets	17,827	(10,218)	7,609
Library Resources	25,306	(22,100)	3,206
<b>Balance at 31 December 2019</b>	<b>614,342</b>	<b>(273,811)</b>	<b>340,531</b>

The net carrying value of equipment held under a finance lease is \$7,609 (2018: \$6,722).

**Mercer School**

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

For the year ended 31 December 2020

**13 Accounts Payable**

	2020	2020 Budget (Unaudited)	2019
	Actual \$	\$	Actual \$
Operating Creditors	13,760	13,371	59,002
Accruals	2,915	2,915	4,223
Banking Staffing Overuse	3,582	3,582	-
Employee Entitlements - Salaries	24,233	24,233	25,444
	<u>44,490</u>	<u>44,101</u>	<u>88,669</u>
Payables for Exchange Transactions	44,490	44,101	88,669
	<u>44,490</u>	<u>44,101</u>	<u>88,669</u>

The carrying value of payables approximates their fair value.

**14 Revenue Received in Advance**

	2020	2020 Budget (Unaudited)	2019
	Actual \$	\$	Actual \$
Other	2,417	2,417	4,274
	<u>2,417</u>	<u>2,417</u>	<u>4,274</u>

**15 Provision for Cyclical Maintenance**

	2020	2020 Budget (Unaudited)	2019
	Actual \$	\$	Actual \$
Provision at the Start of the Year	30,696	30,696	26,672
Increase/(decrease) to the Provision During the Year	19,037	19,037	4,024
Use of the Provision During the Year	-	-	-
Provision at the End of the Year	<u>49,733</u>	<u>49,733</u>	<u>30,696</u>
Cyclical Maintenance - Current	-	-	17,801
Cyclical Maintenance - Term	49,733	49,733	12,895
	<u>49,733</u>	<u>49,733</u>	<u>30,696</u>

**16 Finance Lease Liability**

The school has a number of finance lease agreements.  
Minimum lease payments payable (includes interest portion):

	2020	2020 Budget (Unaudited)	2019
	Actual \$	\$	Actual \$
No Later than One Year	4,343	-	4,786
Later than One Year and no Later than Five Years	2,026	-	4,764
	<u>6,369</u>	<u>-</u>	<u>9,550</u>

Mercer School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

17 Funds Held for Capital Works Projects

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

	2020	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
Roofing	<i>In progress</i>	-	-	-	-	-
School Re-Key	<i>In progress</i>	(430)	-	-	-	(430)
Drainage	<i>Completed</i>	11,636	-	11,636	-	-
Toilet Upgrade	<i>In progress</i>	(6,924)	9,299	1,700	-	675
Electrical Upgrade	<i>In progress</i>	(44,427)	37,800	-	-	(6,627)
Fire Alarm	<i>In progress</i>	-	-	11,800	-	(11,800)
Heat Pumps	<i>In progress</i>	-	12,780	15,178	-	(2,398)
New adventure playground (SIP)	<i>In progress</i>	-	4,626	5,075	-	(449)
Pool Skimmers & Pipework (SIP)	<i>In progress</i>	-	6,750	4,805	-	1,945
Walkway Roof (SIP)	<i>In progress</i>	-	20,844	14,954	-	5,890
Totals		(40,145)	92,099	65,148	-	(13,194)

Represented by:

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

8,510  
 (21,704)  
(13,194)

	2019	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$	\$	\$
Roofing	<i>In progress</i>	(632)	632	-	-	-
School Re-Key	<i>In progress</i>	939	-	1,369	-	(430)
Drainage	<i>In progress</i>	-	11,636	-	-	11,636
Toilet Upgrade	<i>In progress</i>	-	63,000	69,924	-	(6,924)
Electrical Upgrade	<i>In progress</i>	-	-	44,427	-	(44,427)
Totals		307	75,268	115,720	-	(40,145)

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.

**Mercer School**

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

For the year ended 31 December 2020

**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.

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	3,350	4,528
Full-time equivalent members	0.21	0.28
<i>Leadership Team</i>		
Remuneration	108,512	102,762
Full-time equivalent members	1.00	1.00
Total key management personnel remuneration	111,862	107,290
Total full-time equivalent personnel	1.21	1.28

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

*Principal*

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

	2020 Actual \$000	2019 Actual \$000
<i>Salaries and Other Short-term Employee Benefits:</i>		
Salary and Other Payments	100-110	100-110
Benefits and Other Emoluments	1-5	1-5
Termination Benefits	-	-

*Other Employees*

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

Remuneration \$000	2020 FTE Number	2019 FTE Number
100-110	-	-
	-	-

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

**20 Compensation and Other Benefits Upon Leaving**

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

**21 Contingencies**

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

(Contingent liabilities and assets as at 31 December 2019: nil)

**Holidays Act Compliance – schools payroll**

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

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

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

**Mercer School**

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

For the year ended 31 December 2020

**22 Commitments**

**(a) Capital Commitments**

As at 31 December 2020 the Board has entered into no contract agreements for capital works.

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

(a) \$14,200 contract for Heat Pumps to be completed in 2021 which will be fully funded by the Ministry of Education. \$12,780 has been received of which \$15,178 has been spent on the project to date.

(b) \$13,570 contract for Fire Alarm Upgrade to be completed in 2021 which will be fully funded by the Ministry of Education. \$0.00 has been received of which \$11,800 has been spent on the project to date.

(c) \$5,140 contract for New Adventure Playground to be completed in 2021 which will be fully funded by the Ministry of Education. \$4,626 has been received of which \$5,075 has been spent on the project to date.

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

**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:

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
<b>Financial assets measured at amortised cost</b>			
Cash and Cash Equivalents	50,164	73,373	11,245
Receivables	23,965	25,315	30,545
Investments - Term Deposits	61,955	61,955	80,711
Total Financial assets measured at amortised cost	<u>136,084</u>	<u>160,643</u>	<u>122,501</u>
<b>Financial liabilities measured at amortised cost</b>			
Payables	44,490	44,101	88,669
Finance Leases	5,840	5,840	8,539
Total Financial Liabilities Measured at Amortised Cost	<u>50,330</u>	<u>49,941</u>	<u>97,208</u>

**25 Events After Balance Date**

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