

**INDEPENDENT AUDITOR'S REPORT**

**TO THE READERS OF KAIRANGA SCHOOL'S FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Auditor-General is the auditor of Kairanga School (the School). The Auditor-General has appointed me, Vivien Cotton, using the staff and resources of Cotton Kelly Smit Limited (CKS Audit), to carry out the audit of the financial statements of the School on his behalf.

**Opinion**

We have audited the financial statements of the School on pages 2 to 16, that comprise the statement of financial position as at 31 December 2021, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
  - its financial position as at 31 December 2021; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with the Public Sector - Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 31 May 2022. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

**Basis for our opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of the Board for the financial statements**

The Board is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

The Board's responsibilities, in terms of the requirements of the Education and Training Act 2020, arise from section 87 of the Education Act 1989.

### **Responsibilities of the auditor for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the School's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the school payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Our responsibilities arises from the Public Audit Act 2001.

### **Other information**

The Board is responsible for the other information. The other information comprises the information included in the Analysis of Variance, the Kiwisport Statement, the list of Trustees and the Statement of Responsibility, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Independence**

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the School.



Vivien Cotton  
CKS Audit  
On behalf of the Auditor-General  
Palmerston North, New Zealand

# KAIRANGA SCHOOL

## ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

### School Directory

**Ministry Number:** 2370

**Principal:** James Rea

**School Address:** 1099 Kairanga-Bunnythorpe Road, RD 5, Kairanga 4475

**School Postal Address:** 1099 Kairanga-Bunnythorpe Road, RD 5, Kairanga 4475

**School Phone:** 06 329 0824

**School Email:** office@kairanga.school.nz

### Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Rebecca Argle	Presiding Member	Elected	May-22
James Rea	Principal	ex Officio	
Anna McLachlan	Public Relations	Elected	Dec-23
Michelle Ebbet	Planning & Self Review	Elected	Dec-23
Jonathan Murrow	Property	Elected	May-22
Howard Martin	Finance	Elected	May-22
Jo Lark	Staff Representative	Elected	May-22

**Accountant / Service Provider:** Openbook Solutions Limited



# KAIRANGA SCHOOL

Annual Report - For the year ended 31 December 2021

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# Kairanga School

## Statement of Responsibility

For the year ended 31 December 2021

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 2021 fairly reflects the financial position and operations of the school.

The School's 2021 financial statements are authorised for issue by the Board.

Rebecca Moree Florence Argyle  
Full Name of Presiding Member

A  
Signature of Presiding Member

31/05/2022  
Date:

James Allan Rea  
Full Name of Principal

James Rea  
Signature of Principal

31/05/2022  
Date:

# Kairanga School

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

		2021	2021	2020
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Revenue</b>				
Government Grants	2	1,373,461	1,128,231	1,409,642
Locally Raised Funds	3	53,711	51,414	41,387
Interest income		717	1,000	1,850
		<u>1,427,889</u>	<u>1,180,645</u>	<u>1,452,879</u>
<b>Expenses</b>				
Locally Raised Funds	3	44,400	43,158	29,181
Learning Resources	4	1,038,734	843,391	948,644
Administration	5	85,666	92,579	100,444
Finance		719	1,920	1,211
Property	6	239,685	196,016	284,194
Depreciation	10	27,281	16,727	27,882
Loss on Disposal of Property, Plant and Equipment		0	0	760
		<u>1,436,485</u>	<u>1,193,791</u>	<u>1,392,316</u>
<b>Net Surplus / (Deficit) for the year</b>		<b>(8,596)</b>	<b>(13,146)</b>	<b>60,563</b>
Other Comprehensive Revenue and Expense		0	0	0
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b><u>(8,596)</u></b>	<b><u>(13,146)</u></b>	<b><u>60,563</u></b>

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





# Kairanga School

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Equity at 1 January</b>		<b>221,159</b>	<b>221,159</b>	<b>157,231</b>
Total comprehensive revenue and expense for the year		(8,596)	(13,146)	60,563
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		0	0	3,365
<b>Equity at 31 December</b>		<b>212,563</b>	<b>208,013</b>	<b>221,159</b>
Retained Earnings		211,048	206,157	219,254
Reserves - Matheson Trust [1]		1,515	1,856	1,905
<b>Equity at 31 December</b>		<b>212,563</b>	<b>208,013</b>	<b>221,159</b>

	Actual 2021 \$	Budget (Unaudited) 2021 \$	Actual 2020 \$
<b>[1] Matheson Trust</b>			
Opening balance	1,905	1,905	1,856
Transfer to reserve	310	60	49
Funds provided for students in hardship	(700)	(109)	0
<b>Closing balance</b>	<b>1,515</b>	<b>1,856</b>	<b>1,905</b>

*The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes which form part of these financial statements.*



# Kairanga School

## Statement of Financial Position

As at 31 December 2021

		2021	2021	2020
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	7	132,508	63,814	137,540
Accounts Receivable	8	71,876	100,000	78,919
GST Receivable		0	0	0
Prepayments		3,129	1,200	1,174
Investments	9	50,957	50,000	50,522
		<u>258,470</u>	<u>215,014</u>	<u>268,155</u>
<b>Current Liabilities</b>				
GST Payable		13,238	0	7,502
Accounts Payable	11	98,746	87,000	95,152
Revenue Received in Advance	12	2,192	2,000	5,572
Finance Lease Liability	14	5,952	7,500	8,070
Funds held for Capital Works Projects	15	17,059	0	34,045
		<u>137,187</u>	<u>96,500</u>	<u>150,341</u>
<b>Working Capital Surplus/(Deficit)</b>		<b>121,283</b>	<b>118,514</b>	<b>117,814</b>
<b>Non-current Assets</b>				
Property, Plant and Equipment	10	144,366	148,192	134,919
		<u>144,366</u>	<u>148,192</u>	<u>134,919</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	13	37,537	38,693	31,574
Finance Lease Liability	14	15,549	20,000	0
		<u>53,086</u>	<u>58,693</u>	<u>31,574</u>
<b>Net Assets</b>		<b>212,563</b>	<b>208,013</b>	<b>221,159</b>
<b>Equity</b>		<b>212,563</b>	<b>208,013</b>	<b>221,159</b>

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



# Kairanga School

## Statement of Cash Flows

For the year ended 31 December 2021

		2021	2021	2020
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
<b>Cash flows from Operating Activities</b>				
Government Grants		294,554	295,237	335,996
Locally Raised Funds		50,331	51,414	44,883
Goods and Services Tax (net)		5,736	(8,177)	(46,043)
Payments to Employees		(167,902)	(147,614)	(148,761)
Payments to Suppliers		(143,967)	(187,416)	(127,425)
Interest Paid		(719)	(1,920)	(1,211)
Interest Received		825	1,000	2,409
Net cash from Operating Activities		38,858	2,524	59,847
<b>Cash flows from Investing Activities</b>				
Purchase of Property, Plant & Equipment (and Intangibles)		(14,167)	(30,000)	(7,654)
Purchase of Investments		(435)	0	(1,077)
Proceeds from Sale of Investments		0	522	0
Net cash from Investing Activities		(14,602)	(29,478)	(8,731)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		0	0	3,365
Finance Lease Payments		(8,893)	(12,727)	(11,718)
Funds Held for Capital Works Projects		(20,395)	(34,045)	(269,422)
Net cash from Financing Activities		(29,288)	(46,772)	(277,775)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(5,032)</b>	<b>(73,726)</b>	<b>(226,658)</b>
Cash and cash equivalents at the beginning of the year	7	137,540	137,540	364,198
<b>Cash and cash equivalents at the end of the year</b>	<b>7</b>	<b>132,508</b>	<b>63,814</b>	<b>137,540</b>

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

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





# Kairanga School

## Notes to the Financial Statements

For the year ended 31 December 2021

### 1. Statement of Accounting Policies

#### a) Reporting Entity

Kairanga 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 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 2021 to 31 December 2021 and in accordance with the requirements of the Education and Training Act 2020.

##### **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.

##### **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 10.

##### **Cyclical maintenance provision**

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for 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 13.



### **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.

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. 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. 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 revenue that is offset by a non-cash expense. The use of land and buildings grants and associated expenditure are recorded in the period the School uses the land and buildings.

#### **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.

### **d) 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.

### **e) Finance Lease Payments**

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

### **f) Cash and Cash Equivalents**

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





#### **g) Accounts Receivable**

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

#### **h) 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.

#### **i) Property, Plant and Equipment**

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

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

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

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

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

#### **Finance Leases**

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty whether the school will obtain ownership at the end of the lease term, the asset is 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 to Crown Owned Assets	10–50 years
Furniture and equipment	5–10 years
Information and communication technology	5–20 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

#### **j) 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.





**k) 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.

**l) Employee Entitlements***Short-term employee entitlements*

Employee entitlements that are expected to be settled within 12 months after the end of the reporting period in which the employees provide 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, by non teaching staff, to but not yet taken at balance date.

**m) Revenue Received in Advance**

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

**n) 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 is a reasonable estimate, based on an up to date 10 Year Property Plan (10YPP) or another appropriate source of evidence.

**o) Financial Instruments**

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets are categorised as "financial assets measured at amortised cost" 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.

**p) 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.

**q) Budget Figures**

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

**r) 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.



## 2. Government Grants

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Operational Grants	237,566	255,850	300,085
Teachers' Salaries Grants	904,213	699,998	832,833
Use of Land and Buildings Grants	183,241	132,996	237,034
Other MoE Grants	48,301	39,387	39,216
Other Government Grants	140	0	474
	<b>1,373,461</b>	<b>1,128,231</b>	<b>1,409,642</b>

## 3. Locally Raised Funds

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

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
<b>Revenue</b>			
Donations & Bequests	13,240	15,100	17,350
Fees for Extra Curricular Activities	22,923	29,364	10,006
Trading	6,506	6,250	6,332
Fundraising and Community Grants	10,366	700	5,996
Other Revenue	676	0	1,703
	<b>53,711</b>	<b>51,414</b>	<b>41,387</b>
<b>Expenses</b>			
Extra Curricular Activities Costs	33,035	35,450	16,077
Trading	6,619	7,000	6,506
Fundraising and Community Grant Costs	4,046	708	6,598
Other Locally Raised Funds Expenditure	700	0	0
	<b>44,400</b>	<b>43,158</b>	<b>29,181</b>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<b>9,311</b>	<b>8,256</b>	<b>12,206</b>

## 4. Learning Resources

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Curricular	9,449	17,700	8,814
Information and Communication Technology	2,382	6,800	623
Library Resources	264	4,063	1,292
Employee Benefits - Salaries	1,020,525	800,528	932,854
Staff Development	6,114	14,300	5,061
	<b>1,038,734</b>	<b>843,391</b>	<b>948,644</b>



## 5. Administration

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Audit Fee	4,433	4,179	4,304
Board Fees	4,455	5,550	4,565
Board Expenses	300	1,442	622
Communication	1,754	1,920	1,900
Consumables	2,218	2,408	3,190
Operating Lease	2,280	7,469	6,918
Other	11,349	12,066	19,830
Employee Benefits - Salaries	48,871	47,084	48,368
Insurance	2,696	2,968	3,383
Service Providers, Contractors and Consultancy	7,310	7,493	7,364
	<b>85,666</b>	<b>92,579</b>	<b>100,444</b>

## 6. Property

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	3,705	4,920	3,319
Consultancy and Contract Services	23,791	26,400	23,343
Cyclical Maintenance Provision	5,963	7,120	5,963
Grounds	2,628	2,900	2,529
Heat, Light and Water	7,542	8,580	7,924
Repairs and Maintenance	11,529	11,600	3,595
Use of Land and Buildings	183,241	132,996	237,034
Security	1,286	1,500	487
	<b>239,685</b>	<b>196,016</b>	<b>284,194</b>

In 2021, the Ministry of Education revised the notional rent rate from 8% to 5% to align it with the Government Capital Charge rate. This is considered to be a reasonable proxy for the market rental yield on the value of land and buildings used by schools. Accordingly in 2021, the use of land and buildings figure represents 5% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

## 7. Cash and Cash Equivalents

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Bank Accounts	132,508	63,814	137,540
Cash and cash equivalents for Statement of Cash Flows	<b>132,508</b>	<b>63,814</b>	<b>137,540</b>

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

Of the \$132,508 Cash and Cash Equivalents, \$19,837 is held by the School on behalf of the Ministry of Education. These funds have been provided for the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2022 on Crown owned school buildings.





## 8. Accounts Receivable

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Receivables	0	14,900	140
Receivables from the Ministry of Education	0	15,000	13,014
Interest Receivable	0	100	108
Teacher Salaries Grant Receivable	71,876	70,000	65,657
	<b>71,876</b>	<b>100,000</b>	<b>78,919</b>
Receivables from Exchange Transactions	0	15,000	248
Receivables from Non-Exchange Transactions	71,876	85,000	78,671
	<b>71,876</b>	<b>100,000</b>	<b>78,919</b>

## 9. Investments

The School's investment activities are classified as follows:

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	50,957	50,000	50,522
Non-current Asset			
Long-term Bank Deposits	0	0	0
Total Investments	<b>50,957</b>	<b>50,000</b>	<b>50,522</b>

## 10. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2021	\$	\$	\$	\$	\$	\$
Building Improvements	90,884	2,925	0	0	(8,802)	85,007
Furniture and Equipment	12,731	5,518	0	0	(3,256)	14,993
Information and Communication	18,717	4,200	0	0	(5,846)	17,071
Leased Assets	7,616	22,561	0	0	(8,740)	21,438
Library Resources	4,971	1,523	0	0	(637)	5,857
<b>Balance at 31 December 2021</b>	<b>134,919</b>	<b>36,727</b>	<b>0</b>	<b>0</b>	<b>(27,281)</b>	<b>144,366</b>

The net carrying value of equipment held under a finance lease is \$21,438 (2020: \$7,616)

	2021 Cost or Valuation	2021 Accumulated Depreciation	2021 Net Book Value	2020 Cost or Valuation	2020 Accumulated Depreciation	2020 Net Book Value
	\$	\$	\$	\$	\$	\$
Building Improvements	215,374	(130,367)	85,007	212,449	(121,565)	90,884
Furniture and Equipment	139,499	(124,506)	14,993	133,981	(121,250)	12,731
Information and Communication	58,573	(41,502)	17,071	54,373	(35,656)	18,717
Leased Assets	35,570	(14,132)	21,438	32,735	(25,119)	7,616
Library Resources	44,831	(38,974)	5,857	43,308	(38,337)	4,971
<b>Balance at 31 December</b>	<b>493,847</b>	<b>(349,481)</b>	<b>144,366</b>	<b>476,846</b>	<b>(341,927)</b>	<b>134,919</b>



#### 11. Accounts Payable

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Creditors	22,407	6,500	18,678
Accruals	3,754	10,000	10,273
Employee Entitlements - Salaries	71,876	70,000	65,657
Employee Entitlements - Leave Accrual	709	500	544
	<b>98,746</b>	<b>87,000</b>	<b>95,152</b>
Payables for Exchange Transactions	98,746	87,000	95,152
	<b>98,746</b>	<b>87,000</b>	<b>95,152</b>

The carrying value of payables approximates their fair value.

#### 12. Revenue Received in Advance

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Other Revenue in Advance	2,192	2,000	5,572
	<b>2,192</b>	<b>2,000</b>	<b>5,572</b>

#### 13. Provision for Cyclical Maintenance

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Provision at the Start of the Year	31,574	31,574	32,567
Increase/ (decrease) to the Provision During the Year	5,963	7,119	5,963
Use of the Provision During the Year	0	0	(6,956)
Provision at the End of the Year	<b>37,537</b>	<b>38,693</b>	<b>31,574</b>
Cyclical Maintenance - Current	0	0	0
Cyclical Maintenance - Term	37,537	38,693	31,574
	<b>37,537</b>	<b>38,693</b>	<b>31,574</b>

#### 14. Finance Lease Liability

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

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
No Later than One Year	7,623	11,000	8,442
Later than One Year and no Later than Five Years	17,260	25,000	0
Later than Five Years	0	0	0
Future Finance Charges	(3,382)	(8,500)	(372)
	<b>21,501</b>	<b>27,500</b>	<b>8,070</b>
<b>Represented by</b>			
Finance lease liability - Current	5,952	7,500	8,070
Finance lease liability - Term	15,549	20,000	0
	<b>21,501</b>	<b>27,500</b>	<b>8,070</b>



## 15. 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:

2021	Opening Balances	Receipts from MoE	Payments	BOT Contributions	Closing Balances
	\$	\$	\$	\$	\$
Decking & Playground Landscaping - Project 222908	29,404	(11)	(29,393)	0	0
Block 1 Upgrade - Project 208866	(19,065)	59,450	(43,163)	0	(2,778)
Outdoor Learning Area - Project 222909	0	13,612	0	0	13,612
Playground Upgrade - Project 222911	(374)	(500)	874	0	0
Turf, Seating & Decking - Project 230043	0	12,263	(6,038)	0	6,225
Turf - Project 224768	24,081	176	(24,257)	0	0
<b>Totals</b>	<b>34,045</b>	<b>84,990</b>	<b>(101,977)</b>	<b>0</b>	<b>17,059</b>

### Represented by:

Funds Held on Behalf of the Ministry of Education	19,837
Funds Due from the Ministry of Education	(2,778)
	<b>17,059</b>

2020	Opening Balances	Receipts from MoE	Payments	BOT Contributions	Closing Balances
	\$	\$	\$	\$	\$
Decking & Playground Landscaping - Project 222908	0	36,168	(6,765)	0	29,404
Block 1 Upgrade - Project 208866	303,438	57,550	(380,053)	0	(19,065)
Security Upgrade- Project number 222910	0	8,476	(8,476)	0	0
Playground Upgrade - Project number 222911	0	15,240	(15,614)	0	(374)
Turf - Project 224768	0	24,081	0	0	24,081
<b>Totals</b>	<b>303,438</b>	<b>141,515</b>	<b>(410,908)</b>	<b>0</b>	<b>34,045</b>

## 16. 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.

## 17. Remuneration

### Key management personnel compensation

Key management personnel of the School include all Board members, Principal, Deputy Principal and the Assistant Principal:

	2021 Actual	2020 Actual
	\$	\$
<i>Board Members</i>		
Remuneration	4,455	4,565
<i>Leadership Team</i>		
Remuneration	425,520	408,891
Full-time equivalent members	4.00	4.00
<b>Total key management personnel remuneration</b>	<b>429,975</b>	<b>413,456</b>

There are 6 members of the Board excluding the Principal. The Board had held 7 full meetings of the Board in the year. As well as these regular meetings, including preparation time, the Chair and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.



#### Principal

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

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	130 - 140	120 - 130
Benefits and Other Emoluments	0 - 5	0 - 5
Termination Benefits	0	0

#### Other Employees

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

Remuneration \$000	2021 FTE Number	2020 FTE Number
100 - 110	0	0
110 - 120	0	0
	<b>0</b>	<b>0</b>

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

### 18. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be board members, 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:

	2021 Actual	2020 Actual
Total	0	0
Number of People	0	0

### 19. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2021 (Contingent liabilities and assets at 31 December 2020: nil).

#### Holidays Act Compliance – schools payroll

The Ministry of Education performs payroll processing and payments on behalf of boards, 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. 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 2021, a contingent liability for the school may exist.

### 20. Commitments

#### (a) Capital Commitments

As at 31 December 2021 the Board has entered into contract agreements for capital works as follows:

(a) A \$15,612 contract for Outdoor Learning Area to be completed in 2022, which will be fully funded by the Ministry of Education. \$13,612 has been received of which \$0 has been spent on the project to date; and

(b) A \$455,230 contract to upgrade block 1 as agent for the Ministry of Education. This project is fully funded by the Ministry and \$444,951 has been received of which \$447,729 has been spent on the project to balance date. This project has been approved by the Ministry; and

(c) A \$17,875 contract for turf seating and decking as agent for the Ministry of Education. The project is fully funded by the Ministry and \$12,263 has been received of which \$6,038 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments at 31 December 2020: \$466,592)



**(b) Operating Commitments**

As at 31 December 2021 the Board has entered into the following contracts:

(a) Service charges on photocopier lease and a painting contract;

	2021 Actual	2020 Actual
	\$	\$
No later than One Year	4,289	5,147
Later than One Year and No Later than Five Years	9,784	0
Later than Five Years	0	0
	<b>14,073</b>	<b>5,147</b>

**21. 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**

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Cash and Cash Equivalents	132,508	63,814	137,540
Receivables	71,876	100,000	78,919
Investments - Term Deposits	50,957	50,000	50,522
Total Financial assets measured at amortised cost	<b>255,341</b>	<b>213,814</b>	<b>266,981</b>

**Financial liabilities measured at amortised cost**

Payables	98,746	87,000	95,152
Finance Leases	21,501	27,500	8,070
Total Financial Liabilities Measured at Amortised Cost	<b>120,247</b>	<b>114,500</b>	<b>103,222</b>

**22. Events After Balance Date**

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

**23. Comparatives**

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

