

PAPANUI HIGH SCHOOL



ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

School Directory

Ministry Number:	316
Principal:	Jeffrey Smith
School Address:	30 Langdons Road, Papanui, Christchurch
School Postal Address:	PO Box 5220, Papanui, Christchurch, 8542
School Phone:	03 352 6119
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PAPANUI HIGH SCHOOL

Annual Report - For the year ended 31 December 2021

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Papanui High School

Statement of Responsibility

For the year ended 31 December 2021

The Board 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.

Lana McCarroll

Full Name of Presiding Member

Lana McCarroll

[Lana McCarroll \(Jun 1, 2022 14:35 GMT+12\)](#)

Signature of Presiding Member

31 May 2022

Date:

Stacey M Fry

Full Name of Principal

Stacey M Fry

[Stacey M Fry \(Jun 1, 2022 14:41 GMT+12\)](#)

Signature of Principal

31 May 2022

Date:

Papanui High School Members of the Board

For the year ended 31 December 2021

Name	Position	How Position Gained	Term Expired/ Expires
Shane Watson	Presiding Member	Elected	Sep 2022
Jeffrey Smith	Principal ex Officio		
Tina Barriball	Parent Representative	Elected	Sep 2022
Michelle Bergman	Parent Representative	Elected	Apr 2021
Karen Brandon	Parent Representative	Elected	Sep 2022
Lana McCarroll	Parent Representative	Elected	Sep 2022
Angela Willmont	Staff Representative	Elected	Sep 2022
Anish Kadiraya	Student Representative	Elected	Dec 2021
Vikanda Bagrie	Parent Representative	Elected	Sep 2022
Danelle McGrath	Parent Representative	Elected	Aug 2021

Papanui High School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Revenue				
Government Grants	2	15,952,899	15,681,916	15,678,511
Locally Raised Funds	3	520,372	364,923	492,623
Interest Income		39,630	75,000	85,543
International Students	4	149,929	145,461	507,258
		<u>16,662,830</u>	<u>16,267,300</u>	<u>16,763,935</u>
Expenses				
Locally Raised Funds	3	270,843	240,843	276,010
International Students	4	424,660	479,233	645,088
Learning Resources	5	12,449,223	12,480,188	11,683,270
Administration	6	783,771	788,483	721,437
Finance		31,316	-	38,924
Property	7	2,259,012	2,273,746	2,693,866
Depreciation	11	344,752	369,875	332,727
Loss on Disposal of Property, Plant and Equipment		27,546	-	308
		<u>16,591,123</u>	<u>16,632,368</u>	<u>16,391,630</u>
Net Surplus / (Deficit) for the year		71,707	(365,068)	372,305
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>71,707</u>	<u>(365,068)</u>	<u>372,305</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.

Papanui High School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Equity at 1 January		4,451,656	4,451,656	4,034,887
Total comprehensive revenue and expense for the year		71,707	(365,068)	372,305
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		297,375	-	44,464
Equity at 31 December		4,820,738	4,086,588	4,451,656
Retained Earnings		4,820,738	4,086,588	4,451,656
Equity at 31 December		4,820,738	4,086,588	4,451,656

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.

Papanui High School

Statement of Financial Position

As at 31 December 2021

		2021	2021	2020
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	8	941,048	44,092	52,744
Accounts Receivable	9	913,216	775,987	775,987
GST Receivable		41,165	46,646	46,646
Prepayments		44,289	19,498	19,498
Investments	10	3,276,776	3,769,047	4,069,045
Funds owing for Capital Works Projects	17	-	110	110
		<u>5,216,494</u>	<u>4,655,380</u>	<u>4,964,030</u>
Current Liabilities				
Accounts Payable	12	1,146,168	1,254,839	1,254,839
Revenue Received in Advance	13	164,869	299,767	299,767
Provision for Cyclical Maintenance	14	11,628	-	-
Finance Lease Liability	15	153,651	136,871	136,871
Funds held in Trust	16	117,484	177,170	177,170
Funds held for Capital Works Projects	17	30,000	-	-
		<u>1,623,800</u>	<u>1,868,647</u>	<u>1,868,647</u>
Working Capital Surplus		3,592,694	2,786,733	3,095,383
Non-current Assets				
Investments	10	128,085	132,433	132,433
Property, Plant and Equipment	11	1,475,928	1,633,222	1,636,790
		<u>1,604,013</u>	<u>1,765,655</u>	<u>1,769,223</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	220,407	211,400	158,550
Finance Lease Liability	15	155,562	254,400	254,400
		<u>375,969</u>	<u>465,800</u>	<u>412,950</u>
Net Assets		<u><u>4,820,738</u></u>	<u><u>4,086,588</u></u>	<u><u>4,451,656</u></u>
Equity		<u><u>4,820,738</u></u>	<u><u>4,086,588</u></u>	<u><u>4,451,656</u></u>

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

Papanui High School

Statement of Cash Flows

For the year ended 31 December 2021

		2021	2021	2020
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		4,306,887	4,107,255	4,372,803
Locally Raised Funds		456,421	364,923	558,671
International Students		64,968	145,461	251,026
Goods and Services Tax (net)		5,481	-	(48,636)
Payments to Employees		(2,575,975)	(2,430,616)	(2,432,575)
Payments to Suppliers		(2,176,471)	(2,204,366)	(2,172,820)
Interest Received		39,618	75,000	97,746
Net cash from/(to) Operating Activities		120,929	57,657	626,215
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(143,745)	(366,307)	(275,909)
Purchase of Investments		796,617	299,998	(443,876)
Net cash from/(to) Investing Activities		652,872	(66,309)	(719,785)
Cash flows from Financing Activities				
Furniture and Equipment Grant		297,375	-	44,464
Finance Lease Payments		(153,296)	-	(151,004)
Funds Administered on Behalf of Third Parties		(29,576)	-	(250,315)
Net cash from/(to) Financing Activities		114,503	-	(356,855)
Net increase/(decrease) in cash and cash equivalents		888,304	(8,652)	(450,425)
Cash and cash equivalents at the beginning of the year	8	52,744	52,744	503,169
Cash and cash equivalents at the end of the year	8	941,048	44,092	52,744

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.

Papanui High School

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

1.1. Reporting Entity

Papanui High 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.

1.2. 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.

Cyclical Maintenance

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 14.

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.

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.

1.3. 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.

1.4. 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.

1.5. 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.

1.6. 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.

1.7. Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for credit losses (uncollectable debts). The School's 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.

1.8. 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.

1.9. 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:

Building improvements to Crown Owned Assets	10–50 years
Furniture and equipment	5-10 years
Information and communication technology	4–5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value

1.10. 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.

1.11. 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.

1.12. 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 not expected to be settled wholly before twelve months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis.

The calculations are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows.

1.13. Revenue Received in Advance

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

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

1.14. 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.

1.15. 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.

1.16. 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.

1.17. Borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the school has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Borrowings include but are not limited to bank overdrafts, operating leases, finance leases, painting contracts and term loans.

1.18. 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.

1.19. Budget Figures

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

1.20. 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	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	3,619,210	3,640,734	3,504,762
Teachers' Salaries Grants	9,989,311	9,989,310	9,294,151
Use of Land and Buildings Grants	1,335,393	1,335,393	1,804,401
Resource Teachers Learning and Behaviour Grants	18,407	16,000	18,472
Other MoE Grants	946,441	681,479	1,048,475
Other Government Grants	44,137	19,000	8,250
	<u>15,952,899</u>	<u>15,681,916</u>	<u>15,678,511</u>

The School has opted in to the donations scheme for this year. Total amount received was \$229,350 (2020: \$214,800).

3. Locally Raised Funds

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

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations & Bequests	219,161	166,500	209,016
Fees for Extra Curricular Activities	109,511	37,423	114,333
Fundraising & Community Grants	124	-	632
Other Revenue	191,576	161,000	168,642
	<u>520,372</u>	<u>364,923</u>	<u>492,623</u>
Expenses			
Extra Curricular Activities Costs	135,812	103,900	164,485
Other Locally Raised Funds Expenditure	135,031	136,943	111,525
	<u>270,843</u>	<u>240,843</u>	<u>276,010</u>
<i>Surplus / (Deficit) for the year Locally raised funds</i>	<u>249,529</u>	<u>124,080</u>	<u>216,613</u>

4. International Student Revenue and Expenses

	2021	2021	2020
	Actual	Budget	Actual
	Number	(Unaudited)	Number
International Student Roll	11	10	35
	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
International Student Fees	149,929	145,461	507,258
Expenses			
Student Recruitment	1,669	4,070	4,441
Employee Benefit - Salaries	392,841	444,113	562,473
Other Expenses	30,150	31,050	78,174
	<u>424,660</u>	<u>479,233</u>	<u>645,088</u>
<i>(Deficit)/ Surplus for the year International Students</i>	<u>(274,731)</u>	<u>(333,772)</u>	<u>(137,830)</u>

5. Learning Resources

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	715,041	668,498	725,216
Information and Communication Technology	222,012	222,005	169,143
Library Resources	5,513	8,100	6,722
Employee Benefits - Salaries	11,485,665	11,548,585	10,766,166
Staff Development	20,992	33,000	16,023
	<u>12,449,223</u>	<u>12,480,188</u>	<u>11,683,270</u>

6. Administration

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	9,632	8,500	8,629
Board Fees	8,480	8,000	7,138
Board Expenses	70,378	34,000	15,769
Communication	21,622	26,500	26,245
Consumables	31,935	37,500	28,860
Operating Lease	-	18,000	-
Other	79,765	87,800	80,496
Employee Benefits - Salaries	530,369	527,183	515,576
Insurance	15,756	22,500	21,618
Service Providers, Contractors and Consultancy	15,834	18,500	17,106
	<u>783,771</u>	<u>788,483</u>	<u>721,437</u>

7. Property

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	37,403	40,500	53,001
Consultancy and Contract Services	268,080	247,000	254,546
Cyclical Maintenance Provision	73,485	52,850	52,850
Grounds	45,665	40,500	44,420
Heat, Light and Water	196,385	207,500	194,595
Rates	23,187	22,000	21,738
Repairs and Maintenance	107,254	168,000	108,982
Use of Land and Buildings	1,335,393	1,335,393	1,804,401
Security	15,852	10,000	12,956
Employee Benefits - Salaries	156,308	150,003	146,377
	<u>2,259,012</u>	<u>2,273,746</u>	<u>2,693,866</u>

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.

8. Cash and Cash Equivalents

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Accounts	941,048	44,092	52,744
Cash and cash equivalents for Statement of Cash Flows	<u>941,048</u>	<u>44,092</u>	<u>52,744</u>

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

Of the \$941,048 Cash and Cash Equivalents, \$117,484 is Funds Held in Trust.

9. Accounts Receivable

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	61,555	6,729	6,729
Interest Receivable	11,531	11,519	11,519
Teacher Salaries Grant Receivable	840,130	757,739	757,739
	<u>913,216</u>	<u>775,987</u>	<u>775,987</u>
Receivables from Exchange Transactions	73,086	18,248	18,248
Receivables from Non-Exchange Transactions	840,130	757,739	757,739
	<u>913,216</u>	<u>775,987</u>	<u>775,987</u>

10. Investments

The School's investment activities are classified as follows:

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Asset			
Short-term Bank Deposits	3,276,776	3,769,047	4,069,045
Non-current Asset			
Graham Condon Investment Shares	126,085 2,000	130,433 2,000	130,433 2,000
Total Investments	<u>3,404,861</u>	<u>3,901,480</u>	<u>4,201,478</u>

11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2021						
Building Improvements	687,092	-	-	-	(31,216)	655,876
Furniture and Equipment	257,945	28,565	(17,014)	-	(48,973)	220,523
Information and Communication Technology	314,637	102,832	(10,532)	-	(99,584)	307,353
Motor Vehicles	3,107	-	-	-	(2,248)	859
Leased Assets	374,009	67,691	-	-	(150,383)	291,317
Library Resources	-	12,348	-	-	(12,348)	-
Balance at 31 December 2021	<u>1,636,790</u>	<u>211,436</u>	<u>(27,546)</u>	<u>-</u>	<u>(344,752)</u>	<u>1,475,928</u>

The net carrying value of equipment held under a finance lease is \$291,317 (2020: \$374,009)

	2021 Cost or Valuation \$	2021 Accumulated Depreciation \$	2021 Net Book Value \$	2020 Cost or Valuation \$	2020 Accumulated Depreciation \$	2020 Net Book Value \$
Building Improvements	1,260,263	(604,387)	655,876	1,260,263	(573,171)	687,092
Furniture and Equipment	1,372,235	(1,151,712)	220,523	1,523,909	(1,265,964)	257,945
Information and Communication Technology	1,348,760	(1,041,407)	307,353	1,452,099	(1,137,462)	314,637
Motor Vehicles	115,647	(114,788)	859	115,648	(112,541)	3,107
Leased Assets	674,020	(382,703)	291,317	669,369	(295,360)	374,009
Library Resources	187,090	(187,090)	-	186,395	(186,395)	-
Balance at 31 December	<u>4,958,015</u>	<u>(3,482,087)</u>	<u>1,475,928</u>	<u>5,207,683</u>	<u>(3,570,893)</u>	<u>1,636,790</u>

12. Accounts Payable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Creditors	82,961	66,140	66,140
Accruals	63,981	21,803	21,803
Banking Staffing Overuse	-	249,958	249,958
Employee Entitlements - Salaries	930,600	842,616	842,616
Employee Entitlements - Leave Accrual	68,626	74,322	74,322
	<u>1,146,168</u>	<u>1,254,839</u>	<u>1,254,839</u>
Payables for Exchange Transactions	1,146,168	1,254,839	1,254,839
	<u>1,146,168</u>	<u>1,254,839</u>	<u>1,254,839</u>

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Grants in Advance - Ministry of Education	32,410	73,222	73,222
International Student Fees in Advance	59,323	144,284	144,284
Other Revenue in Advance	73,136	82,261	82,261
	<u>164,869</u>	<u>299,767</u>	<u>299,767</u>

14. Provision for Cyclical Maintenance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Provision at the Start of the Year	158,550	158,550	105,700
Increase/ (decrease) to the Provision During the Year	34,071	52,850	52,850
Adjustment to the Provision	39,414	-	-
Provision at the End of the Year	<u>232,035</u>	<u>211,400</u>	<u>158,550</u>
Cyclical Maintenance - Current	11,628	-	-
Cyclical Maintenance - Term	<u>220,407</u>	<u>211,400</u>	<u>158,550</u>
	<u>232,035</u>	<u>211,400</u>	<u>158,550</u>

15. 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	174,114	164,464	164,464
Later than One Year and no Later than Five Years	163,185	275,732	275,732
Future Finance Charges	(28,086)	(48,925)	(48,925)
	<u>309,213</u>	<u>391,271</u>	<u>391,271</u>
Represented by:			
Finance lease liability - Current	153,651	136,871	136,871
Finance lease liability - Term	155,562	254,400	254,400
	<u>309,213</u>	<u>391,271</u>	<u>391,271</u>

16. Funds Held in Trust

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	117,484	177,170	177,170
	<u>117,484</u>	<u>177,170</u>	<u>177,170</u>

These funds relate to arrangements where the school is acting as an agent. These amounts are not revenue or expenditure of the school and therefore are not included in the Statement of Comprehensive Revenue and Expense.

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:

2021	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Kimi Ora Project	(110)	110	-	-	-
MOE Rebuild	-	50,000	(20,000)	-	30,000
Totals	<u>(110)</u>	<u>50,110</u>	<u>(20,000)</u>	<u>-</u>	<u>30,000</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	<u>30,000</u>
	<u>30,000</u>

2020	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Kimi Ora Project	-	20,788	(20,898)	-	(110)
Totals	<u>-</u>	<u>20,788</u>	<u>(20,898)</u>	<u>-</u>	<u>(110)</u>

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.

19. Remuneration

Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	8,480	7,138
<i>Leadership Team</i>		
Remuneration	1,099,565	843,415
Full-time equivalent members	8.00	6.00
Total key management personnel remuneration	1,108,045	850,553

There are seven members of the Board (ten in total over the year) excluding the Principal. The Board had held ten full meetings of the Board in the year. Instead of holding separate meetings, the Board also has Finance and Property reports presented and discussed during the full board meetings, all board members belong to the Finance/ Property Committee. As well as these regular meetings, including preparation time, the Chair and other Board members have also been involved in no less than nineteen meetings to consider property issues, recruitment, compliance, 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	210 -220	210 -220
Benefits and Other Emoluments	5-6	5-6
Termination Benefits	0 - 0	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	23.00	12.00
110 -120	7.00	3.00
120 - 130	2.00	2.00
130 - 140	2.00	-
140 - 150	-	1.00
150 - 160	1.00	-
	35.00	18.00

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:

	2021 Actual \$	2020 Actual \$
Total	10,000	-
Number of People	1	-

21. 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.

22. Commitments

(a) Capital Commitments

As at 31 December 2021 the Board has not entered into any contract agreements for capital works.

(Capital commitments in relation to Ministry projects at 31 December 2020: nil)

(b) Operating Commitments

As at 31 December 2021 the Board has not entered into any operating contracts.

(Operating commitments at 31 December 2020: nil)

23. 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	941,048	44,092	52,744
Receivables	913,216	775,987	775,987
Investments - Term Deposits	3,276,776	3,769,047	4,069,045
Total Financial assets measured at amortised cost	<u>5,131,040</u>	<u>4,589,126</u>	<u>4,897,776</u>

Financial liabilities measured at amortised cost

Payables	1,146,168	1,254,839	1,254,839
Finance Leases	309,213	391,271	391,271
Total Financial liabilities measured at amortised Cost	<u>1,455,381</u>	<u>1,646,110</u>	<u>1,646,110</u>

24. Events After Balance Date

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

25. Comparatives

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

26. COVID 19 Pandemic on going implications

Impact of Covid-19

During 2021 the country moved between alert levels. During February and March 2021 Auckland was placed into alert levels 3 and 2 and other parts of the country moved into alert level 2.

Towards the end of June 2021, the Wellington region was placed into alert level 2 for one week.

Towards the end of August 2021, the entire country moved to alert level 4, with a move to alert level 3 and 2 for everyone outside the Auckland region three weeks later. While Auckland has remained in alert level 3 for a prolonged period of time the Northland and Waikato regions have also returned to alert level 3 restrictions during this period.

Impact on operations

Schools have been required to continue adapting to remote and online learning practices when physical attendance is unable to occur in alert level 4 and 3. Schools continue to receive funding from the Te Tāhuhu o te Mātauranga | Ministry to Education, even while closed.

However, the ongoing interruptions resulting from the moves in alert levels have impacted schools in various ways which potentially will 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 ongoing impacts of the COVID-19 alert level changes.

Reduction in locally raised funds

Under alert levels 4, 3, and 2 the school's ability to undertake fund raising events in the community and/ or collect donations or other contributions from parents, may have been compromised. Costs already incurred arranging future events may not be recoverable.

Increased Remote learning additional costs

Under alert levels 4 and 3 ensuring that students have the ability to undertake remote or distance learning often incurs additional costs in the supply of materials and devices to students to enable alternative methods of curriculum delivery.

Reduction in International students

Under alert levels 4, 3, 2, and 1 International travel is heavily restricted. The school has been unable to welcome and enrol prospective international students which has resulted in a reduction in revenue from student fees & charges from International students and/or Board of Trustee operated boarding facilities.