



# Kaikorai Valley College

OPPORTUNITY AND SUCCESS FOR ALL

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

**School Directory**

**Ministry Number:** 381

**Principal:** Rick Geerlofs

**School Address:** 500 Kaikorai Valley Road, Bradford, Dunedin 9011

**School Phone:** 03 453 6035

**School Email:** [office@kvc.school.nz](mailto:office@kvc.school.nz)

# KAIKORAI VALLEY COLLEGE

Annual Report - For the year ended 31 December 2021

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# Kaikorai Valley College

## 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.

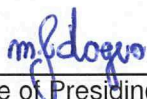
The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the School's financial reporting.

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.

MARK ROGERS.

Full Name of Presiding Member



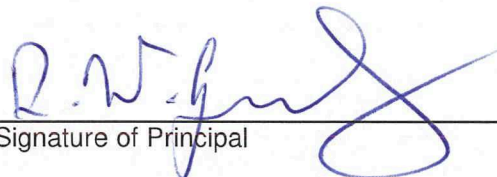
Signature of Presiding Member

15 AUG 2022

Date:

RICHARD GEERLOFS

Full Name of Principal



Signature of Principal

15 AUG 2022

Date:

# Kaikorai Valley College

## Members of the Board

For the year ended 31 December 2021

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Term Expired/ Expires</b>
Mark Rogers	Presiding Member	Elected	Sep 2022
Rick Geerlofs	Principal ex Officio		
Gail Arthur	Parent Representative	Elected	Sep 2022
Duane Donavan	Parent Representative	Elected	Sep 2022
Wendy Ellis	Parent Representative	Elected	Sep 2022
Sefton Vuli	Parent Representative	Elected	Sep 2022
Chris Bernhardt	Parent Representative	Appointed	Dec 2021
Ruth Harrison	Parent Representative	Elected	Dec 2021
Michele Bennett	Staff Representative	Elected	Dec 2021
Mallak Momani	Student Representative	Elected	Oct 2021
Zaria Muirhea	Student Representative	Elected	Oct 2022

# Kaikorai Valley College

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Revenue</b>				
Government Grants	2	6,688,197	6,446,620	6,630,950
Locally Raised Funds	3	321,569	397,790	468,069
Interest Income		437	1,700	4,951
International Students	4	164,562	181,400	364,458
		<u>7,174,765</u>	<u>7,027,510</u>	<u>7,468,428</u>
<b>Expenses</b>				
Locally Raised Funds	3	100,698	132,450	102,635
International Students	4	137,615	154,318	266,122
Learning Resources	5	5,339,371	5,055,310	5,150,415
Administration	6	330,359	350,875	391,112
Finance		6,085	-	3,087
Property	7	1,147,329	1,357,849	1,342,535
Depreciation	12	117,585	72,000	117,374
Loss on Disposal of Property, Plant and Equipment		2,656	-	4,870
		<u>7,181,698</u>	<u>7,122,802</u>	<u>7,378,150</u>
<b>Net (Deficit)/Surplus for the year</b>		(6,933)	(95,292)	90,278
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>(6,933)</u>	<u>(95,292)</u>	<u>90,278</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.

# Kaikorai Valley College

## 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>		574,946	574,946	484,668
Total comprehensive revenue and expense for the year		(6,933)	(95,292)	90,278
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		1,875	-	-
<b>Equity at 31 December</b>		569,888	479,654	574,946
Retained Earnings		569,888	479,654	574,946
<b>Equity at 31 December</b>		569,888	479,654	574,946

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.



# Kaikorai Valley College

## Statement of Financial Position

As at 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	396,475	752,104	960,620
Accounts Receivable	9	344,890	296,878	296,878
GST Receivable		5,589	21,329	21,329
Prepayments		14,733	11,804	11,804
Inventories	10	8,592	3,869	3,869
Investments	11	17,000	17,000	17,000
		<u>787,279</u>	<u>1,102,984</u>	<u>1,311,500</u>
<b>Current Liabilities</b>				
Accounts Payable	13	423,820	479,521	479,521
Revenue Received in Advance	14	102,647	192,549	295,692
Provision for Cyclical Maintenance	15	261,620	55,000	55,000
Finance Lease Liability	16	27,588	12,937	12,937
Funds held in Trust	17	58,241	150,000	199,081
Funds held for Capital Works Projects	18	160,733	331,623	331,623
		<u>1,034,649</u>	<u>1,221,630</u>	<u>1,373,854</u>
<b>Working Capital Surplus/(Deficit)</b>		(247,370)	(118,646)	(62,354)
<b>Non-current Assets</b>				
Investments	11	198	198	198
Property, Plant and Equipment	12	1,022,297	935,073	954,073
		<u>1,022,495</u>	<u>935,271</u>	<u>954,271</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	15	146,257	331,714	311,714
Finance Lease Liability	16	58,980	5,257	5,257
		<u>205,237</u>	<u>336,971</u>	<u>316,971</u>
<b>Net Assets</b>		<u>569,888</u>	<u>479,654</u>	<u>574,946</u>
<b>Equity</b>		<u>569,888</u>	<u>479,654</u>	<u>574,946</u>

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

# Kaikorai Valley College

## Statement of Cash Flows

For the year ended 31 December 2021

		2021	2021	2020
	Note	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		2,048,190	1,829,798	1,987,142
Locally Raised Funds		311,124	399,448	574,005
International Students		25,157	76,599	228,688
Goods and Services Tax (net)		15,740	-	(110,906)
Payments to Employees		(1,720,780)	(1,525,015)	(1,618,473)
Payments to Suppliers		(807,659)	(888,965)	(955,769)
Interest Paid		(6,085)	-	-
Interest Received		437	1,700	4,951
Net cash (to)/from Operating Activities		(133,876)	(106,435)	109,638
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		(2,656)	-	-
Purchase of Property Plant & Equipment (and Intangibles)		(89,217)	(53,000)	(58,253)
Purchase of Investments		-	-	217,249
Net cash (to)/from Investing Activities		(91,873)	(53,000)	158,996
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		1,875	-	-
Finance Lease Payments		(28,541)	-	(19,656)
Funds Administered on Behalf of Third Parties		(311,730)	(49,081)	(428,213)
Net cash (to)/from Financing Activities		(338,396)	(49,081)	(447,869)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(564,145)</b>	<b>(208,516)</b>	<b>(179,235)</b>
Cash and cash equivalents at the beginning of the year	8	960,620	960,620	1,139,855
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>396,475</b>	<b>752,104</b>	<b>960,620</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.



# Kaikorai Valley College

## Notes to the Financial Statements

### For the year ended 31 December 2021

#### 1. Statement of Accounting Policies

##### 1.1. Reporting Entity

Kaikorai Valley College (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 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.

### ***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. Inventories

Inventories are consumable items held for sale and comprised 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.

### 1.9. 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.

### 1.10. 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	15-50 years
Furniture and equipment	3-20 years
Information and communication technology	4-5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

### 1.11. 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.

### **1.12. 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.

### **1.13. 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.

### **1.14. 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.

### **1.15. 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.

### **1.16. 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.

### **1.17. 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.

### **1.18. 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.

**1.19. 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.

**1.20. Budget Figures**

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

**1.21. 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	1,559,760	1,423,500	1,392,873
Teachers' Salaries Grants	3,794,248	3,600,000	3,768,332
Use of Land and Buildings Grants	687,945	933,960	952,362
Other MoE Grants	442,541	146,000	419,667
Other Government Grants	203,703	343,160	97,716
	<u>6,688,197</u>	<u>6,446,620</u>	<u>6,630,950</u>

The School has not opted in to the donations scheme for this year.

## 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	32,719	33,000	96,197
Fees for Extra Curricular Activities	58,915	89,850	65,541
Trading	15,840	14,600	13,525
Fundraising & Community Grants	27,315	33,000	43,651
Other Revenue	177,054	213,940	240,385
Transport Revenue	9,726	13,400	8,770
	<u>321,569</u>	<u>397,790</u>	<u>468,069</u>
<b>Expenses</b>			
Extra Curricular Activities Costs	70,525	99,550	75,323
Trading	2,653	3,500	352
Fundraising & Community Grant Costs	-	1,000	-
Transport (Local)	27,520	28,400	26,960
	<u>100,698</u>	<u>132,450</u>	<u>102,635</u>
<i>Surplus / (Deficit) for the year Locally raised funds</i>	<u>220,871</u>	<u>265,340</u>	<u>365,434</u>

## 4. International Student Revenue and Expenses

	2021 Actual Number	2021 Budget (Unaudited) Number	2020 Actual Number
International Student Roll	11	13	25
	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Revenue</b>			
International Student Fees	164,562	181,400	364,458
<b>Expenses</b>			
Student Recruitment	40,535	28,400	59,689
Employee Benefit - Salaries	78,535	102,818	162,414
Other Expenses	18,545	23,100	44,019
	<u>137,615</u>	<u>154,318</u>	<u>266,122</u>
<i>Surplus / (Deficit) for the year International Students</i>	<u>26,947</u>	<u>27,082</u>	<u>98,336</u>

## 5. Learning Resources

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Curricular	268,026	287,370	292,343
Equipment Repairs	3,990	6,000	5,251
Information and Communication Technology	19,805	25,000	17,856
Employee Benefits - Salaries	5,040,474	4,726,240	4,824,082
Staff Development	7,076	10,700	10,883
	<u>5,339,371</u>	<u>5,055,310</u>	<u>5,150,415</u>



## 6. Administration

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Audit Fee	9,225	7,300	5,994
Board Fees	5,185	5,000	5,535
Board Expenses	1,569	1,810	7,129
Communication	9,046	10,335	10,700
Consumables	46,843	40,500	64,623
Operating Lease	5,332	17,800	268
Other	61,522	81,600	104,394
Employee Benefits - Salaries	168,919	162,930	167,864
Insurance	16,898	17,600	18,820
Service Providers, Contractors and Consultancy	5,820	6,000	5,785
	<u>330,359</u>	<u>350,875</u>	<u>391,112</u>

## 7. Property

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Caretaking and Cleaning Consumables	7,403	6,900	8,290
Consultancy and Contract Services	-	-	8,400
Cyclical Maintenance Provision	68,918	20,000	8,966
Grounds	7,969	8,100	9,062
Heat, Light and Water	70,640	75,500	75,575
Rates	32,225	33,600	32,312
Repairs and Maintenance	38,398	63,900	20,577
Use of Land and Buildings	687,945	933,960	952,362
Employee Benefits - Salaries	233,831	215,889	226,991
	<u>1,147,329</u>	<u>1,357,849</u>	<u>1,342,535</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 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Bank Accounts	155,564	627,217	619,563
Short-term Bank Deposits	240,911	124,887	341,057
Cash and cash equivalents for Statement of Cash Flows	<u>396,475</u>	<u>752,104</u>	<u>960,620</u>

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

Of the \$396,475 Cash and Cash Equivalents, \$156,868 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.

## 9. Accounts Receivable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Receivables	13,925	3,048	3,048
Receivables from the Ministry of Education	24,060	2,857	2,857
Banking Staffing Underuse	5,850	-	-
Teacher Salaries Grant Receivable	301,055	290,973	290,973
	<u>344,890</u>	<u>296,878</u>	<u>296,878</u>
Receivables from Exchange Transactions	13,925	3,048	3,048
Receivables from Non-Exchange Transactions	330,965	293,830	293,830
	<u>344,890</u>	<u>296,878</u>	<u>296,878</u>

## 10. Inventories

	2021	2021 Budget (Unaudited)	2020
	Actual		Actual
	\$	\$	\$
Stationery	3,761	3,869	3,869
School Uniforms	4,831	-	-
	<u>8,592</u>	<u>3,869</u>	<u>3,869</u>

## 11. Investments

The School's investment activities are classified as follows:

	2021	2021 Budget (Unaudited)	2020
	Actual		Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	17,000	17,000	17,000
Non-current Asset			
Long-term Bank Deposits	198	198	198
Total Investments	<u>17,198</u>	<u>17,198</u>	<u>17,198</u>

## 12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2021	\$	\$	\$	\$	\$	\$
Building Improvements	734,309	-	-	-	(23,590)	710,719
Furniture and Equipment	101,905	12,534	-	-	(27,083)	87,356
Information and Communication Technology	60,853	70,145	-	-	(24,698)	106,300
Motor Vehicles	14,137	-	-	-	(8,917)	5,220
Leased Assets	19,245	96,915	-	-	(29,567)	86,593
Library Resources	23,624	8,871	(2,656)	-	(3,730)	26,109
<b>Balance at 31 December 2021</b>	<u>954,073</u>	<u>188,465</u>	<u>(2,656)</u>	<u>-</u>	<u>(117,585)</u>	<u>1,022,297</u>

The net carrying value of equipment held under a finance lease is \$86,593 (2020: \$19,245)

	2021 Cost or Valuation	2021 Accumulated Depreciation	2021 Net Book Value	2020 Cost or Valuation	2020 Accumulated Depreciation	2020 Net Book Value
	\$	\$	\$	\$	\$	\$
Building Improvements	1,178,472	(467,753)	710,719	1,170,956	(436,647)	734,309
Furniture and Equipment	798,901	(711,545)	87,356	794,116	(692,211)	101,905
Information and Communication Technology	403,357	(297,057)	106,300	323,329	(262,476)	60,853
Motor Vehicles	201,751	(196,531)	5,220	211,401	(197,264)	14,137
Leased Assets	118,998	(32,405)	86,593	75,111	(55,866)	19,245
Library Resources	85,349	(59,240)	26,109	86,167	(62,543)	23,624
<b>Balance at 31 December</b>	<u>2,786,828</u>	<u>(1,764,531)</u>	<u>1,022,297</u>	<u>2,661,080</u>	<u>(1,707,007)</u>	<u>954,073</u>

## 13. Accounts Payable

	2021	2021 Budget (Unaudited)	2020
	Actual		Actual
	\$	\$	\$
Creditors	25,746	24,754	24,754
Accruals	9,000	5,494	5,494
Banking Staffing Overuse	-	82,862	82,862
Employee Entitlements - Salaries	325,901	294,911	294,911
Employee Entitlements - Leave Accrual	63,173	71,500	71,500
	<u>423,820</u>	<u>479,521</u>	<u>479,521</u>
Payables for Exchange Transactions	<u>423,820</u>	<u>479,521</u>	<u>479,521</u>

The carrying value of payables approximates their fair value.

#### 14. Revenue Received in Advance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Grants in Advance - Ministry of Education	-	53,749	53,749
International Student Fees in Advance	80,396	115,000	219,801
Other Revenue in Advance	22,251	23,800	22,142
	<u>102,647</u>	<u>192,549</u>	<u>295,692</u>

#### 15. Provision for Cyclical Maintenance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Provision at the Start of the Year	366,714	366,714	369,587
Increase/ (decrease) to the Provision During the Year	68,918	20,000	8,966
Use of the Provision During the Year	(27,755)	-	(11,839)
Provision at the End of the Year	<u>407,877</u>	<u>386,714</u>	<u>366,714</u>
Cyclical Maintenance - Current	261,620	55,000	55,000
Cyclical Maintenance - Term	<u>146,257</u>	<u>331,714</u>	<u>311,714</u>
	<u>407,877</u>	<u>386,714</u>	<u>366,714</u>

#### 16. Finance Lease Liability

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
No Later than One Year	33,309	14,016	14,016
Later than One Year and no Later than Five Years	65,079	5,586	5,586
Future Finance Charges	(11,820)	(1,408)	(1,408)
	<u>86,568</u>	<u>18,194</u>	<u>18,194</u>
<b>Represented by:</b>			
Finance lease liability - Current	27,588	12,937	12,937
Finance lease liability - Term	<u>58,980</u>	<u>5,257</u>	<u>5,257</u>
	<u>86,568</u>	<u>18,194</u>	<u>18,194</u>

#### 17. Funds Held in Trust

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	58,241	150,000	199,081
	<u>58,241</u>	<u>150,000</u>	<u>199,081</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.

## 18. Funds Held for Capital Works Projects

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

2021	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Library rebuild	28,327	4,800	(29,144)	-	3,983
Music block rationalisation	32,684	-	-	-	32,684
Visual Impairment Improvements	80,633	9,118	(89,751)	-	-
D Block Toilet Refurbishment	(5,740)	5,740	-	-	-
SIP Site Asphaltting	132,037	72,038	(153,854)	-	50,221
D Block Refurbish	27,042	-	-	-	27,042
Science Lab Refurbishment	36,640	-	(6,114)	-	30,526
Boiler House System Refurbishment	-	29,745	(26,120)	-	3,625
Bells upgrade	-	-	(675)	-	(675)
C Block refurbishment	-	83,779	(88,357)	-	(4,578)
D Court Learning Space	-	5,217	(1,304)	-	3,913
Gym Refurbishment	-	95,803	(92,314)	-	3,489
LSC Office	-	74,243	(66,886)	-	7,357
Grounds Workshop Doors	-	10,173	(9,099)	-	1,074
Student Office Upgrade	-	8,352	(6,280)	-	2,072
Totals	331,623	399,008	(569,898)	-	160,733

### Represented by:

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

165,986  
(5,253)  
160,733

2020	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Music Block Rationalisation	30,459	32,684	-	(30,459)	32,684
Library rebuild	614,061	-	(585,734)	-	28,327
Boiler System Refurbishment	2,550	-	-	(2,550)	-
Special Needs Refurbishment	1,537	19,562	(30,616)	9,517	-
Visual Impairment Improvements	-	106,771	(16,664)	(9,474)	80,633
D Block Toilet Refurbishment	-	53,800	(59,540)	-	(5,740)
SIP Career Office	-	9,483	(9,483)	-	-
SIP Site Asphaltting	-	202,233	(70,196)	-	132,037
D Block Refurbish	-	27,042	-	-	27,042
Science Lab Refurbishment	-	36,640	-	-	36,640
Totals	648,607	488,215	(772,233)	(32,966)	331,623

## 19. 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.

## 20. Remuneration

### Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	5,185	5,535
<i>Leadership Team</i>		
Remuneration	604,596	583,705
Full-time equivalent members	5.00	5.00
Total key management personnel remuneration	<u>609,781</u>	<u>589,240</u>



There are nine members of the Board excluding the Principal. The Board had held ten full meetings of the Board in the year. The Board also has Finance (4 members) and Property (4 members) that meet monthly and quarterly respectively. 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	160 - 170	160 - 170
Benefits and Other Emoluments	0 - 10	0 - 10
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	6.00	4.00
110 - 120	3.00	3.00
120 - 130	1.00	-
	<u>10.00</u>	<u>7.00</u>

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

## 21. 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	\$ -	\$ -
Number of People	-	-

## 22. 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.

## 23. Commitments

### (a) Capital Commitments

As at 31 December 2021 the Board has entered into the following contract agreements for capital works.

(a) \$703,902 project for Library relocation and demolition was to be completed in 2021, which is fully funded by the Ministry of Education. \$638,312 has been received of which \$634,329 has been spent on the project to date; and

(b) The School Investment Programme continues with a number of contracts including the Asphaltting contract totalling \$220,000. This project is fully funded by the Ministry and \$274,271 has been received of which \$224,050 has been spent on the project to balance date.

(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)

## 24. 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	396,475	752,104	960,620
Receivables	344,890	296,878	296,878
Investments - Term Deposits	17,198	17,198	17,198
Total Financial assets measured at amortised cost	758,563	1,066,180	1,274,696

### Financial liabilities measured at amortised cost

Payables	423,820	479,521	479,521
Finance Leases	86,568	18,194	18,194
Total Financial liabilities measured at amortised Cost	510,388	497,715	497,715

## 25. Events After Balance Date

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

## 26. Comparatives

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

## 27. 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.

## 28. Working Capital Deficit

The School has experienced financial difficulties and has a working capital deficit of \$(247,370). The financial difficulties have arisen mainly because the School has incurred numerous deficits over recent years. The School is managing this by tighter budgetary control to reduce future deficits. These financial statements are prepared on a going concern basis. The going concern assumption is dependent on the continuing support from the Ministry of Education. The Ministry of Education has confirmed it will continue to provide the School with resources, so it may meet its obligations as they fall due.