

BUCKLANDS BEACH PRIMARY SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

School Directory

Ministry Number:	1241
Principal:	Kelly Slater-Brown
School Address:	107 Clovelly Road, Bucklands Beach, Auckland 2012
School Postal Address:	107 Clovelly Road, Bucklands Beach, Auckland 2012
School Phone:	09 534 6543
School Email:	office@bbps.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Term Expired/ Expires
Diana Haxton	Chair Person	Re-Elected	2022
Kelly Slater-Brown	Principal ex Officio		
Kieran Turner	Parent Rep	Re-Elected	2022
Henry Chiang	Parent Rep	Elected	2022
Grant Lowe	Parent Rep	Elected	2022
Claudette Weir	Parent Rep	Re-Elected	2022
Carole Crompton	Staff Rep	Re-Elected	2022

Accountant / Service Provider: Sheryl Lane Chartered Accountant

BUCKLANDS BEACH PRIMARY SCHOOL

Annual Report - For the year ended 31 December 2020

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Buckland's Beach Primary School Statement of Responsibility

For the year ended 31 December 2020

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

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

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

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

Diana Haxton

Full Name of Board Chairperson

Kelly Slater-Brown
Principal

Full Name of Principal



Signature of Board Chairperson



Signature of Principal

31/05/2021

Date:

31.05.21

Date:

Bucklands Beach Primary School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue				
Government Grants	2	4,191,499	3,760,542	3,917,941
Locally Raised Funds	3	175,339	253,195	252,414
Interest income		16,886	13,000	28,265
International Students	4	11,500	11,500	4,288
		<u>4,395,224</u>	<u>4,038,237</u>	<u>4,202,908</u>
Expenses				
Locally Raised Funds	3	37,565	72,395	69,107
Learning Resources	5	2,510,261	2,219,246	2,278,001
Administration	6	172,915	183,505	192,077
Finance		1,691	-	1,499
Property	7	1,563,760	1,541,821	1,537,194
Depreciation	8	149,415	155,000	142,963
Loss on Disposal of Property, Plant and Equipment		-	-	4,264
		<u>4,435,607</u>	<u>4,171,967</u>	<u>4,225,105</u>
Net Surplus / (Deficit) for the year		(40,383)	(133,730)	(22,197)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(40,383)</u>	<u>(133,730)</u>	<u>(22,197)</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.

Buckland's Beach Primary School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

	Notes	Actual	Budget (Unaudited)	Actual
		2020	2020	2019
		\$	\$	\$
Balance at 1 January		<u>2,055,105</u>	<u>2,055,105</u>	<u>2,077,302</u>
Total comprehensive revenue and expense for the year		(40,383)	(133,730)	(22,197)
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		6,077	-	-
Equity at 31 December		<u>2,020,799</u>	<u>1,921,375</u>	<u>2,055,105</u>
Retained Earnings	24	2,020,799	1,921,375	2,055,105
Equity at 31 December		<u>2,020,799</u>	<u>1,921,375</u>	<u>2,055,105</u>

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

Buckland's Beach Primary School

Statement of Financial Position

As at 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	9	73,836	116,021	60,367
Accounts Receivable	10	146,495	123,100	125,650
GST Receivable		8,409	15,000	16,462
Prepayments		16,895	25,000	26,295
Investments	11	676,511	519,288	774,479
Funds due for Capital Works Projects	18	36,338	-	21,733
		<u>958,484</u>	<u>798,409</u>	<u>1,024,986</u>
Current Liabilities				
Accounts Payable	13	203,289	189,800	195,609
Borrowings - Due in one year	5	5,392	5,392	5,392
Revenue Received in Advance	6	80,127	30,000	27,792
Provision for Cyclical Maintenance	16	26,100	15,000	11,538
Finance Lease Liability - Current Portion	7	14,719	15,000	14,853
		<u>329,627</u>	<u>255,192</u>	<u>255,184</u>
Working Capital Surplus/(Deficit)		628,857	543,217	769,802
Non-current Assets				
Property, Plant and Equipment	12	1,526,945	1,514,942	1,439,230
		<u>1,526,945</u>	<u>1,514,942</u>	<u>1,439,230</u>
Non-current Liabilities				
Borrowings	14	10,784	10,784	16,176
Provision for Cyclical Maintenance	16	109,049	110,000	119,313
Finance Lease Liability	17	15,170	16,000	18,438
		<u>135,003</u>	<u>136,784</u>	<u>153,927</u>
Net Assets		<u><u>2,020,799</u></u>	<u><u>1,921,375</u></u>	<u><u>2,055,105</u></u>
Equity	24	<u><u>2,020,799</u></u>	<u><u>1,921,375</u></u>	<u><u>2,055,105</u></u>

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

Buckland's Beach Primary School

Statement of Cash Flows

For the year ended 31 December 2020

		2020	2020	2019
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		781,734	748,169	740,168
Locally Raised Funds		215,554	255,023	263,072
International Students		23,000	11,500	4,288
Goods and Services Tax (net)		8,053	1,462	(16,611)
Payments to Employees		(480,065)	(484,781)	(444,868)
Payments to Suppliers		(358,328)	(508,296)	(435,877)
Cyclical Maintenance Payments in the year		(20,232)	(20,211)	-
Interest Paid		(1,691)	-	(1,499)
Interest Received	5	18,183	14,259	32,150
	6			
Net cash from/(to) Operating Activities		186,208	17,125	140,823
	7			
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		7,257	-	3,574
Purchase of Property Plant & Equipment (and Intangibles)		(250,773)	(230,712)	(152,796)
Proceeds from Sale of Investment		97,968	255,191	4,026
Net cash from/(to) Investing Activities		(145,548)	24,479	(145,196)
Cash flows from Financing Activities				
Furniture and Equipment Grant		6,077	-	-
Finance Lease Payments		(16,016)	(2,291)	(17,365)
Loans Received/ Repayment of Loans		(5,392)	(5,392)	(5,392)
Funds Held for Capital Works Projects		(11,860)	21,733	(106,892)
Net cash from/(to) Financing Activities		(27,191)	14,050	(129,649)
Net increase/(decrease) in cash and cash equivalents		13,469	55,654	(134,022)
Cash and cash equivalents at the beginning of the year	9	60,367	60,367	194,389
Cash and cash equivalents at the end of the year	9	73,836	116,021	60,367

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.

Bucklands Beach Primary School

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical maintenance

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

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.

c) Revenue Recognition

Government Grants

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

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

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

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

Other Grants

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

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

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

i) 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.

j) 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. 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	10–75 years
Furniture and equipment	10–15 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

k) 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.

l) 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.

m) 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.

n) Revenue Received in Advance

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

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

o) Provision for Cyclical Maintenance

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

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

p) 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, borrowings, finance lease liability, and painting contract liability. All of these financial liabilities are categorised as 'financial liabilities measured at amortised cost' for accounting purposes in accordance with financial reporting standards.

q) 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.



r) 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.

s) Budget Figures

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

t) 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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operational Grants	552,284	567,522	535,014
Teachers' Salaries Grants	2,041,922	1,668,498	1,833,898
Use of Land and Buildings Grants	1,367,843	1,343,875	1,343,875
	229,450	180,647	205,154
	<u>4,191,499</u>	<u>3,760,542</u>	<u>3,917,941</u>

Other MOE Grants total includes additional COVID-19 funding totalling \$ 6000 for the year ended 31 December 2020.

3. Locally Raised Funds

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue			
Donations	93,988	145,000	150,855
Bequests & Grants	3,132	10,000	6,353
Activities	38,891	72,395	69,470
Trading	-	100	-
Fundraising	949	1,700	1,661
Other Revenue	38,379	24,000	24,075
	<u>175,339</u>	<u>253,195</u>	<u>252,414</u>
Expenses			
Activities	37,565	72,395	68,371
Trading	-	-	80
Fundraising (Costs of Raising Funds)	-	-	656
	<u>37,565</u>	<u>72,395</u>	<u>69,107</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>137,774</u>	<u>180,800</u>	<u>183,307</u>

4. International Student Revenue and Expenses

	2020 Actual Number	2020 Budget (Unaudited) Number	2019 Actual Number
International Student Roll	1	1	5
Revenue			
International Student Fees	11,500	11,500	4,288
Expenses			
Other Expenses	-	-	-
<i>Surplus/ (Deficit) for the year International Students</i>	<u>11,500</u>	<u>11,500</u>	<u>4,288</u>

5. Learning Resources

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Curricular	70,310	126,179	71,449
Information and Communication Technology	15,167	15,000	14,604
Employee Benefits - Salaries	2,382,481	2,028,967	2,150,503
Staff Development	42,303	49,100	41,445
	<u>2,510,261</u>	<u>2,219,246</u>	<u>2,278,001</u>

6. Administration

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Audit Fee	6,455	7,000	7,833
Board of Trustees Fees	3,130	3,680	3,530
Board of Trustees Expenses	2,711	1,750	6,682
Communication	3,400	3,250	4,862
Consumables	14,287	12,700	12,587
Operating Lease	21,260	36,000	24,244
Other	17,088	17,518	12,911
Employee Benefits - Salaries	96,142	81,607	105,053
Insurance	339	10,000	5,525
Service Providers, Contractors and Consultancy	8,103	10,000	8,850
	<u>172,915</u>	<u>183,505</u>	<u>192,077</u>

7. Property

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Caretaking and Cleaning Consumables	54,460	56,978	53,900
Cyclical Maintenance Provision	24,530	14,360	9,978
Grounds	10,309	8,800	7,292
Heat, Light and Water	25,958	26,600	28,717
Repairs and Maintenance	32,586	40,176	44,332
Use of Land and Buildings	1,367,843	1,343,875	1,343,875
Security	4,053	5,000	3,551
Employee Benefits - Salaries	44,021	46,032	45,549
	<u>1,563,760</u>	<u>1,541,821</u>	<u>1,537,194</u>

8. Depreciation

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Building Improvements - Crown	74,098	77,000	73,648
Furniture and Equipment	30,857	26,000	26,047
Information and Communication Technology	24,636	25,000	24,805
Leased Assets	17,680	25,000	16,253
Library Resources	2,144	2,000	2,210
	<u>149,415</u>	<u>155,000</u>	<u>142,963</u>



9. Cash and Cash Equivalents

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Bank Current Account	73,791	115,976	60,322
Bank Call Account	45	45	45
Cash and cash equivalents for Statement of Cash Flows	<u>73,836</u>	<u>116,021</u>	<u>60,367</u>

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

10. Accounts Receivable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Receivables	2,240	2,000	1,620
Interest Receivable	1,062	1,100	2,359
Teacher Salaries Grant Receivable	143,193	120,000	117,999
Banking Staffing Underuse			1,836
	<u>146,495</u>	<u>123,100</u>	<u>125,650</u>
Receivables from Exchange Transactions	3,302	3,100	3,979
Receivables from Non-Exchange Transactions	143,193	120,000	121,671
	<u>146,495</u>	<u>123,100</u>	<u>125,650</u>

11. Investments

The School's investment activities are classified as follows:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Asset			
Short-term Bank Deposits	676,511	519,288	774,479
Non-current Asset			
Long-term Bank Deposits	-	-	-
Total Investments	<u>676,511</u>	<u>519,288</u>	<u>774,479</u>

12. Property, Plant and Equipment

2020	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Building Improvements	1,049,543	112,462	-	-	(74,098)	1,087,907
Furniture and Equipment	274,180	99,712	-	-	(30,857)	343,035
Information and Communication Technology	73,814	11,036	-	-	(24,636)	60,214
Motor Vehicles	-	-	-	-	-	-
Textbooks	-	-	-	-	-	-
Leased Assets	25,278	12,614	-	-	(17,680)	20,212
Library Resources	16,415	1,306	-	-	(2,144)	15,577
Balance at 31 December 2020	<u>1,439,230</u>	<u>237,130</u>	<u>-</u>	<u>-</u>	<u>(149,415)</u>	<u>1,526,945</u>

The net carrying value of equipment held under a finance lease is \$20,212 (2020: \$25,278)

2020	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Building Improvements	1,875,483	(787,575)	1,087,908
Furniture and Equipment	629,067	(285,634)	343,433
Information and Communication Technology	379,365	(319,550)	59,815
Motor Vehicles	3,326	(3,326)	-
Textbooks	47,672	(47,672)	-
Leased Assets	121,292	(101,081)	20,211
Library Resources	127,592	(112,014)	15,578
Balance at 31 December 2020	<u>3,183,797</u>	<u>(1,656,852)</u>	<u>1,526,945</u>



	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Building Improvements	1,062,535	64,920	(4,264)	-	(73,648)	1,049,543
Furniture and Equipment	230,874	69,353	-	-	(26,047)	274,180
Information and Communication Technology	84,734	13,884	-	-	(24,805)	73,813
Motor Vehicles	-	-	-	-	-	-
Leased Assets	25,427	16,104	-	-	(16,253)	25,278
Library Resources	17,562	1,064	-	-	(2,210)	16,416
Balance at 31 December 2019		165,325	(4,264)	-	(142,963)	1,439,230

The net carrying value of equipment held under a finance lease is \$25,278 (2019: \$43,953)

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2019			
Building Improvements	1,763,020	(713,477)	1,049,543
Furniture and Equipment	529,355	(255,175)	274,180
Information and Communication Technology	368,330	(294,516)	73,814
Motor Vehicles	3,326	(3,326)	-
Leased Assets	108,678	(83,400)	25,278
Library Resources	126,286	(109,871)	16,415
Balance at 31 December 2019	2,946,667	(1,507,437)	1,439,230

13. Accounts Payable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operating Creditors	30,966	40,000	49,301
Accruals	6,800	6,800	6,800
Employee Entitlements - Salaries	160,583	140,000	136,709
Employee Entitlements - Leave Accrual	4,940	3,000	2,799
	203,289	189,800	195,609
Payables for Exchange Transactions	203,289	189,800	195,609
	203,289	189,800	195,609

The carrying value of payables approximates their fair value.

14. Borrowings

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Due in One Year	5,392	5,392	5,392
Due Beyond One Year	10,784	10,784	16,176
	16,176	16,176	21,568

The school has borrowings at 31 December 2020 of \$ 16,176 (31 December 2019 \$ 21,568). This loan is from the EECA for the purpose of upgrading lighting in school. The loan is unsecured, interest is 0% per annum and the loan is payable in equal instalments of \$1,348.

15. Revenue Received in Advance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
International Student Fees	11,500	-	-
Other	68,627	30,000	27,792
	80,127	30,000	27,792



16. Provision for Cyclical Maintenance

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Provision at the Start of the Year	130,851	130,851	120,873
Increase/ (decrease) to the Provision During the Year	24,530	14,360	9,978
Use of the Provision During the Year	(20,232)	-	-
Provision at the End of the Year	135,149	145,211	130,851
Cyclical Maintenance - Current	26,100	15,000	11,538
Cyclical Maintenance - Term	109,049	110,000	119,313
	135,149	125,000	130,851

17. Finance Lease Liability

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

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
No Later than One Year	14,719	-	14,853
Later than One Year and no Later than Five Years	15,170	-	18,438
	29,889	-	33,291

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:

	2020	Opening Balances	Receipts from MoE	Payments	BOT Contributions	Closing Balances
		\$	\$	\$	\$	\$
Window Replacement	<i>completed</i>	9,814	-	(10,753)	-	(939)
Spouting	<i>completed</i>	390	-	(1,806)	-	(1,416)
Block 4 Refurb	<i>in progress</i>	(6,926)	217,063	(322,599)	112,463	-
Roof Replacement and Spouting	<i>in progress</i>	(25,011)	-	(6,227)	-	(31,238)
SIP	<i>in progress</i>	-	-	(2,745)	-	(2,745)
Totals		(21,733)	217,063	(344,130)	112,463	(36,338)

Represented by:

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

-
36,338

(36,338)

	2019	Opening Balances	Receipts from	Payments	BOT Contributions	Closing Balances
		\$	\$	\$	\$	\$
Window Replacement	<i>completed</i>	11,220	-	1,406	-	9,814
Spouting	<i>completed</i>	390	-	-	-	390
Block 4 Refurb	<i>in progress</i>	(1,569)	-	5,357	-	(6,926)
Roof Replacement and Spouting	<i>in progress</i>	75,118	-	100,129	-	(25,011)
Totals		85,159	-	106,892	-	(21,733)

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 Principals and Heads of Departments.

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	3,130	3,530
Full-time equivalent members	0.19	0.19
<i>Leadership Team</i>		
Remuneration	354,454	334,579
Full-time equivalent members	3	3
Total key management personnel remuneration	<u>357,584</u>	<u>338,109</u>
Total full-time equivalent personnel	<u>3.19</u>	<u>3.19</u>

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

Principal

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

	2020 Actual \$000	2019 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	140-150	130 - 140
Benefits and Other Emoluments	0-5	3-4
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2020 FTE Number	2019 FTE Number
100 - 110	2.00	1.00
	<u>2.00</u>	<u>1.00</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:

	2020 Actual	2019 Actual
Total	-	-
Number of People	-	-

22. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2020 (Contingent liabilities and assets at 31 December 2019: nil).

Holidays Act Compliance – schools payroll

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

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

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



23. Commitments

(a) Capital Commitments

As at 31 December 2020 the board has entered into contract agreements relating to capital works:

Using SIP funding there are two projects budgeted for by the Board at present. They are modifications and refurbishment of Admin and Hall Building. These projects are in their initial stages. Contracts for architectural services \$ 12,000 and project management of \$ 20,743 have been signed in February 2021.

The contract entered into on 16 December 2019 for work to be completed as part of the Capital Works Block 4 Refurbishment project, for \$308,621 plus GST is complete. This project and the roof replacement and spouting project are awaiting final sign off from the Ministry.

(Capital commitments at 31 December 2019: \$ 308,621 plus GST)

(b) Operating Commitments

As at 31 December 2020 the Board has entered into the following contracts:

(a) operating lease of a EFTPOS Machine and visitor management system;

	2020 Actual \$	2019 Actual \$
No later than One Year	22,936	27,496
Later than One Year and No Later than Five Years	13,695	33,037
Later than Five Years	-	-
	<u>36,631</u>	<u>60,533</u>

24. Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but attempts to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.

25. 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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash and Cash Equivalents	73,836	116,021	60,367
Receivables	146,495	123,100	125,650
Investments - Term Deposits	676,511	519,288	774,479
Total Financial assets measured at amortised cost	<u>896,842</u>	<u>758,409</u>	<u>960,496</u>

Financial liabilities measured at amortised cost

Payables	203,289	189,800	195,609
Borrowings - Loans	16,176	16,176	21,568
Finance Leases	29,889	31,000	33,291
Total Financial Liabilities Measured at Amortised Cost	<u>249,354</u>	<u>236,976</u>	<u>250,468</u>

26. Events After Balance Date

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

INDEPENDENT AUDITOR'S REPORT**TO THE READERS OF BUCKLANDS BEACH PRIMARY SCHOOL'S
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

The Auditor-General is the auditor of Bucklands Beach Primary School (the School). The Auditor-General has appointed me, Kurt Sherlock, using the staff and resources of Crowe New Zealand Audit Partnership, 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 17, that comprise the statement of financial position as at 31 December 2020, 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 2020; 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 Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 31 May 2021. 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.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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Services are provided by Crowe New Zealand Audit Partnership an affiliate of Findex (Aust) Pty Ltd.

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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 of Trustees 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 Novopay 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 Analysis of Variance, Kiwisport Funding Report and the Equal Employment Opportunities information, 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.



Kurt Sherlock
Crowe New Zealand Audit Partnership
On behalf of the Auditor-General
Auckland, New Zealand