



# Kingslea School

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

School Directory

Ministry Number:

518

Principal:

Tina Lomax

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# KINGSLEA SCHOOL

Annual Report - For the year ended 31 December 2020

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# Kingslea 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 reflect the financial position and operations of the School.

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

Alan Direen

Full Name of Board Chairperson



Signature of Board Chairperson

28 May 2021

Date:

Tina Lomax

Full Name of Principal



Signature of Principal

28 May 2021

Date:

# Kingslea School

## Members of the Board of Trustees

For the year ended 31 December 2020

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Held Until</b>
Tina Lomax	Principal	ex Officio	
Alan Direen	Chairperson	Co-opted Member	May 2022
Shane Whitfield	Deputy Chairperson	Ministerial Appointee	May 2022
Dr Angus Macfarlane	Trustee	Co-opted Member	May 2022
Colleen Bardsley	Trustee	Co-opted Member	May 2022
Jackie Freeman	Staff Representative	Elected Member	May 2022
Peter Whitcombe	Trustee	Oranga Tamariki Appointee	May 2022
Dr Barry Newcombe	Trustee	Ministerial Appointee	May 2022
Alison MacDonald	Trustee	Oranga Tamariki Appointee	Dec 2020

**Kingslea School**  
**Statement of Comprehensive Revenue and Expense**  
For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Revenue</b>				
Government Grants	2	6,302,750	5,841,142	6,032,889
Locally Raised Funds	3	44,754	40,500	42,829
Interest Income		19,093	25,000	30,799
		<u>6,366,597</u>	<u>5,906,642</u>	<u>6,106,517</u>
<b>Expenses</b>				
Learning Resources	4	5,490,669	5,229,480	5,178,695
Administration	5	434,345	473,230	491,519
Finance		4,164	3,860	3,914
Property	6	222,940	39,500	257,709
Depreciation	7	209,055	208,098	197,567
Loss on Disposal of Property, Plant and Equipment		288	-	341
		<u>6,361,461</u>	<u>5,954,168</u>	<u>6,129,745</u>
<b>Net Surplus / (Deficit) for the year</b>		5,136	(47,526)	(23,228)
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u><u>5,136</u></u>	<u><u>(47,526)</u></u>	<u><u>(23,228)</u></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.



# Kingslea School

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Balance at 1 January</b>		<u>1,686,237</u>	<u>1,686,237</u>	<u>1,387,764</u>
Total comprehensive revenue and expense for the year		5,136	(47,526)	(23,228)
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		50,000	-	321,701
<b>Equity at 31 December</b>	20	<u>1,741,373</u>	<u>1,638,711</u>	<u>1,686,237</u>
Retained Earnings		1,741,373	1,638,711	1,686,237
<b>Equity at 31 December</b>		<u>1,741,373</u>	<u>1,638,711</u>	<u>1,686,237</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.



# Kingslea School Statement of Financial Position

As at 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Current Assets</b>				
Cash and Cash Equivalents	8	378,328	638,419	477,847
Accounts Receivable	9	402,193	446,594	446,594
GST Receivable		21,375	26,927	26,927
Prepayments		4,599	11,166	11,166
Investments	10	805,921	503,223	503,223
		<u>1,612,416</u>	<u>1,626,329</u>	<u>1,465,757</u>
<b>Current Liabilities</b>				
Accounts Payable	12	382,217	294,118	294,118
Revenue Received in Advance	13	2,500	1,520	1,520
Finance Lease Liability - Current Portion	14	70,454	89,917	89,917
Funds held for Capital Works Projects	15	433	-	-
		<u>455,604</u>	<u>385,555</u>	<u>385,555</u>
<b>Working Capital Surplus/(Deficit)</b>		1,156,812	1,240,774	1,080,202
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	612,447	453,555	661,653
		<u>612,447</u>	<u>453,555</u>	<u>661,653</u>
<b>Non-current Liabilities</b>				
Finance Lease Liability	14	27,886	55,618	55,618
		<u>27,886</u>	<u>55,618</u>	<u>55,618</u>
<b>Net Assets</b>		<u>1,741,373</u>	<u>1,638,711</u>	<u>1,686,237</u>
<b>Equity</b>	20	<u>1,741,373</u>	<u>1,638,711</u>	<u>1,686,237</u>

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



**Kingslea School**  
**Statement of Cash Flows**  
For the year ended 31 December 2020

		2020	2020 Budget	2019
	Note	Actual	(Unaudited)	Actual
		\$	\$	\$
<b>Cash flows from Operating Activities</b>				
Government Grants		1,914,750	2,168,394	1,853,964
Locally Raised Funds		52,455	40,500	29,722
Goods and Services Tax (net)		5,552	-	5,657
Payments to Employees		(860,479)	(976,752)	(963,054)
Payments to Suppliers		(784,491)	(823,445)	(951,250)
Interest Received		21,300	25,000	32,873
Net cash from/(to) Operating Activities		<u>349,087</u>	<u>433,697</u>	<u>7,912</u>
<b>Cash flows from Investing Activities</b>				
Purchase of Property Plant & Equipment (and Intangibles)		(102,700)	(174,000)	(209,580)
Purchase of Investments		(302,698)	-	-
Proceeds from Sale of Investments		-	-	405,286
Net cash from/(to) Investing Activities		<u>(405,398)</u>	<u>(174,000)</u>	<u>195,706</u>
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		50,000	-	321,701
Finance Lease Payments		(93,641)	(99,125)	(46,313)
Funds held for Capital Works Projects		433	-	-
Net cash from/(to) Financing Activities		<u>(43,208)</u>	<u>(99,125)</u>	<u>275,388</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>(99,519)</u>	<u>160,572</u>	<u>479,006</u>
Cash and cash equivalents at the beginning of the year	8	477,847	477,847	(1,159)
<b>Cash and cash equivalents at the end of the year</b>	8	<u>378,328</u>	<u>638,419</u>	<u>477,847</u>

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

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





# Kingslea School

## Notes to the Financial Statements For the year ended 31 December 2020

### 1. Statement of Accounting Policies

#### 1.1. Reporting Entity

Kingslea 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.

#### 1.2. 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.

##### **Useful lives of property, plant and equipment**

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 11.

### **Critical Judgements in applying accounting policies**

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

#### *Classification of leases*

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

#### *Recognition of grants*

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carryforward 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.

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

#### **Other Grants**

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

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

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

#### **Interest Revenue**

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

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

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

### **1.5. 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.

### **1.6. 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.

### **1.7. 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.



### 1.8. 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.

### 1.9. 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	50 years
Furniture and equipment	5–15 years
Information and communication technology	3–5 years
Motor vehicles	10 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. Employment Entitlements**

#### *Short-term employee entitlements*

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

#### *Long-term employee entitlements*

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows

### **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.

### **1.15. 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.



**1.16. 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.

**1.17. 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.

**1.18. Budget Figures**

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

**1.19. 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	955,595	834,900	815,578
Teachers' Salaries Grants	4,175,783	3,787,000	3,902,063
Use of Land and Buildings Grants	182,166	-	225,112
Other MoE Grants	771,831	1,037,900	897,831
Other Government Grants	217,375	181,342	192,305
	<u>6,302,750</u>	<u>5,841,142</u>	<u>6,032,889</u>

The School has opted in to the donations scheme for this year. Total amount received was \$16,350.

Other MOE Grants total includes additional COVID-19 funding totalling \$4,437 for the year ended 31 December 2020.

## 3. Locally Raised Funds

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Revenue</b>			
Bequests & Grants	20,685	27,000	31,669
Other Revenue	24,069	13,500	11,160
	<u>44,754</u>	<u>40,500</u>	<u>42,829</u>
<i>Surplus for the year Locally raised funds</i>	<u>44,754</u>	<u>40,500</u>	<u>42,829</u>

## 4. Learning Resources

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Curricular	425,047	652,980	500,015
Equipment Repairs	9,947	20,000	20,975
Information and Communication Technology	45,562	45,000	40,838
Employee Benefits - Salaries	4,964,576	4,471,500	4,580,176
Staff Development	45,537	40,000	36,691
	<u>5,490,669</u>	<u>5,229,480</u>	<u>5,178,695</u>

## 5. Administration

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Audit Fee	5,181	5,200	5,730
Board of Trustees Fees	8,670	8,580	8,970
Board of Trustees Expenses	29,103	15,000	18,243
Communication	21,260	23,500	23,856
Consumables	40,520	40,000	41,772
Operating Lease	300	-	-
Legal Fees	497	20,000	16,378
Other	121,614	161,150	184,903
Employee Benefits - Salaries	187,949	178,000	171,401
Insurance	8,319	10,000	8,724
Service Providers, Contractors and Consultancy	10,932	11,800	11,542
	<u>434,345</u>	<u>473,230</u>	<u>491,519</u>



## 6. Property

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Caretaking and Cleaning Consumables	1,034	1,500	1,376
Consultancy and Contract Services	20,914	18,000	18,819
Heat, Light and Water	6,128	5,000	5,282
Repairs and Maintenance	12,698	15,000	7,120
Use of Land and Buildings	182,166	-	225,112
	<u>222,940</u>	<u>39,500</u>	<u>257,709</u>

The Use of Land and Buildings figure represents 8% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

## 7. Depreciation of Property, Plant and Equipment

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Furniture and Equipment	49,903	48,800	46,071
Information and Communication Technology	51,624	52,098	42,000
Motor Vehicles	2,311	2,250	2,105
Leased Assets	105,217	104,950	107,391
	<u>209,055</u>	<u>208,098</u>	<u>197,567</u>

## 8. Cash and Cash Equivalents

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Bank Current Account	165,285	638,419	474,974
Bank Call Account	213,043	-	2,873
Cash and cash equivalents for Statement of Cash Flows	<u>378,328</u>	<u>638,419</u>	<u>477,847</u>

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

Of the \$378,328 Cash and Cash Equivalents, \$433 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2021 on Crown owned school buildings under the School's Five Year Property Plan.

## 9. Accounts Receivable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Receivables	15,040	21,761	21,761
Receivables from the Ministry of Education	66,646	51,750	51,750
Interest Receivable	1,702	3,909	3,909
Banking Staffing Underuse	-	114,252	114,252
Teacher Salaries Grant Receivable	318,805	254,922	254,922
	<u>402,193</u>	<u>446,594</u>	<u>446,594</u>
Receivables from Exchange Transactions	16,742	25,670	25,670
Receivables from Non-Exchange Transactions	385,451	420,924	420,924
	<u>402,193</u>	<u>446,594</u>	<u>446,594</u>

## 10. Investments

The School's investment activities are classified as follows:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Asset			
Short-term Bank Deposits	805,921	503,223	503,223
Total Investments	<u>805,921</u>	<u>503,223</u>	<u>503,223</u>



## 11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
<b>2020</b>	\$	\$	\$	\$	\$	\$
Furniture and Equipment	336,903	67,869	(288)	-	(49,903)	354,581
Information and Communication Technology	169,506	34,831	-	-	(51,624)	152,713
Motor Vehicles	9,119	-	-	-	(2,311)	6,808
Leased Assets	146,125	57,437	-	-	(105,217)	98,345
<b>Balance at 31 December 2020</b>	<b>661,653</b>	<b>160,137</b>	<b>(288)</b>	<b>-</b>	<b>(209,055)</b>	<b>612,447</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
<b>2020</b>	\$	\$	\$
Furniture and Equipment	644,926	(290,345)	354,581
Information and Communication Technology	503,904	(351,191)	152,713
Motor Vehicles	23,110	(16,302)	6,808
Leased Assets	355,192	(256,847)	98,345
<b>Balance at 31 December 2020</b>	<b>1,527,132</b>	<b>(914,685)</b>	<b>612,447</b>

The net carrying value of equipment held under a finance lease is \$98,345 (2019: \$146,125)

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
<b>2019</b>	\$	\$	\$	\$	\$	\$
Furniture and Equipment	317,489	65,582	(97)	-	(46,071)	336,903
Information and Communication Technology	137,346	74,404	(244)	-	(42,000)	169,506
Motor Vehicles	8,284	2,940	-	-	(2,105)	9,119
Leased Assets	227,687	25,829	-	-	(107,391)	146,125
<b>Balance at 31 December 2019</b>	<b>690,806</b>	<b>168,755</b>	<b>(341)</b>	<b>-</b>	<b>(197,567)</b>	<b>661,653</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
<b>2019</b>	\$	\$	\$
Furniture and Equipment	599,109	(262,206)	336,903
Information and Communication Technology	469,374	(299,868)	169,506
Motor Vehicles	23,110	(13,991)	9,119
Leased Assets	337,899	(191,774)	146,125
<b>Balance at 31 December 2019</b>	<b>1,429,492</b>	<b>(767,839)</b>	<b>661,653</b>

## 12. Accounts Payable

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
Operating creditors	\$ 39,574	\$ 27,094	\$ 27,094
Accruals	15,510	5,785	5,785
Employee Entitlements - salaries	320,027	255,854	255,854
Employee Entitlements - leave accrual	7,106	5,385	5,385
	<b>382,217</b>	<b>294,118</b>	<b>294,118</b>

Payables for Exchange Transactions

	382,217	294,118	294,118
	<b>382,217</b>	<b>294,118</b>	<b>294,118</b>

The carrying value of payables approximates their fair value.

## 13. Revenue Received in Advance

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
Other	\$ 2,500	\$ 1,520	\$ 1,520
	<b>2,500</b>	<b>1,520</b>	<b>1,520</b>





#### 14. Finance Lease Liability

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
No Later than One Year	72,924	92,629	92,629
Later than One Year and no Later than Five Years	28,807	56,846	56,846
	<u>101,731</u>	<u>149,475</u>	<u>149,475</u>

#### 15. Funds Held for Capital Works

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 \$
Master key replacement	In Progress	-	5,215	(4,782)	-	433
Totals		<u>-</u>	<u>5,215</u>	<u>(4,782)</u>	<u>-</u>	<u>433</u>

#### Represented by:

Funds Held on Behalf of the Ministry of Education	<u>433</u>
	<u>433</u>

#### 16. Remuneration

##### Key management personnel compensation

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

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	8,670	8,970
Full-time equivalent members	0.16	0.19
<i>Leadership Team</i>		
Remuneration	980,942	951,518
Full-time equivalent members	8.00	9.00
Total key management personnel remuneration	<u>989,612</u>	<u>960,488</u>
Total full-time equivalent personnel	<u>8.16</u>	<u>9.19</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	190 - 200	190 - 200
Benefits and Other Emoluments	0 - 5	5 - 6
Termination Benefits	0 - 0	0 - 0



### Other Employees

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

Remuneration \$000	2020 FTE Number	2019 FTE Number
100 - 110	3.00	3.00
110 - 120	4.00	-
120 - 130	1.00	-
	<u>8.00</u>	<u>3.00</u>

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

### 17. 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	\$ 20,000	\$ -
Number of People	2	-

### 18. 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.

#### Contingent Liability - cyclical maintenance

The School has an obligation to the Ministry of Education to maintain in good order and repair at all times the land, buildings and other liabilities on the School site. The school is part of the Christchurch Schools Rebuild Programme which will result in the School's buildings either being repaired or rebuilt in the future. At present time there is significant uncertainty over how the programme will affect the School. As a result, the School cannot make a reliable estimate of the maintenance required on the School's buildings so no cyclical maintenance provision has been recognised, even though the school be required to maintain any buildings that are not replaced.

### 19. Commitments

#### (a) Capital Commitments

As at 31 December 2020 the Board has entered into the following contract agreements for capital works.

(a) \$5,795 contract for Master Key replacement to be completed in 2021, which will be fully funded by the Ministry of Education. \$5,215 has been received of which \$4,782 has been spent on the project to date.

(b) The School has signed a lease agreement with Springs Road Property Ltd for the property at 7 Springs Road, East Tamaki, Auckland. The Term of the Lease is 1 year with right of renewal for a further term of 1 year. Annual Rent is currently \$45,000 with a rent review due January 2022. The final expiry date of the lease is 31 December 2022. The property is being used by Kaahui Whetuu students and all rental payments are being reimbursed by Oranga Tamariki.

(Capital commitments at 31 December 2019: nil)

#### (b) Operating Commitments

As at 31 December 2020 the Board has not entered into any operating contracts.

(Operating commitments at 31 December 2019: nil)



## 20. 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.

## 21. Financial Instruments

The carrying amount of financial assets and liabilities in each of the financial instrument categories are as follows:

### Financial assets measured at amortised cost

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash and Cash Equivalents	378,328	638,419	477,847
Receivables	402,193	446,594	446,594
Investments - Term Deposits	805,921	503,223	503,223
Total Financial assets measured at amortised cost	<u>1,586,442</u>	<u>1,588,236</u>	<u>1,427,664</u>

### Financial liabilities measured at amortised cost

Payables	382,217	294,118	294,118
Finance Leases	98,340	145,535	145,535
Total Financial liabilities measured at amortised Cost	<u>480,557</u>	<u>439,653</u>	<u>439,653</u>

## 22. 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 KINGSLEA SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The Auditor-General is the auditor of Kingslea School (the School). The Auditor-General has appointed me, Nicole Dring using the staff and resources of Deloitte Limited, 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 3 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 28 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.

#### 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<sup>1</sup>.

## **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 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.



Nicole Dring  
Deloitte Limited

**On behalf of the Auditor-General**  
Christchurch, New Zealand