

Blockhouse Bay Primary School

Annual Report for the year ended 31 December 2020

Ministry Number:	1233
Principal:	Neil Robinson
School Address:	584 Blockhouse Bay Road, Auckland
School Postal Address:	584 Blockhouse Bay Road, Auckland, 0600
School Phone:	09-627 9940
School Email:	neilr@blockhousebay.school.nz
Service Provider:	Edtech Financial Services Ltd

Blockhouse Bay Primary School

Members of the Board of Trustees

For the year ended 31 December 2020

Name	Position	How position on Board gained	Term expired/expires
Neil Robinson	Principal		
Sally Kilpatrick	Staff Rep	Voted	2022
Annuncia Gallaher		Elected	2022
Tao Qin	Finance	Elected	2022
Anton Leyland		Elected	2022
Sheereen Ali	Chairperson	Elected	2022
Nick Dempsey		Elected	2022

Blockhouse Bay Primary School

Annual Report

For the year ended 31 December 2020

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**Blockhouse Bay 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.

Shereen Ali

Full Name of Board Chairperson

Neil Robinson

Full Name of Principal

[Signature]

Signature of Board Chairperson

[Signature]

Signature of Principal

8.7.2021

Date:

8.7.2021

Date:

Blockhouse Bay 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				
Locally Raised Funds	2	5,330,940	4,457,473	4,971,813
Interest Income	3	60,279	26,066	210,066
International Students	4	5,734	5,500	8,467
		47,607	25,000	69,262
		<u>5,444,560</u>	<u>4,514,039</u>	<u>5,259,608</u>
Expenses				
Locally Raised Funds				
International Students	3	25,084	15,200	68,087
Learning Resources	4	4,372	6,500	6,456
Administration	5	3,348,119	2,599,142	3,028,497
Finance	6	295,629	304,300	315,981
Property		4,910	4,500	4,920
Depreciation	7	1,650,106	1,440,097	1,654,600
Loss on Disposal of Property, Plant and Equipment	8	206,435	200,000	194,860
		-	-	3,367
		<u>5,534,655</u>	<u>4,569,739</u>	<u>5,276,768</u>
Net Surplus / (Deficit) for the year		(90,095)	(55,700)	(17,160)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(90,095)</u>	<u>(55,700)</u>	<u>(17,160)</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.

Blockhouse Bay Primary School
Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

	2020	2020	2019
Notes	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Balance at 1 January	<u>1,995,966</u>	<u>1,995,966</u>	<u>2,013,126</u>
Total comprehensive revenue and expense for the year	(90,095)	(55,700)	(17,160)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	9,026	-	-
Equity at 31 December	<u>1,914,897</u>	<u>1,940,266</u>	<u>1,995,966</u>
Retained Earnings	1,914,897	1,940,266	1,995,966
Equity at 31 December	<u>1,914,897</u>	<u>1,940,266</u>	<u>1,995,966</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.

Blockhouse Bay 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	262,215	29,481	158,964
Accounts Receivable	10	219,073	177,000	250,975
GST Receivable		13,862	20,000	19,669
Prepayments		5,343	22,000	22,410
Inventories	11	-	700	776
Investments	12	-	200,000	211,013
		500,493	449,181	663,807
Current Liabilities				
Accounts Payable	14	290,885	243,500	307,919
Revenue Received In Advance	15	20,052	32,000	54,067
Provision for Cyclical Maintenance	16	-	24,325	39,868
Finance Lease Liability - Current Portion	17	20,365	32,000	32,008
Funds Held for Capital Works Projects	18	33,006	12,093	12,093
		364,308	343,918	445,955
Working Capital Surplus/(Deficit)		136,185	105,263	217,852
Non-current Assets				
Property, Plant and Equipment	13	1,947,808	1,965,427	1,885,465
Capital Works In Progress		-	-	17,524
		1,947,808	1,965,427	1,902,989
Non-current Liabilities				
Provision for Cyclical Maintenance	16	151,545	110,424	107,372
Finance Lease Liability	17	17,551	20,000	17,503
		169,096	130,424	124,875
Net Assets		1,914,897	1,940,266	1,995,966
Equity	24	1,914,897	1,940,266	1,995,966

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

Blockhouse Bay Primary School Statement of Cash Flows

For the year ended 31 December 2020

	2020	2020 Budget	2019
Note	Actual	(Unaudited)	Actual
	\$	\$	\$
Cash flows from Operating Activities			
Government Grants	1,282,935	1,144,487	1,044,323
Locally Raised Funds	46,631	19,094	222,164
International Students	27,190	3,339	92,260
Interest Received	8,291	6,769	6,930
Goods and Services Tax (net)	5,807	(331)	13,799
Payments to Employees	(775,338)	(547,873)	(625,402)
Payments to Suppliers	(355,086)	(394,973)	(497,683)
Cyclical Maintenance Payments in the year	(36,035)	(42,491)	(22,785)
Interest Paid	(4,910)	(4,500)	(4,920)
Net cash from/(to) Operating Activities	199,485	183,521	228,686
Cash flows from Investing Activities			
Purchase of Property Plant & Equipment (and Intangibles)	(290,607)	(293,856)	(132,612)
Purchase of Investments	-	-	(104,338)
Proceeds from Sale of Investments	211,013	11,013	-
Net cash from/(to) Investing Activities	(79,594)	(282,843)	(236,950)
Cash flows from Financing Activities			
Finance Lease Payments	(46,580)	16,383	(45,631)
Funds Held for Capital Works Projects	20,914	(46,544)	18,392
Furniture and Equipment Grant	9,026	-	-
Net cash from/(to) Financing Activities	(16,640)	(30,161)	(27,239)
Net increase/(decrease) in cash and cash equivalents	103,251	(129,483)	(35,503)
Cash and cash equivalents at the beginning of the year	9 158,964	158,964	194,467
Cash and cash equivalents at the end of the year	9 262,215	29,481	158,964

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.

Blockhouse Bay Primary School

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

Reporting Entity

Blockhouse Bay 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.

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 of 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 16.

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 13.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

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.

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.

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.

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.

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.

Blockhouse Bay Primary School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

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.

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.

Inventories

Inventories are consumable items held for sale and comprise of stationery and school uniforms. They are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is the estimated selling price in the ordinary course of activities less the estimated costs necessary to make the sale. Any write down from cost to net realisable value is recorded as an expense in the Statement of Comprehensive Revenue and Expense in the period of the write down.

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.

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:

Buildings - School	40 years
Furniture and equipment	5-40 years
Information and communication technology	4-5 years
Leased assets held under a Finance Lease	Term of lease
Library resources	12.5% Diminishing value

Blockhouse Bay Primary School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

Impairment of property, plant, and equipment

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 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.

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.

Employee Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

Employee benefits that are 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.

Revenue Received in Advance

Revenue received in advance relates to fees received from international students, pool key bonds and hall bonds 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 this revenue received in advance, should the School be unable to provide the services to which they relate.

Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Comprehensive Revenue and Expense.

The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

Blockhouse Bay Primary School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

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).

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.

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 Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget Figures

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

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.

Blockhouse Bay Primary School
Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

2 Government Grants

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	917,467	838,223	762,370
Teachers' Salaries Grants	2,701,775	2,200,000	2,563,758
Use of Land and Buildings Grants	1,393,500	1,191,397	1,378,745
Resource Teachers Learning and Behaviour Grants	-	-	3,000
Other MoE Grants	298,496	227,353	229,874
Other Government Grants	19,702	500	34,066
	5,330,940	4,457,473	4,971,813

The School has opted in to the donations scheme for this year. Total amount received was \$86,250.

Other MOE Grants total includes additional COVID-19 funding totalling \$24,167 for the year ended 31 December 2020.

3 Locally Raised Funds

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

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations	5,735	2,000	99,520
Activities	22,032	12,500	52,083
Trading	949	5,000	8,339
Fundraising	21,375	-	39,272
Other Revenue	10,188	6,566	10,852
	60,279	26,066	210,066
Expenses			
Activities	21,177	10,000	53,112
Trading	1,391	5,200	8,704
Fundraising (Costs of Raising Funds)	2,516	-	6,271
	25,084	15,200	68,087
	35,195	10,866	141,979

Surplus/ (Deficit) for the year Locally Raised Funds

4 International Student Revenue and Expenses

	2020	2020	2019
	Actual	Budget	Actual
	Number	(Unaudited)	Number
International Student Roll	0	0	2
Revenue			
International Student Fees	\$ 47,607	\$ 25,000	\$ 69,262
Expenses			
Commissions	1,779	4,000	5,366
International Student Levy	2,593	2,500	1,090
	4,372	6,500	6,456
	43,235	18,500	62,806

Surplus/ (Deficit) for the year International Students

Blockhouse Bay Primary School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

5 Learning Resources

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Curricular	59,127	58,800	54,990
Information and Communication Technology	18,705	20,600	17,516
Library Resources	1,303	1,500	1,524
Employee Benefits - Salaries	3,247,471	2,494,417	2,926,136
Staff Development	21,513	23,825	28,331
	<u>3,348,119</u>	<u>2,599,142</u>	<u>3,028,497</u>

2019: An overseas trip to Melbourne Australia was completed during the year by Neil Robinson and Felicity Davis for the National Future School Expo. This trip was fully funded by the school with total expenses as follows:

- Conference fees \$2,311
- Flights (economy) \$1,269
- Accommodation \$1,122
- Travel Insurance \$51

-It was noted that no transport or food claims were made

The purpose of the conference: The National Future Schools Expo and Conference was being held in Melbourne in March 2019. It brings together the world's most foremost education and school management thought leaders with educators mostly from Australia and New Zealand.

The benefits which were gained by the school included: If Blockhouse Bay School is to remain at the forefront of educational thinking, we need to be sending our most influential leaders to world quality learning opportunities. Our plan is to send Principal Neil Robinson and Felicity Davis who in 2019, will lead the implementation of the Digital Technology Curriculum and Collaborative Teaching.

6 Administration

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Audit Fee	6,752	7,000	6,419
Board of Trustees Fees	3,640	4,000	3,920
Board of Trustees Expenses	16,154	18,600	19,588
Communication	6,955	6,300	6,014
Consumables	12,183	15,000	18,677
Operating Lease	642	6,000	8,768
Other	28,329	33,200	28,367
Employee Benefits - Salaries	203,796	198,200	205,342
Insurance	9,162	8,000	10,375
Service Providers, Contractors and Consultancy	8,016	8,000	8,511
	<u>295,629</u>	<u>304,300</u>	<u>315,981</u>

Blockhouse Bay Primary School
Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

7 Property

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Caretaking and Cleaning Consumables	21,398	18,200	16,477
Consultancy and Contract Services	50,527	55,500	53,795
Cyclical Maintenance Expense	40,340	30,000	52,581
Grounds	13,677	19,700	18,571
Heat, Light and Water	35,639	37,300	38,948
Repairs and Maintenance	26,492	22,000	32,068
Use of Land and Buildings	1,393,500	1,191,397	1,378,745
Security	9,613	10,000	10,757
Employee Benefits - Salaries	58,920	56,000	52,658
	<u>1,650,106</u>	<u>1,440,097</u>	<u>1,654,600</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 nationwide revaluation exercise that is conducted every 30 June for the Ministry of Education's year end reporting purposes.

8 Depreciation

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Buildings - School	37,782	35,520	36,907
Furniture and Equipment	103,543	84,960	95,092
Information and Communication Technology	29,510	41,875	29,099
Leased Assets	35,600	34,385	30,296
Library Resources	-	3,260	3,466
	<u>206,435</u>	<u>200,000</u>	<u>194,860</u>

9 Cash and Cash Equivalents

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Bank Current Account	95,774	29,331	68,815
Bank Call Account	380	150	150
Short-term Bank Deposits	166,061	-	89,999
Cash and cash equivalents for Statement of Cash Flows	<u>262,215</u>	<u>29,481</u>	<u>158,964</u>

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

Of the \$262,215 Cash and Cash Equivalents, \$33,006 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.

Blockhouse Bay Primary School
Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

10 Accounts Receivable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Receivables	50	-	-
Receivables from the Ministry of Education	34,844	-	71,845
Interest Receivable	712	2,000	3,269
Teacher Salaries Grant Receivable	183,467	175,000	175,861
	<u>219,073</u>	<u>177,000</u>	<u>250,975</u>
Receivables from Exchange Transactions	762	2,000	3,269
Receivables from Non-Exchange Transactions	218,311	175,000	247,706
	<u>219,073</u>	<u>177,000</u>	<u>250,975</u>

11 Inventories

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Stationery	-	700	776
	<u>-</u>	<u>700</u>	<u>776</u>

12 Investments

The School's investment activities are classified as follows:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Asset			
Short-term Bank Deposits	-	200,000	211,013
Total Investments	<u>-</u>	<u>200,000</u>	<u>211,013</u>

Blockhouse Bay Primary School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

13 Property, Plant and Equipment

2020	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Buildings	1,035,890	48,438	-	-	(37,782)	1,046,546
Furniture and Equipment	699,762	184,003	-	-	(103,543)	780,222
Information and Communication Technology	77,270	7,142	-	-	(29,510)	54,902
Leased Assets	48,279	24,714	-	-	(35,600)	37,393
Library Resources	24,264	4,481	-	-	-	28,745
Balance at 31 December 2020	1,885,465	268,778	-	-	(206,435)	1,947,808

2020	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Buildings	1,527,418	(480,872)	1,046,546
Furniture and Equipment	1,934,213	(1,153,991)	780,222
Information and Communication Technology	319,606	(264,704)	54,902
Leased Assets	130,080	(92,687)	37,393
Library Resources	86,001	(57,256)	28,745
Balance at 31 December 2020	3,997,318	(2,049,510)	1,947,808

The net carrying value of equipment held under a finance lease is \$37,393 (2019: \$48,279).

2019	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Buildings	1,069,857	2,940	-	-	(36,907)	1,035,890
Furniture and Equipment	686,048	108,806	-	-	(95,092)	699,762
Information and Communication Technology	45,406	60,963	-	-	(29,099)	77,270
Leased Assets	67,424	11,151	-	-	(30,296)	48,279
Library Resources	24,650	6,448	(3,368)	-	(3,466)	24,264
Balance at 31 December 2019	1,893,385	190,308	(3,368)	-	(194,860)	1,885,465

2019	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Buildings	1,478,979	(443,089)	1,035,890
Furniture and Equipment	1,750,214	(1,050,452)	699,762
Information and Communication Technology	312,464	(235,194)	77,270
Leased Assets	105,365	(57,086)	48,279
Library Resources	81,520	(57,256)	24,264
Balance at 31 December 2019	3,728,542	(1,843,077)	1,885,465

The net carrying value of equipment held under a finance lease is 2019: \$48,279 (2018: \$67,424).

Blockhouse Bay Primary School
Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

14 Accounts Payable

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Operating Creditors	41,336	35,000	35,179
Accruals	6,752	6,500	6,555
Capital Accruals for PPE Items	-	-	64,068
Employee Entitlements - Salaries	227,459	190,000	190,278
Employee Entitlements - Leave Accrual	15,338	12,000	11,839
	<u>290,885</u>	<u>243,500</u>	<u>307,919</u>
Payables for Exchange Transactions	290,885	243,500	307,919
	<u>290,885</u>	<u>243,500</u>	<u>307,919</u>

The carrying value of payables approximates their fair value.

15 Revenue Received in Advance

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
International Student Fees	13,244	12,000	33,661
Other	6,808	20,000	20,406
	<u>20,052</u>	<u>32,000</u>	<u>54,067</u>

16 Provision for Cyclical Maintenance

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Provision at the Start of the Year	147,240	147,240	117,444
Increase/(decrease) to the Provision During the Year	40,340	30,000	52,581
Use of the Provision During the Year	(36,035)	(42,491)	(22,785)
Provision at the End of the Year	<u>151,545</u>	<u>134,749</u>	<u>147,240</u>
Cyclical Maintenance - Current	-	24,325	39,868
Cyclical Maintenance - Term	151,545	110,424	107,372
	<u>151,545</u>	<u>134,749</u>	<u>147,240</u>

17 Finance Lease Liability

The school has entered into a number of finance lease agreements for laptops, computer equipment and photocopiers.
 Minimum lease payments payable (includes interest portion):

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
No Later than One Year	22,698	32,000	34,867
Later than One Year and no Later than Five Years	19,819	20,000	18,204
	<u>42,517</u>	<u>52,000</u>	<u>53,071</u>

Blockhouse Bay Primary School
Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

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 Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
Refurbishment Blk 1	<i>Completed</i>	12,093	-	-	-	12,093
Re-roof R21 Classroom	<i>Completed</i>	(66,029)	66,029	-	-	-
Historic Block Roofing	<i>Completed</i>	-	-	-	-	-
Heat Pump & Boiler	<i>Completed</i>	-	34,084	34,084	-	-
Subsidence Project	<i>In progress</i>	(5,816)	-	29,028	-	(34,844)
SIP Walkway/Shade	<i>In progress</i>	-	173,744	152,831	-	20,913
Totals		(59,752)	273,857	215,943	-	(1,838)

Represented by:

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

33,006
 (34,844)
 (1,838)

	2019	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$	\$	\$
Refurbishment Blk 1	<i>In progress</i>	12,093	-	-	-	12,093
Re-roof R21 Classroom	<i>In progress</i>	(42,405)	-	23,624	-	(66,029)
Historic Block Roofing	<i>In progress</i>	(51,655)	68,166	16,511	-	-
Heat Pump & Boiler	<i>In progress</i>	5,807	548	6,355	-	-
Subsidence Project	<i>In progress</i>	(2,902)	33,003	35,917	-	(5,816)
PAC Floor	<i>In progress</i>	918	-	918	-	-
Totals		(78,144)	101,717	83,325	-	(59,752)

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.

Blockhouse Bay Primary School
Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

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	3,640	3,920
Full-time equivalent members	0.08	0.11
<i>Leadership Team</i>		
Remuneration	481,345	460,304
Full-time equivalent members	4.00	4.00
Total key management personnel remuneration	484,985	464,224
Total full-time equivalent personnel	4.08	4.11

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	180-190	170-180
Benefits and Other Emoluments	0-10	0-10

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
110-120	1	-
100-110	2	2
	3	2

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

21 Compensation and Other Benefits Upon Leaving

There were no compensation or other benefits paid or payable to persons upon leaving.

Blockhouse Bay Primary School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

22 Contingencies

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

(Contingent liabilities and assets as 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.

Leaky buildings

Leaky buildings have been identified at the school and work is being undertaken to assess the cost to remediate these buildings. The Ministry of Education is expected to pay 60% of the cost to remediate these buildings with remaining 40% of the cost to be met by the school. No reliable estimate of the cost to remediate these buildings can be made at this stage.

23 Commitments

(a) Capital Commitments

As at 31 December 2020 the Board has entered into no contract agreements for capital works.

(Capital commitments as at 31 December 2019: nil)

(b) Operating Commitments

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

	2020 Actual \$	2019 Actual \$
No later than One Year	-	2,638
Later than One Year and No Later than Five Years	-	-
Later than Five Years	-	-
	<u>-</u>	<u>2,638</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:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Financial assets measured at amortised cost			
Cash and Cash Equivalents	262,215	29,481	158,964
Receivables	219,073	177,000	250,975
Investments - Term Deposits	-	200,000	211,013
Total Financial assets measured at amortised cost	<u>481,288</u>	<u>406,481</u>	<u>620,952</u>
Financial liabilities measured at amortised cost			
Payables	290,885	243,500	307,919
Finance Leases	37,916	52,000	49,511
Total Financial Liabilities Measured at Amortised Cost	<u>328,801</u>	<u>295,500</u>	<u>357,430</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 BLOCKHOUSE BAY SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The Auditor-General is the auditor of Blockhouse Bay School (the School). The Auditor-General has appointed me, Melissa Youngson, 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 2 to 19, 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 8 July 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 of Trustees 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 of Trustees for the financial statements

The Board of Trustees 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 of Trustees is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board of Trustees 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 of Trustees' 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 of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees 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 of Trustees 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 arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the information including List of Board of Trustees, Statement of Responsibility, Analysis of Variance Report and KiwiSport Report, 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.



Melissa Youngson

Partner
for Deloitte Limited
On behalf of the Auditor-General
Hamilton, New Zealand