

# CREATE THINK GROW



PREBBLETON SCHOOL  
TE KURA O TAUMATA-KURI

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### School Directory

**Ministry Number:** 3478

**Principal:** Kim Alexander

**School Address:** Blakes Road, Prebbleton

**School Phone:** (03) 349 6553

**School Email:** admin@prebbleton.school.nz

**Accountant / Service Provider:**

89 Nazareth Avenue  
Christchurch  
Ph: 03 338 4444



# PREBBLETON SCHOOL

Annual Report - For the year ended 31 December 2021

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# Prebbleton School

## Members of the Board

For the year ended 31 December 2021

Name	Position	How Position Gained	Term Expired/ Expires
Delys Brough	Presiding Member	Re-Elected Jun 2019	Sep 2022
Adam Gard'ner	Parent Rep	Re-Elected Jun 2019	Sep 2022
Simon Thompson	Parent Rep	Elected Jun 2019	Sep 2022
Hamish Crombie	Parent Rep	Elected Jun 2019	Sep 2022
Stephanie Broomhall	Parent Rep	Elected Jun 2019	Sep 2022
Katie Tullett	Staff Rep	Elected Jun 2019	Sep 2022
Kim Alexander	Principal (Ex Officio)		

# Prebbleton School

## Statement of Responsibility

For the year ended 31 December 2021

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2021 fairly reflects the financial position and operations of the school.

The School's 2021 financial statements are authorised for issue by the Board.

Kim Alexander

\_\_\_\_\_  
Full Name of Presiding Member

\_\_\_\_\_  
Full Name of Principal

\_\_\_\_\_  
Signature of Presiding Member

\_\_\_\_\_  
Signature of Principal

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Date:

# Prebbleton School

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

		2021	2021	2020
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
<b>Revenue</b>				
Government Grants	2	4,168,746	4,125,608	3,848,097
Locally Raised Funds	3	224,821	115,000	248,902
Interest income		9,018	3,000	16,000
		<u>4,402,585</u>	<u>4,243,608</u>	<u>4,112,999</u>
<b>Expenses</b>				
Locally Raised Funds	3	22,046	13,000	120,728
Learning Resources	4	3,091,921	3,070,743	2,659,298
Administration	5	152,437	159,850	136,711
Finance		2,052	1,900	1,703
Property	6	847,550	877,557	931,213
Depreciation	7	126,167	120,000	106,774
Loss on Disposal of Property, Plant and Equipment		3,521	-	925
		<u>4,245,694</u>	<u>4,243,050</u>	<u>3,957,352</u>
<b>Net Surplus / (Deficit) for the year</b>		156,891	558	155,647
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>156,891</u>	<u>558</u>	<u>155,647</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.

# Prebbleton School

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2021

	Notes	Actual 2021 \$	Budget (Unaudited) 2021 \$	Actual 2020 \$
<b>Balance at 1 January</b>		<u>1,217,975</u>	<u>1,217,975</u>	<u>1,058,086</u>
Total comprehensive revenue and expense for the year		156,891	558	155,647
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		45,751	-	4,242
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9				
<b>Equity at 31 December</b>	22	<u>1,420,617</u>	<u>1,218,533</u>	<u>1,217,975</u>
Retained Earnings		1,420,617	1,218,533	1,217,975
Reserves		-	-	-
<b>Equity at 31 December</b>		<u>1,420,617</u>	<u>1,218,533</u>	<u>1,217,975</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.

# Prebbleton School

## Statement of Financial Position

As at 31 December 2021

		2021	2021	2020
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Current Assets</b>				
Cash and Cash Equivalents	8	43,631	115,469	234,610
Accounts Receivable	9	288,540	219,126	180,989
GST Receivable		13,668	10,000	1,032
Prepayments		500	-	250
Inventories	10	7,617	7,617	7,182
Investments	11	801,858	600,000	540,736
		<u>1,155,814</u>	<u>952,212</u>	<u>964,799</u>
<b>Current Liabilities</b>				
Accounts Payable	13	276,000	250,078	217,674
Revenue Received in Advance	14	3,920	-	9,131
Provision for Cyclical Maintenance	15	-	-	39,091
Finance Lease Liability	16	31,196	31,196	28,457
Funds held in Trust	17	16	-	-
Funds held for Capital Works Projects	18	(574)	-	17,012
		<u>310,558</u>	<u>281,274</u>	<u>311,365</u>
<b>Working Capital Surplus/(Deficit)</b>		845,256	670,938	653,434
<b>Non-current Assets</b>				
Property, Plant and Equipment	12	662,337	634,571	662,571
		<u>662,337</u>	<u>634,571</u>	<u>662,571</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	15	55,500	55,500	39,358
Finance Lease Liability	16	31,476	31,476	58,672
		<u>86,976</u>	<u>86,976</u>	<u>98,030</u>
<b>Net Assets</b>		<u>1,420,617</u>	<u>1,218,533</u>	<u>1,217,975</u>
<b>Equity</b>	22	<u>1,420,617</u>	<u>1,218,533</u>	<u>1,217,975</u>

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

# Prebbleton School

## Statement of Cash Flows

For the year ended 31 December 2021

	Note	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		719,798	913,147	754,874
Locally Raised Funds		225,756	115,000	249,062
Goods and Services Tax (net)		(12,637)	(10,000)	20,168
Funds Administered on Behalf of Third Parties		16	-	-
Payments to Employees		(383,440)	(378,244)	(366,343)
Payments to Suppliers		(355,348)	(333,825)	(325,523)
Cyclical Maintenance Payments in the year		(5,880)	(42,949)	(10,635)
Interest Paid		(2,052)	(1,900)	(1,703)
Interest Received		9,675	3,657	17,571
Net cash from/(to) Operating Activities		195,888	264,886	337,471
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		(3,521)	-	(925)
Purchase of Property Plant & Equipment (and Intangibles)		(127,925)	(334,388)	(249,961)
Purchase of Investments		(261,122)	(60,000)	7,379
Net cash from/(to) Investing Activities		(392,568)	(394,388)	(243,507)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		45,751	-	4,242
Finance Lease Payments		(22,464)	(19,775)	(28,930)
Funds Held for Capital Works Projects		(17,586)	-	75,680
Net cash from/(to) Financing Activities		5,701	(19,775)	50,992
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(190,979)</b>	<b>(149,277)</b>	<b>144,956</b>
Cash and cash equivalents at the beginning of the year	8	234,610	264,746	89,654
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>43,631</b>	<b>115,469</b>	<b>234,610</b>

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



# Prebbleton School

## Notes to the Financial Statements

### For the year ended 31 December 2021

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

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

##### b) Basis of Preparation

###### **Reporting Period**

The financial reports have been prepared for the period 1 January 2021 to 31 December 2021 and in accordance with the requirements of the Education and Training Act 2020.

###### **Basis of Preparation**

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

###### **Financial Reporting Standards Applied**

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

###### **PBE Accounting Standards Reduced Disclosure Regime**

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

###### **Measurement Base**

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

###### **Presentation Currency**

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

###### **Specific Accounting Policies**

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

###### **Critical Accounting Estimates And Assumptions**

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

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

###### **Cyclical maintenance**

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 15.

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

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the significant accounting policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 12.

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

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

#### *Classification of leases*

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

#### *Recognition of grants*

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carry forward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

### **c) Revenue Recognition**

#### **Government Grants**

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

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

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

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

#### **Other Grants**

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

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

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

#### **Interest Revenue**

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

### **d) Use of Land and Buildings Expense**

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. The 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.

### **e) 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.

### **f) 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.

### **g) 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.

## **h) Inventories**

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

## **i) Investments**

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

## **j) Property, Plant and Equipment**

Land and buildings owned by the Crown are excluded from these financial statements. The Board's use of the land and buildings as 'occupant' is based on a property occupancy document.

Improvements to buildings owned by the Crown are recorded at cost, less accumulated depreciation and impairment losses.

Property, plant and equipment are recorded at cost or, in the case of donated assets, fair value at the date of receipt, less accumulated depreciation and impairment losses. Cost or fair value as the case may be, includes those costs that relate directly to bringing the asset to the location where it will be used and making sure it is in the appropriate condition for its intended use.

Gains and losses on disposals (i.e. sold or given away) are determined by comparing the proceeds received with the carrying amounts (i.e. the book value). The gain or loss arising from the disposal of an item of property, plant and equipment is recognised in the Statement of Comprehensive Revenue and Expense.

## **Finance Leases**

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty whether the school will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

## **Depreciation**

Property, plant and equipment except for library resources are depreciated over their estimated useful lives on a straight line basis. Library resources are depreciated on a diminishing value basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	10–50 years
Furniture and equipment	7-10 years
Information and communication technology	5 years
Leased assets held under a Finance Lease	3-5 years
Library resources	12.5% Diminishing value

## **k) Impairment of property, plant, and equipment and intangible assets**

The school does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

### *Non cash generating assets*

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

### **l) Accounts Payable**

Accounts Payable represents liabilities for goods and services provided to the School prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

### **m) Employee Entitlements**

#### *Short-term employee entitlements*

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

#### *Long-term employee entitlements*

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

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

### **n) Revenue Received in Advance**

Revenue received in advance relates to fees received from grants and parent payments 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.

### **o) Funds Held in Trust**

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

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

### **p) 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).

### **q) Financial Instruments**

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are categorised as 'financial assets measured at amortised cost' for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as 'financial assets at fair value through other comprehensive revenue and expense' for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. All of these financial liabilities are categorised as 'financial liabilities measured at amortised cost' for accounting purposes in accordance with financial reporting standards.

### **r) Goods and Services Tax (GST)**

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

**s) Budget Figures**

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

**t) Services received in-kind**

From time to time the School receives services in-kind, including the time of volunteers. The School has elected not to recognise services received in kind in the Statement of Comprehensive Revenue and Expense.

## 2. Government Grants

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	694,209	707,258	666,274
Teachers' Salaries Grants	2,702,043	2,702,043	2,361,803
Use of Land and Buildings Grants	670,307	670,307	735,093
Other MoE Grants	95,755	36,000	74,458
Other Government Grants	6,432	10,000	10,469
	<b>4,168,746</b>	<b>4,125,608</b>	<b>3,848,097</b>

## 3. Locally Raised Funds

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

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Revenue</b>			
Donations & Bequests	143,679	100,500	121,167
Fees for Extra Curricular Activities	40,004	-	109,780
Trading	21,283	14,500	15,780
Fundraising & Community Grants	1,811	-	-
Other Revenue	18,044	-	2,175
	<b>224,821</b>	<b>115,000</b>	<b>248,902</b>
<b>Expenses</b>			
Extra Curricular Activities Costs	14,474	1,500	115,101
Trading	6,867	1,500	5,627
Fundraising and Community Grant Costs	705	-	-
Other Locally Raised Funds Expenditure	-	10,000	-
	<b>22,046</b>	<b>13,000</b>	<b>120,728</b>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<b>202,775</b>	<b>102,000</b>	<b>128,174</b>

## 4. Learning Resources

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	137,147	95,200	45,297
Equipment Repairs	13,150	5,500	4,536
Information and Communication Technology	6,272	11,500	7,808
Library Resources	2,558	2,500	1,796
Employee Benefits - Salaries	2,897,248	2,899,043	2,557,142
Staff Development	35,546	57,000	42,719
	<b>3,091,921</b>	<b>3,070,743</b>	<b>2,659,298</b>

## 5. Administration

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Audit Fee	5,750	4,000	3,451
Board of Trustees Fees	3,035	5,500	3,145
Board of Trustees Expenses	9,050	9,300	6,647
Communication	12,105	9,500	6,939
Consumables	12,088	14,200	10,856
Other	16,511	21,150	14,789
Employee Benefits - Salaries	75,033	75,000	72,480
Insurance	11,450	14,000	11,014
Service Providers, Contractors and Consultancy	7,415	7,200	7,390
	152,437	159,850	136,711

## 6. Property

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Caretaking and Cleaning Consumables	7,521	9,000	14,927
Cyclical Maintenance Provision	(17,069)	20,000	23,549
Grounds	11,187	16,000	9,482
Heat, Light and Water	26,196	25,000	23,896
Rates	5,140	7,000	4,282
Repairs and Maintenance	29,980	20,750	16,067
Use of Land and Buildings	670,307	670,307	735,093
Security	2,330	4,500	2,191
Employee Benefits - Salaries	111,958	105,000	101,726
	847,550	877,557	931,213

In 2021, the Ministry of Education revised the notional rent rate from 8% to 5% to align it with the Government Capital Charge rate. This is considered to be a reasonable proxy for the market rental yield on the value of land and buildings used by schools. Accordingly in 2021, the use of land and buildings figure represents 5% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes

## 7. Depreciation

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Buildings - School	4,608	5,178	4,608
Building Improvements - Crown	13,589	18,242	16,231
Furniture and Equipment	44,242	34,264	30,487
Information and Communication Technology	29,510	27,469	24,442
Leased Assets	33,026	32,852	29,231
Library Resources	1,192	1,995	1,775
	126,167	120,000	106,774

## 8. Cash and Cash Equivalents

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Bank Accounts	43,631	115,469	234,610
Cash and cash equivalents for Statement of Cash Flows	43,631	115,469	234,610

Of the \$43,631 Cash and Cash Equivalents, \$16 of unspent grant funding is held by the School. This funding is subject to restrictions which specify how the grant is required to be spent in providing specified deliverables of the grant arrangement.

## 9. Accounts Receivable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Receivables	2,416	-	762
Receivables from the Ministry of Education	66,998	-	-
Interest Receivable	2,586	2,586	3,243
Teacher Salaries Grant Receivable	216,540	216,540	176,984
	288,540	219,126	180,989
Receivables from Exchange Transactions	5,002	2,586	4,005
Receivables from Non-Exchange Transactions	283,538	216,540	176,984
	288,540	219,126	180,989

## 10. Inventories

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Stationery	477	477	454
School Uniforms	7,140	7,140	6,728
	7,617	7,617	7,182

## 11. Investments

The School's investment activities are classified as follows:

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Asset			
Short-term Bank Deposits	801,858	600,000	540,736
Total Investments	801,858	600,000	540,736



**12. Property, Plant and Equipment**

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2021</b>						
Work in Progress	-	7,681			-	<b>7,681</b>
Buildings - School	118,363				(4,608)	<b>113,755</b>
Building Improvements - Crown	79,638	4,584			(13,589)	<b>70,633</b>
Furniture and Equipment	286,551	70,040			(44,242)	<b>312,349</b>
Information and Communication Technology	79,862	39,049	(659)		(29,510)	<b>88,742</b>
Leased Assets	85,732	8,130			(33,026)	<b>60,836</b>
Library Resources	12,425	348	(3,240)		(1,192)	<b>8,341</b>
<b>Balance at 31 December 2021</b>	<b>662,571</b>	<b>129,832</b>	<b>(3,899)</b>	<b>-</b>	<b>(126,167)</b>	<b>662,337</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2021</b>			
Work in Progress	7,681	-	<b>7,681</b>
Buildings - School	184,300	(70,545)	<b>113,755</b>
Building Improvements - Crown	226,993	(156,360)	<b>70,633</b>
Furniture and Equipment	608,206	(295,857)	<b>312,349</b>
Information and Communication Technology	204,327	(115,585)	<b>88,742</b>
Leased Assets	136,469	(75,633)	<b>60,836</b>
Library Resources	39,956	(31,615)	<b>8,341</b>
<b>Balance at 31 December 2021</b>	<b>1,407,932</b>	<b>(745,595)</b>	<b>662,337</b>

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2020</b>						
Buildings - School	122,971				(4,608)	<b>118,363</b>
Building Improvements - Crown	95,868	1			(16,231)	<b>79,638</b>
Furniture and Equipment	111,734	205,304			(30,487)	<b>286,551</b>
Information and Communication Technology	63,746	40,558			(24,442)	<b>79,862</b>
Leased Assets	97,425	17,538			(29,231)	<b>85,732</b>
Library Resources	10,101	5,022	(923)		(1,775)	<b>12,425</b>
<b>Balance at 31 December 2020</b>	<b>501,845</b>	<b>268,423</b>	<b>(923)</b>	<b>-</b>	<b>(106,774)</b>	<b>662,571</b>

	<b>Cost or Valuation</b>	<b>Accumulated Depreciation</b>	<b>Net Book Value</b>
<b>2020</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Buildings - School	184,300	(65,937)	<b>118,363</b>
Building Improvements - Crown	222,409	(142,771)	<b>79,638</b>
Furniture and Equipment	545,842	(259,291)	<b>286,551</b>
Information and Communication Technology	168,509	(88,647)	<b>79,862</b>
Leased Assets	138,462	(52,730)	<b>85,732</b>
Library Resources	53,576	(41,151)	<b>12,425</b>
<b>Balance at 31 December 2020</b>	<b>1,313,098</b>	<b>(650,527)</b>	<b>662,571</b>

**13. Accounts Payable**

	<b>2021 Actual</b>	<b>2021 Budget (Unaudited)</b>	<b>2020 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Creditors	50,922	25,000	30,957
Accruals	6,100	6,100	4,251
Banking Staffing Overuse	-	-	1,800
Employee Entitlements - Salaries	216,540	216,540	176,984
Employee Entitlements - Leave Accrual	2,438	2,438	3,682
	<b>276,000</b>	<b>250,078</b>	<b>217,674</b>
Payables for Exchange Transactions	276,000	250,078	217,674
	<b>276,000</b>	<b>250,078</b>	<b>217,674</b>

The carrying value of payables approximates their fair value.

**14. Revenue Received in Advance**

	<b>2021 Actual</b>	<b>2021 Budget (Unaudited)</b>	<b>2020 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Grants in Advance - Ministry of Education	-	-	7,800
Other revenue in Advance	3,920	-	1,331
	<b>3,920</b>	<b>-</b>	<b>9,131</b>

## 15. Provision for Cyclical Maintenance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Provision at the Start of the Year	78,449	78,449	65,535
Increase/ (decrease) to the Provision During the Year	(17,069)	20,000	23,549
Use of the Provision During the Year	(5,880)	(42,949)	(10,635)
Provision at the End of the Year	55,500	55,500	78,449
Cyclical Maintenance - Current	-	-	39,091
Cyclical Maintenance - Term	55,500	55,500	39,358
	55,500	55,500	78,449

## 16. Finance Lease Liability

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
No Later than One Year	32,523	32,523	28,457
Later than One Year and no Later than Five Years	32,004	32,004	58,672
Future Finance Charges	(1,854)	(1,854)	
	62,672	62,672	87,129
<b>Represented by</b>			
Finance lease liability - Current	31,196	31,196	28,457
Finance lease liability - Term	31,476	31,476	58,672
	62,672	62,672	87,129

## 17. Funds held in Trust

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	16	-	-
	16	-	-

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

## 18. Funds Held for Capital Works Projects

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

	2021	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
Block 15 Upgrade 5YA	<i>completed</i>	(58,668)	56,442	-	2,226	-
5YA Admin & Library Blocks	<i>in progress</i>	81,772	244,669	(327,015)	-	(574)
Classroom Block	<i>completed</i>	(6,092)	3,828		2,264	-
Totals		17,012	304,939	(327,015)	4,490	(574)

### Represented by:

Funds Held on Behalf of the Ministry of Education

-

Funds Due from the Ministry of Education

574

(574)

	2020	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
Block 15 Upgrade 5YA	<i>in progress</i>	(58,668)	-	-	-	(58,668)
5YA Admin & Library Blocks	<i>in progress</i>	-	250,000	(168,228)		81,772
Classroom Block	<i>in progress</i>		-	(6,092)	-	(6,092)
Totals		(58,668)	250,000	(174,320)	-	17,012

## 19. Related Party Transactions

The School is a controlled entity of the Crown, and the Crown provides the major source of revenue to the school. The school enters into transactions with other entities also controlled by the Crown, such as government departments, state-owned enterprises and other Crown entities. Transactions with these entities are not disclosed as they occur on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted if dealing with that entity at arm's length.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the school would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

## 20. Remuneration

### Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	3,035	3,145
<i>Leadership Team</i>		
Remuneration	390,401	369,234
Full-time equivalent members	3	3
Total key management personnel remuneration	393,436	372,379
Total full-time equivalent personnel	3.00	3.00

There are 6 members of the Board excluding the Principal. The Board had held 8 full meetings of the Board in the year. The Board also has Finance (1 members) and property (1 members) that meet monthly and monthly respectively. As well as these regular meetings, including preparation time, the Chair and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

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

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	160-170	160-170
Benefits and Other Emoluments	0-5	0-5
Termination Benefits	-	-

### Other Employees

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

Remuneration \$000	2021 FTE Number	2020 FTE Number
100-110	4.00	1.00
110-120	1.00	
	5.00	1.00

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

## 21. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2021 (Contingent liabilities and assets at 31 December 2020: nil).

### Holidays Act Compliance – schools payroll

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

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

To the extent that any obligation cannot reasonably be quantified at 31 December 2021, a contingent liability for the school may exist.

## 22. Commitments

### (a) Capital Commitments

As at 31 December 2021 the Board has entered into no contract agreements for capital works .

(Capital commitments at 31 December 2020: \$nil)

## 23. Financial Instruments

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

### Financial assets measured at amortised cost

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash and Cash Equivalents	43,631	115,469	234,610
Receivables	288,540	219,126	180,989
Investments - Term Deposits	801,858	600,000	540,736
Total Financial assets measured at amortised cost	<u>1,134,029</u>	<u>934,595</u>	<u>956,335</u>

### Financial liabilities measured at amortised cost

Payables	276,000	250,078	217,674
Finance Leases	62,672	62,672	87,129
Total Financial Liabilities Measured at Amortised Cost	<u>338,672</u>	<u>312,750</u>	<u>304,803</u>

## 24. Events After Balance Date

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

## 25. COVID 19 Pandemic on going implications

### Impact of Covid-19

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

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

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

**Impact on operations**

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

However, the ongoing interruptions resulting from the moves in alert levels have impacted schools in various ways which potentially will negatively affect the operations and services of the school. We describe below the possible effects on the school that we have identified, resulting from the ongoing impacts of the COVID-19 alert level changes.

**Reduction in locally raised funds**

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

**Increased Remote learning additional costs**

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

Michael Rondel  
BDO Christchurch  
Level 4, 287/293 Durham Street North,  
Christchurch Central  
CHRISTCHURCH 8013

#### REPRESENTATION LETTER FOR THE YEAR ENDED 31 DECEMBER 2021

This representation letter is provided in connection with your audit, carried out on behalf of the Auditor-General, of the financial statements of Prebbleton School (the School) for the year ended 31 December 2021 for the purpose of expressing an independent opinion about whether the financial statements:

- present fairly, in all material respects:
  - the financial position as at 31 December 2021; and
  - the 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 (PBE) Standards Reduced Disclosure Regime.

We understand that your audit was carried out in accordance with the Auditing Standards issued by the Auditor-General, which incorporate the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

#### General representations

To the best of our knowledge and belief:

- the resources, activities, under our control have been operating effectively and efficiently;
- we have complied with our statutory obligations including laws, regulations and contractual requirements;
- we have carried out our decisions and actions with due regard to minimising waste;
- we have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector (that is, we have carried out our decisions and actions with due regard to probity); and
- any decisions or actions have been taken with due regard to financial prudence.

We also acknowledge that we have responsibility for designing, implementing, and maintaining internal control (to the extent that is reasonably practical given the size of the School) to prevent and detect fraud or error, and which enables the preparation of the financial statements that are free from material misstatement whether due to fraud or error (a requirement of paragraph NZ40.1(a) in ISA (NZ) 240).

#### Representations for the financial statements

We confirm that all transactions have been recorded in the accounting records and are reflected in the financial statements, and that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have fulfilled our responsibilities for preparing and presenting the financial statements as required by section 87 of the Education Act 1989 and, in particular, that the financial statements:
  - present fairly, in all material respects:
    - the financial position as at 31 December 2021; and
    - the 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 (PBE) Standards Reduced Disclosure Regime.
- we believe the methods, significant assumptions, and data used in making and supporting the accounting estimates and the related disclosures in the financial statements are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework;
- we have appropriately accounted for and disclosed the related party relationships and transactions in the financial statements;
- we have adjusted or disclosed all events subsequent to the date of the financial statements that require adjustment or disclosure; and
- we believe the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this representation letter at appendix 1;
- we have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. Where applicable, such litigation and claims have been accounted for and disclosed in accordance with Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime.



#### Representations about the provision of information

We confirm that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have provided you with:
  - all information, such as records and documentation, and other matters that are relevant to preparing and presenting the financial statements; and
  - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence;
- we have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- we have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements;
- we have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others;
- we have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements;
- we have disclosed the identity of the related parties, all of their relationships, and all of their transactions of which we are aware; and
- we have provided you with all the other documents ("other information") which will accompany the financial statements which are consistent with the financial statements, and the other information does not contain any material misstatements.

#### Going concern basis of accounting

We confirm that, to the best of our knowledge and belief, the School has adequate resources to continue operations at its current level for the foreseeable future. For this reason, the Board continues to adopt the going concern basis of accounting in preparing the financial statements for the year ended 31 December 2021. We have reached this conclusion after making enquiries and having regard to circumstances that we consider likely to affect the School during the period of one year from the date of signing the financial statements, and to circumstances that we know will occur after that date which could affect the validity of the going concern basis of accounting.

We consider that the financial statements adequately disclose the circumstances, and any uncertainties, that we can reasonably be expected to be aware of concerning the adoption of the going concern basis of accounting by the School.

#### *Publication of the financial statements and related audit report on a website*

We confirm that we are responsible for the electronic presentation of the audited financial statements, and:

- that the electronic version of the audited financial statements and the related audit report presented on the website are the same as the final signed version of the audited financial statements and audit report.
- that the audited and unaudited information on the website has been clearly differentiated and we understand the risk of potential misrepresentation without appropriate controls.
- that we have assessed the security controls over audited financial information and the related audit report and are satisfied that procedures are adequate to ensure the integrity of the information provided.
- that the full financial statements have been provided on the website.

The representations in this letter are made at your request, and to supplement information obtained by you from the records of the School and to confirm information given to you orally.

Yours faithfully,

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Presiding Member

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Principal

Appendix 1 - Uncorrected misstatements

Description	Assets	Liabilities	Reserves	Profit
	Dr(Cr)	Dr(Cr)	Dr(Cr)	Dr(Cr)
	\$	\$	\$	\$
Recognise TAPESA Wash Up receivable	5,951			(5,951)
Increase CM provision		(18,500)		18,500
Net Effect of misstatements:	5,951	(18,500)		12,549