

# **Kelvin Road School**

## **Annual Report for the year ended 31 December 2020**

<b>Ministry Number:</b>	1332
<b>Principal:</b>	Heather Tanner
<b>School Address:</b>	74 Kelvin Road, Papakura
<b>School Postal Address:</b>	74 Kelvin Road, Papakura
<b>School Phone:</b>	09-2988417
<b>School Email:</b>	principal@krs.ac.nz
<b>Service Provider:</b>	Edtech Financial Services Ltd

Kelvin Road School

## Members of the Board of Trustees

For the year ended 31 December 2020

<b>Name</b>	<b>Position</b>	<b>How</b>	<b>When</b>	<b>Occupation / Employer</b>	<b>Expires</b>	<b>Resigned / Ended</b>
Heather Tanner	Principal	by right		Principal @ KRS	on going	
Roland Olago	Member	elected	June 2019	Operations Manager	June 2022	
Rangimaria Makara	Member	elected	June 2019	Mother		Dec 2020
Tina Matthews	Staff Rep	elected	June 2020	Teacher	June 2022	
Joanna Harris	Member	elected	June 2019	Customer Service Rep	June 2022	
Julie Hyland	Member	elected	June 2019	Social Worker	June 2022	
Rose Te Whero	Member	elected	June 2019	Mother	June 2022	24/11/2020

# Kelvin Road School

## Annual Report

For the year ended 31 December 2020

### Index

<b>Page</b>	<b>Statement</b>
	<b>Financial Statements</b>
1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expense
3	Statement of Changes in Net Assets/Equity
4	Statement of Financial Position
5	Statement of Cash Flows
6 - 18	Notes to the Financial Statements
	<b>Other Information</b>
	Analysis of Variance
	Kiwisport

**Kelvin Road 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.

Roland Olapo  
Full Name of Board Chairperson

[Signature]  
Signature of Board Chairperson

1/11/2021  
Date:

Heather Tanner  
Full Name of Principal

[Signature]  
Signature of Principal

1/11/2021  
Date:

## Kelvin Road School

# Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
<b>Revenue</b>				
Government Grants	2	4,449,787	5,759,832	4,031,793
Locally Raised Funds	3	112,252	103,850	44,451
Interest Income		33,803	40,000	48,532
		<u>4,595,842</u>	<u>5,903,682</u>	<u>4,124,776</u>
<b>Expenses</b>				
Locally Raised Funds	3	21,415	16,000	21,914
Learning Resources	4	2,766,684	4,266,947	2,536,914
Administration	5	209,048	258,050	233,262
Finance		1,119	-	1,318
Property	6	1,112,138	1,212,550	1,058,908
Depreciation	7	126,233	150,000	122,696
Loss on Disposal of Property, Plant and Equipment		3,378	-	-
		<u>4,240,015</u>	<u>5,903,547</u>	<u>3,975,012</u>
<b>Net Surplus / (Deficit) for the year</b>		355,827	135	149,764
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u><u>355,827</u></u>	<u><u>135</u></u>	<u><u>149,764</u></u>

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes which form part of these financial statements.



**Kelvin Road School**  
**Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2020

		2020	2020	2019
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Balance at 1 January</b>		2,324,586	2,324,586	2,174,822
Total comprehensive revenue and expense for the year		355,827	135	149,764
<b>Equity at 31 December</b>	23	2,680,413	2,324,721	2,324,586
Retained Earnings		2,680,413	2,324,721	2,324,586
<b>Equity at 31 December</b>		2,680,413	2,324,721	2,324,586

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.



# Kelvin Road School

## Statement of Financial Position

As at 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	342,061	658,245	407,804
Accounts Receivable	9	309,053	160,000	165,274
GST Receivable		6,766	5,000	17,090
Prepayments		-	1,000	884
Inventories	10	1,950	1,500	1,398
Investments	11	1,320,038	1,000,000	1,315,212
		<u>1,979,868</u>	<u>1,825,745</u>	<u>1,907,662</u>
<b>Current Liabilities</b>				
Accounts Payable	13	274,011	196,500	197,968
Revenue Received in Advance	14	7,778	-	87,909
Provision for Cyclical Maintenance	15	13,833	77,403	27,413
Finance Lease Liability - Current Portion	16	3,378	6,000	3,936
Funds Held for Capital Works Projects	17	72,935	-	34,651
		<u>371,935</u>	<u>279,903</u>	<u>351,877</u>
<b>Working Capital Surplus/(Deficit)</b>		<b>1,607,933</b>	<b>1,545,842</b>	<b>1,555,785</b>
<b>Non-current Assets</b>				
Property, Plant and Equipment	12	1,051,683	837,904	787,904
Capital Works in Progress		78,168	-	63,888
		<u>1,129,851</u>	<u>837,904</u>	<u>851,792</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	15	54,550	49,025	81,947
Finance Lease Liability	16	2,821	10,000	1,044
		<u>57,371</u>	<u>59,025</u>	<u>82,991</u>
<b>Net Assets</b>		<u><u>2,680,413</u></u>	<u><u>2,324,721</u></u>	<u><u>2,324,586</u></u>
<b>Equity</b>	23	<u><u>2,680,413</u></u>	<u><u>2,324,721</u></u>	<u><u>2,324,586</u></u>

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



# Kelvin Road School

## Statement of Cash Flows

For the year ended 31 December 2020

	2020	2020	2019
Note	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
<b>Cash flows from Operating Activities</b>			
Government Grants	1,306,514	1,204,745	1,149,279
Locally Raised Funds	30,135	16,193	125,876
Goods and Services Tax (net)	10,324	12,090	8,141
Payments to Employees	(682,536)	(738,855)	(631,724)
Payments to Suppliers	(269,915)	(439,459)	(387,991)
Interest Paid	(1,119)	-	(1,318)
Interest Received	38,357	40,258	47,413
	<hr/>	<hr/>	<hr/>
Net cash from/(to) Operating Activities	431,760	94,972	309,676
<b>Cash flows from Investing Activities</b>			
Proceeds from Sale of Property Plant & Equipment (and Intangibles)	(3,378)	-	-
Purchase of Property Plant & Equipment (and Intangibles)	(397,041)	(132,698)	(52,768)
Purchase of Investments	(4,826)	-	(361,512)
Proceeds from Sale of Investments	-	315,212	-
	<hr/>	<hr/>	<hr/>
Net cash from/(to) Investing Activities	(405,245)	182,514	(414,280)
<b>Cash flows from Financing Activities</b>			
Finance Lease Payments	(2,320)	7,606	(1,627)
Painting Contract Payments	-	-	34,651
Funds Held for Capital Works Projects	(89,938)	(34,651)	-
	<hr/>	<hr/>	<hr/>
Net cash from/(to) Financing Activities	(92,258)	(27,045)	33,024
	<hr/>	<hr/>	<hr/>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(65,743)</b>	<b>250,441</b>	<b>(71,580)</b>
Cash and cash equivalents at the beginning of the year	8	407,804	479,384
	<hr/>	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>342,061</b>	<b>407,804</b>

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

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





## Kelvin Road School

# Notes to the Financial Statements

For the year ended 31 December 2020

### 1. Statement of Accounting Policies

#### Reporting Entity

Kelvin Road 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 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.



## 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.

## 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:

Building improvements - Crown	40 years
Furniture and equipment	5-10 years
Information and communication technology	5 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value



## 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.

## Kelvin Road 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.



## Kelvin Road 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	1,188,172	1,118,997	1,095,270
Teachers' Salaries Grants	2,227,990	3,631,735	2,044,928
Use of Land and Buildings Grants	921,219	933,000	825,792
Other MoE Grants	107,575	71,100	65,803
Other Government Grants	4,831	5,000	-
	<b>4,449,787</b>	<b>5,759,832</b>	<b>4,031,793</b>

The School has opted in to the donations scheme for this year. Total amount received was \$69,600

Other MOE Grants total includes additional COVID-19 funding totalling \$45,018 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)	\$
<b>Revenue</b>			
Donations	82,765	82,500	13,583
Activities	17,709	19,350	19,240
Trading	10,654	-	10,984
Fundraising	1,124	2,000	644
	<b>112,252</b>	<b>103,850</b>	<b>44,451</b>
<b>Expenses</b>			
Activities	9,043	14,500	10,351
Trading	11,329	500	11,072
Fundraising (Costs of Raising Funds)	1,043	1,000	491
	<b>21,415</b>	<b>16,000</b>	<b>21,914</b>
	<b>90,837</b>	<b>87,850</b>	<b>22,537</b>

Surplus/ (Deficit) for the year Locally Raised Funds

### 4 Learning Resources

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	66,831	123,100	62,096
Equipment Repairs	10,738	2,000	1,518
Information and Communication Technology	21,975	33,000	24,995
Extra-Curricular Activities	-	9,812	3,177
Library Resources	2,248	5,500	1,223
Employee Benefits - Salaries	2,661,294	4,052,735	2,402,968
Staff Development	3,598	40,800	40,937
	<b>2,766,684</b>	<b>4,266,947</b>	<b>2,536,914</b>

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

## 5 Administration

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Audit Fee	5,792	6,100	6,000
Board of Trustees Fees	2,330	4,000	2,745
Board of Trustees Expenses	13,542	18,500	11,452
Communication	4,300	6,000	5,510
Consumables	6,414	9,500	8,148
Legal Fees	-	-	339
Other	11,746	17,850	12,936
Employee Benefits - Salaries	154,350	184,900	175,530
Insurance	4,430	5,000	4,566
Service Providers, Contractors and Consultancy	6,144	6,200	6,036
	<u>209,048</u>	<u>258,050</u>	<u>233,262</u>

## 6 Property

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Caretaking and Cleaning Consumables	23,708	24,000	20,948
Cyclical Maintenance Expense	(40,977)	18,000	17,193
Grounds	4,745	18,200	15,687
Heat, Light and Water	31,090	38,000	36,433
Rates	-	500	-
Repairs and Maintenance	28,798	34,550	35,345
Use of Land and Buildings	921,219	933,000	825,792
Security	15,297	15,000	7,924
Employee Benefits - Salaries	128,258	131,300	99,586
	<u>1,112,138</u>	<u>1,212,550</u>	<u>1,058,908</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.

## 7 Depreciation

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Buildings - School	15,700	21,151	14,760
Furniture and Equipment	42,935	35,846	32,921
Information and Communication Technology	59,500	82,786	67,292
Leased Assets	4,983	4,685	3,862
Library Resources	3,115	5,532	3,861
	<u>126,233</u>	<u>150,000</u>	<u>122,696</u>

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

## 8 Cash and Cash Equivalents

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash on Hand	-	-	200
Bank Current Account	200	200	407,604
Bank Call Account	341,861	158,045	-
Short-term Bank Deposits	-	500,000	-
Cash and cash equivalents for Statement of Cash Flows	<u>342,061</u>	<u>658,245</u>	<u>407,804</u>

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

## 9 Accounts Receivable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Receivables	2,238	-	252
Receivables from the Ministry of Education	128,222	-	-
Interest Receivable	5,704	10,000	10,258
Bank Staffing Underuse	-	-	9,648
Teacher Salaries Grant Receivable	172,889	150,000	145,116
	<u>309,053</u>	<u>160,000</u>	<u>165,274</u>
Receivables from Exchange Transactions	7,942	10,000	10,510
Receivables from Non-Exchange Transactions	301,111	150,000	154,764
	<u>309,053</u>	<u>160,000</u>	<u>165,274</u>

## 10 Inventories

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Stationery	1,950	1,500	1,398
	<u>1,950</u>	<u>1,500</u>	<u>1,398</u>

## 11 Investments

The School's investment activities are classified as follows:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Asset			
Short-term Bank Deposits	1,320,038	1,000,000	1,315,212
Total Investments	<u>1,320,038</u>	<u>1,000,000</u>	<u>1,315,212</u>



## Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

## 12 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2020	\$	\$	\$	\$	\$	\$
Buildings	479,040	88,419	-	-	(15,700)	551,759
Furniture and Equipment	153,624	228,805	-	-	(42,935)	339,494
Information and Communication Technology	123,943	67,638	-	-	(59,500)	132,081
Leased Assets	4,274	7,251	-	-	(4,983)	6,542
Library Resources	27,023	1,276	(3,377)	-	(3,115)	21,807
<b>Balance at 31 December 2020</b>	<b>787,904</b>	<b>393,389</b>	<b>(3,377)</b>	<b>-</b>	<b>(126,233)</b>	<b>1,051,683</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2020	\$	\$	\$
Buildings	678,808	(127,049)	551,759
Furniture and Equipment	1,049,914	(710,420)	339,494
Information and Communication Technology	1,107,848	(975,767)	132,081
Leased Assets	17,403	(10,861)	6,542
Library Resources	71,842	(50,035)	21,807
<b>Balance at 31 December 2020</b>	<b>2,925,815</b>	<b>(1,874,132)</b>	<b>1,051,683</b>

The net carrying value of equipment held under a finance lease is \$6,542 (2019: \$4,274).

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Buildings	493,801	-	-	-	(14,761)	479,040
Furniture and Equipment	164,157	22,389	-	-	(32,922)	153,624
Information and Communication Technology	162,311	28,924	-	-	(67,292)	123,943
Leased Assets	8,135	-	-	-	(3,861)	4,274
Library Resources	29,428	1,455	-	-	(3,860)	27,023
<b>Balance at 31 December 2019</b>	<b>857,832</b>	<b>52,768</b>	<b>-</b>	<b>-</b>	<b>(122,696)</b>	<b>787,904</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Buildings	590,389	(111,349)	479,040
Furniture and Equipment	821,108	(667,484)	153,624
Information and Communication Technology	1,040,211	(916,268)	123,943
Leased Assets	11,586	(7,312)	4,274
Library Resources	80,643	(53,620)	27,023
<b>Balance at 31 December 2019</b>	<b>2,543,937</b>	<b>(1,756,033)</b>	<b>787,904</b>

The net carrying value of equipment held under a finance lease is \$4,274 (2018: \$8,135).

**Kelvin Road School**

**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2020

**13 Accounts Payable**

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operating Creditors	24,991	5,000	10,197
Accruals	6,100	6,500	6,000
Capital Accruals for PPE Items	-	-	-
Banking Staffing Overuse	-	-	-
Employee Entitlements - Salaries	222,920	150,000	164,597
Employee Entitlements - Leave Accrual	20,000	35,000	17,174
	<u>274,011</u>	<u>196,500</u>	<u>197,968</u>
Payables for Exchange Transactions	274,011	196,500	197,968
	<u>274,011</u>	<u>196,500</u>	<u>197,968</u>

The carrying value of payables approximates their fair value.

**14 Revenue Received in Advance**

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Other	7,778	-	87,909
	<u>7,778</u>	<u>-</u>	<u>87,909</u>

**15 Provision for Cyclical Maintenance**

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	109,360	109,360	92,167
Increase/(decrease) to the Provision During the Year	(40,977)	18,000	17,193
Use of the Provision During the Year	-	(932)	-
Provision at the End of the Year	<u>68,383</u>	<u>126,428</u>	<u>109,360</u>
Cyclical Maintenance - Current	13,833	77,403	27,413
Cyclical Maintenance - Term	54,550	49,025	81,947
	<u>68,383</u>	<u>126,428</u>	<u>109,360</u>

**16 Finance Lease Liability**

The school has a number of finance lease agreements.

Minimum lease payments payable (includes interest portion):

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
No Later than One Year	3,777	-	4,544
Later than One Year and no Later than Five Years	3,018	-	1,077
	<u>6,796</u>	<u>-</u>	<u>5,621</u>



Kelvin Road School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

17 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
		\$	\$	\$		\$
Carving Project	Completed	(37,795)	-	-	37,795	-
Shade Project	Completed	(145,979)	-	-	145,979	-
Heat Pump	Completed	(6,817)	6,817	-	-	-
Project R7-12 & 16-19	Completed	(440)	440	-	-	-
Block 1-6 Class Refurbishment incl R 3 Deck	In progress	225,682	60,500	(314,994)	-	(28,812)
Jnr Play Area - SIP	In progress	-	40,500	(39,666)	-	834
Middle/Snr Playground - SIP	In progress	-	-	(99,410)	-	(99,410)
Staging & Shade Canopy - SIP	In progress	-	81,000	(8,899)	-	72,101
Totals		34,651	189,257	(462,969)	183,774	(55,287)

Represented by:

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

72,935  
(128,222)  
(55,287)

	2019	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$	\$	\$
Carving Project	In progress	-	-	(37,795)	-	(37,795)
Roofing	Completed	-	34,770	(34,770)	-	-
Shade Project	In progress	-	-	(145,979)	-	(145,979)
Heat Pump	In progress	-	99,466	(106,283)	-	(6,817)
Project R7-12 & 16-19	In progress	-	28,158	(28,598)	-	(440)
Block 1-6 Class Refurbishment incl R 3 Deck	In progress	-	254,057	(28,375)	-	225,682
Totals		-	416,451	(381,800)	-	34,651

18 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.



## Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

### 19 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	2,330	2,745
Full-time equivalent members	0.09	0.09
<i>Leadership Team</i>		
Remuneration	397,533	375,738
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	399,863	378,483
Total full-time equivalent personnel	3.09	3.09

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	170-180	160-170
Benefits and Other Emoluments	5-10	1-5
Termination Benefits	-	-

#### Other Employees

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

Remuneration \$000	2020 FTE Number	2019 FTE Number
110-120	1	2
100-110	3	-
	4	2

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

### 20 Compensation and Other Benefits Upon Leaving

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

### 21 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.



## Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

### 22 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)

### 23 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.

### 24 Financial Instruments

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

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
<b>Financial assets measured at amortised cost</b>			
Cash and Cash Equivalents	342,061	658,245	407,804
Receivables	309,053	160,000	165,274
Investments - Term Deposits	1,320,038	1,000,000	1,315,212
Total Financial assets measured at amortised cost	<u>1,971,152</u>	<u>1,818,245</u>	<u>1,888,290</u>
<b>Financial liabilities measured at amortised cost</b>			
Payables	274,011	196,500	197,968
Finance Leases	6,199	16,000	4,980
Total Financial Liabilities Measured at Amortised Cost	<u>280,210</u>	<u>212,500</u>	<u>202,948</u>

### 25 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 KELVIN ROAD SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The Auditor-General is the auditor of Kelvin Road 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 18, 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 1 November 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 arises 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