

# Kelvin Road School

## Annual Report for the year ended 31 December 2022

<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

For the year ended 31 December 2022

<b>Name</b>	<b>Position</b>	<b>How position on Board gained</b>	<b>Term expired/expires</b>
Joanna Harris	Presiding Member	Re-elected	2025
Heather Tanner	Principal	Ex-officio	
Riamondja Williams	Parent Rep	Elected	2025
Julie Hyland	Parent Rep	Re-elected	2025
Amber Smythe	Parent Rep	Elected	2025
Kirti Enaayat	Parent Rep	Elected	Resigned May 2023
Tina Matthews	Staff Rep	Re-elected	2025
<b>Outgoing Board Member</b>			
Roland Olago	Presiding Member	Elected	Sep 2022

# KELVIN ROAD SCHOOL

Annual Report - For the year ended 31 December 2022

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# Kelvin Road School

## Statement of Responsibility

For the year ended 31 December 2022

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 2022 fairly reflects the financial position and operations of the school.

The School's 2022 financial statements are authorised for issue by the Board.

Joanna Katerangi Harris  
Full Name of Presiding Member

Heather Diane Tanner  
Full Name of Principal

J. Katerangi  
Signature of Presiding Member

H. Tanner  
Signature of Principal

30 May 2023.  
Date:

30 May 2023  
Date:

# Kelvin Road School

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Revenue</b>				
Government Grants	2	4,533,239	5,378,924	4,421,218
Locally Raised Funds	3	35,565	25,800	35,468
Interest Income		31,460	20,000	14,140
<b>Total Revenue</b>		<b>4,600,264</b>	<b>5,424,724</b>	<b>4,470,826</b>
<b>Expenses</b>				
Locally Raised Funds	3	27,113	9,700	18,516
Learning Resources	4	3,016,354	4,031,900	2,948,623
Administration	5	647,980	203,286	516,532
Finance		1,443	1,200	1,449
Property	6	956,045	1,253,300	785,569
Loss on Disposal of Property, Plant and Equipment		400	-	375
		<b>4,649,335</b>	<b>5,499,386</b>	<b>4,271,064</b>
<b>Net Surplus / (Deficit) for the year</b>		<b>(49,071)</b>	<b>(74,662)</b>	<b>199,762</b>
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b>(49,071)</b>	<b>(74,662)</b>	<b>199,762</b>

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 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Equity at 1 January</b>		2,890,813	2,799,679	2,680,413
Total comprehensive revenue and expense for the year		(49,071)	(74,662)	199,762
Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	10,638
<b>Equity at 31 December</b>		2,841,742	2,725,017	2,890,813
Accumulated comprehensive revenue and expense		2,841,742	2,725,017	2,890,813
<b>Equity at 31 December</b>		2,841,742	2,725,017	2,890,813

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 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	7	354,481	631,813	529,930
Accounts Receivable	8	189,230	178,293	186,087
GST Receivable		11,160	6,000	9,419
Prepayments		1,882	2,111	2,111
Inventories	9	3,013	2,300	2,234
Investments	10	1,331,911	1,326,612	1,326,612
Funds Receivable for Capital Works Projects	16	93,530	-	11,142
		1,985,207	2,147,129	2,067,535
<b>Current Liabilities</b>				
Accounts Payable	12	223,913	248,118	264,617
Revenue Received in Advance	13	32,856	20,000	8,346
Provision for Cyclical Maintenance	14	7,369	18,000	2,769
Finance Lease Liability	15	8,369	8,500	8,633
Funds held for Capital Works Projects	16	1,710	56,279	67,421
		274,217	350,897	351,786
<b>Working Capital Surplus/(Deficit)</b>		1,710,990	1,796,232	1,715,749
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	1,223,284	1,022,302	1,177,555
Capital Works in Progress	11	-	-	91,075
		1,223,284	1,022,302	1,268,630
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	14	89,200	82,717	82,717
Finance Lease Liability	15	3,332	10,800	10,849
		92,532	93,517	93,566
<b>Net Assets</b>		2,841,742	2,725,017	2,890,813
<b>Equity</b>		2,841,742	2,725,017	2,890,813

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 2022

	Note	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		1,370,767	1,178,924	1,316,933
Locally Raised Funds		59,394	40,185	37,909
Goods and Services Tax (net)		(1,741)	750	(2,653)
Payments to Employees		(1,043,034)	(669,050)	(857,914)
Payments to Suppliers		(323,288)	(298,105)	(248,142)
Interest Paid		(1,443)	(1,200)	(1,449)
Interest Received		26,298	21,700	17,374
Net cash from/(to) Operating Activities		86,953	273,204	262,058
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		(400)	-	(375)
Purchase of Property Plant & Equipment (and Intangibles)		(100,829)	101,328	(192,332)
Purchase of Investments		(5,299)	(6,612)	(6,574)
Net cash from/(to) Investing Activities		(106,528)	94,716	(199,281)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		-	-	10,638
Finance Lease Payments		(7,775)	12,248	2,888
Funds Administered on Behalf of Third Parties		(148,099)	111,567	111,566
Net cash from/(to) Financing Activities		(155,874)	123,815	125,092
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(175,449)</b>	<b>491,735</b>	<b>187,869</b>
Cash and cash equivalents at the beginning of the year	7	529,930	140,078	342,061
<b>Cash and cash equivalents at the end of the year</b>	<b>7</b>	<b>354,481</b>	<b>631,813</b>	<b>529,930</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 2022

#### 1. Statement of Accounting Policies

##### a) 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 is of the view that the School is a public benefit entity for financial reporting purposes.

##### b) Basis of Preparation

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

The financial statements have been prepared for the period 1 January 2022 to 31 December 2022 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 expense 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 best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition. During the year, the Board assesses the reasonableness of its painting maintenance plan on which the provision is based. Cyclical maintenance is disclosed at note 14.

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

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



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

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

#### *Classification of leases*

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. 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. Finance lease liability disclosures are contained in note 15. Future operating lease commitments are disclosed in note 21b.

#### *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.

Other Ministry Grants for directly funded programs are recorded as revenue when the School has the rights to the funding in the period they relate to. The grants are not received in cash by the School and are paid directly by the Ministry of Education.

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. Grants for the use of land and buildings 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. 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 revenue that is offset by a non-cash expense. The use of land and buildings grants and associated expenditure are recorded in the period the School uses the land and buildings.

#### **Other Grants where conditions exist**

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 recognised as an asset and revenue when the right to receive funding or the asset has been established unless there is an obligation to return funds if conditions are not met. If conditions are not met funding is recognised as revenue in advance and recognised as revenue when conditions are satisfied.

#### **Interest Revenue**

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

### **d) 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.

### **e) 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.

### **f) Accounts Receivable**

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

**g) 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.

**h) 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.

**i) 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 (funded by the Board) to buildings owned by the Crown or directly by the board 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:

Board Owned Buildings	40 years
Furniture and equipment	5-10 years
Information and communication technology	5 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

**j) 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 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. If such indication exists, the School estimates the asset's recoverable service amount. 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. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognised.



**k) 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.

**l) Employee Entitlements***Short-term employee entitlements*

Employee entitlements that are expected to be settled within 12 months after the end of the reporting period in which the employees provide the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, 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 12 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. Remeasurements are recognised in surplus or deficit in the period in which they arise.

**m) Revenue Received in Advance**

Revenue received in advance relates to other revenue 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.

**n) Funds held for Capital works**

The school directly receives funding from the Ministry of Education for capital works projects that are included in the School five year capital works agreement. These funds are held on behalf and for a specified purpose as such 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.

**o) Provision for Cyclical Maintenance**

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

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision is a reasonable estimate, based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition.

The school carries out painting maintenance of the whole school over a 7 to 10 year period, the economic outflow of this is dependent on the plan established by the school to meet this obligation and is detailed in the notes and disclosures of these accounts.

**p) Financial Instruments**

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

The School's financial liabilities comprise accounts payable and finance lease liability. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in surplus or deficit.

**q) 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.

**r) Budget Figures**

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

**s) 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

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Government Grants - Ministry of Education	1,779,308	1,175,924	1,634,417
Teachers' Salaries Grants	2,070,170	3,200,000	2,145,377
Use of Land and Buildings Grants	671,846	1,000,000	639,198
Other Government Grants	11,915	3,000	2,226
	<u>4,533,239</u>	<u>5,378,924</u>	<u>4,421,218</u>

The school has opted in to the donations scheme for this year. Total amount received was \$64,350.

## 3. Locally Raised Funds

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

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
<b>Revenue</b>			
Donations & Bequests	1,000	-	1,000
Fees for Extra Curricular Activities	21,294	24,800	22,964
Trading	13,271	-	10,098
Fundraising & Community Grants	-	1,000	1,406
	<u>35,565</u>	<u>25,800</u>	<u>35,468</u>
<b>Expenses</b>			
Extra Curricular Activities Costs	12,739	9,600	4,556
Trading	14,374	-	13,650
Fundraising and Community Grant Costs	-	100	310
	<u>27,113</u>	<u>9,700</u>	<u>18,516</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>8,452</u>	<u>16,100</u>	<u>16,952</u>

## 4. Learning Resources

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Curricular	70,896	83,200	67,857
Equipment Repairs	1,494	2,000	89
Information and Communication Technology	19,916	20,500	25,362
Library Resources	2,855	2,000	619
Employee Benefits - Salaries	2,771,493	3,763,000	2,703,191
Staff Development	4,627	16,200	7,143
Depreciation	145,073	145,000	144,362
	<u>3,016,354</u>	<u>4,031,900</u>	<u>2,948,623</u>

## 5. Administration

	<b>2022</b>	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Budget (Unaudited)</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Audit Fee	6,944	7,986	6,742
Board Fees	2,075	2,500	2,490
Board Expenses	15,518	16,700	14,739
Communication	5,315	2,000	2,667
Consumables	8,654	7,000	6,896
Other	423,448	11,650	330,840
Employee Benefits - Salaries	173,978	142,950	140,289
Insurance	3,972	4,500	4,411
Service Providers, Contractors and Consultancy	8,076	8,000	7,458
	<u>647,980</u>	<u>203,286</u>	<u>516,532</u>

## 6. Property

	<b>2022</b>	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Budget (Unaudited)</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Caretaking and Cleaning Consumables	27,159	23,800	18,838
Cyclical Maintenance Provision	11,083	18,000	17,103
Grounds	8,925	6,000	1,613
Heat, Light and Water	33,898	30,000	32,288
Rates	-	500	-
Repairs and Maintenance	40,213	28,000	16,436
Reversal of impairment	-	-	(80,414)
Use of Land and Buildings	671,846	1,000,000	639,198
Security	15,685	16,000	6,619
Employee Benefits - Salaries	147,236	131,000	133,888
	<u>956,045</u>	<u>1,253,300</u>	<u>785,569</u>

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. Cash and Cash Equivalents

	<b>2022</b>	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Budget (Unaudited)</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Bank Accounts	354,481	631,813	529,930
Cash and cash equivalents for Statement of Cash Flows	<u>354,481</u>	<u>631,813</u>	<u>529,930</u>

Of the \$354,481 Cash and Cash Equivalents, \$1,710 is held by the School on behalf of the Ministry of Education. These funds have been provided by the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2023 on Crown owned school buildings.

**8. Accounts Receivable**

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Receivables	1,046	365	365
Interest Receivable	7,632	4,000	2,470
Teacher Salaries Grant Receivable	180,552	173,928	183,252
	189,230	178,293	186,087
Receivables from Exchange Transactions	8,678	4,365	2,835
Receivables from Non-Exchange Transactions	180,552	173,928	183,252
	189,230	178,293	186,087

**9. Inventories**

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Stationery	3,013	2,300	2,234
	3,013	2,300	2,234

**10. Investments**

The School's investment activities are classified as follows:

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	1,331,911	1,326,612	1,326,612
Total Investments	1,331,911	1,326,612	1,326,612

## 11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2022	\$	\$	\$	\$	\$	\$
Buildings	484,621	91,075	-	-	(16,931)	558,765
Furniture and Equipment	554,021	58,793	-	-	(70,589)	542,225
Information and Communication Technology	99,816	37,756	-	-	(45,347)	92,225
Leased Assets	18,527	1,101	(400)	-	(9,325)	9,903
Library Resources	20,570	2,477	-	-	(2,881)	20,166
<b>Balance at 31 December 2022</b>	<b>1,177,555</b>	<b>191,202</b>	<b>(400)</b>	<b>-</b>	<b>(145,073)</b>	<b>1,223,284</b>

The net carrying value of equipment held under a finance lease is \$9,903 (2021: \$18,527).

### Restrictions

There are no restrictions over the title of the school's property, plant and equipment, nor are any property, plant and equipment pledged as security for liabilities.

	2022	2022	2022	2021	2021	2021
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Buildings	719,689	(160,924)	558,765	628,614	(143,993)	484,621
Furniture and Equipment	1,368,905	(826,680)	542,225	1,325,778	(771,757)	554,021
Information and Communication Te	1,164,125	(1,071,900)	92,225	1,126,369	(1,026,553)	99,816
Leased Assets	27,792	(17,889)	9,903	27,798	(9,271)	18,527
Library Resources	76,021	(55,855)	20,166	73,543	(52,973)	20,570
<b>Balance at 31 December</b>	<b>3,356,532</b>	<b>(2,133,248)</b>	<b>1,223,284</b>	<b>3,182,102</b>	<b>(2,004,547)</b>	<b>1,177,555</b>

## 12. Accounts Payable

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Creditors	14,789	29,158	29,158
Accruals	14,949	8,200	8,099
Banking Staffing Overuse	-	7,000	8,892
Employee Entitlements - Salaries	186,466	190,125	204,833
Employee Entitlements - Leave Accrual	7,709	13,635	13,635
	<b>223,913</b>	<b>248,118</b>	<b>264,617</b>
Payables for Exchange Transactions	223,913	248,118	264,617
	<b>223,913</b>	<b>248,118</b>	<b>264,617</b>

The carrying value of payables approximates their fair value.





### 13. Revenue Received in Advance

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Other revenue in Advance	32,856	20,000	8,346
	<u>32,856</u>	<u>20,000</u>	<u>8,346</u>

### 14. Provision for Cyclical Maintenance

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Provision at the Start of the Year	85,486	85,486	68,383
Increase to the Provision During the Year	11,083	18,000	17,103
Use of the Provision During the Year	-	(2,769)	-
Provision at the End of the Year	<u>96,569</u>	<u>100,717</u>	<u>85,486</u>
Cyclical Maintenance - Current	7,369	18,000	2,769
Cyclical Maintenance - Non current	89,200	82,717	82,717
	<u>96,569</u>	<u>100,717</u>	<u>85,486</u>

The schools cyclical maintenance schedule details annual painting to be undertaken, the costs associated to this annual work will vary dependent on the requirements during the year. This plan is based on the schools 10 Year Property plan.

### 15. Finance Lease Liability

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

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
No Later than One Year	9,090	8,500	10,011
Later than One Year and no Later than Five Years	3,453	10,800	11,599
Future Finance Charges	(842)	-	(2,128)
	<u>11,701</u>	<u>19,300</u>	<u>19,482</u>
<b>Represented by</b>			
Finance lease liability - Current	8,369	8,500	8,633
Finance lease liability - Non current	3,332	10,800	10,849
	<u>11,701</u>	<u>19,300</u>	<u>19,482</u>

## 16. 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. The amount of cash held on behalf of the Ministry for capital works project is included under cash and cash equivalents in note 7.

2022	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
Admin Upgrade including LED Lighting - SIP	65,711	-	(95,524)	-	(29,813)
Junior Play Area - SIP	(10,992)	-	-	-	(10,992)
Middle/Senior Playground - SIP	1,710	-	-	-	1,710
Block 1-6 Class Refurbishment incl R3 Deck	(150)	-	-	-	(150)
C1 & Rm23 Office Upgrade	-	-	(52,575)	-	(52,575)
<b>Totals</b>	<b>56,279</b>	<b>-</b>	<b>(148,099)</b>	<b>-</b>	<b>(91,820)</b>

### Represented by:

Funds Held on Behalf of the Ministry of Education	1,710
Funds Receivable from the Ministry of Education	(93,530)

2021	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
Admin Upgrade including LED Lighting - SIP	-	65,711	-	-	65,711
Junior Play Area - SIP	834	325	(12,151)	-	(10,992)
Middle/Senior Playground - SIP	(99,410)	109,310	(8,190)	-	1,710
Block 1-6 Class Refurbishment incl R3 Deck	(28,812)	28,662	-	-	(150)
Staging & Shade Canopy - SIP	72,101	-	(72,101)	-	-
<b>Totals</b>	<b>(55,287)</b>	<b>204,008</b>	<b>(92,442)</b>	<b>-</b>	<b>56,279</b>

### Represented by:

Funds Held on Behalf of the Ministry of Education	67,421
Funds Receivable from the Ministry of Education	(11,142)

## 17. 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.

## 18. Remuneration

### Key management personnel compensation

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

	<b>2022 Actual \$</b>	<b>2021 Actual \$</b>
<i>Board Members</i> Remuneration	2,075	2,490
<i>Leadership Team</i> Remuneration Full-time equivalent members	616,582 5	607,335 5
Total key management personnel remuneration	618,657	609,825

There are six members of the Board excluding the Principal. The Board had held eight full meetings of the Board in the year. The Board also has Finance (1 members) that meet fortnightly with the Executive Officer. As well as these regular meetings, including preparation time, the Presiding member 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.

### Principal

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

	<b>2022 Actual \$000</b>	<b>2021 Actual \$000</b>
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	180 - 190	180 - 190
Benefits and Other Emoluments	5 - 10	5 - 10
Termination Benefits	-	-

### Other Employees

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

<b>Remuneration \$000</b>	<b>2022 FTE Number</b>	<b>2021 FTE Number</b>
110 - 120	2	1
100 - 110	1	3
	3	4

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

## 19. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be board members, committee members, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

	<b>2022 Actual</b>	<b>2021 Actual</b>
Total	-	-
Number of People	-	-

## 20. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2022 (Contingent liabilities and assets at 31 December 2021: 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 2022, a contingent liability for the school may exist.

### TAPEC Washup Funding

The Ministry of Education provided additional funding for both the Support Staff in Schools' Collective Agreement (CA) Settlement and the Teacher Aide Pay Equity Settlement. The School has not been notified of the final wash up calculation relating to 31 December 2022. The final calculations impact on the financial statements is unable to be determined at the date of reporting.

## 21. Commitments

### (a) Capital Commitments

As at 31 December 2022 the Board has entered into no contract agreements for capital works.

(Capital commitments at 31 December 2021: nil)

### (b) Operating Commitments

As at 31 December 2022 the Board has not entered into new contracts. (2021: nil)

## 22. 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

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Cash and Cash Equivalents	354,481	631,813	529,930
Receivables	189,230	178,293	186,087
Investments - Term Deposits	1,331,911	1,326,612	1,326,612
Total Financial assets measured at amortised cost	<u>1,875,622</u>	<u>2,136,718</u>	<u>2,042,629</u>

### Financial liabilities measured at amortised cost

Payables	223,913	248,118	264,617
Finance Leases	11,701	19,300	19,482
Total Financial Liabilities Measured at Amortised Cost	<u>235,614</u>	<u>267,418</u>	<u>284,099</u>

## 23. Events After Balance Date

### Subsequent events – extreme weather events

During February 2023 the North Island of New Zealand was struck by several extreme weather events which resulted in widespread flooding, road closures, slips, and prolonged power and water outages for many communities in the Northland, Auckland, Coromandel, Bay of Plenty, Gisborne, and Hawkes Bay/Tairāwhiti regions.

While many schools were able to reopen soon after the extreme weather events, some schools have remained closed for a prolonged period.

The damage caused by extreme weather events in the Auckland region and the full financial impact has not yet been determined, but it is not expected to be significant to the school. The school continued to receive funding from the Ministry of Education, even while closed.



## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF KELVIN ROAD SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The Auditor-General is the auditor of Kelvin Road School (the School). The Auditor-General has appointed me, Matt Laing, 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 2022, 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 2022 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 30 May 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

#### Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of the Board for the financial statements

The Board is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.



The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

The Board's responsibilities, in terms of the requirements of the Education and Training Act 2020, arise from section 87 of the Education Act 1989

### **Responsibilities of the auditor for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the School's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.

# Deloitte.

- 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 school payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arises from the Public Audit Act 2001.

## **Other information**

The Board 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.

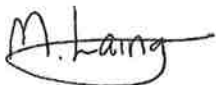
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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.



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





## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF KELVIN ROAD SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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#### Opinion

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In our opinion the financial statements of the School:

- present fairly, in all material respects:
  - its financial position as at 31 December 2022 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 30 May 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

#### Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of the Board for the financial statements

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Other than the audit, we have no relationship with or interests in the School.



## **Matt Laing**

Partner

for Deloitte Limited

On behalf of the Auditor-General

Hamilton, New Zealand