

BIRKDALE PRIMARY SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

School Directory

Ministry Number: 1230

Principal: Adrienne Mawer

School Address: 10 Salisbury Road
Birkdale
Auckland 0628

School Phone: (09) 483 7767

School Email: office@birkdaleprimary.school.nz

Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Nardia Haskell	Presiding Member	Elected	Sept 2022
Adrienne Mawer	Principal ex Officio		Dec 2021
Fiona Kemplen	Parent Representative	Elected	Sept 2022
Jet Li	Parent Representative	Elected	Sept 2022
Edward Rooney	Parent Representative	Elected	Sept 2022
Rebecca Shrubshall	Parent Representative	Elected	May 2021
Laurie O'Connor	Staff Representative	Elected	Sept 2022
Peter Cooley	Staff Representative	Elected	April 2021

Accountant / Service Provider:

Top Class Financial Management Services

Birkdale Primary School

Statement of Responsibility

For the year ended 31 December 2021

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

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

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

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

Nardla Haskell

Full Name of Presiding Member

Natasha Temakore

Full Name of Principal

[Signature]

Signature of Presiding Member

[Signature]

Signature of Principal

25.5.2022

Date:

25-5-2022

Date:

BIRKDALE PRIMARY SCHOOL

Annual Report - For the year ended 31 December 2021

Index

Page	Statement
	Financial Statements
<u>1</u>	Statement of Responsibility
<u>2</u>	Statement of Comprehensive Revenue and Expense
<u>3</u>	Statement of Financial Position
<u>4</u>	Statement of Changes in Net Assets/Equity
<u>5</u>	Statement of Cash Flows
<u>6 - 19</u>	Notes to the Financial Statements
	Other Information
	Analysis of Variance
	Kiwisport

Birkdale Primary School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Revenue				
Government Grants	2	2,294,585	2,601,491	2,453,349
Locally Raised Funds	3	28,713	31,150	80,659
Interest Income		4,465	6,000	10,561
		2,327,763	2,638,641	2,544,569
Expenses				
Locally Raised Funds	3	7,085	13,300	11,240
Learning Resources	4	1,611,920	1,772,442	1,564,415
Administration	5	162,880	147,814	148,332
Finance		3,302	4,000	2,472
Property	6	559,140	701,037	685,444
Depreciation	11	38,683	50,000	35,475
Loss on Disposal of Property, Plant and Equipment		3,864	-	11,435
		2,386,874	2,688,593	2,458,813
Net Surplus / (Deficit) for the year		(59,111)	(49,952)	85,756
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		(59,111)	(49,952)	85,756

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

Birkdale Primary School

Statement of Financial Position

As at 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Assets				
Cash and Cash Equivalents	7	463,073	103,484	257,522
Accounts Receivable	8	104,902	114,000	103,885
GST Receivable		10,602	5,000	-
Prepayments		900	500	-
Inventories	9	5,064	2,000	1,842
Investments	10	350,000	320,000	340,000
		934,541	544,984	703,249
Current Liabilities				
GST Payable		-	-	1,901
Accounts Payable	12	152,200	129,645	116,836
Revenue Received in Advance	13	43,001	-	31,002
Provision for Cyclical Maintenance	14	15,282	15,306	31,932
Finance Lease Liability	15	18,297	30,360	27,391
Funds held for Capital Works Projects	17	290,365	-	37,834
		519,145	175,311	246,896
Working Capital Surplus/(Deficit)		415,396	369,673	456,353
Non-current Assets				
Bequest - The Fordham Trust	10	58,066	58,100	57,945
Property, Plant and Equipment	11	112,998	151,435	137,756
		171,064	209,535	195,701
Non-current Liabilities				
Provision for Cyclical Maintenance	14	112,143	99,897	105,203
Finance Lease Liability	15	24,199	20,000	37,743
Bequest - The Fordham Trust	16	58,066	58,100	57,945
		194,408	177,997	200,891
Net Assets		392,052	401,211	451,163
Equity		392,052	401,211	451,163

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

Birkdale Primary School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Equity at 1 January		451,163	451,163	358,559
Total comprehensive revenue and expense for the year		(59,111)	(49,952)	85,756
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	6,848
Equity at 31 December		392,052	401,211	451,163

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.

Birkdale Primary School

Statement of Cash Flows

For the year ended 31 December 2021

	Note	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash flows from Operating Activities				
Government Grants		623,105	680,434	588,697
Locally Raised Funds		37,158	32,150	89,363
Goods and Services Tax (net)		(12,503)	-	6,247
Payments to Employees		(429,403)	(326,765)	(323,434)
Payments to Suppliers		(215,987)	(239,445)	(223,392)
Interest Paid		(3,302)	(4,000)	(2,472)
Interest Received		4,379	6,000	11,520
Net cash from/(to) Operating Activities		3,447	148,374	146,529
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(11,448)	(98,754)	(56,785)
Purchase of Investments		(10,121)	(50,100)	(50,393)
Net cash from/(to) Investing Activities		(21,569)	(148,854)	(107,178)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	6,848
Finance Lease Payments		(28,979)	(47,981)	(33,423)
Funds Administered on Behalf of Third Parties		252,652	100	102,964
Net cash from/(to) Financing Activities		223,673	(47,881)	76,389
Net increase/(decrease) in cash and cash equivalents		205,551	(48,361)	115,740
Cash and cash equivalents at the beginning of the year	7	257,522	151,845	141,782
Cash and cash equivalents at the end of the year	7	463,073	103,484	257,522

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.

Birkdale Primary School

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 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. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised.

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) 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.

e) Finance Lease Payments

Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of 90 days or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

g) Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for credit losses (uncollectable debts). The schools receivables are largely made up of funding from the Ministry of Education, therefore the level of uncollectable debts is not considered to be material. However, short-term receivables are written off when there is no reasonable expectation of recovery.

h) Inventories

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

i) Investments

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

j) Property, Plant and Equipment

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

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

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

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Furniture and equipment	5–14 years
Information and communication technology	2–5 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	8 years

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.

m) Revenue Received in Advance

Revenue received in advance relates to camp fees received from domestic students and fundraising for a particular project where there are unfulfilled obligations for the School to provide services in the future. The income is recorded as revenue as the obligations are fulfilled and the income earned.

n) Funds Held in Trust

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

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

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 an up to date 10 Year Property Plan (10YPP) or another appropriate source of evidence.

p) Financial Instruments

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

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

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

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

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Operational Grants	458,196	485,566	464,486
Teachers' Salaries Grants	1,286,808	1,500,000	1,330,240
Use of Land and Buildings Grants	391,076	534,412	534,412
Other MoE Grants	151,050	81,513	124,211
Other Government Grants	7,455	-	-
	<u>2,294,585</u>	<u>2,601,491</u>	<u>2,453,349</u>

The school has opted in to the donations scheme for this year. Total amount received was \$35,700.

3. Locally Raised Funds

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

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Revenue			
Donations & Bequests	5,274	500	7,223
Fees for Extra Curricular Activities	5,945	14,180	11,270
Trading	434	1,100	1,051
Fundraising & Community Grants	17,060	15,370	61,115
	<u>28,713</u>	<u>31,150</u>	<u>80,659</u>
Expenses			
Extra Curricular Activities Costs	5,246	9,880	7,524
Trading	798	1,000	1,506
Fundraising and Community Grant Costs	1,041	2,420	2,210
	<u>7,085</u>	<u>13,300</u>	<u>11,240</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>21,628</u>	<u>17,850</u>	<u>69,419</u>

A grant from Trillian Trust for \$5,541 was received to buy new sports uniforms.

4. Learning Resources

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Curricular	21,891	54,447	17,901
Equipment Repairs	599	-	-
Information and Communication Technology	13,939	10,550	5,900
Library Resources	750	1,160	983
Employee Benefits - Salaries	1,562,281	1,682,098	1,529,764
Staff Development	12,460	24,187	9,867
	<u>1,611,920</u>	<u>1,772,442</u>	<u>1,564,415</u>

5. Administration

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Audit Fee	8,672	8,645	7,743
Board Fees	4,975	3,500	4,165
Board Expenses	18,385	5,450	13,486
Communication	2,845	2,800	3,537
Consumables	8,262	10,400	8,912
Operating Lease	878	-	108
Other	13,941	15,367	11,178
Employee Benefits - Salaries	94,007	89,852	88,151
Insurance	3,415	4,300	3,552
Service Providers, Contractors and Consultancy	7,500	7,500	7,500
	<u>162,880</u>	<u>147,814</u>	<u>148,332</u>

6. Property

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	8,601	9,170	9,583
Consultancy and Contract Services	35,019	35,200	35,593
Cyclical Maintenance Provision	11,575	10,000	(12,608)
Grounds	6,778	10,000	11,163
Heat, Light and Water	19,808	23,000	22,735
Rates	123	140	114
Repairs and Maintenance	21,024	15,300	26,057
Use of Land and Buildings	391,076	534,412	534,412
Security	9,832	9,000	8,127
Employee Benefits - Salaries	55,304	54,815	50,268
	<u>559,140</u>	<u>701,037</u>	<u>685,444</u>

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

7. Cash and Cash Equivalents

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Bank Accounts	463,073	103,484	197,522
Short-term Bank Deposits	-	-	60,000
Cash and cash equivalents for Statement of Cash Flows	<u>463,073</u>	<u>103,484</u>	<u>257,522</u>

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

Of the \$463,0731 Cash and Cash Equivalents, \$302,096 is held by the School on behalf of the Ministry of Education. These funds have been provided for 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 2021 on Crown owned school buildings.

8. Accounts Receivable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Receivables	-	3,000	2,850
Interest Receivable	987	1,000	901
Banking Staffing Underuse	7,000	-	-
Teacher Salaries Grant Receivable	96,915	110,000	100,134
	<u>104,902</u>	<u>114,000</u>	<u>103,885</u>
Receivables from Exchange Transactions	987	4,000	3,751
Receivables from Non-Exchange Transactions	103,915	110,000	100,134
	<u>104,902</u>	<u>114,000</u>	<u>103,885</u>

9. Inventories

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Stationery	5,064	2,000	1,842
	<u>5,064</u>	<u>2,000</u>	<u>1,842</u>

10. Investments

The School's investment activities are classified as follows:

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Asset			
Short-term Bank Deposits	350,000	320,000	340,000
Total Current Investment Investments	<u>350,000</u>	<u>320,000</u>	<u>340,000</u>
The Fordham Trust			
Non-current Asset			
Long-term Bank Deposits	58,066	58,100	57,945
Total Long Term Investments	<u>58,066</u>	<u>58,100</u>	<u>57,945</u>

During 2007, the School was bequeathed \$50,000 from the Estate of Nita Althea Parke, to be called "The Fordham Trust" as per the terms of the bequest. The funds are to be invested, and 25% of the interest returned to the trust each year. The school is able to use 75% of the interest for whatever project the school chooses.

If the school is wound up within 20 years of the date of the original bequest, the legacy (principal plus compounded interest) is to be paid to World Vision of New Zealand.

These funds are invested until 9 December 2022, but as they have restricted use they do not meet the terms of Cash or Cash Equivalents.

In September 2011, the Board of Trustees requested World Vision to rescind the clause in this bequest, and allow the Board of Trustees full access to the funds. World Vision denied their request.

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2021	\$	\$	\$	\$	\$	\$
Furniture and Equipment	66,437	7,990	(291)	-	(10,081)	64,055
Information and Communication Technology	8,199	1,792	(3,573)	-	(2,784)	3,634
Leased Assets	59,513	6,341	-	-	(24,921)	40,933
Library Resources	3,607	1,666	-	-	(897)	4,376
Balance at 31 December 2021	137,756	17,789	(3,864)	-	(38,683)	112,998

The net carrying value of ICT equipment (laptops) held under a finance lease in the ICT category is \$nil (2020: \$3,572)

	2021 Cost or Valuation	2021 Accumulated Depreciation	2021 Net Book Value	2020 Cost or Valuation	2020 Accumulated Depreciation	2020 Net Book Value
	\$	\$	\$	\$	\$	\$
Furniture and Equipment	379,586	(315,531)	64,055	422,397	(355,960)	66,437
Information and Communication Te	78,942	(75,308)	3,634	99,675	(91,476)	8,199
Leased Assets	88,873	(47,940)	40,933	82,532	(23,019)	59,513
Library Resources	36,067	(31,691)	4,376	34,401	(30,794)	3,607
Balance at 31 December	583,468	(470,470)	112,998	639,005	(501,249)	137,756

12. Accounts Payable

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Creditors	46,073	10,000	7,071
Accruals	6,172	8,645	8,972
Employee Entitlements - Salaries	96,915	110,000	100,134
Employee Entitlements - Leave Accrual	3,040	1,000	659
	152,200	129,645	116,836
Payables for Exchange Transactions	152,200	129,645	116,836
	152,200	129,645	116,836

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Grants in Advance - Ministry of Education	6,404	-	-
Other revenue in Advance - Te Puawaitanga Camp and Treehouse Project	36,597	-	31,002
	43,001	-	31,002

14. Provision for Cyclical Maintenance

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Provision at the Start of the Year	137,135	137,135	149,743
Increase/ (decrease) to the Provision During the Year	11,575	10,000	(12,608)
Use of the Provision During the Year	(21,285)	(31,932)	-
Provision at the End of the Year	127,425	115,203	137,135
Cyclical Maintenance - Current	15,282	15,306	31,932
Cyclical Maintenance - Term	112,143	99,897	105,203
	127,425	115,203	137,135

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:

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
No Later than One Year	20,416	30,000	30,319
Later than One Year and no Later than Five Years	26,141	25,360	41,119
Future Finance Charges	(4,061)	(5,000)	(6,304)
	42,496	50,360	65,134
Represented by			
Finance lease liability - Current	18,297	30,360	27,391
Finance lease liability - Term	24,199	20,000	37,743
	42,496	50,360	65,134

16. Bequest The Fordham Trust

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Funds Held in Trust on Behalf of The Fordham Trust - Non-current	58,066	58,100	57,945
See Note 10	58,066	58,100	57,945

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. The

	2021	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Class 3&4 AMS 229883	<i>in progress</i>	-	-	(11,731)	-	(11,731)
Electrical Upgrade 211383	<i>in progress</i>	1,500	-	-	-	1,500
Drainage Upgrade	<i>Completed</i>	(608)	200	-	408	-
Fire Damage 207229	<i>Completed</i>	(12,883)	5,575	-	7,308	-
Replace Repitch Roof 229888	<i>in progress</i>	-	96,300	(1,000)	-	95,300
Rata Block 226646	<i>Completed</i>	49,825	5,715	(55,522)	(18)	-
Drainage Project 229884	<i>in progress</i>	-	53,997	(2,250)	-	51,747
Covered Outdoor 228670	<i>in progress</i>	-	156,549	(3,000)	-	153,549
Totals		37,834	318,336	(73,503)	7,698	290,365

Represented by:

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

302,096
(11,731)

290,365

	2020	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Electrical Upgrade 211383	<i>in progress</i>	(932)	2,432	-	-	1,500
Drainage Upgrade	<i>in progress</i>	1,732	-	(2,340)	-	(608)
Fire Damage 207229	<i>in progress</i>	(12,883)	-	-	-	(12,883)
Rata Block 226646	<i>in progress</i>	-	52,675	(2,850)	-	49,825
Library Repair 210037	<i>Completed</i>	(48,909)	65,438	(19,674)	3,145	-
Mould Contamination	<i>Completed</i>	(3,745)	-	-	3,745	-
Totals		(64,737)	120,545	(24,864)	6,890	37,834

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.

19. Remuneration

Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	4,975	4,165
<i>Leadership Team</i>		
Remuneration	347,340	332,816
Full-time equivalent members	3	3
Total key management personnel remuneration	352,315	336,981

There are five current members of the Board excluding the Principal. The Board had held 12 full meetings of the Board in the year. The Board does not have Finance or Property sub-committees that meet during the year. As well as these regular meetings, including preparation time, the Chair and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal 1

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

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	140,150	140-150
Benefits and Other Emoluments	0-10	0-10
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2021 FTE Number	2020 FTE Number
100-110	2.00	0.00
	2.00	0.00

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

20. 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:

	2021 Actual	2020 Actual
Total	-	-
Number of People	-	-

21. Contingencies

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

Holidays Act Compliance – schools payroll

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

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

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

22. Commitments

(a) Capital Commitments

As at 31 December 2021 the Board has entered into contract agreements for capital works as follows:

- (a) \$32,285 contract for Site Drainage Upgrade as agent for the Ministry of Education has been entered into. This project is fully funded by the Ministry and \$29,256 has been received of which \$29,664 has been spent on the project to balance date. This project was approved by the Ministry and completed in 2021; and
- (b) \$57,675 contract for Fire Reinstatement Pupils Toilets as agent for the Ministry of Education has been entered into. This project is fully funded by the Ministry and \$51,325 has been received of which \$58,633 has been spent on the project to balance date. This project has been approved by the Ministry and completed in 2021; and
- (c) \$58,390 contract for Water damage to toilets/lobby reinstatement as agent for the Ministry of Education has been entered into. This project is fully funded by the Ministry and \$58,390 has been received of which \$58,372 has been spent on the project to balance date. This project has been approved by the Ministry and completed in 2021; and
- (d) \$24,324 contract for Electrical Upgrade as agent for the Ministry of Education has been entered into. This project is fully funded by the Ministry and \$21,891 has been received of which \$22,823 has been spent on the project to balance date. This project has been approved by the Ministry; and
- (e) \$59,997 contract for Site Drainage as agent for the Ministry of Education has been entered into. This project is fully funded by the Ministry and \$53,997 has been received of which \$2,250 has been spent on the project to balance date. This project has been approved by the Ministry; and
- (f) \$107,000 contract for Repitch and Replace Roofing as agent for the Ministry of Education has been entered into. This project is fully funded by the Ministry and \$96,300 has been received of which \$1,000 has been spent on the project to balance date. This project has been approved by the Ministry; and
- (g) \$173,943 contract for Covered Outdoor Learning Area (COLA) as agent for the Ministry of Education has been entered into. This project is fully funded by the Ministry and \$156,549 has been received of which \$3,000 has been spent on the project to balance date. This project has been approved by the Ministry; and
- (h) \$103,000 contract for Classroom Project as agent for the Ministry of Education has been entered into. This project is fully funded by the Ministry and \$0 has been received of which \$11,731 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments at 31 December 2020: \$641,901)

(b) Operating Commitments

As at 31 December 2021 the Board has entered into the following contracts:

- (a) operating lease of a EFTPOS Machine;
- (b) operating lease of a Bellminder Machine;

	2021 Actual \$	2020 Actual \$
No later than One Year	2,138	1,262
	<u>2,138</u>	<u>1,262</u>

23. Financial Instruments

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

Financial assets measured at amortised cost

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash and Cash Equivalents	463,073	103,484	257,522
Receivables	104,902	114,000	103,885
Investments - Term Deposits	408,066	378,100	397,945
Total Financial assets measured at amortised cost	<u>976,041</u>	<u>595,584</u>	<u>759,352</u>

Financial liabilities measured at amortised cost

Payables	152,200	129,645	116,836
Finance Leases	42,496	50,360	65,134
Total Financial Liabilities Measured at Amortised Cost	<u>194,696</u>	<u>180,005</u>	<u>181,970</u>

24. Events After Balance Date

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

25. Comparatives

There have been a number of prior period comparatives which have been reclassified to make disclosure consistent with the current year.

26. COVID 19 Pandemic on going implications

Impact of Covid-19

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

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

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

Impact on operations

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

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

Reduction in locally raised funds

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

Independent Auditor's Report

To the Readers of Birkdale Primary School's Financial Statements

For the Year Ended 31 December 2021

The Auditor-General is the auditor of Birkdale Primary School (the School). The Auditor-General has appointed me, Darren Wright, using the staff and resources of William Buck Audit (NZ) Limited, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 19, that comprise the statement of financial position as at 31 December 2021, 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 2021; 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 PBE Accounting Standards (PBE IPSAS) Reduced Disclosure Regime.

Our audit was completed on 31 May 2022. 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.

ACCOUNTANTS & ADVISORS

Level 4, 21 Queen Street
Auckland 1010, New Zealand
PO Box 106 090
Auckland 1143, New Zealand
Telephone: +64 9 366 5000
williambuck.com

William Buck Audit (NZ) Limited

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.

- 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 arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the information included in the annual report being the Kiwisport Report, the Members of the Board of Trustees and the Analyses of Variance, 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.



Darren Wright
William Buck Audit (NZ) Limited
On behalf of the Auditor-General
Auckland, New Zealand