

# HENDERSON NORTH SCHOOL

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### School Directory

<b>Ministry Number:</b>	1308
<b>Principal:</b>	Irene Ogden
<b>School Address:</b>	Norval Road, Henderson
<b>School Postal Address:</b>	14 Norval Road, Henderson, Waitakere, 0610
<b>School Phone:</b>	09 838 8229
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**Accountant / Service Provider:**

**Education**  *Services.*  
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# HENDERSON NORTH SCHOOL

Annual Report - For the year ended 31 December 2021

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# Henderson North 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.

Julie-Ann Thumath  
Full Name of Presiding Member

Irene Ogden  
Full Name of Principal

[Signature]  
Signature of Presiding Member

[Signature]  
Signature of Principal

31.5.2022  
Date:

31.5.2022  
Date:

**Henderson North School**  
**Statement of Comprehensive Revenue and Expense**  
For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Revenue</b>				
Government Grants	2	3,717,225	3,457,852	3,513,810
Locally Raised Funds	3	51,819	30,424	56,644
Interest Income		4,940	5,000	7,823
		<u>3,773,984</u>	<u>3,493,276</u>	<u>3,578,277</u>
<b>Expenses</b>				
Locally Raised Funds	3	12,138	12,050	11,477
Learning Resources	4	2,466,933	2,380,922	2,401,487
Administration	5	427,645	168,353	165,144
Finance		4,725	3,775	2,408
Property	6	707,964	904,744	932,602
Depreciation	11	94,357	91,000	93,319
		<u>3,713,762</u>	<u>3,560,844</u>	<u>3,606,437</u>
<b>Net Surplus / (Deficit) for the year</b>		60,222	(67,568)	(28,160)
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>60,222</u>	<u>(67,568)</u>	<u>(28,160)</u>

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

**Henderson North School**  
**Statement of Changes in Net Assets/Equity**  
 For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Equity at 1 January</b>		942,330	972,269	970,490
Total comprehensive revenue and expense for the year		60,222	(67,568)	(28,160)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		4,735	-	-
<b>Equity at 31 December</b>		1,007,287	904,701	942,330
Retained Earnings		1,007,287	904,701	942,330
<b>Equity at 31 December</b>		1,007,287	904,701	942,330

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.

## Henderson North School Statement of Financial Position As at 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	7	135,891	306,389	73,133
Accounts Receivable	8	170,613	113,048	149,846
GST Receivable		11,194	35,059	6,279
Prepayments		2,948	2,959	3,187
Inventories	9	3,821	4,931	4,011
Investments	10	310,838	299,668	307,413
Funds owed for Capital Works Projects	16	17,371	-	24,132
		<u>652,676</u>	<u>762,054</u>	<u>568,001</u>
<b>Current Liabilities</b>				
Accounts Payable	12	215,203	280,050	176,976
Revenue Received in Advance	13	-	31,843	-
Finance Lease Liability	15	25,181	13,251	14,379
Funds held on behalf of ESOL Cluster	17	4,090	-	-
		<u>244,474</u>	<u>325,144</u>	<u>191,355</u>
<b>Working Capital Surplus/(Deficit)</b>		<b>408,202</b>	<b>436,910</b>	<b>376,646</b>
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	640,863	542,771	607,331
		<u>640,863</u>	<u>542,771</u>	<u>607,331</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	14	13,816	68,750	14,325
Finance Lease Liability	15	27,962	6,230	27,322
		<u>41,778</u>	<u>74,980</u>	<u>41,647</u>
<b>Net Assets</b>		<u><u>1,007,287</u></u>	<u><u>904,701</u></u>	<u><u>942,330</u></u>
<b>Equity</b>		<u><u>1,007,287</u></u>	<u><u>904,701</u></u>	<u><u>942,330</u></u>

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

**Henderson North School**  
**Statement of Cash Flows**  
For the year ended 31 December 2021

		2021	2021	2020
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Cash flows from Operating Activities</b>				
Government Grants		934,963	876,817	905,529
Locally Raised Funds		51,819	30,424	24,801
Goods and Services Tax (net)		(4,915)	-	28,780
Payments to Employees		(591,750)	(582,236)	(614,737)
Payments to Suppliers		(237,229)	(198,822)	(434,153)
Interest Paid		(4,725)	(3,775)	(2,408)
Interest Received		5,115	5,000	7,059
Net cash from/(to) Operating Activities		153,278	127,408	(85,129)
<b>Cash flows from Investing Activities</b>				
Purchase of Property Plant & Equipment		(88,173)	(36,000)	(104,105)
Purchase of Investments		(3,426)	-	(7,745)
Net cash from/(to) Investing Activities		(91,599)	(36,000)	(111,850)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		4,735	-	-
Finance Lease Payments		(18,799)	(11,486)	(13,684)
Funds Administered on Behalf of Third Parties		15,143	-	57,329
Net cash from/(to) Financing Activities		1,079	(11,486)	43,645
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>62,758</b>	<b>79,922</b>	<b>(153,334)</b>
Cash and cash equivalents at the beginning of the year	7	73,133	226,467	226,467
<b>Cash and cash equivalents at the end of the year</b>	<b>7</b>	<b>135,891</b>	<b>306,389</b>	<b>73,133</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.

# Henderson North School

## Notes to the Financial Statements

### For the year ended 31 December 2021

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

Henderson North 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. 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 are depreciated over their estimated useful lives on a straight line basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Building Improvements	20-40 years
Furniture and Equipment	5-10 years
Information and Communication Technology	3-5 years
Library Resources	8 years
Leased assets held under a Finance Lease	Term of Lease

**k) Impairment of property, plant, and equipment**

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

*Non cash generating assets*

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

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

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

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

**l) Accounts Payable**

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

**m) Employee Entitlements**

*Short-term employee entitlements*

Employee 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.

**n) Revenue Received in Advance**

Revenue received in advance relates to fees received from students and grants received where there are unfulfilled obligations for the School to provide services in the future. The fees are recorded as revenue as the obligations are fulfilled and the fees earned.

The School holds sufficient funds to enable the refund of unearned fees in relation to students, should the School be unable to provide the services to which they relate.

**o) Funds Held in Trust**

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

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

**p) Shared Funds**

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. The cluster of schools operate activities outside of the School's control. These amounts 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.

**q) 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.

**r) Financial Instruments**

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

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

**s) Borrowings**

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the school has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Borrowings include but are not limited to bank overdrafts, operating leases, finance leases, painting contracts and term loans.

**t) 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.

**u) Budget Figures**

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

**v) 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	756,139	760,316	766,855
Teachers' Salaries Grants	1,990,097	1,850,000	1,865,595
Use of Land and Buildings Grants	541,246	731,035	731,035
Other MoE Grants	401,435	99,167	122,713
Other Government Grants	28,308	17,334	27,612
	<u>3,717,225</u>	<u>3,457,852</u>	<u>3,513,810</u>

The school has opted in to the donations scheme for this year. Total amount received was \$58,800.

## 3. Locally Raised Funds

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Revenue</b>			
Donations & Bequests	5,437	5,324	3,780
Fees for Extra Curricular Activities	18,744	3,100	9,202
Trading	10,402	12,000	11,767
Fundraising & Community Grants	17,236	10,000	31,895
	<u>51,819</u>	<u>30,424</u>	<u>56,644</u>
<b>Expenses</b>			
Extra Curricular Activities Costs	3,066	1,050	1,386
Trading	8,568	11,000	10,091
Fundraising & Community Grant Costs	504	-	-
	<u>12,138</u>	<u>12,050</u>	<u>11,477</u>
<i>Surplus for the year Locally raised funds</i>	<u>39,681</u>	<u>18,374</u>	<u>45,167</u>

## 4. Learning Resources

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Curricular	60,778	102,908	76,564
Library Resources	4,549	6,500	4,006
Employee Benefits - Salaries	2,397,344	2,266,514	2,318,310
Staff Development	4,262	5,000	2,607
	<u>2,466,933</u>	<u>2,380,922</u>	<u>2,401,487</u>

## 5. Administration

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Audit Fee	7,759	7,000	6,466
Board Fees	3,280	3,000	2,655
Board Expenses	1,291	2,500	1,550
Communication	4,713	3,540	3,157
Consumables	8,393	12,750	11,566
Other	13,394	16,981	6,066
Employee Benefits - Salaries	126,077	112,222	114,454
Insurance	5,124	1,840	5,430
Service Providers, Contractors and Consultancy	9,670	8,520	13,800
Healthy School Lunch Programme	247,944	-	-
	<u>427,645</u>	<u>168,353</u>	<u>165,144</u>

## 6. Property

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Caretaking and Cleaning Consumables	50,263	51,300	54,020
Cyclical Maintenance Provision	9,171	8,000	22,225
Grounds	7,438	17,594	11,700
Heat, Light and Water	28,777	25,500	20,675
Rates	134	115	114
Repairs and Maintenance	11,405	15,200	38,440
Use of Land and Buildings	541,246	731,035	731,035
Security	1,455	2,500	2,300
Employee Benefits - Salaries	58,075	53,500	52,093
	<u>707,964</u>	<u>904,744</u>	<u>932,602</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	135,891	306,389	73,133
Cash and cash equivalents for Statement of Cash Flows	<u>135,891</u>	<u>306,389</u>	<u>73,133</u>

Of the \$135,891 Cash and Cash Equivalents \$282 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 2022 on Crown owned school buildings.

### 8. Accounts Receivable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Receivables from the Ministry of Education	585	-	-
Interest Receivable	589	1,807	764
Teacher Salaries Grant Receivable	169,439	111,241	149,082
	<u>170,613</u>	<u>113,048</u>	<u>149,846</u>
Receivables from Exchange Transactions	1,174	1,807	764
Receivables from Non-Exchange Transactions	169,439	111,241	149,082
	<u>170,613</u>	<u>113,048</u>	<u>149,846</u>

### 9. Inventories

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Stationery	3,821	4,931	4,011
	<u>3,821</u>	<u>4,931</u>	<u>4,011</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	310,838	299,668	307,413
Total Investments	<u>310,838</u>	<u>299,668</u>	<u>307,413</u>

### 11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2021						
Building Improvements	256,887	-	-	-	(11,714)	245,173
Furniture and Equipment	276,630	74,956	-	-	(46,430)	305,156
Information and Communication Technology	9,660	12,301	-	-	(5,379)	16,582
Leased Assets	44,613	34,986	-	-	(28,045)	51,554
Library Resources	19,541	5,646	-	-	(2,789)	22,398
<b>Balance at 31 December 2021</b>	<u>607,331</u>	<u>127,889</u>	<u>-</u>	<u>-</u>	<u>(94,357)</u>	<u>640,863</u>

The net carrying value of equipment held under a finance lease is \$51,554 (2020: \$44,613)

	2021 Cost or Valuation \$	2021 Accumulated Depreciation \$	2021 Net Book Value \$	2020 Cost or Valuation \$	2020 Accumulated Depreciation \$	2020 Net Book Value \$
Building Improvements	468,561	(223,388)	245,173	468,561	(211,674)	256,887
Furniture and Equipment	700,142	(394,986)	305,156	625,186	(348,556)	276,630
Information and Communication Technology	108,658	(92,076)	16,582	96,357	(86,697)	9,660
Leased Assets	84,784	(33,230)	51,554	85,910	(41,297)	44,613
Library Resources	71,096	(48,698)	22,398	65,450	(45,909)	19,541
<b>Balance at 31 December</b>	<u>1,433,241</u>	<u>(792,378)</u>	<u>640,863</u>	<u>1,341,464</u>	<u>(734,133)</u>	<u>607,331</u>

## 12. Accounts Payable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Creditors	21,231	155,547	11,516
Accruals	5,819	6,278	4,866
Employee Entitlements - Salaries	169,439	111,242	149,082
Employee Entitlements - Leave Accrual	18,714	6,983	11,512
	<u>215,203</u>	<u>280,050</u>	<u>176,976</u>
Payables for Exchange Transactions	215,203	280,050	176,976
	<u>215,203</u>	<u>280,050</u>	<u>176,976</u>

The carrying value of payables approximates their fair value.

## 13. Revenue Received in Advance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Other	-	31,843	-
	<u>-</u>	<u>31,843</u>	<u>-</u>

## 14. Provision for Cyclical Maintenance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Provision at the Start of the Year	14,325	60,750	54,000
Increase to the Provision During the Year	7,792	8,000	6,749
Adjustment to the Provision	1,379	-	15,476
Use of the Provision During the Year	(9,680)	-	(61,900)
Provision at the End of the Year	<u>13,816</u>	<u>68,750</u>	<u>14,325</u>
Cyclical Maintenance - Current	-	-	-
Cyclical Maintenance - Term	13,816	68,750	14,325
	<u>13,816</u>	<u>68,750</u>	<u>14,325</u>

## 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	30,373	13,251	17,305
Later than One Year and no Later than Five Years	30,857	6,230	29,630
Future finance charges	(8,087)	-	(5,234)
	<u>53,143</u>	<u>19,481</u>	<u>41,701</u>
<b>Represented by</b>			
Finance lease liability - Current	25,181	13,251	14,379
Finance lease liability - Term	27,962	6,230	27,322
	<u>53,143</u>	<u>19,481</u>	<u>41,701</u>



## 16. Funds Held (Owed) for Capital Works Projects

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

2021	Project No.	Opening Balances	Receipts from MoE	Payments	BOT Contributions	Closing Balances
		\$	\$	\$		\$
AMS Combined	214251	(20,309)	15,959	-	4,350	-
Toilets/Cloak Bays	214251	15,959	(15,959)	-	-	-
Block 1 Admin Upgrade	227586	(19,307)	246,985	(245,331)	-	(17,653)
LSC Project	218833	(475)	25,450	(24,693)	-	282
<b>Totals</b>		<b>(24,132)</b>	<b>272,435</b>	<b>(270,024)</b>	<b>4,350</b>	<b>(17,371)</b>

### Represented by:

Funds Held on Behalf of the Ministry of Education	282
Funds Due from the Ministry of Education	(17,653)
	<b>(17,371)</b>

2020	Project No.	Opening Balances	Receipts from MoE	Payments	BOT Contributions	Closing Balances
		\$	\$	\$		\$
AMS Combined	214251	(76,892)	102,000	(45,417)	-	(20,309)
Toilets/Cloak Bays	214251	-	15,959	-	-	15,959
Drainage		30	-	(30)	-	-
Block 1,2,3 Spouting	214253	(4,599)	6,599	(2,000)	-	-
Block 1 Admin Upgrade	227586	-	-	(19,307)	-	(19,307)
LSC Project	218833	-	-	(475)	-	(475)
<b>Totals</b>		<b>(81,461)</b>	<b>124,558</b>	<b>(67,229)</b>	<b>-</b>	<b>(24,132)</b>

## 17. Funds held on behalf of ESOL Cluster

Henderson North School is the lead school and holds funds on behalf of the ESOL cluster, a group of schools funded by the Ministry of Education.

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Funds Held at Beginning of the Year	-	-	-
Funds Received from Cluster Members	4,364	-	-
Funds Spent on Behalf of the Cluster	274	-	-
<b>Funds Held at Year End</b>	<b>4,090</b>	<b>-</b>	<b>-</b>

## 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 and Deputy Principals.

	2021 Actual \$	2020 Actual \$
<i>Board Members</i> Remuneration	3,280	2,655
<i>Leadership Team</i> Remuneration	357,977	351,687
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	361,257	354,342

There are 5 members of the Board excluding the Principal. The Board had held 11 full meetings of the Board in the year.

### 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	150 - 160	140 - 150
Benefits and Other Emoluments	4 - 5	4 - 5
Termination Benefits	-	-

### Other Employees

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

Remuneration \$000	2021 FTE Number	2020 FTE Number
100 - 110	3.00	-
	3.00	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:

\$274,428 contract for the Block 1 Admin Upgrade as agent for the Ministry of Education. This project is fully funded by the Ministry and \$246,985 has been received and \$264,638 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$82,882 contract for the LSC Project as agent for the Ministry of Education. This project is fully funded by the Ministry and \$25,450 has been received of which \$25,168 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments as at 31 December 2020: \$416,069)

### (b) Operating Commitments

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

(a) operating lease of photocopiers;

	2021 Actual \$	2020 Actual \$
No later than One Year	-	1,040
Later than One Year and No Later than Five Years	-	-
Later than Five Years	-	-
	-	1,040

## 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	135,891	306,389	73,133
Receivables	170,613	113,048	149,846
Investments - Term Deposits	310,838	299,668	307,413
Total Financial assets measured at amortised cost	617,342	719,105	530,392

### Financial liabilities measured at amortised cost

Payables	215,203	280,050	176,976
Finance Leases	53,143	19,481	41,701
Total Financial Liabilities Measured at Amortised Cost	268,346	299,531	218,677

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

### Impact on operations

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

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

### Reduction in locally raised funds

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

### Increased Remote learning additional costs

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

## Henderson North School

### Members of the Board

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Term Expired/ Expires</b>
Julie Ann Thumath	Presiding Member	Elected	Sep 2022
Irene Ogden	Principal		
Anita Sarich	Parent Representative	Elected	Mar 2021
Sona Chawla	Staff Representative	Elected	Sep 2022
Ronald Crawford	Other	Elected	Sep 2022
Brent Reihana	Other	Elected	Sep 2022

## **Henderson North School**

### **Kiwisport**

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2021, the school received total Kiwisport funding of \$5,431 (excluding GST). The funding was spent on sporting endeavours.

# Analysis of Variance Reporting 2021



<b>School Name:</b>	Milford School	<b>School Number:</b>	1375
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<b>Strategic Aim:</b>	To provide a quality education that empowers curious, creative and critical thinkers who strive for success.
<b>Annual Aim:</b>	Achieve equitable outcomes across all groups so 85% or more of all students are achieving at or above the expected level for Reading, Writing and Mathematics.
<b>Target:</b>	That our Māori learner outcomes will be equitable with, or higher than, the All Students data in Reading, Writing and Mathematics.
<b>Baseline Data:</b>	<p>The 2020 data showed that:</p> <p>In Reading, 72% of our Māori learners were at or above the expected level compared with 87% of All Students.</p> <p>In Writing, 76% of our Māori learners were at or above the expected level compared with 84% of All Students.</p> <p>In Mathematics, 79% of our Māori learners were at or above the expected level compared with 87% of All Students.</p>

<b>Actions</b> <i>What did we do?</i>	<b>Outcomes</b> <i>What happened?</i>	<b>Reasons for the variance</b> <i>Why did it happen?</i>	<b>Evaluation</b> <i>Where to next?</i>
<p>Delve partially into who the Māori students are and their learning profile.</p> <p>Keep Māori Action Plans up to date, and show next steps.</p> <p>Started to gather student voice from our Māori learners about how they best learn, through interviews.</p>	<p>In Term 1 we had a short lockdown which disrupted the analysis of our Māori students and in developing their learning profile.</p> <p>Once we were back at school we picked up this work, although it needed to be slowly as our students settled back into school life.</p> <p>Māori Action Plans were updated at mid year.</p> <p>We started to gather student voice.</p> <p>As students were on distance learning for the last two terms, there was no end of year data.</p>	<p>There was a lockdown in term 1 which disrupted the actions we were going to take.</p> <p>With school being closed for almost 2 terms in term 3 and 4, there was no opportunity to complete the actions.</p>	<p>We will carry over this target for the 2022 school year and obtain fresh data.</p>



# Analysis of Variance Reporting 2021



<b>School Name:</b>	Milford School	<b>School Number:</b>	1375
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<b>Strategic Aim:</b>	To provide a quality education that empowers curious, creative and critical thinkers who strive for success.
<b>Annual Aim:</b>	<p><b>School Annual Learning Target</b> <i>Where do we want to be at the end of the year?</i></p> <p>Achieve equitable outcomes across all groups so 85% or more of all students are achieving at or above the expected level for Reading, Writing and Mathematics.</p>
<b>Target:</b>	<p><b>Target</b> <i>What measurable outcome do we want to achieve at the end of the year?</i></p> <p>That our Year 6 students with achieve equitable outcomes of 85% or above in Reading and Writing.</p>
<b>Baseline Data:</b>	<p><b>Baseline data (Dept. or Syndicate etc)</b></p> <p><i>What data is relevant that will contribute to the school raising achievement?</i></p> <p>The 2020 data showed that:</p> <p>In Reading, 79% of our Year 5 learners were at or above the expected level compared with 87% of All Students.</p> <p>In Writing, 74% of our Year 5 learners were at or above the expected level compared with 84% of All Students.</p>

<b>Actions</b> <i>What did we do?</i>	<b>Outcomes</b> <i>What happened?</i>	<b>Reasons for the variance</b> <i>Why did it happen?</i>	<b>Evaluation</b> <i>Where to next?</i>
<p>Spent time getting to know these learners and try to discover potential reasons for the cohort having lower percentages.</p> <p>Focused on writing programmes such as Boys Writing Group. Teacher was given a leadership unit to lead this initiative.</p>	<p>In Term 1 we had a short lockdown which disrupted the analysis of these students.</p> <p>Once we were back at school we picked up this work, although it needed to be slowly as our students settled back into school life.</p> <p>As students were on distance learning for the last two terms, there was no end of year data.</p> <p>With mid-year data, in Reading, 77% were at or above (was 79% end Year 5).</p> <p>In Writing, 81% were at or above (74% end Year 5).</p>	<p>There was a lockdown in term 1 which disrupted the actions we were going to take.</p> <p>With school being closed for almost 2 terms in term 3 and 4, there was no opportunity to complete the actions.</p> <p>However, we note the increase in achievement for writing in the short time which is very pleasing.</p>	<p>As these students have now moved off to Intermediate Schools, there is no opportunity to follow up.</p>

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE READERS OF HENDERSON NORTH SCHOOL'S FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

The Auditor-General is the auditor of Henderson North School (the School). The Auditor-General has appointed me, Matthew Coulter, using the staff and resources of BDO Auckland, 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 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 Public Sector Public Benefit Entity Standards Reduced Disclosure Regime as applicable to entities that qualify as tier 2.

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.

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

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

We communicate with the Board 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 is responsible for the other information. The other information comprises the information included on pages 19 to 24, but does not include the financial statements, and our auditor's report thereon.

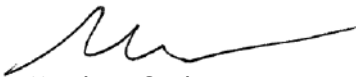
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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.



Matthew Coulter  
BDO Auckland  
On behalf of the Auditor-General  
Auckland, New Zealand