

Addington Te Kura Taumatua School

Annual Report For the year ended 31 December 2020

Ministry Number: 3271
Principal: Donna Buchanan
School Address: 22 Brougham Street, Christchurch 8024
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Members of the Board of Trustees

Name	Ceased
Sasha Wallace	
Andy Green	
Adrian Palmer	
Nichola McGuire	
Jo Robertson	
Lyn Petch	
Donna Buchanan - Principal	

The term finishes except for the principal in May 2022.

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Addington Te Kura Taumatua School

Statement of Responsibility

For the year ended 31 December 2020

The Board of Trustees (the Board) has pleasure in presenting the annual report of Addington School incorporating the financial statements and the auditor's report, for the year ended 31 December 2020.

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2020 fairly reflects the financial position and operations of the school.

The School's 2020 financial statements are authorised for issue by the Board Chairperson and the principal.

Joanne Kay Robertson

Full Name of Board Chairperson

Donna Louise Buchanan

Full Name of Principal

JKR

Signature of Board Chairperson

Buchanan

Signature of Principal

31/5/2021

Date:

31.05.21

Date:

Addington Te Kura Taumatua School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue				
Government Grants	2	3,344,456	3,072,560	2,638,934
Locally Raised Funds	3	22,762	-	160,937
Interest Earned		16,999	15,000	24,401
Gain on Sale of Property, Plant and Equipment		-	-	-
International Students	4	-	-	1,039
		<u>3,384,217</u>	<u>3,087,560</u>	<u>2,825,311</u>
Expenses				
Locally Raised Funds	3	44,861	46,550	47,090
Learning Resources	5	2,217,800	2,072,644	2,093,860
Administration	6	114,461	116,030	106,687
Finance Costs		2,059	-	1,690
Property	7	862,696	850,526	555,289
Depreciation	8	65,493	62,000	60,216
Loss on Disposal of Property, Plant and Equipment		-	-	-
		<u>3,307,370</u>	<u>3,147,750</u>	<u>2,864,832</u>
Net Surplus / (Deficit)		76,847	(60,190)	(39,521)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>76,847</u>	<u>(60,190)</u>	<u>(39,521)</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.

Addington Te Kura Taumatua School
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2020

	Actual 2020 \$	Budget (Unaudited) 2020 \$	Actual 2019 \$
Balance at 1 January	<u>441,888</u>	<u>441,888</u>	<u>543,693</u>
Total comprehensive revenue and expense for the year	76,847	(60,190)	(39,521)
Owner transactions			
Contribution - Furniture and Equipment Grant	17,986	-	89,890
Contribution - Ministry of Education school redevelopment	-	-	(152,174)
	26		
Equity at 31 December	<u>536,721</u>	<u>381,698</u>	<u>441,888</u>
Retained Earnings	536,721	381,698	441,888
Reserves	-	-	-
Equity at 31 December 2020	<u>536,721</u>	<u>381,698</u>	<u>441,888</u>

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes which form part of these financial statements.

Addington Te Kura Taumatua School
Statement of Financial Position
As at 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Assets				
Cash and Cash Equivalents	9	127,261	12,335	81,470
Accounts Receivable	10	104,497	131,500	102,166
GST Receivable		874	10,000	21,559
Prepayments		14,343	11,000	18,012
Inventories		-	-	-
Investments	11	680,704	450,000	506,445
		<u>927,679</u>	<u>614,835</u>	<u>729,652</u>
Current Liabilities				
Accounts Payable	13	148,866	157,000	117,670
Revenue Received in Advance	14	3,380	-	13,900
Painting Contract Liability - Current Portion	15	15,102	15,102	15,102
Finance Lease Liability - Current Portion	16	15,276	15,000	19,065
Funds for Conductive Education services	18	332,438	349,913	349,913
Funds held for Capital Works Projects	17	156,646	-	-
		<u>671,708</u>	<u>537,015</u>	<u>515,650</u>
Working Capital Surplus or (Deficit)		255,971	77,820	214,002
Non-current Assets				
Property, Plant and Equipment	12	346,850	354,439	293,439
		<u>346,850</u>	<u>354,439</u>	<u>293,439</u>
Non-current Liabilities				
Painting Contract Liability	15	50,663	35,561	50,663
Finance Lease Liability	16	15,437	15,000	14,890
		<u>66,100</u>	<u>50,561</u>	<u>65,553</u>
Net Assets		<u><u>536,721</u></u>	<u><u>381,698</u></u>	<u><u>441,888</u></u>
Equity		<u><u>536,721</u></u>	<u><u>381,698</u></u>	<u><u>441,888</u></u>

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

Addington Te Kura Taumatua School

Cash Flow Statement

For the year ended 31 December 2020

	2020	2020 Budget (Unaudited)	2019
Note	Actual \$	\$	Actual \$
Cash flows from Operating Activities			
Government Grants	1,124,061	557,066	810,713
Locally Raised Funds	22,762	-	160,937
International Students	-	-	1,039
Goods and Services Tax (net)	20,685	11,559	(2,441)
Payments to Employees	(662,315)	(259,106)	(590,608)
Payments to Suppliers	(326,432)	(294,898)	(341,658)
Interest Received	17,613	15,756	24,816
Funds Administered on Behalf of Third Parties	(27,995)	(13,900)	(45,928)
Net cash from / (to) the Operating Activities	<u>168,379</u>	<u>16,477</u>	<u>16,870</u>
Cash flows from Investing Activities			
Proceeds from Sale of PPE (and Intangibles)	1,663	-	1,663
Purchase of PPE (and Intangibles)	(102,527)	(123,000)	(92,080)
Purchase of Investments	(174,259)	-	-
Proceeds from Sale of Investments	-	56,445	144,128
Net cash from / (to) the Investing Activities	<u>(275,123)</u>	<u>(66,555)</u>	<u>53,711</u>
Cash flows from Financing Activities			
Contribution by the Ministry of Education - Furniture and Equipment	17,986	-	89,890
Contribution to Ministry of Education - School Redevelopment	-	-	(152,174)
Finance Lease Payments	(22,097)	(3,955)	(19,991)
Painting contract payments	-	(15,102)	(15,101)
Funds held for Capital Works Projects	156,646	-	-
Net cash from Financing Activities	<u>152,535</u>	<u>(19,057)</u>	<u>(97,376)</u>
Net increase/(decrease) in cash and cash equivalents	<u>45,791</u>	<u>(69,135)</u>	<u>(26,795)</u>
Cash and cash equivalents at the beginning of the year	9 81,470	81,470	108,265
Cash and cash equivalents at the end of the year	9 <u>127,261</u>	<u>12,335</u>	<u>81,470</u>

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

Addington Te Kura Taumatua School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2020

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2020 to 31 December 2020 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

The Education and Training Act 2020 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying PBE Accounting Standards (PBE IPSAS) 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 publically 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.

Useful lives of property, plant and equipment

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

Critical Accounting Estimates And Assumptions

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

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.

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.

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.

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.

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.

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

Donations

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

Interest Revenue

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

d) Use of Land and Buildings Expense

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Ministry.

e) 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.

f) 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.

g) 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 three months or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

h) 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.

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.

Property, plant and equipment acquired with individual values under \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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:	Years
Building improvements – Crown	33
Furniture and equipment	5-10
Information and communication technology	3-5
Plant	5-10
Leased	3
Library resources	10

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

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows

m) Revenue Received in Advance

Revenue received in advance relates to fees received from international 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 international students, should the School be unable to provide the services to which they relate.

n) Provision for Cyclical Maintenance

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

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).

o) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

p) Financial Assets and Liabilities

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 measured at fair value through other comprehensive income" for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise accounts payable, funds held on behalf of the Ministry of Education, 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 at the start of the year.

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operational grants	539,172	474,560	431,951
Teachers' salaries grants	1,538,206	1,535,000	1,458,985
Use of Land and Buildings grants	708,945	700,000	348,582
Other government grants	558,133	363,000	399,416
	<u>3,344,456</u>	<u>3,072,560</u>	<u>2,638,934</u>

The school has opted in to the donations scheme for this year. Total amount received was \$39,000

MOE Grants total includes additional COVID-19 funding totalling \$36,270 for the year ended 31 December 2020.

3. Locally Raised Funds

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<i>Revenue</i>			
Donations	14,007	-	113,185
Fundraising	-	-	-
Activities	6,595	-	39,426
Trading	2,160	-	8,326
	<u>22,762</u>	<u>-</u>	<u>160,937</u>
<i>Expenses</i>			
Activities	38,616	44,550	41,545
Trading	4,604	-	4,585
Donation (costs of raising funds)	1,641	2,000	960
	<u>44,861</u>	<u>46,550</u>	<u>47,090</u>
<i>Surplus for the year Locally raised funds</i>	<u>(22,099)</u>	<u>(46,550)</u>	<u>113,847</u>

4. International Student Revenue and Expenses

	2020 Actual Number	2020 Budget (Unaudited) Number	2019 Actual Number
International Students Roll	-	-	1
	<u>2020 Actual \$</u>	<u>2020 Budget (Unaudited) \$</u>	<u>2019 Actual \$</u>
<i>Revenue</i>			
International Student Fees	-	-	1,039
<i>Surplus for the year International</i>	<u>-</u>	<u>-</u>	<u>1,039</u>

5. Learning Resources

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Curricular	103,261	90,644	103,338
Employee Benefits - Salaries	2,097,173	1,963,000	1,967,604
Staff Development	17,366	19,000	22,918
	<u>2,217,800</u>	<u>2,072,644</u>	<u>2,093,860</u>

6. Administration

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Audit Fee	4,035	4,035	3,918
Board of Trustees Fees	4,410	5,665	4,425
Board of Trustees Expenses	15,203	8,300	10,320
Communication	5,347	7,800	5,718
Consumables	4,765	5,500	3,515
Operating Lease	1,162	5,660	1,847
Staff Expenses	4,649	5,150	4,922
Other	14,900	13,920	12,369
Employee Benefits - Salaries	59,990	60,000	59,653
	<u>114,461</u>	<u>116,030</u>	<u>106,687</u>

7. Property

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Caretaking and Cleaning Consumables	4,475	5,000	3,683
Consultancy and Contract Services	35,874	35,000	33,820
Grounds	10,581	7,100	10,947
Heat, Light and Water	26,962	33,000	31,235
Rates	7,259	6,500	5,937
Repairs and Maintenance	26,425	32,426	89,111
Use of Land and Buildings - Non-Integrated	708,945	700,000	348,582
Employee Benefits - Salaries	42,175	31,500	31,974
	<u>862,696</u>	<u>850,526</u>	<u>555,289</u>

The use of land and buildings figure represents 8% of the school's total property value. This is used as a 'proxy' for the market rental of the property. 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.

8. Depreciation of Property, Plant and Equipment

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Buildings - School	5,022	5,000	3,994
Furniture and Equipment	19,544	19,000	18,754
Information and Communication Technology	11,384	11,000	12,963
Plant	3,073	3,000	3,085
Leased Assets	23,996	22,000	19,157
Library Resources	2,474	2,000	2,263
	<u>65,493</u>	<u>62,000</u>	<u>60,216</u>

9. Cash and Cash Equivalents

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash on Hand	535	535	535
Bank Current Account	105,591	11,700	80,893
Bank Call Account	21,135	100	42
Short-term Bank Deposits with a Maturity of Three Months or Less	-	-	-
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>127,261</u>	<u>12,335</u>	<u>81,470</u>

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

10. Accounts Receivable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Debtor Ministry of Education	-	-	13,043
Interest Accrued	1,642	1,500	2,256
Teacher Salaries Grant Receivable	102,855	130,000	86,867
	<u>104,497</u>	<u>131,500</u>	<u>102,166</u>
Receivables from Exchange Transactions	1,642	1,500	2,256
Receivables from Non-Exchange Transactions	102,855	130,000	99,910
	<u>104,497</u>	<u>131,500</u>	<u>102,166</u>

11. Investments

The School's investment activities are classified as follows:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Asset			
Short-term Bank Deposits with Maturities Greater than Three Months and No Greater than One Year	680,704	450,000	506,445

The carrying value of long term deposits longer than 12 months approximates their fair value at 31 December 2020.

12. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2020						
Buildings	67,844	30,837	-	-	(5,022)	93,659
Furniture and Equipment	121,452	51,177	-	-	(19,544)	153,085
Information and Communication	38,092	7,611	-	-	(11,384)	34,319
Plant	15,680	10,130	-	-	(3,073)	22,737
Leased Assets	36,231	18,040	-	-	(23,996)	30,275
Library Resources	14,140	1,109	-	-	(2,474)	12,775
Balance at 31 December 2020	<u>293,439</u>	<u>118,904</u>	<u>-</u>	<u>-</u>	<u>(65,493)</u>	<u>346,850</u>
				Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Buildings				133,723	(40,064)	93,659
Furniture and Equipment				275,033	(121,948)	153,085
Information and Communication				97,661	(63,342)	34,319
Plant				85,144	(62,407)	22,737
Leased Assets				52,111	(21,836)	30,275
Library Resources				39,632	(26,857)	12,775
Balance at 31 December 2020				<u>683,304</u>	<u>(336,454)</u>	<u>346,850</u>
	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Buildings	71,838	-	-	-	(3,994)	67,844
Furniture and Equipment	79,368	60,838	-	-	(18,754)	121,452
Information and Communication	26,013	25,042	-	-	(12,963)	38,092
Plant	17,355	1,410	-	-	(3,085)	15,680
Leased Assets	38,944	16,444	-	-	(19,157)	36,231
Library Resources	13,276	3,127	-	-	(2,263)	14,140
Balance at 31 December 2019	<u>246,794</u>	<u>106,861</u>	<u>-</u>	<u>-</u>	<u>(60,216)</u>	<u>293,439</u>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
Buildings	102,886	(35,042)	67,844
Furniture and Equipment	229,026	(107,574)	121,452
Information and Communication Plant	158,836	(120,744)	38,092
Leased Assets	80,971	(65,291)	15,680
Library Resources	81,926	(45,695)	36,231
	38,523	(24,383)	14,140
Balance at 31 December 2019	692,168	(398,729)	293,439

13. Accounts Payable

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Operating Creditors	7,094	15,000	5,660
Banking Staffing Overuse	24,494	-	9,537
Employee Benefits Payable - Salaries	102,855	130,000	86,867
Employee Benefits Payable - Leave Accrual	14,423	12,000	15,606
	148,866	157,000	117,670
Payables for Exchange Transactions	148,866	157,000	117,670
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	148,866	157,000	117,670

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Funds Held on Behalf of Third Parties	3,380	-	13,900
	3,380	-	13,900

15. Painting Contract Liability

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Current Liability	15,102	15,102	15,102
Non Current Liability	50,663	35,561	50,663
	65,765	50,663	65,765

The Board signed an agreement with Scheduled Maintenance Services Ltd (the contractor) for an agreed programme of work covering an seven year period. The programme provides for an exterior repaint of the Ministry owned buildings, with regular maintenance in subsequent years. The agreement has an annual commitment of \$15,102.

The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance date.

16. Finance Lease Liability

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
No Later than One Year	15,276	15,000	19,065
Later than One Year and no Later than Five Years	15,437	15,000	14,890
Later than Five Years	-	-	-
	<u>30,713</u>	<u>30,000</u>	<u>33,955</u>

17. Funds Held for Capital Works Projects

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

	2020	Opening Balances \$	Receipts from MoE \$	Payments \$	Closing Balances \$
Rain Garden	<i>in progress</i>	-	9,627	(8,833)	794
SIP Conductive Education	<i>in progress</i>	-	42,468	(19,992)	22,476
Smoke Detectors	<i>in progress</i>	-	8,764	(8,764)	-
Ashphalt	<i>in progress</i>	-	132,905	-	132,905
Heating	<i>in progress</i>	-	13,674	(13,203)	471
Totals		-	<u>207,438</u>	<u>(50,792)</u>	<u>156,646</u>

18. Funds for Conductive Education

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Funds held at beginning of the year	349,913	349,913	3,459,913
<i>Revenue</i>			
Ministry of Education funding	304,309	284,000	246,498
Other	1,505	-	7,256
	<u>305,814</u>	<u>284,000</u>	<u>253,754</u>
Total funds available	<u>655,727</u>	<u>633,913</u>	<u>3,713,667</u>
<i>Expenses</i>			
Employee Benefit - Salaries	285,928	264,000	210,350
Administration	37,361	20,000	27,634
	<u>323,289</u>	<u>284,000</u>	<u>237,984</u>
Funds Held at Year End	<u>332,438</u>	<u>349,913</u>	<u>349,913</u>

19. Related Party Transactions

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

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

20. Remuneration

Key management personnel compensation

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

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	4,410	4,425
Full-time equivalent members	0.11	0.11
<i>Leadership Team</i>		
Remuneration	446,395	352,799
Full-time equivalent members	4.00	3.25
Total key management personnel remuneration	450,805	357,224
Total full-time equivalent personnel	4.11	3.36

The full time equivalent for Board members has been determined based on attendance at Board meetings, Committee meetings and for other obligations of the Board, such as stand downs and suspensions, plus the estimated time for Board members to prepare for meetings.

Principal

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

	2020 Actual \$000	2019 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	140-150	110-120
Salary and Other Payments	-	20-30
Benefits and Other Emoluments	-	-
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2020 FTE Number	2019 FTE Number
100-110	1	1
	1	1

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

21. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be trustees, committee member, 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:

	2020 Actual	2019 Actual
Total	\$0	\$0
Number of People	-	-

22. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2020 (Contingent liabilities and assets at 31 December 2019: nil).

Holidays Act Compliance – schools payroll

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

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

To the extent that any obligation cannot reasonably be quantified at 31 December 2020, a contingent liability for the school may exist.

Cyclical Maintenance

The School has an obligation to the Ministry of Education to maintain in good order and repair at all times the land, buildings and other facilities on the School site. The school is part of the Christchurch Schools Rebuild Programme which has resulted in the School's buildings either being repaired or rebuilt. At the present time, the School is working with the Ministry of Education to create a cyclical maintenance plan for future maintenance. Until such time as a plan has been developed and approved by the Ministry, the School cannot make a reliable estimate of the maintenance required on the School's buildings so no cyclical maintenance provision has been recognised, even though the school will be required to maintain any buildings that are not replaced.

23. Commitments

(a) Capital Commitments

As at 31 December 2020 the Board was committed to fund the Playground Development Project.

(Capital commitments at 31 December 2019: nil)

(b) Operating Commitments

As at 31 December 2020 the Board has entered into no operating contracts:

24. Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but attempts to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.

25. 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 (2019: Loans and receivables)

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash and Cash Equivalents	127,261	12,335	81,470
Receivables	104,497	131,500	102,166
Investments - Term Deposits	680,704	450,000	506,445
Total Cash and Receivables	912,462	593,835	690,081

Financial liabilities measured at amortised cost

Payables	148,866	157,000	117,670
Painting Contract	65,765	50,663	65,765
Finance Leases	30,713	30,000	33,955
Total Financial Liabilities Measured at Amortised Cost	245,344	237,663	217,390

26. Distribution of Equity

This balance related to the boards contribution towards the school redevelopment. Due to the original ministry budget for the redevelopment not being sufficient to cover all costs incurred, and in order to be able to complete the building project to the originally agreed specification, the Board contributed to cover any overspends or variations

27. Events After Balance Date

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

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF ADDINGTON TE KURA TAUMATUA SCHOOL'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

The Auditor-General is the auditor of Addington Te Kura Taumatua (the School). The Auditor-General has appointed me, Warren Johnstone, using the staff and resources of BDO Christchurch, 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 16, that comprise the statement of financial position as at 31 December 2020, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2020; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity Standards Reduced Disclosure Regime as applicable to entities that qualify as tier 2.

Our audit was completed on the 31st of May 2021. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board 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 board of trustees listing, analysis of variance and kiwisport report, but does not include the financial statements, and our auditor's report thereon.

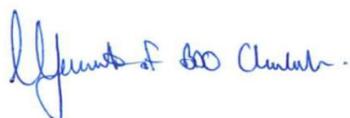
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

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



Warren Johnstone
BDO Christchurch
On behalf of the Auditor-General
Christchurch, New Zealand