



NELSON CENTRAL SCHOOL  
AIM HIGH - KI RUNGA RAWA

## ANNUAL REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**School Directory**

<b>Ministry Number:</b>	3209
<b>Principal:</b>	Pip Wells
<b>School Address:</b>	70 Nile Street, Nelson, 7010
<b>School Phone:</b>	03 548 4972
<b>School Email:</b>	<a href="mailto:admin@nelsoncentral.school.nz">admin@nelsoncentral.school.nz</a>

# NELSON CENTRAL SCHOOL

Annual Report - For the year ended 31 December 2021

## Index

<b>Page</b>	<b>Statement</b>
	<b>Financial Statements</b>
<a href="#"><u>1</u></a>	Statement of Responsibility
<a href="#"><u>2</u></a>	Members of the Board
<a href="#"><u>3</u></a>	Statement of Comprehensive Revenue and Expense
<a href="#"><u>4</u></a>	Statement of Changes in Net Assets/Equity
<a href="#"><u>5</u></a>	Statement of Financial Position
<a href="#"><u>6</u></a>	Statement of Cash Flows
<a href="#"><u>7 - 19</u></a>	Notes to the Financial Statements
	<b>Other Information</b>
	Analysis of Variance
	Kiwisport
	Independent Auditor's Report

# Nelson Central 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.

LEE ADRIEN HALL

Full Name of Presiding Member

[Signature]

Signature of Presiding Member

29<sup>th</sup> NOVEMBER 2022

Date:

PAULIPPA ANNE WELLS

Full Name of Principal

[Signature]

Signature of Principal

29-11-2022

Date:



# **Nelson Central School**

## **Members of the Board**

For the year ended 31 December 2021

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Term Expired/ Expires</b>
Damian Velluppillai	Presiding Member	Elected	Sep 2022
Pip Wells	Principal ex Officio		
Iain Sheves	Parent Representative	Elected	Sep 2022
Matty Anderson	Parent Representative	Elected	Sep 2022
Sarah Sharp	Parent Representative	Elected	Sep 2022
Lee Hall	Parent Representative	Elected	Sep 2022
Gareth Edwards	Staff Representative	Elected	Jun 2021
Joanna Glassford	Staff Representative	Elected	Sep 2022
In Attendance Anne Sofield	Minute Secretary		



**Nelson Central School**  
**Statement of Comprehensive Revenue and Expense**  
For the year ended 31 December 2021

		2021	2021	2020
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Revenue</b>				
Government Grants	2	3,731,836	3,423,243	3,957,868
Locally Raised Funds	3	71,601	38,400	226,258
Interest Income		15,437	20,000	26,816
International Students	4	5,791	30,000	46,617
		<u>3,824,665</u>	<u>3,511,643</u>	<u>4,257,559</u>
<b>Expenses</b>				
Locally Raised Funds	3	37,233	36,200	51,882
International Students	4	-	10,000	3,988
Learning Resources	5	2,889,032	2,716,078	2,817,866
Administration	6	188,257	201,657	194,995
Finance		2,811	-	3,503
Property	7	709,403	705,900	732,788
Depreciation	12	61,915	85,000	59,376
Loss on Disposal of Property, Plant and Equipment		1,763	-	1,941
		<u>3,890,414</u>	<u>3,754,835</u>	<u>3,866,339</u>
<b>Net (Deficit)/Surplus for the year</b>		(65,749)	(243,192)	391,220
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>(65,749)</u>	<u>(243,192)</u>	<u>391,220</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.

# Nelson Central 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>		1,783,053	1,783,053	1,381,701
Total comprehensive revenue and expense for the year		(65,749)	(243,192)	391,220
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		-	-	10,132
<b>Equity at 31 December</b>		1,717,304	1,539,861	1,783,053
Retained Earnings		1,717,304	1,539,861	1,783,053
<b>Equity at 31 December</b>		1,717,304	1,539,861	1,783,053

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.



# Nelson Central School

## Statement of Financial Position

As at 31 December 2021

		2021	2021	2020
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Current Assets</b>				
Cash and Cash Equivalents	8	393,919	221,208	361,400
Accounts Receivable	9	212,350	189,672	189,672
GST Receivable		801	10,100	10,100
Prepayments		15,291	11,367	11,367
Inventories	10	1,794	2,408	2,408
Investments	11	1,500,000	1,313,711	1,313,711
Funds owing for Capital Works Projects	19	-	58,818	58,818
		<u>2,124,155</u>	<u>1,807,284</u>	<u>1,947,476</u>
<b>Current Liabilities</b>				
Accounts Payable	13	240,012	263,605	263,605
Revenue Received in Advance	14	27,977	8,874	8,874
Provision for Cyclical Maintenance	15	42,785	32,603	32,603
Painting Contract Liability	16	14,298	14,298	14,298
Finance Lease Liability	17	9,997	15,572	15,572
Funds held in Trust	18	39,857	-	-
Funds held for Capital Works Projects	19	143,222	-	-
Funds Held on Behalf of the RTLit Cluster	20	27,160	20,262	20,262
		<u>545,308</u>	<u>355,214</u>	<u>355,214</u>
<b>Working Capital Surplus/(Deficit)</b>		<b>1,578,847</b>	<b>1,452,070</b>	<b>1,592,262</b>
<b>Non-current Assets</b>				
Property, Plant and Equipment	12	260,293	200,411	285,411
		<u>260,293</u>	<u>200,411</u>	<u>285,411</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	15	103,608	82,266	64,266
Painting Contract Liability	16	5,671	11,952	11,952
Finance Lease Liability	17	12,557	18,402	18,402
		<u>121,836</u>	<u>112,620</u>	<u>94,620</u>
<b>Net Assets</b>		<b><u>1,717,304</u></b>	<b><u>1,539,861</u></b>	<b><u>1,783,053</u></b>
<b>Equity</b>		<b><u>1,717,304</u></b>	<b><u>1,539,861</u></b>	<b><u>1,783,053</u></b>

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

**Nelson Central 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		938,469	818,243	967,154
Locally Raised Funds		78,054	38,400	380,172
International Students		16,886	30,000	20,983
Goods and Services Tax (net)		9,299	-	(15,846)
Payments to Employees		(619,624)	(528,278)	(480,447)
Payments to Suppliers		(415,465)	(518,557)	(385,556)
Interest Received		13,208	20,000	42,910
Net cash from/(to) Operating Activities		20,827	(140,192)	529,370
<b>Cash flows from Investing Activities</b>				
Purchase of Property Plant & Equipment (and Intangibles)		(33,189)	-	(53,835)
Purchase of Investments		(186,289)	-	(213,711)
Net cash (to)/from Investing Activities		(219,478)	-	(267,546)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		-	-	10,132
Finance Lease Payments		(11,344)	-	(11,952)
Painting Contract Payments		(6,281)	-	(13,687)
Funds Administered on Behalf of Third Parties		248,795	-	(52,145)
Net cash from/(to) Financing Activities		231,170	-	(67,652)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>32,519</b>	<b>(140,192)</b>	<b>194,172</b>
Cash and cash equivalents at the beginning of the year	8	361,400	361,400	167,228
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>393,919</b>	<b>221,208</b>	<b>361,400</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.

# Nelson Central School

## Notes to the Financial Statements

### For the year ended 31 December 2021

#### 1. Statement of Accounting Policies

##### 1.1. Reporting Entity

Nelson Central 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.

##### 1.2. 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 15.

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

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

### ***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.

### **1.3. 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.

### **1.4. 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.

### **1.5. 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.

### **1.6. 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.

### 1.7. Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for credit losses (uncollectable debts). The School's 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.

### 1.8. Inventories

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

### 1.9. 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.

### 1.10. Property, Plant and Equipment

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

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

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

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

#### **Finance Leases**

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

#### **Depreciation**

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

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	5-20 years
Furniture and equipment	5-20 years
Information and communication technology	4-5 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing Value

### **1.11. Impairment of property, plant and equipment and intangible assets**

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

#### *Non cash generating assets*

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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.

### **1.12. 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.

### **1.13. 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 not expected to be settled wholly before twelve months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis.

The calculations are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows.

### **1.14. 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 international students, should the School be unable to provide the services to which they relate.

### **1.15. 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.

### **1.16. 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.

### **1.17. 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.

### **1.18. Financial Instruments**

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

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

The School's financial liabilities comprise accounts payable, borrowings, painting contract liability 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.

### **1.19. 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.

### **1.20. 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.

### **1.21. Budget Figures**

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

### **1.22. 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	820,746	778,868	790,124
Teachers' Salaries Grants	2,294,023	2,122,000	2,378,553
Use of Land and Buildings Grants	457,621	450,000	570,300
Other MoE Grants	151,526	72,375	178,178
Other Government Grants	7,920	-	40,713
	<u>3,731,836</u>	<u>3,423,243</u>	<u>3,957,868</u>

The School has opted in to the donations scheme for this year. Total amount received was \$86,900 (2020: \$70,800).

## 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	39,300	14,400	169,417
Fees for Extra Curricular Activities	29,272	19,500	51,752
Trading	2,591	4,500	4,683
Fundraising & Community Grants	-	-	10
Other Revenue	438	-	396
	<u>71,601</u>	<u>38,400</u>	<u>226,258</u>
<b>Expenses</b>			
Extra Curricular Activities Costs	34,311	21,700	47,552
Trading	2,912	14,500	4,330
Fundraising & Community Grant Costs	10	-	-
	<u>37,233</u>	<u>36,200</u>	<u>51,882</u>
	<u>34,368</u>	<u>2,200</u>	<u>174,376</u>

*Surplus / (Deficit) for the year Locally raised funds*

## 4. International Student Revenue and Expenses

	2021 Actual Number	2021 Budget (Unaudited) Number	2020 Actual Number
International Student Roll	1	6	6

  

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Revenue</b>			
International Student Fees	5,791	30,000	46,617
<b>Expenses</b>			
Other Expenses	-	10,000	3,988
	<u>-</u>	<u>10,000</u>	<u>3,988</u>
	<u>5,791</u>	<u>20,000</u>	<u>42,629</u>

*Surplus / (Deficit) for the year International Students*

## 5. Learning Resources

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Curricular	111,242	77,880	73,164
Equipment Repairs	8,742	35,000	7,427
Information and Communication Technology	6,661	21,420	9,439
Library Resources	2,248	5,000	2,234
Employee Benefits - Salaries	2,731,816	2,507,778	2,719,716
Staff Development	28,323	69,000	5,886
	<u>2,889,032</u>	<u>2,716,078</u>	<u>2,817,866</u>



## 6. Administration

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	5,400	5,000	4,400
Board Fees	3,020	3,500	2,820
Board Expenses	14,462	11,700	14,285
Communication	6,570	7,000	7,605
Consumables	6,514	6,650	6,036
Operating Lease	5,273	16,807	5,208
Other	17,294	19,900	17,948
Employee Benefits - Salaries	121,432	122,500	128,417
Insurance	5,712	6,000	5,746
Service Providers, Contractors and Consultancy	2,580	2,600	2,530
	<u>188,257</u>	<u>201,657</u>	<u>194,995</u>

## 7. Property

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	9,521	9,400	11,818
Consultancy and Contract Services	53,735	52,000	51,728
Cyclical Maintenance Provision	53,838	18,000	(35,386)
Grounds	18,936	48,000	14,931
Heat, Light and Water	45,530	42,000	38,540
Repairs and Maintenance	6,034	24,500	25,092
Use of Land and Buildings	457,621	450,000	570,300
Security	10,462	9,000	3,404
Employee Benefits - Salaries	53,726	53,000	52,361
	<u>709,403</u>	<u>705,900</u>	<u>732,788</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.

## 8. Cash and Cash Equivalents

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Accounts	393,919	221,208	361,400
Cash and cash equivalents for Statement of Cash Flows	<u>393,919</u>	<u>221,208</u>	<u>361,400</u>

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

Of the \$393,919 Cash and Cash Equivalents, \$143,855 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.

Of the \$393,919 Cash and Cash Equivalents, \$27,160 is held by the School on behalf of the RTLit cluster. See note 20 for details of how the funding received for the cluster has been spent in the year.

## 9. Accounts Receivable

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	22,889	21,334	21,334
Interest Receivable	4,326	2,097	2,097
Teacher Salaries Grant Receivable	185,135	166,241	166,241
	<u>212,350</u>	<u>189,672</u>	<u>189,672</u>
Receivables from Exchange Transactions	27,215	23,431	23,431
Receivables from Non-Exchange Transactions	185,135	166,241	166,241
	<u>212,350</u>	<u>189,672</u>	<u>189,672</u>

### 10. Inventories

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Stationery	1,794	2,408	2,408
	<u>1,794</u>	<u>2,408</u>	<u>2,408</u>

### 11. Investments

The School's investment activities are classified as follows:

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Asset			
Short-term Bank Deposits	1,500,000	1,313,711	1,313,711
Total Investments	<u>1,500,000</u>	<u>1,313,711</u>	<u>1,313,711</u>

### 12. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2021</b>						
Building Improvements	66,938	-	-	-	(7,677)	59,261
Furniture and Equipment	124,739	2,348	-	-	(21,258)	105,829
Information and Communication Technology	48,548	28,789	(886)	-	(14,591)	61,860
Leased Assets	34,102	5,371	-	-	(16,857)	22,616
Library Resources	11,084	2,052	(877)	-	(1,532)	10,727
<b>Balance at 31 December 2021</b>	<u>285,411</u>	<u>38,560</u>	<u>(1,763)</u>	<u>-</u>	<u>(61,915)</u>	<u>260,293</u>

The net carrying value of equipment held under a finance lease is \$22,616 (2020: \$34,102)

	2021 Cost or Valuation \$	2021 Accumulated Depreciation \$	2021 Net Book Value \$	2020 Cost or Valuation \$	2020 Accumulated Depreciation \$	2020 Net Book Value \$
Building Improvements	304,354	(245,093)	59,261	304,354	(237,416)	66,938
Furniture and Equipment	513,657	(407,828)	105,829	515,317	(390,578)	124,739
Information and Communication Technology	234,876	(173,016)	61,860	215,906	(167,358)	48,548
Leased Assets	53,425	(30,809)	22,616	59,472	(25,370)	34,102
Library Resources	36,305	(25,578)	10,727	37,196	(26,112)	11,084
<b>Balance at 31 December</b>	<u>1,142,617</u>	<u>(882,324)</u>	<u>260,293</u>	<u>1,132,245</u>	<u>(846,834)</u>	<u>285,411</u>

### 13. Accounts Payable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Creditors	38,561	26,720	26,720
Accruals	5,400	19,590	19,590
Banking Staffing Overuse	-	33,000	33,000
Employee Entitlements - Salaries	187,498	174,971	174,971
Employee Entitlements - Leave Accrual	8,553	9,324	9,324
	<u>240,012</u>	<u>263,605</u>	<u>263,605</u>
Payables for Exchange Transactions	240,012	263,605	263,605
	<u>240,012</u>	<u>263,605</u>	<u>263,605</u>

The carrying value of payables approximates their fair value.

### 14. Revenue Received in Advance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
International Student Fees in Advance	15,304	4,209	4,209
Other Revenue in Advance	12,673	4,665	4,665
	<u>27,977</u>	<u>8,874</u>	<u>8,874</u>

### 15. Provision for Cyclical Maintenance

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Provision at the Start of the Year	96,869	96,869	134,718
Increase/ (decrease) to the Provision During the Year	27,840	18,000	11,614
Adjustment to the Provision	25,998	-	(47,000)
Use of the Provision During the Year	(4,314)	-	(2,463)
Provision at the End of the Year	<u>146,393</u>	<u>114,869</u>	<u>96,869</u>
Cyclical Maintenance - Current	42,785	32,603	32,603
Cyclical Maintenance - Term	103,608	82,266	64,266
	<u>146,393</u>	<u>114,869</u>	<u>96,869</u>

### 16. Painting Contract Liability

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Due within one year	14,298	14,298	14,298
Due after one year	5,671	11,952	11,952
	<u>19,969</u>	<u>26,250</u>	<u>26,250</u>

In 2017 the Board signed an agreement with Programmed Property Services Ltd (the contractor) for an agreed programme of work covering an seven year period. The programme provides for an interior and exterior repaint of the Ministry owned buildings in 2017, with regular maintenance in subsequent years. The agreement has an annual commitment of \$14,298. 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 sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

### 17. 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	11,557	18,067	18,067
Later than One Year and no Later than Five Years	13,604	20,555	20,555
Future Finance Charges	(2,607)	(4,648)	(4,648)
	<u>22,554</u>	<u>33,974</u>	<u>33,974</u>
<b>Represented by:</b>			
Finance lease liability - Current	9,997	15,572	15,572
Finance lease liability - Term	12,557	18,402	18,402
	<u>22,554</u>	<u>33,974</u>	<u>33,974</u>

### 18. Funds Held in Trust

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Funds Held in Trust on Behalf of Third Parties - Current	39,857	-	-
Funds Held in Trust on Behalf of Third Parties - Non-current	-	-	-
	<u>39,857</u>	<u>-</u>	<u>-</u>

These funds relate to arrangements where the school is acting as an agent. These amounts are not revenue or expenditure of the school and therefore are not included in the Statement of Comprehensive Revenue and Expense.

## 19. 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:

2021	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
Outdoor Shelter	(633)	-	-	-	(633)
ILE Upgrade - contract 210967	(7,188)	79,836	(3,043)	-	69,605
Quad re-surfacing - contract 214164	(50,997)	50,997	-	-	-
SIP: Amphitheatre - contract 212063	-	35,326	(35,326)	-	-
LSC Office - contract - 219018	-	74,250	-	-	74,250
<b>Totals</b>	<b>(58,818)</b>	<b>240,409</b>	<b>(38,369)</b>	<b>-</b>	<b>143,222</b>

### Represented by:

Funds Held on Behalf of the Ministry of Education	143,855
Funds Due from the Ministry of Education	(633)
	<u>143,222</u>

2020	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
Outdoor Shelter	(633)	-	-	-	(633)
ILE Upgrade - contract 210967	(7,188)	-	-	-	(7,188)
Quad re-surfacing - contract 214164	-	-	(50,997)	-	(50,997)
Drainage	-	-	-	-	-
Accessibility	-	182,394	(182,394)	-	-
<b>Totals</b>	<b>(7,821)</b>	<b>182,394</b>	<b>(233,391)</b>	<b>-</b>	<b>(58,818)</b>

## 20. Funds Held on Behalf of the RTLit Cluster

Nelson Central School was the lead school and holds funds on behalf of the RTLit cluster, a group of schools funded by the Ministry of Education to share professional support.

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Funds Held at Beginning of the Year	20,262	20,262	21,410
Funds Received from Cluster Members	10,390	-	10,227
Funds Spent on Behalf of the Cluster	(3,492)	-	(11,375)
<b>Funds Held at Year End</b>	<b>27,160</b>	<b>20,262</b>	<b>20,262</b>

## 21. 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.

## 22. Remuneration

### Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	3,020	2,820
<i>Leadership Team</i>		
Remuneration	645,813	634,660
Full-time equivalent members	6.00	6.00
Total key management personnel remuneration	<u>648,833</u>	<u>637,480</u>

There are seven members of the Board excluding the Principal. The Board had held ten full meetings of the Board in the year. The Board also has Finance and Property members that meet monthly and quarterly respectively. As well as these regular meetings, including preparation time, the Chair and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

### Principal

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	150 - 160
Benefits and Other Emoluments	20-30	20 - 30
Termination Benefits	0 - 0	0 - 0

### 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	1.00	-
	<u>1.00</u>	<u>-</u>

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

## 23. 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:

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

## 24. 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.

## 25. Commitments

### (a) Capital Commitments

As at 31 December 2021 the Board has entered into the following contract agreements for capital works.

(a) contract for ILE upgrade, which will be fully funded by the Ministry of Education - \$79,836 has been received of which \$10,231 has been spent on the project to date; and

(b) \$82,500 contract for LSC office, which will be fully funded by the Ministry of Education - \$74,250 has been received of which \$0 has been spent on the project to date.

(Capital commitments in relation to Ministry projects at 31 December 2020: nil)

### (b) Operating Commitments

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

(a) operating lease of a photocopier;

	2021 Actual \$	2020 Actual \$
No later than One Year	5,095	-
Later than One Year and No Later than Five Years	10,615	-
	<u>15,710</u>	-

(Operating commitments at 31 December 2020: nil)

## 26. 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	393,919	221,208	361,400
Receivables	212,350	189,672	189,672
Investments - Term Deposits	1,500,000	1,313,711	1,313,711
Total Financial assets measured at amortised cost	<u>2,106,269</u>	<u>1,724,591</u>	<u>1,864,783</u>

### Financial liabilities measured at amortised cost

Payables	240,012	263,605	263,605
Finance Leases	22,554	33,974	33,974
Painting Contract Liability	19,969	26,250	26,250
Total Financial liabilities measured at amortised Cost	<u>282,535</u>	<u>323,829</u>	<u>323,829</u>

## 27. Events After Balance Date

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

## 28. Comparatives

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

## **29. COVID 19 Pandemic on going implications**

### **Impact of Covid-19**

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

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

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

### **Impact on operations**

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

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

### **Reduction in locally raised funds**

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

### **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.

### **Reduction In International students**

Under alert levels 4, 3, 2, and 1 international travel is heavily restricted. The school has been unable to welcome and enrol prospective international students which has resulted in a reduction in revenue from student fees & charges from International students and/or Board of Trustee operated boarding facilities.

### **Impact from Nelson floods**

During August 2022, the Nelson region recorded a significant amount of rainfall. On 17 August 2022 a State of Emergency was declared as the Maitai river breached its banks. The school had to be evacuated (and access to the school premises was limited until the effects of the flood dissipates), and damages can be assessed.

At the date of issuing the financial statements, the school expects to continue delivering the curriculum through remote teaching methods. The school's property is insured through the Ministry's risk management scheme. At this time the full financial impact of the Nelson floods is not able to be determined but is not expected to be significant to the school after insurance claims. The school will continue to receive funding from the Ministry of Education, even while its closed.

