

KELSTON PRIMARY SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

School Directory

Ministry Number:	1331
Principal:	Cliff Hughes
School Address:	5 Archibald Road, Kelston, Waitakere City 0602
School Postal Address:	5 Archibald Road, Kelston, Waitakere City 0602
School Phone:	09 827 2187
School Email:	admin@kelstonprimary.school.nz

Members of the Board of Trustees

Name	How Position Gained	Position	Term Expires
Cliff Hughes	Appointed	Principal	Current
David Makeef	Co-opted	Chair Person	Apr-22
Feleni Salamo	Elected	Parent Rep	Apr-22
Keren Simon	Elected	Parent Rep	Apr-22
Linda Zoll	Elected	Parent Rep	Apr-22
Lucie Irvine	Co-opted	Parent Rep	Apr-22
Sebastian Huch	Elected	Parent Rep	Apr-22
Tennille Gardiner	Elected	Staff Rep	Apr-22

Service Provider:

Leading Edge Services (2017) Ltd, PO Box 20496, Glen Eden, Auckland

KELSTON PRIMARY SCHOOL

Annual Report - For the year ended 31 December 2020

Index

Page	Statement
	Financial Statements
1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expense
3	Statement of Changes in Net Assets/Equity
4	Statement of Financial Position
5	Statement of Cash Flows
6 - 18	Notes to the Financial Statements
	Other Information
	Analysis of Variance
	Kiwisport

Kelston Primary School

Statement of Responsibility

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.

David Makeef

Full Name of Board Chairperson

[Signature]

Signature of Board Chairperson

31/05/2021
Date:

CLIFFORD DAVID HUGHES

Full Name of Principal

[Signature]

Signature of Principal

31/5/2021
Date:

Kelston Primary School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	3,145,082	2,658,100	2,845,553
Locally Raised Funds	3	71,082	50,900	75,239
Interest income		889	5,500	5,597
		<u>3,217,053</u>	<u>2,714,500</u>	<u>2,926,389</u>
Expenses				
Locally Raised Funds	3	50,421	54,450	37,390
Learning Resources	4	1,966,440	1,614,278	1,747,792
Administration	5	137,789	127,900	139,104
Finance		3,032	5,000	4,891
Property	6	969,236	827,381	879,000
Depreciation	7	96,728	85,000	101,928
Loss on Disposal of Property, Plant and Equipment		5,146	-	2,435
		<u>3,228,792</u>	<u>2,714,009</u>	<u>2,912,540</u>
Net Surplus / (Deficit) for the year		(11,739)	491	13,849
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(11,739)</u>	<u>491</u>	<u>13,849</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.

Kelston Primary School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

	Notes	Actual 2020 \$	Budget (Unaudited) 2020 \$	Actual 2019 \$
Balance at 1 January		<u>729,394</u>	<u>697,356</u>	<u>715,545</u>
Total comprehensive revenue and expense for the year		(11,739)	491	13,849
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		6,958	-	-
Equity at 31 December	22	<u>724,613</u>	<u>697,847</u>	<u>729,394</u>
Retained Earnings		724,613	697,847	729,394
Equity at 31 December		<u>724,613</u>	<u>697,847</u>	<u>729,394</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.

Kelston Primary School

Statement of Financial Position

As at 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Assets				
Cash and Cash Equivalents	8	396,583	324,348	313,857
Accounts Receivable	9	134,943	94,425	120,446
GST Receivable		-	-	12,145
Prepayments		19,477	1,790	1,790
Funds due for Capital Works Projects	16	-	17,285	17,285
Inventories	10	1,636	1,916	1,916
		<u>552,639</u>	<u>439,764</u>	<u>467,439</u>
Current Liabilities				
GST Payable		832	(12,145)	-
Accounts Payable	12	154,443	136,691	136,690
Revenue Received in Advance	13	113	3,250	3,250
Provision for Cyclical Maintenance	14	30,188	77,972	14,983
Finance Lease Liability - Current Portion	15	15,689	25,127	25,127
Funds held for Capital Works Projects	16	56,657	-	-
		<u>257,922</u>	<u>230,895</u>	<u>180,050</u>
Working Capital Surplus/(Deficit)		294,717	208,869	287,389
Non-current Assets				
Property, Plant and Equipment	11	570,541	573,354	583,357
		<u>570,541</u>	<u>573,354</u>	<u>583,357</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	120,422	67,912	124,888
Finance Lease Liability	15	20,221	16,464	16,464
		<u>140,643</u>	<u>84,376</u>	<u>141,352</u>
Net Assets		<u><u>724,613</u></u>	<u><u>697,847</u></u>	<u><u>729,394</u></u>
Equity	22	<u><u>724,613</u></u>	<u><u>697,847</u></u>	<u><u>729,394</u></u>

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

Kelston Primary School

Statement of Cash Flows

For the year ended 31 December 2020

		2020	2020	2019
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		873,366	630,759	709,222
Locally Raised Funds		53,350	56,450	80,782
Goods and Services Tax (net)		12,977	(9,891)	(9,891)
Payments to Employees		(479,213)	(315,779)	(371,563)
Payments to Suppliers		(345,233)	(238,350)	(268,467)
Cyclical Maintenance Payments in the year		(16,542)	(17,553)	(11,850)
Interest Paid		(3,032)	(5,000)	(4,891)
Interest Received		891	5,937	6,034
Net cash from/(to) Operating Activities		96,564	106,573	129,376
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(68,318)	(62,557)	(41,925)
Net cash from/(to) Investing Activities		(68,318)	(62,557)	(41,925)
Cash flows from Financing Activities				
Furniture and Equipment Grant		6,958	-	
Finance Lease Payments		(26,420)	(23,441)	(23,439)
Funds Held for Capital Works Projects		73,942	(25,653)	(25,653)
Net cash from/(to) Financing Activities		54,480	(49,094)	(49,092)
Net increase/(decrease) in cash and cash equivalents		82,726	(5,078)	38,359
Cash and cash equivalents at the beginning of the year	8	313,857	329,426	275,498
Cash and cash equivalents at the end of the year	8	396,583	324,348	313,857

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.

Kelston Primary School

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

a) Reporting Entity

Kelston Primary School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. The Board 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 Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as 'having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders'.

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 14.

Useful lives of property, plant and equipment

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

Critical Judgements in applying accounting policies

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

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised.

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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.

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) 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) Finance Lease Payments

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

f) Cash and Cash Equivalents

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

g) Accounts Receivable

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

h) Inventories

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

h) Investments

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

i) Property, Plant and Equipment

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

Improvements 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	40 years
Furniture and equipment	10 years
Information and communication technology	4 years
Leased assets held under a Finance Lease	3-5 years
Library resources	12.5% Diminishing value

j) 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.

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.

m) Revenue Received in Advance

Revenue received in advance relates to fees received from 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.

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) Financial Instruments

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

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

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

p) 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.

q) Budget Figures

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

r) 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	662,992	460,956	588,761
Teachers' Salaries Grants	1,560,026	1,359,728	1,471,896
Use of Land and Buildings Grants	711,690	649,424	664,435
Resource Teachers Learning and Behaviour Grants	17,346	29,806	17,980
Other MoE Grants	178,538	158,186	99,178
Other Government Grants	14,490	-	3,303
	<u>3,145,082</u>	<u>2,658,100</u>	<u>2,845,553</u>

The school has opted in to the donations scheme for this year. Total amount received was \$50,700.

Other MOE Grants total includes additional COVID-19 funding totalling \$7,645 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 \$
Revenue			
Donations	1,788	200	18,555
Activities	14,258	11,000	24,267
Trading	19,958	26,600	20,381
Fundraising	35,078	13,100	12,036
	<u>71,082</u>	<u>50,900</u>	<u>75,239</u>
Expenses			
Activities	38,869	44,000	25,475
Trading	9,640	9,700	8,930
Fundraising (Costs of Raising Funds)	1,912	750	2,985
	<u>50,421</u>	<u>54,450</u>	<u>37,390</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>20,661</u>	<u>(3,550)</u>	<u>37,849</u>

4. Learning Resources

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Curricular	69,127	45,000	49,333
Equipment Repairs	95	650	406
Overseas Travel	6,222	4,700	3,200
Library Resources	1,657	3,400	2,349
Employee Benefits - Salaries	1,882,934	1,539,728	1,665,390
Staff Development	6,405	20,800	27,114
	<u>1,966,440</u>	<u>1,614,278</u>	<u>1,747,792</u>

5. Administration

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Audit Fee	6,290	4,000	6,450
Board of Trustees Fees	4,600	3,500	5,775
Board of Trustees Expenses	1,275	1,950	3,807
Communication	3,237	3,750	3,576
Consumables	20,010	16,700	17,706
Other	17,130	16,500	17,399
Employee Benefits - Salaries	66,311	62,000	66,724
Insurance	5,807	7,000	5,589
Service Providers, Contractors and Consultancy	13,129	12,500	12,078
	<u>137,789</u>	<u>127,900</u>	<u>139,104</u>

6. Property

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Caretaking and Cleaning Consumables	25,926	15,600	27,854
Cyclical Maintenance Provision	27,281	19,707	7,991
Grounds	18,456	8,500	18,108
Heat, Light and Water	25,611	24,000	29,496
Rates	114	150	105
Repairs and Maintenance	33,308	11,000	20,432
Use of Land and Buildings	711,690	649,424	664,435
Security	9,821	9,000	9,034
Employee Benefits - Salaries	117,029	90,000	101,545
	<u>969,236</u>	<u>827,381</u>	<u>879,000</u>

The use of land and buildings figure represents 8% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

7. Depreciation

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Building Improvements - Crown	13,394	11,770	13,394
Furniture and Equipment	24,091	21,170	25,483
Information and Communication Technology	27,534	24,196	32,541
Leased Assets	27,759	24,393	26,784
Library Resources	3,950	3,471	3,726
	<u>96,728</u>	<u>85,000</u>	<u>101,928</u>

8. Cash and Cash Equivalents

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash on Hand	200	200	200
Bank Current Account	361,148	288,935	278,444
Bank Call Account	35,235	35,213	35,213
Cash and cash equivalents for Statement of Cash Flows	<u>396,583</u>	<u>324,348</u>	<u>313,857</u>

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

Of the \$396,583 Cash and Cash Equivalents, \$56,658 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2021 on Crown owned school buildings under the School's Five Year Property Plan.

9. Accounts Receivable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Receivables	14,972	377	377
Interest Receivable	1	3	3
Teacher Salaries Grant Receivable	119,970	94,045	120,066
	<u>134,943</u>	<u>94,425</u>	<u>120,446</u>
Receivables from Exchange Transactions	14,973	380	380
Receivables from Non-Exchange Transactions	119,970	94,045	120,066
	<u>134,943</u>	<u>94,425</u>	<u>120,446</u>

10. Inventories

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Stationery	1,636	1,916	1,916
	<u>1,636</u>	<u>1,916</u>	<u>1,916</u>

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2020	\$	\$	\$	\$	\$	\$
Building Improvements	368,327	-	-	-	(13,394)	354,933
Furniture and Equipment	96,577	42,873	(4,207)	-	(24,091)	111,152
Information and Communication Technology	55,292	19,488	-	-	(27,534)	47,246
Leased Assets	37,077	20,239	-	-	(27,759)	29,557
Library Resources	26,084	6,458	(939)	-	(3,950)	27,653
Balance at 31 December 2020	583,357	89,058	(5,146)	-	(96,728)	570,541

The net carrying value of equipment held under a finance lease is \$29,557 (2019: \$37,077)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2020	\$	\$	\$
Building Improvements	535,773	(180,841)	354,933
Furniture and Equipment	595,724	(484,572)	111,152
Information and Communication Technology	246,937	(199,691)	47,246
Leased Assets	81,387	(51,830)	29,557
Library Resources	75,952	(48,299)	27,653
Balance at 31 December 2020	1,535,773	(965,233)	570,541

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Building Improvements	381,721	-	-	-	(13,394)	368,327
Furniture and Equipment	105,222	17,478	(640)	-	(25,483)	96,577
Information and Communication Technology	69,422	18,962	(551)	-	(32,541)	55,292
Leased Assets	62,730	1,131	-	-	(26,784)	37,077
Library Resources	25,571	5,483	(1,244)	-	(3,726)	26,084
Balance at 31 December 2019	644,666	43,054	(2,435)	-	(101,928)	583,357

The net carrying value of equipment held under a finance lease is \$37,077 (2018: \$62,728)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Building Improvements	535,773	(167,446)	368,327
Furniture and Equipment	569,136	(472,559)	96,577
Information and Communication Technology	227,449	(172,157)	55,292
Leased Assets	81,210	(44,133)	37,077
Library Resources	72,089	(46,005)	26,084
Balance at 31 December 2019	1,485,657	(902,300)	583,357

12. Accounts Payable

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operating Creditors	13,476	24,504	24,504
Accruals	8,293	6,451	6,450
Employee Entitlements - Salaries	120,267	94,469	94,469
Employee Entitlements - Leave Accrual	12,407	11,267	11,267
	<u>154,443</u>	<u>136,691</u>	<u>136,690</u>
Payables for Exchange Transactions	154,443	136,691	136,690
	<u>154,443</u>	<u>136,691</u>	<u>136,690</u>

The carrying value of payables approximates their fair value.

13. Revenue Received In Advance

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Other	113	3,250	3,250
	<u>113</u>	<u>3,250</u>	<u>3,250</u>

14. Provision for Cyclical Maintenance

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	139,871	139,871	143,730
Increase/ (decrease) to the Provision During the Year	27,281	19,707	7,991
Use of the Provision During the Year	(16,542)	(13,694)	(11,850)
Provision at the End of the Year	<u>150,610</u>	<u>145,884</u>	<u>139,871</u>
Cyclical Maintenance - Current	30,188	77,972	14,983
Cyclical Maintenance - Term	120,422	67,912	124,888
	<u>150,610</u>	<u>145,884</u>	<u>139,871</u>

15. Finance Lease Liability

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
No Later than One Year	18,232	25,127	27,941
Later than One Year and no Later than Five Years	21,742	16,464	17,843
Later than Five Years	-	-	-
	<u>39,974</u>	<u>41,591</u>	<u>45,784</u>

16. Funds Held for Capital Works Projects

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

	2020	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
Toilet Refurbishment	<i>in progress</i>	(24,503)	1,266	-	-	(23,237)
Fire Alarm Upgrade	<i>completed</i>	24,201	-	(11,553)	-	12,648
Electrical Upgrade	<i>completed</i>	(2,781)	2,781	-	-	-
Roof Replacement Blk 1,3,6,11	<i>completed</i>	(15,115)	-	-	-	(15,115)
Boiler Replacement	<i>completed</i>	913	-	-	-	913
Playground Upgrade	<i>in progress</i>	-	153,969	(65,556)	-	88,413
Learning Support Office	<i>in progress</i>	-	-	(6,965)	-	(6,965)
Totals		<u>(17,285)</u>	<u>158,016</u>	<u>(84,074)</u>	<u>-</u>	<u>56,657</u>

Represented by:

Funds Held on Behalf of the Ministry of Education

56,657

(56,657)

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
Toilet Refurbishment	<i>in progress</i>	(3,899)	-	(20,604)	-	(24,503)
Fire Alarm Upgrade	<i>in progress</i>	3,244	146,929	(125,972)	-	24,201
Electrical Upgrade	<i>in progress</i>	23,484	-	(26,265)	-	(2,781)
Roof Replacement Blk 1,3,6,11	<i>in progress</i>	(14,461)	-	(654)	-	(15,115)
Boiler Replacement	<i>in progress</i>	-	63,473	(62,560)	-	913
Totals		<u>8,368</u>	<u>210,402</u>	<u>(236,055)</u>	<u>-</u>	<u>(17,285)</u>

17. Related Party Transactions

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

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

18. Remuneration

Key management personnel compensation

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

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	4,600	5,775
Full-time equivalent members	0.18	0.14
<i>Leadership Team</i>		
Remuneration	345,333	374,148
Full-time equivalent members	3	3
Total key management personnel remuneration	349,933	379,923
Total full-time equivalent personnel	3.18	3.14

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 1

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	160-170
Benefits and Other Emoluments	3-5	3-5
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	1.00	0.00
110-120	0.00	1.00
	1.00	1.00

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

19. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be 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	-
Number of People	0	-

20. Contingencies

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

The Board was notified of a claim of \$xxx alleging a breach of contract. The Board has not recognised this matter in the financial *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.

21. Commitments

(a) Capital Commitments

As at 31 December 2020 the Board has not entered into contract agreements for capital works.

(Capital commitments at 31 December 2019: \$nil)

(b) Operating Commitments

As at 31 December 2020 the Board has not entered into any contracts:

22. 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.

23. Financial Instruments

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

Financial assets measured at amortised cost

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Cash and Cash Equivalents	396,583	324,348	313,857
Receivables	134,943	94,425	120,446
Total Financial assets measured at amortised cost	531,526	418,773	434,303

Financial liabilities measured at amortised cost

Payables	154,443	136,691	136,690
Finance Leases	35,910	41,591	41,591
Total Financial Liabilities Measured at Amortised Cost	190,353	178,282	178,281

24. Events After Balance Date

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

25. Comparatives

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

RSM Hayes Audit

PO Box 9588
Newmarket, Auckland 1149
Level 1, 1 Broadway
Newmarket, Auckland 1023

T +64 (9) 367 1656
www.rsmnz.co.nz

Independent Auditor's Report

To the readers of Kelston Primary School's Financial statements For the year ended 31 December 2020

The Auditor-General is the auditor of Kelston Primary School (the School). The Auditor-General has appointed me, Brendon Foy, using the staff and resources of RSM Hayes Audit, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 18, that comprise the statement of financial position as at 31 December 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 (PBE) Standards Reduced Disclosure Regime.

Our audit was completed on 31 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 of 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 of Trustees is responsible for the other information. The other information includes the statement of responsibility, board member list, 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 Kelston Primary School.

A handwritten signature in blue ink, appearing to read 'Brendon Foy', with a long horizontal flourish extending to the right.

Brendon Foy
RSM Hayes Audit
On behalf of the Auditor-General
Auckland, New Zealand

Analysis of Variance Reporting



School Name:	Kelston Primary	School Number: 1331
Strategic Aim:	<p>Strategic Goals: To improve literacy outcomes for all students through raising oral language competency. To develop teacher knowledge and practice of how to effectively implement strategically designed oral language experiences across the curriculum.</p> <p>Resourcing: Support will be provided by management. Part of PD budget \$10k for teacher education. Resources \$2k.</p>	
Annual Aim:	<p>Annual Goals: Developing a strengthened literacy programme through revisiting oral language strategies. Incorporate with writing programmes. Develop shared strategies in the classroom on scaffolding and reciprocal teaching</p>	
Target:	<p>Annual Target: Improve writing performance to over 80% of students being at an age appropriate level by use of oral language activities alongside writing programmes.</p>	
Baseline Data:	<p>Baseline data: Writing achievement levels across the school have improved over the past few years. 2019 data saw 73% of all students achieving at their age appropriate level in writing. Key Improvement Strategies:</p>	

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<p>The integrated planning of teachers will highlight feature of oral language strategies being incorporated into writing programmes.</p> <p>Visual and inquiry examples will be apparent in classroom displays and practice.</p> <p>Opportunities for oral lang development part of daily programmes.</p> <p>Children who have been tracked will be reaching their age appropriate level.</p> <p>Teacher planning will recognise the use of culturally responsive approaches to oral lang.</p> <p>Feb 2020</p> <p>* Initial Teacher Only Day looking at 2019 data and identifying targeted students..</p> <p>Use of experts/role models.</p> <p>Talking frames-oral lang.</p> <p>All staff</p> <p>All teachers will be conversant with NZC implications for writing programmes. ELLP, ESOL assessments.</p> <p>Supporting documents-LLP</p> <p>June 2020</p>	<ul style="list-style-type: none"> We developed pedagogical knowledge to cater more effectively for cultural difference. Teachers role modelled the process to encourage others and set expectations of lifelong learning. There was acknowledgement of students as experts and teachers were able to draw on their prior knowledge. We were able to meet regularly to review current practice in school and consider new ideas. Teachers were able to include appropriate resources in long term inquiry planning Teachers and students began to use culturally appropriate oral lang. approaches to support higher-order authentic learning. 	<p>The 2020 school year was heavily disrupted due to the COVID 19 pandemic. This resulted in poor attendance from approximately 30% of all students overall during 2020.</p> <p>Oral language development is a difficult focus area to address with the online learning model that the school undertook for approximately 6 weeks of the school year.</p> <p>Teachers were able to use the Reading Eggs programme and SeeSaw to maintain a level of engagement in this area during home based learning.</p> <p>The target of 80% achievement at or above chronological level fell short at 63%. It must be noted that the allocated resourcing for this target was also heavily underutilised. Teachers were faced with making radical changes to planning to cater for the number of students working from home. This was also compounded by the lack of devices and connectivity for about 20%of students despite the</p>	<p>We will be revisiting and continuing to develop this target in 2021 as the school plan was disrupted significantly. It will be a minor focus as some work was undertaken.</p> <p>Teacher Only Day 2021 will involve a recap of data and identification of target students who made poor progress in 2020.</p> <p>Teachers will be tracking the target students in 2021 and noting successful interventions.</p>

<p>* Survey/workshop to engage with community. BOT/Management Parents By the end of 2020 school will be integrating oral lang into writing programmes. Monitoring: * Each teacher to teach/develop and share at syndicate level at least once a term something that is happening in the classroom-these to be shared at staff and syndicate meetings. The schoolwide appraisal goal is aligned to this target. Shared data tracking on Google drive with senior leaders.</p>	<ul style="list-style-type: none"> 63% of all students were at or above their chronological ages in Reading and Writing respectively by the end of the 2020 school year. 	<p>school distributing all of its devices to families.</p>
<p>Planning for next year:</p>		
<p>Teacher Only Day- target students and class by class data identified and discussed. This data will provide the basis for teacher based inquiry in 2021. Progress to be shared with Principal. AP/DP to gauge effectiveness of planning and intervention. Regular progress reports to BOT on student achievement in Reading and Writing.</p>		

Kiwisport Note 2020

School:

Kelston Primary

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2020, the school received total Kiwisport funding of \$4115.69 (excluding GST). The funding was spent on implementing a schoolwide developmental programme for teachers with the help of Play Sport. All staff were involved and professional development was provided at the whole staff and individual level. We also involved all children in a tutored swimming programme through the Westwave swimming centre. Number of students participating in organised sport increased from 95% to 100% of the school roll.