

ARGYLL EAST SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022



School Directory

Ministry Number: 2542
Principal: Julie Thelwall
School Address: 1071 Argyll Road
School Postal Address: 1071 Argyll Road, R D 1, Otane
School Phone: 06 856 5102
School Email: office@argylleast.school.nz

Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Theo Twist	Presiding Member	Re-elected 2019	Sep 2022
Kane Haftka	Presiding Member	Elected 2022	May 2025
Kane Haftka	Member	Elected 2019	May 2022
Julie Thelwall	Principal	Ex Officio	
Brian Robinson	Member	Re-elected 2019	Sep 2022
Malcolm Campbell	Member	Re-elected 2022	May 2025
Lara Smith	Member of Staff	Re-elected 2022	May 2025
Bevan Cameron	Member	Elected 2022	May 2025
Caroline Clark	Member	Elected 2022	May 2025
Axel Wakelin	Member	Elected 2022	May 2025

Accountant / Service Provider: Eclipse Solutions 4 Schools Ltd

ARGYLL EAST SCHOOL

Annual Report - For the year ended 31 December 2022

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Argyll East School

Statement of Responsibility

For the year ended 31 December 2022

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 2022 fairly reflects the financial position and operations of the school.

The School's 2022 financial statements are authorised for issue by the Board.

Kane Haftka

Full Name of Presiding Member



Signature of Presiding Member

11/5/23

Date:

Julie Thelwall

Full Name of Principal



Signature of Principal

11/5/23

Date:

Argyll East School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Revenue				
Government Grants	2	874,442	838,045	838,199
Locally Raised Funds	3	46,869	39,900	44,734
Interest Income		2,797	500	656
Other Revenue		-	500	408
Total Revenue		924,108	878,945	883,997
Expenses				
Locally Raised Funds	3	42,715	42,300	35,237
Learning Resources	4	631,314	618,518	618,945
Administration	5	82,164	74,269	75,121
Finance		421	483	516
Property	6	167,691	145,172	153,527
Loss on Disposal of Property, Plant and Equipment		-	-	460
		924,305	880,742	883,806
Net Surplus / (Deficit) for the Year		(197)	(1,797)	191
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		(197)	(1,797)	191

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

Argyll East School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Equity at 1 January		387,943	385,000	384,397
Total Comprehensive Revenue and Expense for the Year		(197)	(1,797)	191
Contribution - Furniture and Equipment Grant		1,875	-	3,355
Distribution - Property Project		(720)	-	-
Equity at 31 December		388,901	383,203	387,943
Accumulated Comprehensive Revenue and Expense Reserves		388,901	383,203	387,943
		-	-	-
Equity at 31 December		388,901	383,203	387,943

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.

Argyll East School

Statement of Financial Position

As at 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Current Assets				
Cash and Cash Equivalents	7	176,447	145,000	145,662
Accounts Receivable	8	53,446	42,000	39,039
GST Receivable		7,578	2,897	8,792
Prepayments		7,317	2,500	4,058
Inventories	9	482	500	504
Investments	10	88,612	60,000	57,948
Funds Receivable for Capital Works Projects	16	3,467	-	13,260
		337,349	252,897	269,263
Current Liabilities				
Accounts Payable	12	94,380	52,000	49,692
Revenue Received in Advance	13	142	500	182
Provision for Cyclical Maintenance	14	9,244	-	7,160
Finance Lease Liability	15	3,462	4,600	3,500
Funds Held on Behalf of Te Angiangi Kahui Ako	17	24,342	-	12,936
		131,570	57,100	73,470
Working Capital Surplus/(Deficit)		205,779	195,797	195,793
Non-current Assets				
Property, Plant and Equipment	11	226,936	200,000	227,450
		226,936	200,000	227,450
Non-current Liabilities				
Provision for Cyclical Maintenance	14	37,527	10,094	34,507
Finance Lease Liability	15	6,287	2,500	793
		43,814	12,594	35,300
Net Assets		388,901	383,203	387,943
Equity		388,901	383,203	387,943

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

Argyll East School

Statement of Cash Flows

For the year ended 31 December 2022

	Note	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Cash Flows from Operating Activities				
Government Grants		220,127	234,786	210,713
Locally Raised Funds		45,976	42,700	44,534
Goods and Services Tax (net)		1,212	(232)	(5,645)
Payments to Employees		(118,581)	(93,693)	(99,601)
Payments to Suppliers		(89,139)	(154,178)	(113,704)
Interest Paid		(421)	(483)	(516)
Interest Received		1,901	500	612
Net Cash from/(to) Operating Activities		61,075	29,400	36,393
Cash Flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(24,496)	(10,000)	(11,805)
Purchase of Investments		(30,664)	90,000	(473)
Net Cash from/(to) Investing Activities		(55,160)	80,000	(12,278)
Cash flows from Financing Activities				
Furniture and Equipment Grant		1,155	-	3,355
Finance Lease Payments		2,514	(3,400)	(4,326)
Funds Administered on Behalf of Third Parties		21,201	(17,000)	(11,100)
Net Cash from/(to) Financing Activities		24,870	(20,400)	(12,071)
Net increase/(decrease) in cash and cash equivalents		30,785	89,000	12,044
Cash and Cash Equivalents at the Beginning of the Year	7	145,662	56,000	133,618
Cash and Cash Equivalents at the End of the Year	7	176,447	145,000	145,662

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.

Argyll East School

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

The financial statements have been prepared for the period 1 January 2022 to 31 December 2022 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 expense 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 best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition. During the year, the Board assesses the reasonableness of its painting maintenance 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. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. 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. Finance lease liability disclosures are contained in note 15.

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.

Other Ministry Grants for directly funded programs are recorded as revenue when the School has the rights to the funding in the period they relate to. The grants are not received in cash by the School and are paid directly 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. Grants for the use of land and buildings 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 where conditions exist

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 recognised as an asset and revenue when the right to receive funding or the asset has been established unless there is an obligation to return funds if conditions are not met. If conditions are not met funding is recognised as revenue in advance and recognised as revenue when conditions are satisfied.

Interest Revenue

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

d) 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.

e) 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.

f) Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for expected 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.

g) Inventories

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

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 (funded by the Board) to buildings owned by the Crown or directly by the board 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:

Land & Building Improvements	0–50 years
Furniture & Equipment	5–10 years
Information & Communication Technology	3 years
Leased Assets Held under a Finance Lease	Term of Lease
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. If such indication exists, the School estimates the asset's recoverable service amount. 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. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognised.

k) Accounts Payable

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

l) Employee Entitlements*Short-term employee entitlements*

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

m) Funds held for Capital works

The school directly receives funding from the Ministry of Education for capital works projects that are included in the School five year capital works agreement. These funds are held on behalf and for a specified purpose as such 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.

n) Shared Funds

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. In instances where funds are outside of the School's control, these amounts are not recorded in the Statement of Revenue and Expense. In instances where the school is determined to be the principal for providing the service related to the Shared Funds (such as the Kahui Ako programme), all income and expenditure related to the provision of the service is recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

o) Provision for Cyclical Maintenance

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

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision is a reasonable estimate, based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition.

The schools carries out painting maintenance of the whole school over a 7 to 10 year period, the economic outflow of this is dependent on the plan established by the school to meet this obligation and is detailed in the notes and disclosures of these accounts.

p) Financial Instruments

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

The School's financial liabilities comprise accounts payable and finance lease liability. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in surplus or deficit.

q) Goods and Services Tax (GST)

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

r) Budget Figures

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

s) Services received in-kind

From time to time the School receives services in-kind, including the time of volunteers. The School has elected not to recognise services received in kind in the Statement of Comprehensive Revenue and Expense.

2. Government Grants

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Government Grants - Ministry of Education	225,889	204,574	203,143
Teachers' Salaries Grants	515,581	515,750	515,750
Use of Land and Buildings Grants	132,972	117,721	117,721
Other Government Grants	-	-	1,585
	<u>874,442</u>	<u>838,045</u>	<u>838,199</u>

The school has opted in to the donations scheme for this year. Total amount received was \$10,800.

3. Locally Raised Funds

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Revenue			
Donations & Bequests	15,076	12,000	14,551
Fees for Extra Curricular Activities	1,521	1,200	1,014
Trading	1,766	2,000	1,350
Fundraising & Community Grants	2,932	1,000	2,315
Other Revenue	25,574	23,700	25,504
	<u>46,869</u>	<u>39,900</u>	<u>44,734</u>
Expenses			
Extra Curricular Activities Costs	2,164	2,000	1,151
Trading	2,082	2,000	1,713
Fundraising and Community Grant Costs	1,069	100	757
Other Locally Raised Funds Expenditure	37,400	38,200	31,616
	<u>42,715</u>	<u>42,300</u>	<u>35,237</u>
<i>Surplus/ (Deficit) for the Year Locally Raised Funds</i>	<u>4,154</u>	<u>(2,400)</u>	<u>9,497</u>

4. Learning Resources

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Curricular	21,007	22,250	19,709
Equipment Repairs	1,870	800	372
Information and Communication Technology	1,981	1,000	1,566
Library Resources	444	500	508
Employee Benefits - Salaries	574,951	558,268	563,224
Staff Development	3,109	5,700	5,161
Depreciation	27,952	30,000	28,405
	<u>631,314</u>	<u>618,518</u>	<u>618,945</u>

5. Administration

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Audit Fee	4,902	4,902	4,902
Board Fees	2,040	3,240	2,045
Board Expenses	1,885	1,450	442
Communication	1,572	1,400	1,382
Consumables	4,439	4,800	4,431
Other	1,672	2,400	2,608
Employee Benefits - Salaries	59,295	49,675	53,206
Insurance	703	758	685
Service Providers, Contractors and Consultancy	5,656	5,644	5,420
	82,164	74,269	75,121

6. Property

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Caretaking and Cleaning Consumables	3,498	3,000	2,850
Consultancy and Contract Services	956	-	-
Cyclical Maintenance Provision	5,104	6,251	9,602
Grounds	1,719	1,400	2,321
Heat, Light and Water	7,467	7,500	6,809
Rates	607	500	528
Repairs and Maintenance	15,368	8,800	13,696
Use of Land and Buildings	132,972	117,721	117,721
	167,691	145,172	153,527

The use of land and buildings figure represents 5% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

7. Cash and Cash Equivalents

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Bank Accounts	176,447	145,000	145,662
Cash and cash equivalents for Statement of Cash Flows	176,447	145,000	145,662

Of the \$176,447 Cash and Cash Equivalents, \$24,342 is held by the School on behalf of the Te Angiangi Kahui Ako. See note 17 for details of how the funding received for the cluster has been spent in the year.

8. Accounts Receivable

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Receivables	3,342	-	2,489
Receivables from the Ministry of Education	4,611	-	-
Interest Receivable	1,137	-	241
Banking Staffing Underuse	1,151	-	-
Teacher Salaries Grant Receivable	43,205	42,000	36,309
	<u>53,446</u>	<u>42,000</u>	<u>39,039</u>
Receivables from Exchange Transactions	4,479	-	2,730
Receivables from Non-Exchange Transactions	48,967	42,000	36,309
	<u>53,446</u>	<u>42,000</u>	<u>39,039</u>

9. Inventories

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Stationery	482	500	504
	<u>482</u>	<u>500</u>	<u>504</u>

10. Investments

The School's investment activities are classified as follows:

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Current Asset			
Short-term Bank Deposits	88,612	60,000	57,948
Total Investments	<u>88,612</u>	<u>60,000</u>	<u>57,948</u>

11. Property, Plant and Equipment

2022	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Land & Building Improvements	167,584	1	-	-	(7,115)	160,470
Furniture & Equipment	42,886	9,660	-	-	(9,441)	43,105
Information & Communication Technology	7,048	6,770	-	-	(6,640)	7,178
Leased Assets	3,621	9,569	-	-	(3,960)	9,230
Library Resources	6,311	1,438	-	-	(796)	6,953
Balance at 31 December 2022	<u>227,450</u>	<u>27,438</u>	<u>-</u>	<u>-</u>	<u>(27,952)</u>	<u>226,936</u>

The following note can be used for each class of asset that are held under a finance lease:

The net carrying value of furniture and equipment held under a finance lease is \$9,230 (2021: \$3,621)

Restrictions

There are no restrictions over the title of the school's property, plant and equipment, nor are any property, plant and equipment pledged as security for liabilities.

	2022	2022	2022	2021	2021	2021
	Cost or	Accumulated	Net Book	Cost or	Accumulated	Net Book
	Valuation	Depreciation	Value	Valuation	Depreciation	Value
	\$	\$	\$	\$	\$	\$
Land & Building Improvements	267,034	(106,564)	160,470	267,034	(99,450)	167,584
Furniture & Equipment	180,876	(137,771)	43,105	171,216	(128,330)	42,886
Information & Communication Technology	67,383	(60,205)	7,178	61,906	(54,858)	7,048
Leased Assets	18,164	(8,934)	9,230	15,222	(11,601)	3,621
Library Resources	27,592	(20,639)	6,953	26,154	(19,843)	6,311
Balance at 31 December	561,049	(334,113)	226,936	541,532	(314,082)	227,450

12. Accounts Payable

	2022	2022	2021
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Creditors	45,275	5,000	7,710
Accruals	3,702	5,000	3,559
Employee Entitlements - Salaries	43,205	42,000	36,309
Employee Entitlements - Leave Accrual	2,198	-	2,114
	94,380	52,000	49,692
Payables for Exchange Transactions	94,380	52,000	49,692
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	94,380	52,000	49,692

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2022	2022	2021
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Other Revenue in Advance	142	500	182
	142	500	182



14. Provision for Cyclical Maintenance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Provision at the Start of the Year	41,667	41,667	38,004
Increase to the Provision During the Year	5,104	6,251	9,602
Use of the Provision During the Year	-	(37,824)	(5,939)
Provision at the End of the Year	46,771	10,094	41,667
Cyclical Maintenance - Current	9,244	-	7,160
Cyclical Maintenance - Non current	37,527	10,094	34,507
	46,771	10,094	41,667

The schools cyclical maintenance schedule details annual painting to be undertaken, the costs associated to this annual work will vary dependent on the requirements during the year. This plan is based on the schools 10 Year Property plan / Property consultant review.

15. Finance Lease Liability

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
No Later than One Year	3,463	4,600	3,581
Later than One Year and no Later than Five Years	7,676	4,000	793
Later than Five Years	(1,390)	(1,500)	(81)
	9,749	7,100	4,293
Represented by			
Finance Lease Liability - Current	3,462	4,600	3,500
Finance Lease Liability - Non current	6,287	2,500	793
	9,749	7,100	4,293

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

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.

2022	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
Changing Sheds Refurbishment - 219638	(10,710)	9,990	-	720	-
Fire Safety - 230103	(2,550)	40,148	(38,365)	-	(767)
A AMS Opening Up Between Classrooms - 230101	-	-	(1,000)	-	(1,000)
AJ AMS Creation of Indoor Outdoor Teacher Area - 230102	-	-	(1,200)	-	(1,200)
A Roofing Replacement - 230104	-	-	(500)	-	(500)
New Storm Water Drainage - 230106	-	30,894	(30,894)	-	-
Totals	(13,260)	81,032	(71,959)	720	(3,467)

Represented by:

Funds Held on Behalf of the Ministry of Education	-
Funds Receivable from the Ministry of Education	(3,467)

2021	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
Changing Sheds Refurbishment - 219638	1,179	44,792	(56,681)	-	(10,710)
Fire Safety - 230103	(1,800)	-	(750)	-	(2,550)
Totals	(621)	44,792	(57,431)	-	(13,260)

Represented by:

Funds Held on Behalf of the Ministry of Education	-
Funds Receivable from the Ministry of Education	(13,260)

17. Funds Held on Behalf of Te Angiangi Kahui Ako

Argyll East School is the lead school and holds funds on behalf of the Te Angiangi Kahui Ako, a group of schools funded by the Ministry.

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Funds Held at Beginning of the Year	12,936	-	11,396
Funds Received from Cluster Members	4,973	-	6,342
Funds Received from MoE	32,138	-	6,183
Total funds received	37,111	-	12,525
Funds Spent on Behalf of the Cluster	25,705	-	10,985
Funds remaining	24,342	-	12,936
Distribution of Funds	-	-	-
Funds Held at Year End	24,342	-	12,936

18. Related Party Transactions

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

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

19. Remuneration

Key management personnel compensation

Key management personnel of the School include all Board members and the Principal.

	2022 Actual \$	2021 Actual \$
<i>Board Members</i>		
Remuneration	2,040	2,045
 <i>Leadership Team</i>		
Remuneration	150,396	145,323
Full-time equivalent members	1.00	1.00
 Total key management personnel remuneration	152,436	147,368

There are 6 members of the Board excluding the Principal. The Board had held 5 full meetings of the Board in the year. As well as these regular meetings, including preparation time, the Presiding member 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:

	2022 Actual \$000	2021 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	140 - 150	140 - 150
Benefits and Other Emoluments	4 - 5	4 - 5
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2022 FTE Number	2021 FTE Number
100 - 110	0.00	0.00
	0.00	0.00

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

20. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be board members, committee members, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

	2022 Actual	2021 Actual
Total	\$0	\$0
Number of People	-	-

21. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2022 (Contingent liabilities and assets at 31 December 2021: 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 2022, a contingent liability for the school may exist.

22. Commitments

(a) Capital Commitments

As at 31 December 2022 the Board has entered into contract agreements for capital works as follows:

(a) \$48,100 contract for Fire Safety as agent for the Ministry of Education. This project is fully funded by the Ministry and \$40,148 has been received of which \$40,915 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments at 31 December 2021: \$1,114)

(b) Operating Commitments

As at 31 December 2022 the Board has not entered into any operating commitments.

(Operating commitments at 31 December 2021: \$nil)

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Cash and Cash Equivalents	176,447	145,000	145,662
Receivables	53,446	42,000	39,039
Investments - Term Deposits	88,612	60,000	57,948
Total Financial Assets Measured at Amortised Cost	<u>318,505</u>	<u>247,000</u>	<u>242,649</u>

Financial Liabilities Measured at Amortised Cost

Payables	94,380	52,000	49,692
Finance Leases	9,749	7,100	4,293
Total Financial Liabilities Measured at Amortised Cost	<u>104,129</u>	<u>59,100</u>	<u>53,985</u>

24. Events After Balance Date

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

25. Comparatives

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

Argyll East School

Kiwisport Report

For the year ended 31 December 2022

During the year the Board was the recipient of additional Government funding for specific purposes:

Kiwisport is a Government funded initiative to support students' participation in organised sport. In 2022 the school received total Kiwisport funding of \$1,098 (excluding GST). The funding was put towards a range of sports equipment to resource the school to support and initiate student participation in a variety of sports.

The number of students participating in organised sport continues to be at excellent levels.

Personnel Policy Compliance (s73 and s74 Public Service Act 2020)

For the year ended 31 December 2022

The Argyll East School Board:

- 1 Has developed and implemented personnel and industrial policies, within policy and procedural frameworks set by the Government from time to time, which promote high levels of staff performance, use educational resources effectively and recognise the needs of students;
- 2 Has reviewed its compliance against both its personnel policy and procedures and Education Review Office Board assurance Statement Personnel (Section 4) and can report that it meets all requirements and identified best practice;
- 3 Is a good employer as defined by the Public Service Act 2020 and complies with the conditions contained in the employment contracts applying to teaching and non-teaching staff;
- 4 Ensures all employees and applicants for employment are treated according to their skills, qualifications, abilities and aptitudes, without bias or discrimination;
- 5 Meets all EEO requirements.

ARGYLL EAST SCHOOL

COMPLETION COMMUNICATIONS DOCUMENT FOR THE YEAR ENDED 31 DECEMBER 2022

As part of our audit we are obliged to engage with Management and Governance to obtain representations surrounding subsequent events to balance date, going concern and any commitments and contingencies that Argyll East School (the "School") may have entered into.

Subsequent Events

- Are you aware of any of the following:
 - 1 New commitments (including MOE capital works), borrowings or guarantees that have been entered into since 31 December 2022? *No*
 - 2 Sales or acquisitions of assets have occurred or are planned since 31 December 2022? *No*
 - 3 Any other significant subsequent events that have occurred since 31 December 2022? *No*

Going Concern

- Are you aware of any of the following:
 - 1 Events or conditions beyond the period of management's assessment that may cast significant doubt on the School's ability to continue? *No*

Commitments and Contingencies

- Are you aware of any of the following:
 - 1 Any possible commitments and contingent liabilities? *No*
 - 2 Any breaches in laws and regulations by the School which are central to the School's ability to continue to operate? *No*

Related Parties

- Are you aware of any related party transactions that have not already been disclosed? *No*
- Have any related party transactions (if any) NOT been made on an arm's length basis (i.e. on favourable terms) during the year? *No*

Fraud

- Subsequent to your correspondence with us on the fraud risk questionnaire dated 25 November 2022 are you aware of any actual, alleged or suspected fraud in the school during the year ending 31 December 2022? *No*

Cyclical Maintenance plan

- Has the board reviewed the current cyclical maintenance, and are satisfied that it still fairly reflects the schools future obligations regarding planned maintenance? (Please note this review should be completed on an annual basis). *Yes*
- If there is a new cyclical maintenance plan please provide us with a copy.

Other

- Since our discussions in November 2022, is there anything else we should be aware of in connection with our audit of the 31 December 2022 results? *No*
- Are there any open/unprocessed, or in dispute invoices as at year end or currently which related to the 2022 year? *No*
- Has all leave taken in FY2022 been processed? *Yes*

Management Report and Board Minutes

- Can you please also send through a copy of the latest management report
- Can you please also send through copies of any board minutes after February 2023 (even if in draft)

[Handwritten Signature]

Signed - Presiding Member

11/5/23

Date (same date as approval of financial statements)

Melwall

Signed - Principal

11/5/23

Date (same date as approval of financial statements)



ARGYLL EAST SCHOOL
Argyll Road, RD1, Otane
Phone: 06 857 5102
E-mail: office@argylleast.school.nz



11th May 2023

Glenn Fan-Robertson
BDO Hawke's Bay
PO Box 944
Napier

REPRESENTATION LETTER FOR THE YEAR ENDED 31 DECEMBER 2022

This representation letter is provided in connection with your audit, carried out on behalf of the Auditor-General, of the financial statements of Argyll East School (the School) for the year ended 31 December 2022 for the purpose of expressing an independent opinion about whether the financial statements:

- present fairly, in all material respects:
 - the financial position as at 31 December 2022; and
 - the 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 as appropriate to public benefit entities that qualify for Tier 2 reporting.

We understand that your audit was carried out in accordance with the Auditing Standards issued by the Auditor-General, which incorporate the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

General representations

To the best of our knowledge and belief:

- the resources and activities under our control have been operating effectively and efficiently;
- we have complied with our statutory obligations including laws, regulations and contractual requirements;
- we have carried out our decisions and actions with due regard to minimising waste;
- we have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector (that is, we have carried out our decisions and actions with due regard to probity); and
- any decisions or actions have been taken with due regard to financial prudence.

We also acknowledge that we have responsibility for designing, implementing, and maintaining internal control (to the extent that is reasonably practical given the size of the School) to prevent and detect fraud or error, and which enables the preparation of the financial statements that are free from material misstatement whether due to fraud or error (*a requirement of paragraph NZ40.1(a) in ISA (NZ) 240*).

Representations for the financial statements

We confirm that all transactions have been recorded in the accounting records and are reflected in the financial statements, and that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have fulfilled our responsibilities for preparing and presenting the financial statements as required by section 87 of the Education Act 1989 and, in particular, that the financial statements:
 - present fairly, in all material respects:
 - the financial position as at 31 December 2022; and
 - the 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 as appropriate to public benefit entities that qualify for Tier 2 reporting.
- we believe the methods, significant assumptions, and data used in making and supporting the accounting estimates and the related disclosures in the financial statements are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework;
- we have appropriately accounted for and disclosed the related party relationships and transactions in the financial statements;
- we have adjusted or disclosed all events subsequent to the date of the financial statements that require adjustment or disclosure; and
- we believe the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole.

- we have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. Where applicable, such litigation and claims have been accounted for and disclosed in accordance with Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting.

Representations about the provision of information

We confirm that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have provided you with:
 - all information, such as records and documentation, and other matters that are relevant to preparing and presenting the financial statements; and
 - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence;
- we have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- we have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements;
- we have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others;
- we have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements;
- we have disclosed the identity of the related parties, all of their relationships, and all of their transactions of which we are aware; and
- we have provided you with all the other documents ("other information") which will accompany the financial statements which are consistent with the financial statements, and the other information does not contain any material misstatements.

Going concern basis of accounting

We confirm that, to the best of our knowledge and belief, the School has adequate resources to continue operations at its current level for the foreseeable future. For this reason, the Board continues to adopt the going concern basis of accounting in preparing the financial statements for the year ended 31 December 2022. We have reached this conclusion after making enquiries and having regard to circumstances that we consider likely to affect the School during the period of one year from 11/5/23, and to circumstances that we know will occur after that date which could affect the validity of the going concern basis of accounting.

We consider that the financial statements adequately disclose the circumstances, and any uncertainties, that we can reasonably be expected to be aware of concerning the adoption of the going concern basis of accounting by the School.

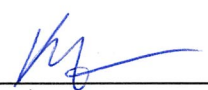
Publication of the financial statements and related audit report on a website

We confirm that we are responsible for the electronic presentation of the audited financial statements, and:

- that the electronic version of the audited financial statements and the related audit report presented on the website are the same as the final signed version of the audited financial statements and audit report.
- that the audited and unaudited information on the website has been clearly differentiated and we understand the risk of potential misrepresentation without appropriate controls.
- that we have assessed the security controls over audited financial information and the related audit report and are satisfied that procedures are adequate to ensure the integrity of the information provided.
- that the full financial statements have been provided on the website.

The representations in this letter are made at your request, and to supplement information obtained by you from the records of the School and to confirm information given to you orally.

Yours faithfully



Presiding Member



Principal