

ARGYLL EAST SCHOOL
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1st August 2022

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

REPRESENTATION LETTER FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021 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 2021; 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 2021; 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. A list of the uncorrected misstatements is attached to this representation letter;

- 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 2021. 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 1st August 2022 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

Argyll East School

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021



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	May 2022
Julie Thelwall	Principal	Ex Officio	
Brian Robinson	Member	Re-elected 2019	May 2022
Kane Haftka	Member	Elected 2019	May 2022
Jennifer Valentine	Member	Elected 2019	May 2022
Malcolm Campbell	Member	Selected 2021	May 2022
Lara Smith	Member of Staff	Elected 2019	May 2022

Accountant / Service Provider: Eclipse Solutions 4 Schools Ltd

Argyll East School

Annual Report - For the year ended 31 December 2021

Index

Page	Statement
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	Financial Statements
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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
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	Kiwisport
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	Analysis of Variance
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Argyll East School

Statement of Responsibility

For the year ended 31 December 2021

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2021 fairly reflects the financial position and operations of the school.

The School's 2021 financial statements are authorised for issue by the Board.

Thes A. Trust

Full Name of Presiding Member

Thes A. Trust

Signature of Presiding Member

1-8-22

Date:

Julie Thelwall

Full Name of Principal

Julie Thelwall

Signature of Principal

1-8-22

Date:

Argyll East School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Revenue				
Government Grants	2	838,199	824,885	861,845
Locally Raised Funds	3	44,735	39,300	37,089
Interest Income		656	500	1,827
Other Revenue		408	500	885
		883,998	865,185	901,646
Expenses				
Locally Raised Funds	3	3,621	4,900	3,627
Learning Resources	4	590,540	556,538	557,105
Administration	5	75,122	71,890	73,506
Finance		516	437	864
Property	6	153,527	180,070	195,582
Depreciation	11	28,405	31,000	30,870
Loss on Disposal of Property, Plant and Equipment		460	-	-
Transport		31,616	38,000	30,683
		883,807	882,835	892,237
Net Surplus / (Deficit) for the Year		191	(17,650)	9,409
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		191	(17,650)	9,409

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 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Equity at 1 January		384,397	372,438	374,988
Total Comprehensive Revenue and Expense for the Year		191	(17,650)	9,409
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		3,355	-	-
Equity at 31 December		387,943	354,788	384,397

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 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Assets				
Cash and Cash Equivalents	7	145,662	56,000	133,618
Accounts Receivable	8	39,039	33,000	40,814
GST Receivable		8,790	2,665	3,145
Prepayments		4,058	2,000	4,662
Inventories	9	504	500	428
Investments	10	57,948	150,000	57,475
		256,001	244,165	240,142
Current Liabilities				
Accounts Payable	12	49,692	50,000	42,336
Revenue Received in Advance	13	182	400	522
Provision for Cyclical Maintenance	14	7,160	23,877	11,673
Finance Lease Liability	15	3,500	4,500	4,690
Funds Held for Capital Works Projects	16	(13,260)	-	(621)
Funds Held on Behalf of Te Angiangi Kahui Ako	17	12,935	17,000	11,396
		60,209	95,777	69,996
Working Capital Surplus/(Deficit)		195,792	148,388	170,146
Non-current Assets				
Property, Plant and Equipment	11	227,451	220,000	243,055
		227,451	220,000	243,055
Non-current Liabilities				
Provision for Cyclical Maintenance	14	34,507	7,600	26,331
Finance Lease Liability	15	793	6,000	2,473
		35,300	13,600	28,804
Net Assets		387,943	354,788	384,397
Equity		387,943	354,788	384,397

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 2021

	Note	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash Flows from Operating Activities				
Government Grants		210,713	192,678	214,554
Locally Raised Funds		44,534	37,600	36,468
Goods and Services Tax (net)		(5,645)	(181)	3,040
Payments to Employees		(99,601)	(87,300)	(93,951)
Payments to Suppliers		(113,704)	(114,260)	(163,995)
Interest Paid		(516)	(437)	(864)
Interest Received		612	500	2,356
Net Cash from/(to) Operating Activities		36,393	28,600	(2,392)
Cash Flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(11,805)	(26,000)	(26,247)
Purchase of Investments		(473)	(40,000)	-
Proceeds from Sale of Investments		-	-	24,800
Net Cash from/(to) Investing Activities		(12,278)	(66,000)	(1,447)
Cash Flows from Financing Activities				
Furniture and Equipment Grant		3,355	-	-
Finance Lease Payments		(4,326)	15,500	(3,947)
Funds Administered on Behalf of Third Parties		(11,100)	17,000	1,307
Net Cash from/(to) Financing Activities		(12,071)	32,500	(2,640)
Net Increase/(Decrease) in Cash and Cash Equivalents		12,044	(4,900)	(6,479)
Cash and Cash Equivalents at the Beginning of the Year	7	133,618	60,900	140,097
Cash and Cash Equivalents at the End of the Year	7	145,662	56,000	133,618

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 2021

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 reports have been prepared for the period 1 January 2021 to 31 December 2021 and in accordance with the requirements of the Education and Training Act 2020.

Basis of Preparation

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

Financial Reporting Standards Applied

The Education and Training Act 2020 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as 'having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders'.

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical Maintenance

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

Useful Lives of Property, Plant and Equipment

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

Critical Judgements in Applying Accounting Policies

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

Classification of Leases

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

Recognition of Grants

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

c) Revenue Recognition

Government Grants

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

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

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

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. These are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes.

This is a non-cash revenue that is offset by a non-cash expense. The use of land and buildings grants and associated expenditure are recorded in the period the School uses the land and buildings.

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) 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 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 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:

Land & Building Improvements	10 - 50 years
Furniture & Equipment	5 - 10 years
Information & Communication Technology	3 years
Leased Assets	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. 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 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) Revenue Received in Advance

Revenue received in advance relates to fees received from students 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) Shared Funds

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. The cluster of schools operate activities outside of the School's control. These amounts are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

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 an up to date 10 Year Property Plan (10YPP) or another appropriate source of evidence.

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 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.

q) Borrowings

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

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

r) 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.

s) Budget Figures

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

t) Services Received In-Kind

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

2. Government Grants

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Operational Grants	188,545	176,608	179,548
Teachers' Salaries Grants	515,750	488,588	488,588
Use of Land and Buildings Grants	117,721	152,719	152,719
Other MoE Grants	14,598	6,970	40,990
Other Government Grants	1,585	-	-
	838,199	824,885	861,845

The school has opted in to the donations scheme for this year. Total amount received was \$11,100.

3. Locally Raised Funds

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

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Revenue			
Donations & Bequests	14,551	12,000	14,673
Fees for Extra Curricular Activities	1,014	1,200	534
Trading	1,350	2,000	1,973
Fundraising & Community Grants	2,315	1,000	1,974
Other Revenue	25,505	23,100	17,935
	44,735	39,300	37,089
Expenses			
Extra Curricular Activities Costs	1,151	2,000	506
Trading	1,713	2,500	2,437
Fundraising & Community Grant Costs	757	200	663
Other Locally Raised Funds Expenditure	-	200	21
	3,621	4,900	3,627
Surplus/(Deficit) for the year Locally Raised Funds	41,114	34,400	33,462

4. Learning Resources

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Curricular	19,709	22,150	18,685
Equipment Repairs	372	1,000	1,233
Information and Communication Technology	1,566	1,000	842
Library Resources	508	500	435
Employee Benefits - Salaries	563,224	526,888	531,717
Staff Development	5,161	5,000	4,193
	590,540	556,538	557,105

5. Administration

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Audit Fee	4,902	4,130	3,990
Board Fees	2,045	3,240	2,965
Board Expenses	442	200	881
Communication	1,382	1,400	1,412
Consumables	4,431	4,800	5,243
Other	2,609	2,700	2,953
Employee Benefits - Salaries	53,206	49,000	49,866
Insurance	685	1,000	776
Service Providers, Contractors and Consultancy	5,420	5,420	5,420
	<u>75,122</u>	<u>71,890</u>	<u>73,506</u>

6. Property

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Caretaking and Cleaning Consumables	2,850	2,700	2,673
Consultancy and Contract Services	-	500	480
Cyclical Maintenance Provision	9,602	6,251	8,984
Grounds	2,321	1,400	1,235
Heat, Light and Water	6,809	7,500	8,221
Rates	528	500	487
Repairs and Maintenance	13,696	8,500	20,783
Use of Land and Buildings	117,721	152,719	152,719
	<u>153,527</u>	<u>180,070</u>	<u>195,582</u>

In 2021, the Ministry of Education revised the notional rent rate from 8% to 5% to align it with the Government Capital Charge rate. This is considered to be a reasonable proxy for the market rental yield on the value of land and buildings used by schools. Accordingly in 2021, the use of land and buildings figure represents 5% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

7. Cash and Cash Equivalents

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Bank Accounts	145,662	56,000	133,618
Cash and Cash Equivalents for Statement of Cash Flows	<u>145,662</u>	<u>56,000</u>	<u>133,618</u>

Of the \$145,662 Cash and Cash Equivalents, \$12,935 is held by the School on behalf of 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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Receivables	2,489	2,200	2,220
Receivables from the Ministry of Education	-	-	5,985
Interest Receivable	241	-	197
Banking Staffing Underuse	-	-	-
Teacher Salaries Grant Receivable	36,309	30,800	32,412
	<u>39,039</u>	<u>33,000</u>	<u>40,814</u>
Receivables from Exchange Transactions	2,730	2,200	2,417
Receivables from Non-Exchange Transactions	36,309	30,800	38,397
	<u>39,039</u>	<u>33,000</u>	<u>40,814</u>

9. Inventories

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Stationery	504	500	428
	<u>504</u>	<u>500</u>	<u>428</u>

10. Investments

The School's investment activities are classified as follows:

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Asset			
Short-term Bank Deposits	57,948	150,000	57,475
Total Investments	<u>57,948</u>	<u>150,000</u>	<u>57,475</u>

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2021	\$	\$	\$	\$	\$	\$
Land & Building Improvements	170,848	3,820	-	-	(7,083)	167,585
Furniture & Equipment	45,473	7,364	(460)	-	(9,491)	42,886
Information & Communication Technology	13,905	-	-	-	(6,857)	7,048
Leased Assets	6,328	1,456	-	-	(4,163)	3,621
Library Resources	6,501	621	-	-	(811)	6,311
Balance at 31 December 2021	243,055	13,261	(460)	-	(28,405)	227,451

The net carrying value of equipment held under a finance lease is \$3,621 (2020: \$6,328)

	2021	2021	2021	2020	2020	2020
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Land & Building Improvements	267,034	(99,449)	167,585	263,214	(92,366)	170,848
Furniture and Equipment	171,216	(128,330)	42,886	166,385	(120,912)	45,473
Information and Communication Technology	61,906	(54,858)	7,048	72,235	(58,330)	13,905
Leased Assets	15,222	(11,601)	3,621	13,766	(7,438)	6,328
Library Resources	26,154	(19,843)	6,311	25,532	(19,031)	6,501
Balance at 31 December	541,532	(314,081)	227,451	541,132	(298,077)	243,055

12. Accounts Payable

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Creditors	7,710	11,600	4,899
Accruals	3,559	6,000	3,990
Employee Entitlements - Salaries	36,309	30,800	32,412
Employee Entitlements - Leave Accrual	2,114	1,600	1,035
	49,692	50,000	42,336
Payables for Exchange Transactions	49,692	50,000	42,336
	49,692	50,000	42,336

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Other Revenue in Advance	182	400	522
	<u>182</u>	<u>400</u>	<u>522</u>

14. Provision for Cyclical Maintenance

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Provision at the Start of the Year	38,004	38,004	33,421
Increase/ (decrease) to the Provision During the Year	9,602	6,251	8,984
Use of the Provision During the Year	(5,939)	(12,778)	(4,401)
Provision at the End of the Year	<u>41,667</u>	<u>31,477</u>	<u>38,004</u>
Cyclical Maintenance - Current	7,160	23,877	11,673
Cyclical Maintenance - Term	34,507	7,600	26,331
	<u>41,667</u>	<u>31,477</u>	<u>38,004</u>

15. Finance Lease Liability

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

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
No Later than One Year	3,581	4,500	4,690
Later than One Year and No Later than Five Years	793	6,500	3,077
Future Finance Charges	(81)	(500)	(604)
	<u>4,293</u>	<u>10,500</u>	<u>7,163</u>
Represented by			
Finance Lease Liability - Current	3,500	4,500	4,690
Finance Lease Liability - Term	793	6,000	2,473
	<u>4,293</u>	<u>10,500</u>	<u>7,163</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.

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	(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 Due from the Ministry of Education

13,260

(13,260)

2020	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Block A Roof Leak Remediation - 214908	6,191	-	(6,191)	-	-
Changing Sheds Refurbishment - 219638	-	5,059	(3,880)	-	1,179
Fire Safety	-	-	(1,800)	-	(1,800)
Totals	6,191	5,059	(11,871)	-	(621)

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 cluster, a group of schools funded by the Ministry.

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Funds Held at Beginning of the Year	11,396	11,396	3,277
Funds Received from Cluster Members	6,342	7,000	7,541
Funds Received from MoE	6,183	5,000	9,511
Total Funds Received	23,921	23,396	20,329
Funds Spent on Behalf of the Cluster	10,985	6,396	8,933
Funds Remaining	12,935	17,000	11,396
Funds Held at Year End	12,935	17,000	11,396

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.

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	2,045	2,965
<i>Leadership Team</i>		
Remuneration	145,323	142,761
Full-time Equivalent Members	1.00	1.00
Total Key Management Personnel Remuneration	147,368	145,726

There are 6 members of the Board excluding the Principal. The Board had held 6 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:

	2021 Actual \$000	2020 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	2021 FTE Number	2020 FTE Number
	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:

	2021 Actual	2020 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 2021 (Contingent liabilities and assets at 31 December 2020: \$5,119).

Holidays Act Compliance – schools payroll

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

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

To the extent that any obligation cannot reasonably be quantified at 31 December 2021, a contingent liability for the school may exist.

22. Commitments

(a) Capital Commitments

As at 31 December 2021 the Board has entered into contract agreements for capital works as follows:

(a) \$61,674 contract for SIP - D: Changing Shed Refurbishment as agent for the Ministry of Education. This project is partially funded by the Ministry and \$49,851 has been received of which \$60,560 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments at 31 December 2020: \$1,179)

23. Financial Instruments

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

Financial Assets Measured at Amortised Cost

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Cash and Cash Equivalents	145,662	56,000	133,618
Receivables	39,039	33,000	40,814
Investments - Term Deposits	57,948	150,000	57,475
Total Financial Assets Measured at Amortised Cost	242,649	239,000	231,907

Total Financial Liabilities Measured at Amortised Cost

Payables	49,692	50,000	42,336
Finance Leases	4,293	10,500	7,163
Total Financial Liabilities Measured at Amortised Cost	53,985	60,500	49,499

24. Events After Balance Date

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

25. Comparatives

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

26. COVID 19 Pandemic Ongoing Implications**Impact of Covid-19**

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

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

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

Impact on Operations

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

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

Reduction in Locally Raised Funds

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

Increased Remote Learning Additional Costs

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

Argyll East School

Kiwisport Report

For the year ended 31 December 2021

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 2021 the school received total Kiwisport funding of \$1,053 (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.

UNCORRECTED MISSTATEMENTS

	Dr	Cr
Funds Due for Capital Works Adjustment		
Current Asset - Fire Safety Project	2,550	
Current Asset - Changing Sheds Refurbishment Project	10,710	
Current Liability - Fire Safety Project		2,550
Current Liability - Changing Sheds Refurbishment Project		10,710
<i>To record Funds Due from the Ministry of Education as an asset for the school, rather than a negative liability</i>		

