

APPLEBY SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021



Ministry Number:	3180
Principal:	Justin Neal
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APPLEBY SCHOOL

Annual Report - For the year ended 31 December 2021

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APPLEBY 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.

Full Name of Presiding Member

Full Name of Principal

Signature of Presiding Member

Signature of Principal

Date:

Date:

APPLEBY SCHOOL

Statement of Comprehensive Revenue and Expense For the year ended 31 December 2021

		2021	2021	2020
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	1,085,713	1,055,304	1,033,950
Locally Raised Funds	3	66,122	44,374	76,380
Interest income		679	150	2,076
		<hr/>	<hr/>	<hr/>
		1,152,514	1,099,828	1,112,406
Expenses				
Locally Raised Funds	3	43,129	25,904	31,884
Learning Resources	4	805,781	764,217	739,256
Administration	5	70,607	69,051	66,027
Finance		745	-	1,717
Property	6	214,266	205,714	209,512
Depreciation	10	31,081	34,000	37,511
		<hr/>	<hr/>	<hr/>
		1,165,922	1,098,886	1,085,907
Net Surplus / (Deficit) for the year		(13,408)	942	26,499
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		(13,408)	942	26,499

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

APPLEBY SCHOOL

Statement of Changes in Net Assets/Equity For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Balance at 1 January		290,661	290,661	264,162
Total comprehensive revenue and expense for the year		(13,408)	942	26,499
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		14,682	-	-
Equity at 31 December		291,935	291,603	290,661
Retained Earnings		291,935	291,603	290,661
Equity at 31 December		291,935	291,603	290,661

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.

APPLEBY SCHOOL
Statement of Financial Position
As at 31 December 2021

		2021	2021	2020
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Current Assets				
Cash and Cash Equivalents	7	96,993	81,927	100,338
Accounts Receivable	8	64,435	53,000	51,776
Funds held for Capital Works Projects	15	-	-	4,632
GST Receivable		6,369	3,000	4,487
Prepayments		1,985	1,000	2,006
Investments	9	98,083	80,000	98,048
		<u>267,865</u>	<u>218,927</u>	<u>261,287</u>
Current Liabilities				
Accounts Payable	11	74,280	72,500	70,429
Revenue Received in Advance	12	95	-	50
Provision for Cyclical Maintenance	13	98,000	98,000	98,600
Finance Lease Liability	14	3,267	3,000	3,369
Funds held for Capital Works Projects	15	3,965	-	-
		<u>179,607</u>	<u>173,500</u>	<u>172,448</u>
Working Capital Surplus/(Deficit)		88,258	45,427	88,839
Non-current Assets				
Property, Plant and Equipment	10	215,544	256,676	212,502
		<u>215,544</u>	<u>256,676</u>	<u>212,502</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	13	8,000	7,000	7,000
Finance Lease Liability	14	3,867	3,500	3,680
		<u>11,867</u>	<u>10,500</u>	<u>10,680</u>
Net Assets		<u>291,935</u>	<u>291,603</u>	<u>290,661</u>
Equity		<u>291,935</u>	<u>291,603</u>	<u>290,661</u>

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

APPLEBY SCHOOL
Statement of Cash Flows
For the year ended 31 December 2021

	2021	2021	2020
Note	Actual \$	Budget (Unaudited) \$	Actual \$
Cash flows from Operating Activities			
Government Grants	275,268	265,304	250,787
Locally Raised Funds	66,296	43,453	76,301
Goods and Services Tax (net)	(1,880)	1,484	(34,746)
Payments to Employees	(147,794)	(121,091)	(111,446)
Payments to Suppliers	(179,659)	(151,851)	(198,255)
Interest Paid	(745)	-	(1,717)
Interest Received	(3,724)	333	2,979
Net cash from Operating Activities	7,762	37,632	(16,097)
Cash flows from Investing Activities			
Purchase of PPE (and Intangibles)	(30,619)	(78,174)	(13,429)
Purchase of Investments	(35)	18,048	(15,228)
Net cash from Investing Activities	(30,967)	(60,126)	(28,657)
Cash flows from Financing Activities			
Furniture and Equipment Grant	14,682	-	-
Finance Lease Payments	(3,419)	(549)	(9,429)
Funds on behalf of Third Parties	8,597	4,632	(229,972)
Net cash from Financing Activities	19,860	4,083	(239,401)
Net increase/(decrease) in cash and cash equivalents	(3,345)	(18,411)	(284,155)
Cash and cash equivalents at the beginning of the year	7 100,338	100,338	384,493
Cash and cash equivalents at the end of the year	7 96,993	81,927	100,338

The statement of cash flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries and the use of land and buildings grant and expense have been excluded.

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

APPLEBY SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

a) Reporting Entity

Appleby 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.

APPLEBY SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

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 10.

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 13.

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 carryforward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

c) Revenue Recognition

Government Grants

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

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

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

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

Other Grants

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

APPLEBY SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

e) Operating Lease Payments

Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight line basis over the term of the lease.

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

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

i) Inventories

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

j) 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.

APPLEBY SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

k) Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	50 years
Furniture and equipment	5 - 15 years
Information and communication technology	3 - 5 years
Motor vehicles	5 years
Textbooks	3 - 5 years
Leased assets held under a Finance Lease	4 years
Library resources	12.5% Diminishing value

APPLEBY SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

l) Intangible Assets

Software costs

Computer software acquired by the School are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software licences with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software that the school receives from the Ministry of Education is normally acquired through a non-exchange transaction and is not of a material amount. It's fair value can be assessed at time of acquisition if no other methods lead to a fair value determination. Computer software purchased directly from suppliers at market rates are considered exchange transactions and the fair value is the amount paid for the software.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

m) 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.

n) 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.

APPLEBY SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

o) Employee Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

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

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

p) 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.

The School holds sufficient funds to enable the refund of unearned fees in relation to international students, should the School be unable to provide the services to which they relate.

q) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

r) 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 school 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.

s) Provision for Cyclical Maintenance

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

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

APPLEBY SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

t) 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 and finance lease liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

u) 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.

Grants determined by the Minister of Education for operational activities includes all items (core components) included in the Operational Funding notice.

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

v) 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.

w) Budget Figures

The budget figures are extracted from the School budget that was approved by the Board at the start of the year.

x) 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.

APPLEBY SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2021

2. Government Grants

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Operational Grants	237,320	246,623	223,476
Teachers' Salaries Grants	675,738	660,000	650,858
Use of Land and Buildings Grants	127,757	130,000	132,305
Resource Teachers Learning and Behaviour Grants	3,864	2,000	1,748
Other MoE Grants	40,386	15,681	25,563
Other Government Grants	648	1,000	-
	1,085,713	1,055,304	1,033,950

The other MOE grants total includes additional COVID-19 funding totalling \$5,044 for the year ended 31 December 2021 (2020: \$5,323).

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	22,458	16,500	40,712
Fees for Extra Curricular Activities	41,296	24,870	26,637
Trading	810	804	1,336
Fundraising & Community Grants	1,558	2,200	7,695
	66,122	44,374	76,380
Expenses			
Extra Curricular Activities Costs	39,901	23,400	27,948
Trading	2,440	804	2,041
Fundraising and Community Grant Costs	788	1,700	1,895
	43,129	25,904	31,884
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	22,993	18,470	44,496

APPLEBY SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2021

4. Learning Resources

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	19,333	9,950	11,744
Information and Communication Technology	8,090	18,592	7,144
Library Resources	627	550	927
Employee benefits - salaries	667,904	660,000	650,858
Resource/Attached Teachers Costs	103,330	68,875	61,171
Staff Development	6,497	6,250	7,412
	<u>805,781</u>	<u>764,217</u>	<u>739,256</u>

5. Administration

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	4,501	3,599	3,581
Board of Trustees Fees	2,950	3,600	2,950
Board of Trustees Expenses	2,332	2,100	2,405
Communication	1,477	1,310	1,568
Consumables	6,096	6,284	499
Operating Lease	315	230	655
Other	3,250	2,280	3,969
Employee Benefits - Salaries	45,680	44,760	44,800
Insurance	213	-	1,150
Service Providers, Contractors and Consultancy	3,793	4,888	4,450
	<u>70,607</u>	<u>69,051</u>	<u>66,027</u>

APPLEBY SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2021

6. Property

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Caretaking and Cleaning Consumables	26,797	22,360	26,586
Cyclical Maintenance Provision	400	12,000	14,371
Grounds	2,977	3,700	3,785
Heat, Light and Water	18,971	12,300	12,559
Rates	93	136	147
Repairs and Maintenance	26,896	18,169	10,469
Use of Land and Buildings	127,757	130,000	132,305
Security	4,042	1,000	3,331
Employee Benefits - Salaries	6,333	6,049	5,959
	<u>214,266</u>	<u>205,714</u>	<u>209,512</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 Current Account	95,141	81,927	98,487
Bank Call Account	1,852	-	1,851
Cash and cash equivalents for Cash Flow Statement	<u>96,993</u>	<u>81,927</u>	<u>100,338</u>

8. Accounts Receivable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Receivables	-	1,000	129
Receivables from the Ministry of Education	4,358	-	-
Interest Receivable	228	-	183
Banking Staffing Underuse	6,950	-	-
Teacher Salaries Grant Receivable	52,899	52,000	51,464
	<u>64,435</u>	<u>53,000</u>	<u>51,776</u>
Receivables from Exchange Transactions	52,899	52,000	51,464
Receivables from Non-Exchange Transactions	11,536	1,000	312
	<u>64,435</u>	<u>53,000</u>	<u>51,776</u>

APPLEBY SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2021

9. Investments

The School's investment activities are classified as follows:

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Asset			
Short-term Bank Deposits	98,083	80,000	98,048
Total Investments	98,083	80,000	98,048

10. Property, Plant and Equipment

2021	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Building Improvements	165,610	3,750	-	-	(13,260)	156,100
Furniture and Equipment	23,202	4,138	-	-	(8,507)	18,833
Information Technology	11,079	22,889	(313)	-	(5,179)	28,476
Leased Assets	6,846	3,504	-	-	(3,403)	6,947
Library Resources	5,765	155	-	-	(732)	5,188
Balance at 31 December 2021	212,502	34,436	(313)	-	(31,081)	215,544

The net carrying value of equipment held under a finance lease is \$6,947 (2020: \$6,846).

	2021 Cost or Valuation \$	2021 Accumulated Depreciation \$	2021 Net Book Value \$	2020 Cost or Valuation \$	2020 Accumulated Depreciation \$	2020 Net Book Value \$
Building Improvements	480,485	(324,385)	156,100	476,735	(311,125)	165,610
Furniture and Equipment	158,723	(139,890)	18,833	154,585	(131,383)	23,202
Information Technology	79,232	(50,756)	28,476	56,995	(45,916)	11,079
Leased Assets	62,269	(55,322)	6,947	58,765	(51,919)	6,846
Library Resources	49,491	(44,303)	5,188	49,336	(43,571)	5,765
Balance at 31 December	830,200	(614,656)	215,544	796,416	(583,914)	212,502

APPLEBY SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2021

11. Accounts Payable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Creditors	12,808	20,500	12,557
Accruals	7,451	-	5,001
Employee Entitlements - Salaries	52,899	52,000	51,464
Employee Entitlements - Leave Accrual	1,122	-	1,407
	<u>74,280</u>	<u>72,500</u>	<u>70,429</u>
Payables for Exchange Transactions	74,280	72,500	70,429
	<u>74,280</u>	<u>72,500</u>	<u>70,429</u>

The carrying value of payables approximates their fair value.

12. Revenue Received in Advance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Other	95	-	50
	<u>95</u>	<u>-</u>	<u>50</u>

13. Provision for Cyclical Maintenance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Provision at the Start of the Year	105,600	105,600	91,229
Increase/ (decrease) to the Provision During the Year	400	(600)	14,371
Provision at the End of the Year	<u>106,000</u>	<u>105,000</u>	<u>105,600</u>
Cyclical Maintenance - Current	98,000	98,000	98,600
Cyclical Maintenance - Term	8,000	7,000	7,000
	<u>106,000</u>	<u>105,000</u>	<u>105,600</u>

APPLEBY SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2021

14. 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	3,498	3,000	3,369
Later than One Year and no Later than Five Years	4,408	3,500	3,680
Future Finance Charges	(772)	-	-
	<u>7,134</u>	<u>6,500</u>	<u>7,049</u>
Represented by			
Finance lease liability - Current	3,267	3,000	3,369
Finance lease liability - Term	3,867	3,500	3,680
	<u>7,134</u>	<u>6,500</u>	<u>7,049</u>

15. 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 \$	BOT Contributions \$	Closing Balances \$
Carpark Upgrade	<i>in progress</i>	3,965	-	-	-	3,965
ILE Upgrade	<i>completed</i>	(8,897)	33,137	(33,174)	8,934	-
Alarm Upgrade	<i>completed</i>	300	-	(300)	-	-
Totals		<u>(4,632)</u>	<u>33,137</u>	<u>(33,474)</u>	<u>8,934</u>	<u>3,965</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	3,965
Funds Due from the Ministry of Education	-
	<u>3,965</u>

	2020	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
Carpark Upgrade	<i>in progress</i>	3,965	-	-	-	3,965
Fire Exit Door Upgrade	<i>completed</i>	406	-	-	(406)	-
ILE Upgrade	<i>in progress</i>	220,969	97,100	(326,966)	-	(8,897)
Alarm Upgrade	<i>completed</i>	-	6,580	(6,280)	-	300
Totals		<u>225,340</u>	<u>103,680</u>	<u>(333,246)</u>	<u>(406)</u>	<u>(4,632)</u>

APPLEBY SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2021

16. 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.

APPLEBY SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2021

17. Remuneration

Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	2,950	2,950
<i>Leadership Team</i>		
Remuneration	232,182	223,310
Full-time equivalent members	2	2
Total key management personnel remuneration	235,132	226,260
Total full-time equivalent personnel	2.00	2.00

There are six members of the Board excluding the Principal. The Board had held eight 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	120 - 130	120 - 130
Benefits and Other Emoluments	3 - 4	3 - 4
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
100 - 110	1	-

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

18. Compensation and Other Benefits Upon Leaving

The total value of compensation

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

APPLEBY SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2021

19. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2021 (Contingent liabilities and assets at 31 December 2020: nil).

Holidays Act Compliance – schools payroll

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

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

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

20. Commitments

(a) Capital Commitments

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

(a) \$72,000 contract for Carpark Upgrade, which will be fully funded by the Ministry of Education. \$71,208 has been received of which \$67,242 has been spent on the project to date.

(Capital commitments at 31 December 2020: \$490,586).

(b) Operating Commitments

As at 31 December 2021 the Board has not entered into any operating contracts.

(Operating commitments at 31 December 2020: nil).

APPLEBY SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2021

21. 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	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash and Cash Equivalents	96,993	81,927	100,338
Receivables	64,435	53,000	51,776
Investments - Term Deposits	98,083	80,000	98,048
	<u>259,511</u>	<u>214,927</u>	<u>250,162</u>
Total Financial assets measured at amortised cost			
Financial liabilities measured at amortised cost			
Payables	74,280	72,500	70,429
Finance Leases	7,134	6,500	7,049
Total Financial Liabilities Measured at Amortised Cost	<u>81,414</u>	<u>79,000</u>	<u>77,478</u>

22. Events After Balance Date

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

APPLEBY SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2021

23. 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.

APPLEBY SCHOOL

Members of the Board

For the year ended 31 December 2021

Name	Position	How position on Board gained	Occupation	Term expired/expires
Hannah Ippolito	Presiding Member	Elected	Photographer	September 2022
Justin Neal	Principal	Appointed	Principal	
Andrew McGlashen	Parent Rep	Elected	Pharmacist	September 2022
Heidi Seifried-Houghton	Parent Rep	Elected	Dentist/Winemaker	September 2022
Hamish Kempthorne	Parent Rep	Elected	Winemaker	September 2022
Guy Mollett	Parent Rep	Elected	Export Manager	September 2022
Raewyn Watson	Staff Rep	Appointed		September 2022

APPLEBY SCHOOL

Kiwisport Statement

For the year ended 31 December 2021

Kiwisport is a Government funding initiative to support students' participation in organised sport.

In 2021, the school received total Kiwisport funding of \$1,937 (2020: \$1,740).

The funding was spent on Swim Magic lessons. The number of students participating in organized sport was 100% of the school roll.