OWHIRO BAY SCHOOL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

School Address:	Happy Valley Road, Owhiro Bay, Wellington
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Ministry Number:	2942
Accounting Provider:	Accounting For Schools Ltd

OWHIRO BAY SCHOOL

Financial Statements - For the year ended 31 December 2020

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OWHIRO BAY SCHOOL

Statement of Responsibility
For the year ended 31 December 2020

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2020 fairly reflects the financial position and operations of the school.

The School's 2020 financial statements are authorised for issue by the Board.

Philippa Henwood
Full Name of Board Chairperson

Tineke CEJ Giddy
Full Name of Principal

PHenwood
Signature of Board Chairperson

Signature of Principal

4/6/2021
Date:

Date: 4/6/2021

OWHIRO BAY SCHOOL

Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2020

	Notes	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Revenue				
Government Grants	2	1,230,964	1,155,234	1,197,049
Locally Raised Funds	3	55,574	42,000	57,062
Interest Earned		4,219	3,000	6,695
		1,290,757	1,200,234	1,260,806
Expenses				
Locally Raised Funds	3	3,155	-	9,129
Learning Resources	4	864,804	832,204	852,843
Administration	5	76,499	77,400	77,230
Finance		378	-	188
Property	6	310,806	270,750	285,082
Depreciation	7	24,767	18,000	31,507
Loss on Disposal of Property, Plant and Equipment		1,941	-	-
		1,282,350	1,198,354	1,255,979
Net Surplus for the year		8,407	1,880	4,827
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		8,407	1,880	4,827

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

OWHIRO BAY SCHOOL

Statement of Changes in Net Assets/Equity
For the year ended 31 December 2020

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Balance at 1 January	377,876	377,876	368,088
Total comprehensive revenue and expense for the year	8,407	1,880	4,827
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	21,375	-	4,961
Equity at 31 December	407,658	379,756	377,876
Retained Earnings	407,658	379,756	377,876
Equity at 31 December	407,658	379,756	377,876

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.

OWHIRO BAY SCHOOL

Statement of Financial Position
As at 31 December 2020

	Notes	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Current Assets				
Cash and Cash Equivalents	8	173,075	125,399	80,844
Accounts Receivable	9	59,359	55,000	58,196
Funds held for Capital Works Projects	16	-	-	18,999
GST Receivable		13,276	6,000	5,821
Inventories	10	286	500	335
Investments	11	187,588	180,000	182,746
Prepayments		5,012	5,000	4,815
		438,596	371,899	351,756
Current Liabilities				
Accounts Payable	13	89,311	67,500	68,079
Finance Lease Liability - Current Portion	15	2,511	1,000	1,149
Provision for Cyclical Maintenance	14	12,000	6,000	6,000
Funds held for Capital Works Projects	16	11,672	-	-
		115,494	74,500	75,228
Working Capital Surplus/(Deficit)		323,102	297,399	276,528
Non-current Assets				
Property, Plant and Equipment	12	105,918	102,500	113,229
		105,918	102,500	113,229
Non-current Liabilities				
Finance Lease Liability	15	2,905	1,000	1,238
Provision for Cyclical Maintenance	14	18,457	19,143	10,643
		21,362	20,143	11,881
Net Assets		407,658	379,756	377,876
Equity		407,658	379,756	377,876

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

OWHIRO BAY SCHOOL

Statement of Cash Flows

For the year ended 31 December 2020

	Note	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Cash flows from Operating Activities				
Government Grants		308,415	257,262	274,553
Locally Raised Funds		55,574	48,215	57,077
Goods and Services Tax (net)		(7,452)	(180)	7,310
Payments to Employees		(159,346)	(107,903)	(100,158)
Payments to Suppliers		(140,350)	(164,065)	(215,026)
Interest Paid		(378)	-	(188)
Interest Received		4,932	3,139	6,686
Net cash from/(to) the Operating Activities		61,395	36,468	30,254
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(14,408)	(7,271)	(25,820)
Purchase of Investments		(4,842)	-	-
Proceeds from Sale of Investments		-	2,746	168,326
Net cash from/(to) the Investing Activities		(19,250)	(4,525)	142,506
Cash flows from Financing Activities				
Furniture and Equipment Grant		21,375	-	4,961
Finance Lease Payments		(1,960)	(387)	(1,144)
Funds Administered on Behalf of Third Parties		-	-	(280,225)
Funds Held for Capital Works Projects		30,671	18,999	-
Net cash from Financing Activities		50,086	18,612	(276,408)
Net increase/(decrease) in cash and cash equivalents		92,231	50,555	(103,648)
Cash and cash equivalents at the beginning of the year	8	80,844	80,844	184,492
Cash and cash equivalents at the end of the year	8	173,075	131,399	80,844

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.

OWHIRO BAY SCHOOL
Notes to the Financial Statements
For the year ended 31 December 2020

1. Statement of Accounting Policies

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

b) Basis of Preparation
Reporting Period
The financial reports have been prepared for the period 1 January 2020 to 31 December 2020 and in accordance with the requirements of the Public Finance Act 1989.

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

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

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

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

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

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

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

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

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

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

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

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

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

c) Revenue Recognition

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

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

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

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

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

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

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

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

e) 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. 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.

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	10–75 years
Furniture and Equipment	10–15 years
Information and Communication Technology	3 - 5 years
Leased Assets held under a Finance Lease	3 - 5 years
Library Resources	12.5% Diminishing value
Playground & Ground Improvements	10–15 years

l) 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.

m) 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.

n) 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.

o) 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.

p) 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).

q) 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.

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 at the start of the year.

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

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Operational grants	224,506	206,135	214,010
Other government grants	1,053	-	7,259
Other MoE Grants	80,828	49,099	46,068
Teachers' salaries grants	683,250	700,000	730,952
Use of Land and Buildings grants	241,327	200,000	198,760
	1,230,964	1,155,234	1,197,049

Other MOE Grants total includes additional COVID-19 funding totalling $4,546 for the year ended 31 December 2020.

3. Locally Raised Funds

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

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Revenue			
Activities	-	-	157
Bequests & Grants	6,000	-	-
Donations	33,357	32,000	35,720
Other revenue	12,303	10,000	12,159
Trading	3,914	-	9,026
	55,574	42,000	57,062
Expenses			
Trading	3,155	-	9,129
	3,155	-	9,129
Surplus for the year Locally raised funds	52,419	42,000	47,933

4. Learning Resources

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Curricular	28,843	32,101	33,278
Employee Benefits - Salaries	807,097	762,903	792,021
Information and Communication Technology	8,888	9,200	6,791
Library Resources	2,692	1,000	768
Staff Development	17,284	27,000	19,985
	864,804	832,204	852,843

5. Administration

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Audit Fee	6,020	6,000	3,007
Board of Trustees Expenses	5,836	6,225	13,288
Board of Trustees Fees	2,320	3,800	2,045
Communication	2,015	2,150	2,157
Consumables	4,584	4,200	3,140
Employee Benefits - Salaries	46,278	45,000	45,107
Insurance	5,815	5,000	5,017
Operating Lease	-	1,000	-
Other	1,631	2,025	1,469
Service Providers, Contractors and Consultancy	2,000	2,000	2,000
	76,499	77,400	77,230

6. Property

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Caretaking and Cleaning Consumables	6,071	4,850	5,660
Consultancy and Contract Services	23,569	21,000	20,934
Cyclical Maintenance Expense	13,814	8,500	9,893
Grounds	6,822	6,200	6,108
Heat, Light and Water	6,198	6,000	5,913
Rates	3,210	4,700	4,739
Repairs and Maintenance	8,989	18,200	31,772
Security	806	1,300	1,303
Use of Land and Buildings	241,327	200,000	198,760
	310,806	270,750	285,082

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

7. Depreciation

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Buildings	645	400	645
Furniture and Equipment	10,720	6,000	10,359
Information and Communication Technology	5,782	7,500	12,933
Leased Assets	2,322	700	1,193
Library Resources	37	200	319
Playground & Ground Improvements	5,261	3,200	6,058
	24,767	18,000	31,507

8. Cash and Cash Equivalents

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Bank Current Account	156,078	108,399	63,858
Bank Call Account	16,997	17,000	16,986
Cash equivalents and bank overdraft for Cash Flow Statement	173,075	125,399	80,844

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

Of the $173,075 Cash and Cash Equivalents, $11,672 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2021 on Crown owned school buildings under the School's Five Year Property Plan.

9. Accounts Receivable

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Receivables	1,772	3,500	3,880
Banking Staffing Underuse	-	-	2,028
Interest Receivable	926	1,500	1,639
Teacher Salaries Grant Receivable	56,661	50,000	50,649
	59,359	55,000	58,196
Receivables from Exchange Transactions	2,698	5,000	5,519
Receivables from Non-Exchange Transactions	56,661	50,000	52,677
	59,359	55,000	58,196

10. Inventories

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Stationery	286	500	335

11. Investments

The School's investment activities are classified as follows:

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Current Asset			
Short-term Bank Deposits	187,588	180,000	182,746

12. Property, Plant and Equipment

2020	Opening Balance (NBV) $	Additions $	Disposals $	Impairment $	Depreciation $	Total (NBV) $
Buildings	4,067	-	-	-	(645)	3,422
Furniture and Equipment	49,490	2,609	-	-	(10,720)	41,379
Information and Communication	12,123	8,351	-	-	(5,782)	14,692
Leased Assets	2,245	4,989	-	-	(2,322)	4,912
Library Resources	2,557	-	(1,941)	-	(37)	579
Playground & Ground Improvements	42,747	3,448	-	-	(5,261)	40,934
Balance at 31 December 2020	113,229	19,397	(1,941)	-	(24,767)	105,918

The net carrying value of equipment held under a finance lease is $4,912 (2019: $2,245).

2020	Cost or Valuation $	Accumulated Depreciation $	Net Book Value $
Buildings	13,549	(10,127)	3,422
Furniture and Equipment	151,230	(109,851)	41,379
Information and Communication	98,468	(83,776)	14,692
Leased Assets	11,158	(6,246)	4,912
Library Resources	827	(248)	579
Playground & Ground Improvements	143,877	(102,943)	40,934
Balance at 31 December 2020	419,109	(313,191)	105,918

2019	Opening Balance (NBV) $	Additions $	Disposals $	Impairment $	Depreciation $	Total (NBV) $
Buildings	4,712	-	-	-	(645)	4,067
Furniture and Equipment	46,091	13,758	-	-	(10,359)	49,490
Information and Communication	12,994	12,062	-	-	(12,933)	12,123
Leased Assets	1,135	2,303	-	-	(1,193)	2,245
Library Resources	2,876	-	-	-	(319)	2,557
Playground & Ground Improvements	48,805	-	-	-	(6,058)	42,747
Balance at 31 December 2019	116,613	28,123	-	-	(31,507)	113,229

2019	Cost or Valuation $	Accumulated Depreciation $	Net Book Value $
Buildings	13,549	(9,482)	4,067
Furniture and Equipment	148,621	(99,131)	49,490
Information and Communication Technology	90,117	(77,994)	12,123
Leased Assets	6,169	(3,924)	2,245
Library Resources	43,406	(40,849)	2,557
Playground & Ground Improvements	140,429	(97,682)	42,747
Balance at 31 December 2019	442,291	(329,062)	113,229

13. Accounts Payable

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Operating creditors	15,350	8,500	8,550
Accruals	6,520	6,500	6,344
Banking staffing overuse	3,639	-	-
Employee Entitlements - salaries	56,661	50,000	50,649
Employee Entitlements - leave accrual	7,141	2,500	2,536
	89,311	67,500	68,079
Payables for Exchange Transactions	89,311	67,500	68,079
	89,311	67,500	68,079

The carrying value of payables approximates their fair value.

14. Provision for Cyclical Maintenance

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Provision at the Start of the Year	16,643	16,643	6,750
Increase to the Provision During the Year	13,814	8,500	9,893
Use of the Provision During the Year	-	-	-
Provision at the End of the Year	30,457	25,143	16,643
Cyclical Maintenance - Current	12,000	6,000	6,000
Cyclical Maintenance - Term	18,457	19,143	10,643
	30,457	25,143	16,643

15. Finance Lease Liability

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

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
No Later than One Year	2,511	1,000	1,149
Later than One Year and no Later than Five Years	2,905	1,000	1,238
	5,416	2,000	2,387

16. Funds Held for Capital Works Projects

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

2020		Opening Balances $	Receipts from MoE $	Payments $	BOT Contribution/ (Write-off to R&M) $	Closing Balances $
Blk A Refurbishment toilets	*in progress*	(18,999)	-	-	-	(18,999)
Block A Modernisation	*in progress*	-	80,511	(49,840)	-	30,671
Totals		(18,999)	80,511	(49,840)	-	11,672

Represented by:

Funds Held on Behalf of the Ministry of Education	30,671
Funds Due from the Ministry of Education	(18,999)
	11,672

2019		Opening Balances $	Receipts from MoE $	Payments $	BOT Contribution/ (Write-off to R&M) $	Closing Balances $
Blk A Refurbishment toilets	*in progress*	(18,999)	-	-	-	(18,999)
Totals		(18,999)	-	-	-	(18,999)

17. Related Party Transactions

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

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

18. Remuneration

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

	2020 Actual $	2019 Actual $
Board Members		
Remuneration	2,320	2,045
Full-time equivalent members	0.09	0.14
Leadership Team		
Remuneration	224,202	282,972
Full-time equivalent members	2.00	2.60
Total key management personnel remuneration	226,522	285,017
Total full-time equivalent personnel	2.09	2.74

The full time equivalent for Board members has been determined based on attendance at Board meetings, Committee meetings and for other obligations of the Board, such as stand downs and suspensions, plus the estimated time for Board members to prepare for meetings.

Principal
The total value of remuneration paid or payable to the Principal was in the following bands:

	2020 Actual $000	2019 Actual $000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	120 - 130	140 - 150
Benefits and Other Emoluments	3 - 4	3 - 4

Other Employees
No other employe received total remuneration greater than $100,000 (2019: nil).
The disclosure for 'Other Employees' does not include remuneration of the Principal.

19. Compensation and Other Benefits Upon Leaving

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

	2020 Actual	2019 Actual
Total	-	-
Number of People	-	-

20. Contingencies

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

Holidays Act Compliance – schools payroll
The Ministry of Education performs payroll processing and payments on behalf of school boards of trustees, through payroll service provider Education Payroll Limited.

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

To the extent that any obligation cannot reasonably be quantified at 31 December 2020, a contingent liability for the school may exist.

21. Commitments

(a) Capital Commitments
As at 31 December 2020 the Board has entered into the following contract agreements for capital works:
(i) Block A modernisation at a total cost of $821,358, which is fully funded by the Ministry. To date, $49,840 has been spent.
(Capital commitments at 31 December 2019: nil)

(b) Operating Commitments
As at 31 December 2020 the Board has not entered into any contracts.
(Operating commitments at 31 December 2019: nil)

22. Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but attempts to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.

23. Financial Instruments

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

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Financial assets measured at amortised cost			
Cash and Cash Equivalents	173,075	125,399	80,844
Receivables	59,359	55,000	58,196
Investments - Term Deposits	187,588	180,000	182,746
Total Financial Assets Measured at Amortised Cost	420,022	360,399	321,786
Financial liabilities measured at amortised cost			
Payables	25,509	67,500	14,894
Finance Leases	5,416	2,000	2,387
Total Financial Liabilities Measured at Amortised Cost	30,925	69,500	17,281

24. Events After Balance Date

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

OWHIRO BAY SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2020

Name	Position	How position on Board gained	Occupation	Term expired/expires
Phillippa Henwood	Chairperson	Elected Nov 2017, Relected Dec 2020		Dec 2023
Tineke Giddy	Principal	Appointed	Principal	
Fiona Hayvice	Parent Rep	Elected Jun 2019		Jun 2022
Megan Kyrke-Smith	Parent Rep	Elected Jun 2019		Jun 2022
Daniel Neely	Parent Rep	Elected Jun 2019		Jun 2022
Jo Scaiscia	Staff Rep	Elected Jun 2019		Jun 2022
Kriston Ware	Parent Rep	Co-opted Nov 2018, Re-co-opted June 2019		Resigned Dec 2020
Makere Derbyshire	Parent Rep	Elected Dec 2020		Dec 2023

OWHIRO BAY SCHOOL

Kiwi Sport Statement

For the year ended 31 December 2020

Kiwisport is a Government funding initiative to support sport for school aged children.

In 2020 the School received Kiwi Sport funding of $1,755 (2019: $1,846).

Kiwisport funding was used to transport students to sports events and participate in cross country and athletics.

BDO Wellington Audit Limited

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF OWHIRO BAY SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The Auditor-General is the auditor of Owhiro Bay School (the School). The Auditor-General has appointed me, Geoff Potter, using the staff and resources of BDO Wellington Audit Limited, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 19, that comprise the *statement of financial position* as at *31 December 2020*, the *statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows* for the year ended on that date, and *the notes to the financial statements that include accounting policies and other explanatory information*.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
    - its financial position as at *31 December 2020*; and
    - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity (Public Sector) Reduced Disclosure Regime Accounting Framework as applicable to Tier 2 entities.

Our audit was completed on 4 June 2021. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board for the financial statements

The Board is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

The Board's responsibilities, in terms of the requirements of the Education and Training Act 2020, arise from section 87 of the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the School's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages 20 to 21, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the School.



Geoff Potter
BDO WELLINGTON AUDIT LIMITED
On behalf of the Auditor-General
Wellington, New Zealand