



# CAMBRIDGE EAST SCHOOL

*Kemureti ki te Rawhiti*

## ANNUAL REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**Ministry Number: 1700**

Principal: Hamish Fenemor

School Address: Williams Street, Cambridge, 3434

Postal Address: Williams Street, Cambridge, 3434

School Phone: 07 827 7651

School Email: [office@cambridgeeast.school.nz](mailto:office@cambridgeeast.school.nz)



# CAMBRIDGE EAST SCHOOL

Annual Report - For the year ended 31 December 2021

## Index

<b>Page</b>	<b>Statement</b>
-------------	------------------

**Financial Statements**

1	Statement of Responsibility
2	Members of the Board of Trustees
3	Statement of Comprehensive Revenue and Expense
4	Statement of Changes in Net Assets/Equity
5	Statement of Financial Position
6	Statement of Cash Flows
7 - 18	Notes to the Financial Statements

**Other Information**

Analysis of Variance

Kiwisport

# Cambridge 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.

DAUL ANDREU MASCOLENE

Full Name of Presiding Member

FRANZ BENJAMIN FENERO

Full Name of Principal

[Signature]  
Signature of Presiding Member

[Signature]  
Signature of Principal

Date:

31/5/22

Date:

31/5/22

# Cambridge East School

## Members of the Board of Trustees

For the year ended 31 December 2021

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Term Expires</b>
Paul Gascoigne	Presiding Member	Elected	Jun 2022
Hamish Fenemor	Principal	ex Officio	
Wayne Maher	Parent Rep	Elected	Jun 2022
Amanda Abbott	Parent Rep	Elected	Jun 2022
Matt Clarke	Parent Rep	Elected	Jun 2022
Roger Scott	Parent Rep	Elected	Jun 2022
Rachel Wallis	Parent Rep	Elected	Jun 2022
Helen Edwards	Staff Rep	Elected	Jun 2022

# Cambridge East School

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Revenue</b>				
Government Grants	2	3,435,169	3,309,556	3,503,687
Locally Raised Funds	3	154,191	118,050	192,735
Interest Income		129	-	174
		<u>3,589,489</u>	<u>3,427,606</u>	<u>3,696,596</u>
<b>Expenses</b>				
Locally Raised Funds	3	35,315	10,000	93,187
Learning Resources	4	2,609,585	2,353,511	2,513,215
Administration	5	198,310	169,100	181,092
Finance		4,160	1,336	2,129
Property	6	735,002	842,108	912,524
Depreciation	10	82,178	50,000	86,424
Loss on Disposal of Property, Plant and Equipment		16,408	-	982
		<u>3,680,958</u>	<u>3,426,055</u>	<u>3,789,553</u>
<b>Net Surplus / (Deficit) for the year</b>		(91,469)	1,551	(92,957)
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>(91,469)</u>	<u>1,551</u>	<u>(92,957)</u>

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

# Cambridge East School

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Equity at 1 January</b>		189,803	283,916	282,760
Total comprehensive revenue and expense for the year		(91,469)	1,551	(92,957)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		28,904	-	-
<b>Equity at 31 December</b>		127,238	285,467	189,803
Retained Earnings		127,238	285,467	189,803
Reserves		-	-	-
<b>Equity at 31 December</b>		127,238	285,467	189,803

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.

# Cambridge East School

## Statement of Financial Position

As at 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	7	161,234	14,322	(1,628)
Accounts Receivable	8	170,072	151,265	175,954
GST Receivable		32,686	7,665	10,684
Prepayments		17,300	14,882	11,148
Inventories	9	7,688	5,901	9,673
Funds held for Capital Works Projects	15	-	-	28,072
		388,980	194,035	233,903
<b>Current Liabilities</b>				
Accounts Payable	11	345,768	228,017	321,293
Revenue Received in Advance	12	8,039	2,313	1,609
Provision for Cyclical Maintenance	13	19,881	12,877	27,603
Finance Lease Liability	14	21,674	21,568	21,669
Funds held for Capital Works Projects	15	85,454	200	-
Funds held on behalf of COL Cluster	16	121,630	-	-
		602,446	264,975	372,174
<b>Working Capital Surplus/(Deficit)</b>		(213,466)	(70,940)	(138,271)
<b>Non-current Assets</b>				
Property, Plant and Equipment	10	377,800	422,614	398,888
		377,800	422,614	398,888
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	13	27,754	33,009	44,680
Finance Lease Liability	14	9,342	33,198	26,134
		37,096	66,207	70,814
<b>Net Assets</b>		127,238	285,467	189,803
<b>Equity</b>		127,238	285,467	189,803

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

# Cambridge East School

## Statement of Cash Flows

For the year ended 31 December 2021

	Note	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		586,231	641,612	675,856
Locally Raised Funds		162,935	76,000	194,042
Goods and Services Tax (net)		(22,002)	-	(3,019)
Payments to Employees		(502,076)	(381,800)	(412,224)
Payments to Suppliers		(333,179)	(276,260)	(367,984)
Interest Paid		(4,160)	(1,086)	(2,129)
Interest Received		129	-	174
Net cash from/(to) Operating Activities		(112,122)	58,466	84,716
<b>Cash flows from Investing Activities</b>				
Purchase of Property Plant & Equipment (and Intangibles)		(73,548)	(63,750)	(39,920)
Net cash from/(to) Investing Activities		(73,548)	(63,750)	(39,920)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		28,904	23,750	
Finance Lease Payments		(20,737)	(8,747)	(17,745)
Funds Administered on Behalf of Third Parties		340,365	-	(33,282)
Net cash from/(to) Financing Activities		348,532	15,003	(51,027)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>162,862</b>	<b>9,719</b>	<b>(6,231)</b>
Cash and cash equivalents at the beginning of the year	7	(1,628)	4,603	4,603
<b>Cash and cash equivalents at the end of the year</b>	7	<b>161,234</b>	<b>14,322</b>	<b>(1,628)</b>

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.



# Cambridge East School

## Notes to the Financial Statements

### For the year ended 31 December 2021

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

Cambridge 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 13.

###### *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.

###### *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) 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.

### **e) Finance Lease Payments**

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

### **f) Cash and Cash Equivalents**

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

### **g) Accounts Receivable**

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

### **h) Inventories**

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

### **i) Property, Plant and Equipment**

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

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

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

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

#### **Finance Leases**

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

#### **Depreciation**

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

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	10–40 years
Board Owned Buildings	10–40 years
Furniture and equipment	4–15 years
Information and communication technology	4 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

#### **j) Impairment of property, plant, and equipment and intangible assets**

The school does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

##### *Non cash generating assets*

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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.

##### *Long-term employee entitlements*

Employee benefits that are not expected to be settled wholly before twelve months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis.

The calculations are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows

#### **m) Revenue Received in Advance**

Revenue received in advance relates to fees received from students and grants received where there are unfulfilled obligations for the School to provide services in the future. The fees are recorded as revenue as the obligations are fulfilled and the fees earned.

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

**n) 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 in the cluster bank account to enable the funds to be used for their intended purpose at any time. Note 25 refers to a statement on going concern.

**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 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.

**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 is a reasonable estimate, based on an up to date 10 Year Property Plan (10YPP) or another appropriate source of evidence.

**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) 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.

**s) 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.

**t) Budget Figures**

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

**u) 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	618,005	589,000	596,220
Teachers' Salaries Grants	2,177,520	2,012,161	2,108,401
Use of Land and Buildings Grants	543,798	656,833	685,285
Other MoE Grants	95,846	51,562	113,781
	<b>3,435,169</b>	<b>3,309,556</b>	<b>3,503,687</b>

## 3. Locally Raised Funds

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

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
<b>Revenue</b>			
Donations & Bequests	68,489	60,000	46,929
Curriculum related Activities - Purchase of goods and services	30,718	10,000	122,028
Fees for Extra Curricular Activities	1,648	-	-
Trading	11,061	10,000	9,887
Fundraising & Community Grants	-	-	13,891
Other Revenue	42,275	38,050	-
	<b>154,191</b>	<b>118,050</b>	<b>192,735</b>
<b>Expenses</b>			
Extra Curricular Activities Costs	21,574	-	83,371
Trading	12,580	10,000	8,975
Fundraising and Community Grant Costs	-	-	841
Other Locally Raised Funds Expenditure	1,161	-	-
	<b>35,315</b>	<b>10,000</b>	<b>93,187</b>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<b>118,876</b>	<b>108,050</b>	<b>99,548</b>

## 4. Learning Resources

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Curricular	42,392	55,750	61,231
Information and Communication Technology	8,648	14,500	-
Library Resources	9,606	16,500	3,199
Employee Benefits - Salaries	2,531,902	2,248,761	2,441,096
Staff Development	17,037	18,000	7,689
	<b>2,609,585</b>	<b>2,353,511</b>	<b>2,513,215</b>

## 5. Administration

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Audit Fee	5,408	5,400	5,200
Board Fees	5,535	4,500	4,785
Board Expenses	1,522	2,000	2,345
Communication	4,263	3,500	4,274
Consumables	1,313	3,000	14,375
Operating Lease	-	-	69
Other	38,863	34,400	36,270
Employee Benefits - Salaries	114,712	92,800	89,392
Insurance	9,964	9,500	9,449
Service Providers, Contractors and Consultancy	16,730	14,000	14,933
	<u>198,310</u>	<u>169,100</u>	<u>181,092</u>

## 6. Property

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Caretaking and Cleaning Consumables	10,439	3,500	58,911
Consultancy and Contract Services	57,001	55,000	-
Cyclical Maintenance Provision	(2,548)	10,875	33,124
Grounds	6,952	5,500	18,740
Heat, Light and Water	27,284	24,500	16,706
Rates	3,991	5,600	10,007
Repairs and Maintenance	30,169	22,300	26,047
Use of Land and Buildings	543,798	656,833	685,285
Security	1,667	3,000	4,060
Employee Benefits - Salaries	56,249	55,000	59,644
	<u>735,002</u>	<u>842,108</u>	<u>912,524</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	161,234	14,322	(1,628)
Cash and cash equivalents for Statement of Cash Flows	<u>161,234</u>	<u>14,322</u>	<u>(1,628)</u>

Of the \$161,234 Cash and Cash Equivalents, \$86,250 is held by the School on behalf of the Ministry of Education. These funds have been provided by the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2022 on Crown owned school buildings.

Of the \$161,234 Cash and Cash Equivalents, \$132,554 is held by the School on behalf of the COL cluster. See note 16 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	500	151,265	2,814
Receivables from the Ministry of Education	-	-	8,151
Teacher Salaries Grant Receivable	169,572	-	164,989
	<u>170,072</u>	<u>151,265</u>	<u>175,954</u>
Receivables from Exchange Transactions	500	151,265	2,814
Receivables from Non-Exchange Transactions	169,572	-	173,140
	<u>170,072</u>	<u>151,265</u>	<u>175,954</u>

## 9. Inventories

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Stationery	464	5,901	1,432
School Uniforms	7,224	-	8,241
	<u>7,688</u>	<u>5,901</u>	<u>9,673</u>

## 10. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2021	\$	\$	\$	\$	\$	\$
Buildings	156,885	5,114	(2,656)	-	(17,354)	141,989
Furniture and Equipment	143,514	39,377	(12,683)	-	(24,679)	145,529
Information and Communication Technology	24,460	29,505	(1,682)	-	(14,331)	37,952
Leased Assets	48,086	3,950	-	-	(22,550)	29,486
Library Resources	25,943	165	-	-	(3,264)	22,844
<b>Balance at 31 December 2021</b>	<u>398,888</u>	<u>78,111</u>	<u>(17,021)</u>	<u>-</u>	<u>(82,178)</u>	<u>377,800</u>

The net carrying value of equipment held under a finance lease is \$29,486 (2020: \$48,086)

	2021 Cost or Valuation	2021 Accumulated Depreciation	2021 Net Book Value	2020 Cost or Valuation	2020 Accumulated Depreciation	2020 Net Book Value
	\$	\$	\$	\$	\$	\$
Buildings	403,924	(261,935)	141,989	420,673	(263,788)	156,885
Furniture and Equipment	386,634	(241,105)	145,529	523,248	(379,734)	143,514
Information and Communication T.	149,170	(111,218)	37,952	171,179	(146,719)	24,460
Leased Assets	108,103	(78,617)	29,486	104,153	(56,067)	48,086
Library Resources	106,833	(83,989)	22,844	106,668	(80,725)	25,943
<b>Balance at 31 December</b>	<u>1,154,664</u>	<u>(776,864)</u>	<u>377,800</u>	<u>1,325,921</u>	<u>(927,033)</u>	<u>398,888</u>

### 11. Accounts Payable

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Creditors	149,006	228,017	51,643
Accruals	5,407	-	5,200
Banking Staffing Overuse	17,215	-	96,388
Employee Entitlements - Salaries	169,572	-	164,989
Employee Entitlements - Leave Accrual	4,568	-	3,073
	<u>345,768</u>	<u>228,017</u>	<u>321,293</u>
Payables for Exchange Transactions	345,768	228,017	321,293
	<u>345,768</u>	<u>228,017</u>	<u>321,293</u>

The carrying value of payables approximates their fair value.

### 12. Revenue Received in Advance

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Other revenue in Advance	8,039	2,313	1,609
	<u>8,039</u>	<u>2,313</u>	<u>1,609</u>

### 13. Provision for Cyclical Maintenance

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Provision at the Start of the Year	72,283	72,283	39,159
Increase/ (decrease) to the Provision During the Year	(2,548)	(26,397)	33,124
Use of the Provision During the Year	(22,100)	-	-
Provision at the End of the Year	<u>47,635</u>	<u>45,886</u>	<u>72,283</u>
Cyclical Maintenance - Current	19,881	12,877	27,603
Cyclical Maintenance - Term	27,754	33,009	44,680
	<u>47,635</u>	<u>45,886</u>	<u>72,283</u>

### 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	23,836	21,568	23,527
Later than One Year and no Later than Five Years	9,782	33,198	27,126
Future Finance Charges	(2,602)	-	(2,850)
	<u>31,016</u>	<u>54,766</u>	<u>47,803</u>



**Represented by**

Finance lease liability - Current	21,674	21,568	21,669
Finance lease liability - Term	9,342	33,198	26,134
	<u>31,016</u>	<u>54,766</u>	<u>47,803</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 \$	Board Contributions \$	Closing Balances \$
New Build Classrooms	(797)			-	(797)
Admin Upgrade (Project Number 219100)	(27,275)	426,839	(313,314)	-	86,251
Fire Alarm (Project Number 232933)	-	2,530	(2,530)	-	-
Cylinders and Keys (Project Number 216790)	-	580	(580)	-	-
Totals	<u>(28,072)</u>	<u>429,949</u>	<u>(316,424)</u>	<u>-</u>	<u>85,454</u>

**Represented by:**

Funds Held on Behalf of the Ministry of Education	86,251
Funds Due from the Ministry of Education	(797)
	<u>85,454</u>

2020	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Block C Grants	(9,445)	22,826	(33,167)	(896)	-
New Build Classrooms	-	-	(797)	-	(797)
Admin Upgrade	2,480	-	(24,795)	-	(27,275)
MOE Compost	-	9,224	(9,928)	(704)	-
Totals	<u>(6,965)</u>	<u>32,050</u>	<u>(68,687)</u>	<u>(1,600)</u>	<u>(28,072)</u>

**16. Funds Held on Behalf of COL Cluster**

Cambridge East School is the lead school and holds funds on behalf of the COL cluster, a group of schools funded by the Ministry.

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Funds Held at Beginning of the Year	-	-	-
Funds Received from Cluster Members	144,387	-	-
Funds Received from Slanza	23,000	-	-
Total funds received	167,387	-	-
Funds Spent on Behalf of the Cluster	45,757	-	-
Funds Held at Year End	<u>121,630</u>	<u>-</u>	<u>-</u>

These assets and liabilities form part of the school's assets and liabilities and are presented on the school's statement of financial position.

	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Current Assets</b>			
Cash at bank	132,554	-	-
<b>Current Liability</b>			
Creditors	(10,924)	-	-
	<u>121,630</u>	<u>-</u>	<u>-</u>

Funds totalling \$93,384 were transferred to Cambridge East School from previous COL host schools.

## 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 Board members, Principal, Deputy Principals and Heads of Departments.

	<b>2021 Actual \$</b>	<b>2020 Actual \$</b>
<i>Board Members</i>		
Remuneration	5,535	4,785
 <i>Leadership Team</i>		
Remuneration	630,773	569,850
Full-time equivalent members	5	5
 Total key management personnel remuneration	636,308	574,635

There are seven members of the Board excluding the Principal. The Board had held ten full meetings of the Board in the year. As well as these regular meetings, including preparation time, the Chair 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 1

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

	<b>2021 Actual \$000</b>	<b>2020 Actual \$000</b>
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	170 - 180	150 - 160
Benefits and Other Emoluments	4 - 5	3 - 4
Termination Benefits	-	-

### Other Employees

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

<b>Remuneration \$000</b>	<b>2021 FTE Number</b>	<b>2020 FTE Number</b>
100-110	2	1
110-120	2	1
120-130	1	-
	5	2

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 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 Number of People	-	-

## 20. 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.

## 21. Commitments

### (a) Capital Commitments

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

(a) contract to upgrade the Admin Block as agent for the Ministry of Education. This project is fully funded by the Ministry. A balance of \$27,275 spent was brought forward from 2020 with a further \$426,839 received in 2021 of which \$313,314 was spent on the project during 2021. This project has been approved by the Ministry; and

(Capital commitments at 31 December 2020: \$27,275)

## 22. 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	161,234	14,322	(1,628)
Receivables	170,072	151,265	175,954
Total Financial assets measured at amortised cost	<u>331,306</u>	<u>165,587</u>	<u>174,326</u>

## Financial liabilities measured at amortised cost

Payables	345,768	228,017	321,293
Finance Leases	31,016	54,766	47,803
Total Financial Liabilities Measured at Amortised Cost	<u>376,784</u>	<u>282,783</u>	<u>369,096</u>

## 23. Events After Balance Date

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

## 24. COVID 19 Pandemic on going 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.

## 25. Going Concern

The School is experiencing financial difficulties. At balance date, the School has a working capital deficit for \$213,466 (2020: \$138,271). The financial difficulties have arisen mainly because the School has incurred several deficits over recent years. The School is managing this by tighter budgetary control to reduce future deficits.

These financial statements are prepared on a going concern basis. The going concern assumption is dependent on the continuing support from the Ministry of Education. The Ministry of Education has confirmed it will continue to provide the School with resources, so it may meet its obligations as they fall due.