# Blind and Low Vision Education Network NZ

# Notes to the Financial Statements

## 1. Statement of Accounting Policies

**For the year ended 31 December 2021**

### a) Reporting Entity

Blind and Low Vision Education Network NZ (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 2021 to 31 December 2021 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 publically 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 recognizes 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 18.

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 15.

#### 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 schools

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.

Teacher salary 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 the property occupancy document as gazette 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 off-set 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. They are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out [basis. Net](http://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) 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 recognized if the estimated loss allowance is not trivial.

### j) 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 recognized 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 recognized 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 are depreciated over their estimated useful lives on a straight line 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 Assests 5-40 years

Furniture and equipment 10–15 years

Information and communication technology 4–5 years

Motor vehicles 5 years

Textbooks 3 years

Library resources 12.5% Diminishing value

Leased assets held under a Finance Lease Term of Lease

### k) 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 that the school receives from the Ministry of Education is normally acquired through a non-exchange transaction and is not of a material amount. Its 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.

### 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 beyond 12 months after the end of the period in which the employee renders 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 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.

### o) 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 in relation to international students, should the school be unable to provide the services to which they relate.

The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

### p) 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.

### q) Shared Funds

Shared Funds are held on behalf 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.

### r) 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.

### s) Financial Assets and Liabilities

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.

### t) Borrowings

Borrowings on normal commercial terms are initially recognized 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 not limited to bank overdrafts, operating leases, finance leases, painting contracts and term loans.

### u) 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.

### v) Budget Figures

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

### w) 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 | 1,178,087 | 1,057,223 | 1,139,337 |
| MOE Residential grant | 1,881,788 | 1,881,785 | 1,852,153 |
| MOE Resource Teachers of Vision Impairment grant | 1,483,993 | 1,483,991 | 1,467,195 |
| MOE Vision & Sensory Resource Centre grant | 874,226 | 874,224 | 864,330 |
| MOE Teachers’ salaries grant | 12,189,310 | 11,200,000 | 11,462,368 |
| Special Education Grants/ORS | 1,031,979 | 831,725 | 757,834 |
| MOE Document of Accountability Board Support | 16,270 | 16,268 | 16,449 |
| MOE Document of Accountability Assessment/Training | 849,106 | 849,105 | 835,732 |
| Regional Specialist Services | 1,236,725 | 1,236,728 | 1,195,419 |
| Use of land and buildings grant | 1,501,782 | 2,140,692 | 2,461,796 |
| Other government grants | 599,495 | 545,810 | 758,199 |
| **Totals** | **22,842,761** | **22,117,551** | **22,810,812** |

| **3 Local Fundraising** |  2021 Actual | 2021 Budget (unaudited)  |  2020 Actual |
| --- | --- | --- | --- |
| Revenue |  |  |  |
| Donations & Bequests | 275 | 0 | 31,164 |
| Fundraising & Community Grants | 38,831 | 41,500 | 54,221 |
| Fees for Extra Curricular Activities | 6,588 | 6,000 | 6,550 |
| Trading | 200,494 | 108,300 | 170,860 |
|   | **246,188** | **155,800** | **262,795** |
| Expenses |  |  |  |
| Fundraising and Community Grant costs | 238 | 20,000 | 0 |
| Trading | 113,472 | 108,300 | 51,300 |
| **Totals**  | **113,710** | **128,300** | **51,300** |
| Net Surplus for the year Locally raised funds | 132,478 | 27,500 | 211,495 |

| **4 Learning Resources – Day School** |  2021 Actual | 2021 Budget (unaudited) |  2020 Actual |
| --- | --- | --- | --- |
| Curricular | 39,288 | 56,257 | 42,770 |
| Equipment repairs | 4,940 | 8,000 | 7,724 |
| Employee benefits – salaries | 12,186,694 | 11,449,568 | 11,431,026 |
| Staff development | 19,714 | 25,250 | 6,199 |
|  **Totals** | **12,250,636** | **11,539,075** | **11,487,719** |

| **5 Learning Resources – ORS** |  2021 Actual | 2021 Budget (unaudited) |  2020 Actual |
| --- | --- | --- | --- |
| Curricular | 202,818 | 332,691 | 235,259 |
| Equipment repairs | 4,171 | 1,000 | 2,398 |
| Employee benefits – salaries | 603,132 | 550,957 | 538,565 |
| Staff development | 2,514 | 1,000 | 0 |
|  **Totals** | **812,635** | **885,648** | **776,222** |

| **6 Learning Resources – Residential** |  2021 Actual | 2021 Budget (unaudited) |  2020 Actual |
| --- | --- | --- | --- |
| Curricular | 181,207 | 303,952 | 169,655 |
| Equipment repairs | 3,249 | 2,200 | 2,480 |
| Employee benefits – salaries | 932,169 | 1,132,034 | 905,911 |
| Staff development | 18,650 | 29,406 | 10,326 |
|  **Totals** | **1,135,275** | **1,467,592** | **1,088,372** |

| **7 Learning Resources – National Services** |  2021 Actual | 2021 Budget (unaudited) |  2020 Actual |
| --- | --- | --- | --- |
| Curricular | 1,186,557 | 1,723,014 | 1,305,837 |
| Equipment repairs | 5,294 | 9,450 | 5,643 |
| Employee benefits – salaries | 1,955,526 | 2,307,460 | 1,782,177 |
| Staff development | 587,887 | 527,870 | 553,028 |
|  **Totals** | **3,735,264** | **4,567,794** | **3,646,685** |

| **8 Learning Resources – Vision Resource Centres** |  2021 Actual | 2021 Budget (unaudited) |  2020 Actual |
| --- | --- | --- | --- |
| Curricular | 4,452 | 7,600 | 2,993 |
| Equipment repairs | 3,763 | 2,688 | 3,657 |
| Staff development | 153 | 400 | 43 |
|  **Totals** | **8,368** | **10,688** | **6,693** |

| **9 Administration** |  2021 Actual | 2021 Budget (unaudited)  |  2020 Actual |
| --- | --- | --- | --- |
| Audit Fees | 11,243 | 10,400 | 10,038 |
| Board of Trustees fees | 7,742 | 12,000 | 9,530 |
| Board of Trustees expenses | 32,958 | 41,059 | 45,938 |
| Communication | 493,901 | 602,647 | 520,555 |
| Consumables | 7,107 | 9,000 | 11,146 |
| Operating Leases | 149 | 996 | 10,796 |
| Legal Fees | 206 | 2,000 | 1,648 |
| Other | 142,292 | 134,513 | 137,086 |
| Employee benefits - salaries | 439,409 | 474,904 | 436,875 |
| Insurance | 3,936 | 4,281 | 4,230 |
| Service providers, Contractors, and Consultancy | 35,392 | 36,500 | 33,782 |
|  **Totals** | **1,174,335** | **1,328,300** | **1,221,624** |

| **10 Property** |  2021 Actual | 2021 Budget (unaudited)  |  2020 Actual |
| --- | --- | --- | --- |
| Caretaking and cleaning consumables | 33,863 | 38,200 | 37,819 |
| Cyclical maintenance | 8,150 | 16,882 | 98,827 |
| Grounds | 3,804 | 7,000 | 5,202 |
| Heat, light and water | 134,156 | 197,675 | 192,268 |
| Rates | 5,916 | 12,000 | 10,672 |
| Repairs and Maintenance | 72,856 | 62,718 | 47,381 |
| Use of land and buildings | 1,501,782 | 2,140,692 | 2,461,796 |
| Security | 9,568 | 8,000 | 8,422 |
| Employee benefits - salaries | 234,856 | 256,942 | 218,117 |
| Property Rental | 4,381 | - | 4,579 |
|  **Totals** | **2,009,332** | **2,740,109** | **3,085,083** |

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 exericise that is conducted every 30 June for the Ministry of Education’s year-end reporting purposes.

|  **11 Cash and Cash Equivalents** |  2021 Actual | 2021 Budget (unaudited)  |  2020 Actual |
| --- | --- | --- | --- |
| Cash on hand | 2,163 | 1,000 | 3,935 |
| Bank Current Account | 1,153,328 | 1,193,702 | 755,271 |
| Bank Call account | 556,540 | 500,000 | 1,044,381 |
| Short-term bank deposits with a maturity of three months or less | - | - | - |
| Net cash and cash equivalents for cashflow statement | **1,712,031** | **1,694,702** | **1,803,587** |

The carrying value of short-term deposits with maturity dates of three months or less approximates their fair value.

Of the $1,712,031 in the School's funds, $616,207 is held on behalf of Homai Special Funds (2020: $616,207)

| **12 Accounts receivable** | 2021 Actual | 2021 Budget (unaudited) | 2020 Actual |
| --- | --- | --- | --- |
| Debtors | 7,699 | 150,556 | 244,666 |
| Receivables from the Ministry of Education | 41,897 | 46,922 | 44,682 |
| Interest accrued | 15,664 | 40,123 | 17,046 |
| Staffing Banking underusage | 152,275 | 320,917 | 105,642 |
| Teacher salaries grant | 1,041,272 | 801,604 | 948,096 |
| **Totals** | **1,258,807** | **1,360,132** | **1,360,132** |
| Receivables from Exhange transactions | 15,664 | 40,123 | 17,046 |
| Receivables from non-exhange transactions | 1,243,143 | 1,320,009 | 1,343,086 |
|  | **1,258,807** | **1,360,132** | **1,360,132** |

| **13 Inventories** | 2021 Actual | 2021 Budget (unaudited) | 2020 Actual |
| --- | --- | --- | --- |
| Assessment Stock | 3,585 | 3,585 | 3,585 |

The school’s investment activities are classified as follows:

| **14 Investments** | 2021 Actual | 2021 Budget (unaudited) | 2020 Actual |
| --- | --- | --- | --- |
| Current Assets: Short term bank deposits with maturities greater than three months and no greater than one year. | 7,528,032 | 5,007,766 | 10,007,766 |

The carrying value of long term deposits longer than 12 months approximates their fair value at 31 December 2021.

**15 Property, Plant and Equipment**

| **2021** | Opening Balance(NBV) | Additions | Disposals | Impairment | Depreciation | Total (NBV) |
| --- | --- | --- | --- | --- | --- | --- |
| Building Improvements | 1,010,569 | - | - | - | (69,020) | 941,549 |
| Furniture and equipment | 1,171,000 | 195,212 | (6,514) | - | (248,133) | 1,111,565 |
| Information and communication technology | 549,944 | 238,003 | (8,166) | - | (177,446) | 602,335 |
| Leased assets | 94,411 | 154,377 | - | - | (92,159) | 156,629 |
| Motor Vehicles | 18,646 | - | (2,100) | - | (5,604) | 10,942 |
| Swimming Pool development | 1,169,865 | 3,747,368 | - | - | - | 4,917,233 |
| Balance at 31 December 2021 | **4,014,435** | **4,334,960** | **(16,780)** | **-** | **(592,362)** | **7,740,253** |

|  | 2021 Cost of Valuation$ | 2021Accumulated Depreciation$ | 2021 Net Book Value$ | 2020 Cost or Valuation$ | 2020 Accumulated Depreciation$ | 2020 Net Book Value$ |
| --- | --- | --- | --- | --- | --- | --- |
| Building Improvements | 1,395,351 | (453,802) | 941,549 | 1,395,351 | (384,782) | 1,010,569 |
| Furniture and equipment | 3,477,712 | (2,366,146) | 1,111,566 | 3,321,693 | (2,150,693) | 1,171,000 |
| Information and communication technology | 1,318,914 | (716,579) | 602,335 | 1,209,425 | (659,481) | 549,944 |
| Leased Assets | 281,794 | (125,165) | 156,629 | 279,705 | (185,294) | 94,411 |
| Motor Vehicles | 3,913 | 7,029 | 10,942 | 64,697 | (46,051) | 18,646 |
| Swimming Pool Development | 4,917,232 | - | 4,917,232 | 1,169,865 | - | 1,169,865 |
| Balance at 31 December 2021 | **11,394,916** | **(3,654,663)** | **7,740,253** | **7,440,736** | **(3,426,301)** | **4,014,435** |

The net carrying value of equipment under a finance lease is $156,629 (2020:$94,411)

The school is undertaking an upgrade of the swimming pool building and hoist equipment. This project is fully funded by the school, was still a work in progress as at 31 December 2021 and is not currently being depreciated.

| **16 Accounts Payable** | 2021 Actual | 2021 Budget (unaudited) | 2020 Actual |
| --- | --- | --- | --- |
| Operating Creditors | 76,634 | 258,701 | 258,701 |
| Accruals | 8,743 | 8,038 | 8,038 |
| Creditors and Accruals for PPE items | - | - | - |
| Employee benefits - salaries accrual | 1,041,272 | 948,096 | 948,096 |
| Employee benefits - leave accrual | 148,282 | 110,929 | 110,929 |
|  | **1,274,931** | **1,325,764** | **1,325,764** |
| Payable for exchange transactions | 85,377 | 266,739 | 266,739 |
| Payables for non-exchange transactions - other | 1,189,554 | 1,059,025 | 1,059,025 |
|  | **1,274,931** | **1,325,764** | **1,325,764** |

The carrying value of payables approximates their fair value.

| **17 Revenue received in advance** | 2021 Actual | 2021 Budget (unaudited) | 2020 Actual |
| --- | --- | --- | --- |
| Doherty Fund | 97 | - | 97 |
| Other fees received in advance | 54,685 | 118,173 | 118,076 |
|  | **54,782** | **118,173** | **118,173** |

| **18 Cyclical Maintenance** | 2021 Actual | 2021 Budget (unaudited) | 2020 Actual |
| --- | --- | --- | --- |
| Provision as the start of the year | 192,445 | 51,960 | 150,118 |
| Increase to the provision during the year | 48,171 | 16,882 | 98,827 |
| Adjustment to the provision | (40,021) | - | - |
| Use of the provision during the year | - | - | (56,500) |
| Provision as the end of the year | **200,595** | **68,842** | **192,445** |
| Cyclical maintenance – Current |  |  | 192,445 |
| Cyclical maintenance - Current | 195,159 | 192,445 | 192,445 |
| Cyclical maintenance – Term | 5,436 | - | - |
|   | **200,595** | **192,445** | **192,445** |

**19 Finance Lease Liability**

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

|  | 2021 Actual | 2021 Budget (unaudited) | 2020 Actual |
| --- | --- | --- | --- |
| No Later than One YearLater than One Year | 71,642 | 68,842 | 68,842 |
| Later than One Year and no Later than Five Years | 99,553 | 44,721 | 44,721 |
| Later than Five Years | - | - | - |
|  | **171,195** | **113,563** | **113,563** |

**20 Funds Held for Capital Works Projects**

During the year the School received and applied funding from the Ministry of Education for capital works projects: (2020:Nil)

|  | Project No. | Opening Balance$ | Receipts from MOE$ | Payments$ | Board Contributions$ | Closing Balances$ |
| --- | --- | --- | --- | --- | --- | --- |
| SIP – Titoki Upgrade | 229492 | - | 20,000 | 29,275 | - | (9,275) |
| **Totals** |  | **-** | **20,000** | **29,275** | **-** | **(9,275)** |

**Represented by:**

Funds Held on Behalf of the Ministry of Education -

Funds Due from the Ministry of Education (9,275)

**21 Related Party Transactions**

(2020: In 2020 the net assets of the Homai Early Childhood Centre Education Trust were transferred to BLENNZ in line with the requirements of the Trust Deed. The transfer consisted of the net book value of Property, Plant and equipment of $142,018 as at 1 January 2020 and cash assets of $278,211, totaling $420,229. Of the funds transferred, $10,571 has been used in 2020 specifically for the purpose of the BLENNZ Early Learning Service.

The school is an entity controlled by 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.

**22 Remuneration**

Key management personnel compensation

Key management personnel of the school include all trustees of the board, principal, deputy principals and head of departments.

| **Board Members** | 2021 Actual | 2020 Actual |
| --- | --- | --- |
| Remuneration | 7,742 | 9,530 |

| **Leadership Team** | 2021 Actual | 2020 Actual |
| --- | --- | --- |
| Remuneration | 506,901 | 495,060 |
| Full-time Equivalent Members | 4.00 | 3.37 |
|  | **4.14** | **3.52** |
|  | **514,643** | **504,590** |

The full time equivalent of 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.

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

| **Principal** | 2021 Actual | 2020 Actual |
| --- | --- | --- |
| Salary and other payments | 170-180 | 170-180 |
| Benefits and other emoluments | 0 – 5 | 0 – 10 |
| Termination benefits | - | - |

**Other Employees:**

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

| Remuneration | 2021 FTE Number | 2020 FTE Number |
| --- | --- | --- |
| 100-110 | 12 | 12 |
| 110-120 | 5 | 1 |
| 120-130 | 1 | 1 |
| **Total** | **18** | **14** |

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

**23 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 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 as follows:

|  | 2021 Actual | 2020 Actual |
| --- | --- | --- |
| Total value | - | - |
| Number of people | - | - |

**24 Contingencies**

There were no contingent assets or liabilities as at 31 December 2021 (2020: 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. 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.

**25 Commitments**

**(a) Capital Commitments**

The school has committed to spend $1.35m on the upgrade of the swimming pool building and hoist equipment. The Ministry has approved funding for this project.

(Capital commitments at 31 December 2020: The school has committed to spend $5.4m in 2021 on the upgrade of the swimming pool building and hoist equipment. The Ministry has approved funding for this project.)

**(b) Operating Commitments**

There are no operating commitments as at 31 December 2021 (Operating commitments as 31 December 2020: nil)

**26 Financial Instruments**

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

**Financial assets measured at amortised cost**

|  Cash and Receivables | 2021 Actual | 2021 Budget (unaudited) | 2020 Actual |
| --- | --- | --- | --- |
| Cash and cash equivalents | 1,712,031 | 1,694,702 | 1,803,587 |
| Receivables | 1,258,807 | 1,360,132 | 1,360,132 |
| Investments - Term deposits | 7,528,032 | 5,007,766 | 10,007,766 |
| Total Cash and Receivables | **10,498,870** | **8,062,600** | **13,171,485** |

**Financial liabilities measured at amortised cost**

|  |  2021 Actual | 2021 Budget (unaudited)  |  2020 Actual |
| --- | --- | --- | --- |
| Payables | 1,274,931 | 1,325,764 | 1,325,764 |
| Finance leases | 171,195 | 113,563 | 113,563 |
| Total financial liabilities measured at amortised cost | **1,446,126** | **1,439,327** | **1,439,327** |

**27 Events after balance date**

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

**28 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 of 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 methods of curriculum delivery.