

20 July 2023

Darren Wright  
William Buck Audit (NZ) Limited  
PO Box 106 090  
**AUCKLAND 1143**

### **REPRESENTATION LETTER FOR THE YEAR ENDED 31 DECEMBER 2021**

This representation letter is provided in connection with your audit, carried out on behalf of the Auditor-General, of the financial statements of **Hikuai School** (the School) for the year ended 31 December 2021 for the purpose of expressing an independent opinion about whether the financial statements:

- present fairly, in all material respects:
  - the financial position as at 31 December 2021; and
  - the financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with PBE Accounting Standards (PBE IPSAS) Reduced Disclosure Regime.

We understand that your audit was carried out in accordance with the Auditing Standards issued by the Auditor-General, which incorporate the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

#### **General representations**

To the best of our knowledge and belief:

- the resources, activities, and entities under our control have been operating effectively and efficiently;
- we have complied with our statutory obligations including laws, regulations and contractual requirements;
- we have carried out our decisions and actions with due regard to minimising waste;
- we have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector (that is, we have carried out our decisions and actions with due regard to probity); and
- any decisions or actions have been taken with due regard to financial prudence.

We also acknowledge that we have responsibility for designing, implementing, and maintaining internal control (to the extent that is reasonably practical given the size of the School) to prevent and detect fraud or error, and which enables the preparation of the financial statements that are free from material misstatement whether due to fraud or error (a requirement of paragraph NZ40.1(a) in ISA (NZ) 240).

#### **Representations for the financial statements**

We confirm that all transactions have been recorded in the accounting records and are reflected in the financial statements, and that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have fulfilled our responsibilities for preparing and presenting the financial statements as required by section 87 of the Education Act 1989 and, in particular, that the financial statements:

- present fairly, in all material respects:
  - the financial position as at 31 December 2021; and
  - the financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with PBE Accounting Standards (PBE IPSAS) Reduced Disclosure Regime.
- we believe the methods, significant assumptions, and data used in making and supporting the accounting estimates and the related disclosures in the financial statements are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework;
- we have appropriately accounted for and disclosed the related party relationships and transactions in the financial statements;
- we have adjusted or disclosed all events subsequent to the date of the financial statements that require adjustment or disclosure; and
- we have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. Where applicable, such litigation and claims have been accounted for and disclosed in accordance with PBE Accounting Standards (PBE IPSAS) Reduced Disclosure Regime.
- Any other matters that the Appointed Auditor may consider appropriate.

#### **Representations about the provision of information**

We confirm that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have provided you with:
  - all information, such as records and documentation, and other matters that are relevant to preparing and presenting the financial statements; and
  - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence;
- we have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- we have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements;
- we have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others;
- we have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements;
- we have disclosed the identity of the related parties, all of their relationships, and all of their transactions of which we are aware; and
- we have provided you with all the other documents ("other information") which will accompany the financial statements which are consistent with the financial statements, and the other information does not contain any material misstatements.
- Any other matters that the Appointed Auditor may consider appropriate.

## Going concern basis of accounting

We confirm that, to the best of our knowledge and belief, the School has adequate resources to continue operations at its current level for the foreseeable future. For this reason, the Board continues to adopt the going concern basis of accounting in preparing the financial statements for the year ended 31 December 2021. We have reached this conclusion after making enquiries and having regard to circumstances that we consider likely to affect the School during the period of one year from today's date, and to circumstances that we know will occur after that date which could affect the validity of the going concern basis of accounting.

We consider that the financial statements adequately disclose the circumstances, and any uncertainties, that we can reasonably be expected to be aware of concerning the adoption of the going concern basis of accounting by the School.

*Throughout the year, the School has conformed with the requirements of its banking arrangements, debenture trust deeds, or negative pledge agreements, including those relating to its net tangible assets ratios.*

## **Publication of the financial statements and related audit report on a website**

We confirm that we are responsible for the electronic presentation of the audited financial statements, and:

- that the electronic version of the audited financial statements and the related audit report presented on the website are the same as the final signed version of the audited financial statements and audit report.
- that the audited and unaudited information on the website has been clearly differentiated and we understand the risk of potential misrepresentation without appropriate controls.
- that we have assessed the security controls over audited financial information and the related audit report and are satisfied that procedures are adequate to ensure the integrity of the information provided.
- that the full financial statements have been provided on the website.

The representations in this letter are made at your request, and to supplement information obtained by you from the records of the School and to confirm information given to you orally.

Yours faithfully



Presiding Member



Principal

# HIKUAI SCHOOL

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

**School Directory**

**Ministry Number:** 1737

**Principal:** Rachell Leitch

**School Address:** 24 Hikuai School Road

**School Postal Address:** 24 Hikuai School Road RD 1, Hikuai, 3579

**School Phone:** 07 864 7818

**School Email:** office@hikuai.school.nz

**Accountant / Service Provider:**

**Education  Services.**  
*Dedicated to your school*

# HIKUI SCHOOL

Annual Report - For the year ended 31 December 2021

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# Hikuai 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.

Stacey Clarke

Full Name of Presiding Member



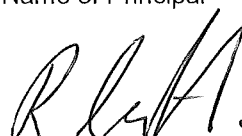
Signature of Presiding Member

20 July 2023

Date:

Rachell Leitch

Full Name of Principal



Signature of Principal

20 July 2023

Date:

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

		2021	2021	2020
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Revenue</b>				
Government Grants	2	574,988	540,451	594,427
Locally Raised Funds	3	51,100	29,580	34,510
Interest Income		402	150	221
Gain on Sale of Property, Plant and Equipment		-	-	120
		<u>626,490</u>	<u>570,181</u>	<u>629,278</u>
<b>Expenses</b>				
Locally Raised Funds	3	22,279	16,063	35,333
Learning Resources	4	390,489	350,726	376,067
Administration	5	54,132	61,925	66,328
Finance		403	111	334
Property	6	131,145	144,384	144,010
Depreciation	10	21,854	19,817	26,574
		<u>620,302</u>	<u>593,026</u>	<u>648,646</u>
<b>Net Surplus / (Deficit) for the year</b>		<b>6,188</b>	<b>(22,845)</b>	<b>(19,368)</b>
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u><u>6,188</u></u>	<u><u>(22,845)</u></u>	<u><u>(19,368)</u></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.

**Hikuai 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>		267,411	272,504	286,779
Total comprehensive revenue and expense for the year		6,188	(22,845)	(19,368)
Capital Contributions from the Ministry of Education		7,657	-	-
<b>Equity at 31 December</b>		281,256	249,659	267,411
Retained Earnings		281,256	249,659	267,411
<b>Equity at 31 December</b>		281,256	249,659	267,411

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.



**Hikuai 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	121,850	81,767	83,315
Accounts Receivable	8	35,282	18,283	21,469
GST Receivable		2,544	2,566	2,307
Prepayments		3,709	4,604	4,990
Inventories	9	2,552	2,628	3,699
		<u>165,937</u>	<u>109,848</u>	<u>115,780</u>
<b>Current Liabilities</b>				
Accounts Payable	11	39,251	25,715	28,001
Provision for Cyclical Maintenance	12	3,341	2,430	3,325
Finance Lease Liability	13	2,173	2,232	2,233
Funds held for Capital Works Projects	14	18,830	-	1,413
		<u>63,595</u>	<u>30,377</u>	<u>34,972</u>
<b>Working Capital Surplus/(Deficit)</b>		102,342	79,471	80,808
<b>Non-current Assets</b>				
Property, Plant and Equipment	10	184,166	174,166	191,983
		<u>184,166</u>	<u>174,166</u>	<u>191,983</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	12	4,091	2,334	2,046
Finance Lease Liability	13	1,161	1,644	3,334
		<u>5,252</u>	<u>3,978</u>	<u>5,380</u>
<b>Net Assets</b>		<u>281,256</u>	<u>249,659</u>	<u>267,411</u>
<b>Equity</b>		<u>281,256</u>	<u>249,659</u>	<u>267,411</u>

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

**Hikuai School**  
**Statement of Cash Flows**  
For the year ended 31 December 2021

		2021	2021	2020
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Cash flows from Operating Activities</b>				
Government Grants		147,462	140,900	167,512
Locally Raised Funds		48,177	12,080	34,510
Goods and Services Tax (net)		(237)	-	259
Payments to Employees		(100,396)	(89,545)	(98,046)
Payments to Suppliers		(66,436)	(77,022)	(109,189)
Interest Paid		(403)	(111)	(334)
Interest Received		402	150	221
Net cash from/(to) Operating Activities		28,569	(13,548)	(5,067)
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		-	-	350
Purchase of Property Plant & Equipment (and Intangibles)		(6,379)	-	(9,426)
Net cash from/(to) Investing Activities		(6,379)	-	(9,076)
<b>Cash flows from Financing Activities</b>				
Finance Lease Payments		(1,072)	(1,800)	(1,070)
Funds Administered on Behalf of Third Parties		17,417	-	1,413
Net cash from/(to) Financing Activities		16,345	(1,800)	343
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>38,535</b>	<b>(15,348)</b>	<b>(13,800)</b>
Cash and cash equivalents at the beginning of the year	7	83,315	97,115	97,115
<b>Cash and cash equivalents at the end of the year</b>	<b>7</b>	<b>121,850</b>	<b>81,767</b>	<b>83,315</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.

## Hikuai School Notes to the Financial Statements For the year ended 31 December 2021

### 1. Statement of Accounting Policies

#### a) Reporting Entity

Hikuai 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 12.

#### *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) 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.

**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 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	18-40 years
Furniture and Equipment	5-15 years
Information and Communication Technology	5 years
Motor Vehicles	5 years
Library Resources	8 years DV
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.

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 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.

#### **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 students, should the School be unable to provide the services to which they relate.

**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 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.

**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 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.

**t) 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.

**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.

**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	148,105	135,887	151,105
Teachers' Salaries Grants	333,553	292,776	308,772
Use of Land and Buildings Grants	90,185	106,775	113,861
Other MoE Grants	3,145	5,013	20,689
	<u>574,988</u>	<u>540,451</u>	<u>594,427</u>

## 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	5,055	2,880	6,550
Fees for Extra Curricular Activities	2,599	1,500	3,859
Trading	2,560	1,500	2,399
Fundraising & Community Grants	24,700	8,700	16,052
Other Revenue	16,186	15,000	5,650
	<u>51,100</u>	<u>29,580</u>	<u>34,510</u>
<b>Expenses</b>			
Extra Curricular Activities Costs	1,859	3,380	5,122
Trading	3,216	1,500	615
Fundraising & Community Grant Costs	8,775	200	4,973
Other Locally Raised Funds Expenditure	8,429	10,983	24,623
	<u>22,279</u>	<u>16,063</u>	<u>35,333</u>
	<u>28,821</u>	<u>13,517</u>	<u>(823)</u>

Surplus/(Deficit) for the year Locally raised funds

## 4. Learning Resources

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Curricular	2,999	8,300	9,067
Library Resources	-	400	14
Employee Benefits - Salaries	386,415	339,026	364,968
Staff Development	1,075	3,000	2,018
	<u>390,489</u>	<u>350,726</u>	<u>376,067</u>



## 5. Administration

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Audit Fee	4,950	4,600	4,104
Board Fees	4,050	2,800	2,415
Board Expenses	-	1,300	10,007
Communication	1,654	1,900	1,131
Consumables	6,189	8,150	6,511
Other	2,402	4,580	6,159
Employee Benefits - Salaries	24,452	25,000	23,766
Insurance	3,736	3,919	4,516
Service Providers, Contractors and Consultancy	6,699	9,676	7,719
	<u>54,132</u>	<u>61,925</u>	<u>66,328</u>

## 6. Property

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Caretaking and Cleaning Consumables	5,688	5,300	4,458
Cyclical Maintenance Provision	2,061	2,314	2,108
Grounds	4,316	2,700	5,478
Heat, Light and Water	5,238	4,000	4,059
Repairs and Maintenance	2,851	5,000	(6,466)
Use of Land and Buildings	90,185	106,775	113,861
Employee Benefits - Salaries	20,806	18,295	20,512
	<u>131,145</u>	<u>144,384</u>	<u>144,010</u>

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	121,850	81,767	83,315
Cash and cash equivalents for Statement of Cash Flows	<u>121,850</u>	<u>81,767</u>	<u>83,315</u>

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

Of the \$121,850 Cash and Cash Equivalents \$18,830 is held by the School on behalf of the Ministry of Education. These funds have been provided for 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 2023 on Crown owned school buildings.

**8. Accounts Receivable**

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Receivables	2,923	-	-
Receivables from the Ministry of Education	876	-	1,788
Teacher Salaries Grant Receivable	29,483	18,283	19,681
Banking Staffing Underuse	2,000	-	-
	<u>35,282</u>	<u>18,283</u>	<u>21,469</u>
Receivables from Exchange Transactions	3,799	-	1,788
Receivables from Non-Exchange Transactions	31,483	18,283	19,681
	<u>35,282</u>	<u>18,283</u>	<u>21,469</u>

**9. Inventories**

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
School Uniforms	2,552	2,628	3,699
	<u>2,552</u>	<u>2,628</u>	<u>3,699</u>

## 10. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2021	\$	\$	\$	\$	\$	\$
Building Improvements	162,479	-	-	-	(9,314)	153,165
Furniture and Equipment	9,125	-	-	-	(2,439)	6,686
Information and Communication Technology	6,462	14,036	-	-	(2,549)	17,950
Motor Vehicles	4,785	-	-	-	(4,785)	-
Leased Assets	5,433	-	-	-	(2,305)	3,128
Library Resources	3,699	-	-	-	(462)	3,237
<b>Balance at 31 December 2021</b>	<b>191,983</b>	<b>14,036</b>	<b>-</b>	<b>-</b>	<b>(21,854)</b>	<b>184,166</b>

The net carrying value of equipment held under a finance lease is \$3,128 (2020: \$5,433)

	2021	2021	2021	2020	2020	2020
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Building Improvements	267,776	(114,611)	153,165	267,775	(105,296)	162,479
Furniture and Equipment	120,609	(113,923)	6,686	120,609	(111,484)	9,125
Information and Communication Technology	159,810	(141,860)	17,950	145,774	(139,312)	6,462
Motor Vehicles	30,430	(30,430)	-	30,430	(25,645)	4,785
Leased Assets	12,007	(8,879)	3,128	12,007	(6,574)	5,433
Library Resources	38,147	(34,910)	3,237	38,147	(34,448)	3,699
<b>Balance at 31 December</b>	<b>628,779</b>	<b>(444,613)</b>	<b>184,166</b>	<b>614,742</b>	<b>(422,759)</b>	<b>191,983</b>

## 11. Accounts Payable

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Creditors	6,057	2,742	2,098
Accruals	3,450	4,000	3,104
Banking Staffing Overuse	-	-	2,579
Employee Entitlements - Salaries	29,483	18,283	19,681
Employee Entitlements - Leave Accrual	261	690	539
	<b>39,251</b>	<b>25,715</b>	<b>28,001</b>
Payables for Exchange Transactions	39,251	25,715	28,001
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<b>39,251</b>	<b>25,715</b>	<b>28,001</b>

The carrying value of payables approximates their fair value.

## 12. Provision for Cyclical Maintenance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Provision at the Start of the Year	5,371	2,450	3,263
Increase to the Provision During the Year	2,285	2,314	2,301
Adjustment to the Provision	(224)	-	(193)
Provision at the End of the Year	<u>7,432</u>	<u>4,764</u>	<u>5,371</u>
Cyclical Maintenance - Current	3,341	2,430	3,325
Cyclical Maintenance - Term	4,091	2,334	2,046
	<u>7,432</u>	<u>4,764</u>	<u>5,371</u>

The School has not been appointed with an approved Ministry expert, therefore the accuracy of the calculation cannot be reliably estimated.

## 13. 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	2,380	2,232	2,636
Later than One Year and no Later than Five Years	1,211	1,644	3,591
Future finance charges	(257)	-	(660)
	<u>3,334</u>	<u>3,876</u>	<u>5,567</u>
<b>Represented by</b>			
Finance lease liability - Current	2,173	2,232	2,233
Finance lease liability - Term	1,161	1,644	3,334
	<u>3,334</u>	<u>3,876</u>	<u>5,567</u>

#### 14. Funds Held (Owed) 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	Project No.	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
SIP Projects	206833	1,413	2,292	(2,301)	-	1,404
AMS Combined Upgrade	222782	-	153,379	(135,953)	-	17,426
Totals		1,413	155,671	(138,254)	-	18,830

#### Represented by:

Funds Held on Behalf of the Ministry of Education	18,830
Funds Due from the Ministry of Education	-
	<u>18,830</u>

2020	Project No.	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
BlkA Cladding/BlkB exterior & site works	222782	3,277	-	(3,277)	-	-
Recarpet Whole School 2019yr	222782	10,010	-	(10,010)	-	-
SNM Modify Bathroom 2017	206833	(2,600)	-	2,600	-	-
SIP Projects	206833	-	27,335	(25,922)	-	1,413
Totals		10,687	27,335	(36,609)	-	1,413

#### 15. 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.

## 16. Remuneration

### Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	4,050	2,415
<i>Leadership Team</i>		
Remuneration	108,021	110,965
Full-time equivalent members	1.00	1.00
Total key management personnel remuneration	112,071	113,380

There are 6 members of the Board excluding the Principal. The Board had held 10 full meetings of the Board in the year. The Board also has Finance (3 members) and Property (3 members) that met 10 and 10 times respectively. 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:

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	100 - 110	60 - 70
Benefits and Other Emoluments	3 - 4	-
Termination Benefits	-	-
Principal 2		
The total value of remuneration paid or payable to the Principal was in the following bands:		
Salary and Other Payments	-	40 - 50
Benefits and Other Emoluments	-	-
Termination Benefits	-	-

### Other Employees

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

	2021	2020
Remuneration \$000	FTE Number	FTE Number
100 - 110	-	-
	0.00	0.00

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

## 17. 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	-	\$7,500
Number of People	-	1

## **18. 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.

## **19. Commitments**

### **(a) Capital Commitments**

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

a) \$30,036 contract for the SIP Projects as agent for the Ministry of Education. This project is fully funded by the Ministry and \$29,626 has been received of which \$28,222 has been spent on the project to balance date. This project has been approved by the Ministry; and

b) \$172,722 contract for the AMS Combined Upgrade as agent for the Ministry of Education. This project is fully funded by the Ministry and \$153,379 has been received of which \$135,953 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments as at 31 December 2020:

a) \$30,372 contract for the SIP Projects as agent for the Ministry of Education. This project is fully funded by the Ministry and \$27,335 has been received of which \$25,922 has been spent on the project to balance date. This project has been approved by the Ministry.)

### **(b) Operating Commitments**

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

## 20. 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	121,850	81,767	83,315
Receivables	35,282	18,283	21,469
Investments - Term Deposits	-	-	-
Total Financial assets measured at amortised cost	<u>157,132</u>	<u>100,050</u>	<u>104,784</u>

### Financial liabilities measured at amortised cost

Payables	39,251	25,715	28,001
Finance Leases	3,334	3,876	5,567
Total Financial Liabilities Measured at Amortised Cost	<u>42,585</u>	<u>29,591</u>	<u>33,568</u>

## 21. Events After Balance Date

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

## 22. Comparatives

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



### **23. 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.

## Hikuai School

### Members of the Board

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Term Expired/ Expires</b>
STACEY LEE CLARKE	Presiding Member	Elected	Sep 2022
MURRAY HAWKE	Principal		Jun 2020
SARAH DRUM	Parent Representative	Appointed	Sep 2022
DAMIAN JOHANSEN	Parent Representative	Appointed	Sep 2022
MICHAEL SCOTT-ETCHES	Parent Representative	Appointed	Sep 2022
MARK THOMSON	Staff Representative	Appointed	Sep 2022
CLARE STEER	Other	Co-opted	Dec 2021

## Hikuai School

### Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2021, the school received total Kiwisport funding of \$856 (excluding GST). The funding was spent on sporting endeavours.

20 July 2023

Darren Wright  
William Buck Audit (NZ) Limited  
PO Box 106 090  
AUCKLAND 1143

## REPRESENTATION LETTER FOR THE YEAR ENDED 31 December 2022

This representation letter is provided in connection with your audit, carried out on behalf of the Auditor-General, of the financial statements of **Hikuai School** (the School) for the year ended 31 December 2022 for the purpose of expressing an independent opinion about whether the financial statements:

- present fairly, in all material respects:
  - the financial position as at 31 December 2022; and
  - the financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with PBE Accounting Standards (PBE IPSAS) Reduced Disclosure Regime.

We understand that your audit was carried out in accordance with the Auditing Standards issued by the Auditor-General, which incorporate the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

### General representations

To the best of our knowledge and belief:

- the resources, activities, and entities under our control have been operating effectively and efficiently;
- we have complied with our statutory obligations including laws, regulations and contractual requirements;
- we have carried out our decisions and actions with due regard to minimising waste;
- we have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector (that is, we have carried out our decisions and actions with due regard to probity); and
- any decisions or actions have been taken with due regard to financial prudence.

We also acknowledge that we have responsibility for designing, implementing, and maintaining internal control (to the extent that is reasonably practical given the size of the School) to prevent and detect fraud or error, and which enables the preparation of the financial statements that are free from material misstatement whether due to fraud or error (a requirement of paragraph NZ40.1(a) in ISA (NZ) 240).

### Representations for the financial statements

We confirm that all transactions have been recorded in the accounting records and are reflected in the financial statements, and that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have fulfilled our responsibilities for preparing and presenting the financial statements as required by section 87 of the Education Act 1989 and, in particular, that the financial statements:
  - present fairly, in all material respects:
    - the financial position as at 31 December 2022; and
    - the financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with PBE Accounting Standards (PBE IPSAS) Reduced Disclosure Regime.
- we believe the methods, significant assumptions, and data used in making and supporting the accounting estimates and the related disclosures in the financial statements are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework;
- we have appropriately accounted for and disclosed the related party relationships and transactions in the financial statements;
- we have adjusted or disclosed all events subsequent to the date of the financial statements that require adjustment or disclosure; and
- we have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. Where applicable, such litigation and claims have been accounted for and disclosed in accordance with PBE Accounting Standards (PBE IPSAS) Reduced Disclosure Regime.
- Any other matters that the Appointed Auditor may consider appropriate.

#### **Representations about the provision of information**

We confirm that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have provided you with:
  - all information, such as records and documentation, and other matters that are relevant to preparing and presenting the financial statements; and
  - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence;
- we have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- we have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements;
- we have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others;
- we have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements;
- we have disclosed the identity of the related parties, all of their relationships, and all of their transactions of which we are aware; and
- we have provided you with all the other documents ("other information") which will accompany the financial statements which are consistent with the financial statements, and the other information does not contain any material misstatements.
- Any other matters that the Appointed Auditor may consider appropriate.

#### **Going concern basis of accounting**

We confirm that, to the best of our knowledge and belief, the School has adequate resources to continue operations at its current level for the foreseeable future. For this reason, the Board continues to adopt the going concern basis of accounting in preparing the financial statements for the year ended 31 December 2022. We have reached this conclusion after making enquiries and having regard to circumstances that we consider likely to affect the School during the period of one year from today's date, and to circumstances that we know will occur after that date which could affect the validity of the going concern basis of accounting.

We consider that the financial statements adequately disclose the circumstances, and any uncertainties, that we can reasonably be expected to be aware of concerning the adoption of the going concern basis of accounting by the School.

***Publication of the financial statements and related audit report on a website***


We confirm that we are responsible for the electronic presentation of the audited financial statements, and:

- that the electronic version of the audited financial statements and the related audit report presented on the website are the same as the final signed version of the audited financial statements and audit report.
- that the audited and unaudited information on the website has been clearly differentiated and we understand the risk of potential misrepresentation without appropriate controls.
- that we have assessed the security controls over audited financial information and the related audit report and are satisfied that procedures are adequate to ensure the integrity of the information provided.
- that the full financial statements have been provided on the website.

The representations in this letter are made at your request, and to supplement information obtained by you from the records of the School and to confirm information given to you orally.

Yours faithfully

  
\_\_\_\_\_  
Presiding Member

  
\_\_\_\_\_  
Principal

# HIKUAI SCHOOL

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

**School Directory**

**Ministry Number:** 1737

**Principal:** Rachell Leitch

**School Address:** 24 Hikuai School Road

**School Postal Address:** 24 Hikuai School Road RD 1, Hikuai, 3579

**School Phone:** 07 864 7818

**School Email:** office@hikuai.school.nz

**Accountant / Service Provider:**

**Education Services.**  
*Dedicated to your school*

# HIKUI SCHOOL

Annual Report - For the year ended 31 December 2022

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	<b>Financial Statements</b>
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4	Statement of Financial Position
5	Statement of Cash Flows
6 - 20	Notes to the Financial Statements
	<b>Other Information</b>
	Members of the Board
	Kiwisport / Statement of Compliance with Employment Policy
	Analysis of Variance



# Hikuai School

## Statement of Responsibility

For the year ended 31 December 2022

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 2022 fairly reflects the financial position and operations of the school.

The School's 2022 financial statements are authorised for issue by the Board.



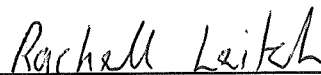
Full Name of Presiding Member

Stacey-Lee Clarke

Signature of Presiding Member

20 July 2023

Date:



Full Name of Principal



Signature of Principal

20 July 2023

Date:

Hikuai School

**Statement of Comprehensive Revenue and Expense**

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Revenue</b>				
Government Grants	2	622,659	560,321	574,988
Locally Raised Funds	3	73,110	58,260	51,100
Interest Income		666	250	402
		<u>696,435</u>	<u>618,831</u>	<u>626,490</u>
<b>Expenses</b>				
Locally Raised Funds	3	50,890	35,950	22,279
Learning Resources	4	424,258	387,529	412,343
Administration	5	71,634	59,760	54,132
Finance		263	207	403
Property	6	136,274	155,614	131,145
		<u>683,319</u>	<u>639,060</u>	<u>620,302</u>
<b>Net Surplus / (Deficit) for the year</b>		13,116	(20,229)	6,188
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>13,116</u>	<u>(20,229)</u>	<u>6,188</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.

**Hikuai School**  
**Statement of Changes in Net Assets/Equity**  
For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Equity at 1 January</b>		281,255	244,566	267,410
Total comprehensive revenue and expense for the year		13,116	(20,229)	6,188
Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		3,090	-	-
MOE - SNUP		-	-	7,657
<b>Equity at 31 December</b>		297,461	224,337	281,255
Accumulated comprehensive revenue and expense		297,461	224,337	281,255
<b>Equity at 31 December</b>		297,461	224,337	281,255

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.

## Hikuai School Statement of Financial Position

As at 31 December 2022

		2022	2022	2021
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Current Assets</b>				
Cash and Cash Equivalents	7	112,503	69,810	121,850
Accounts Receivable	8	43,769	21,469	35,282
GST Receivable		2,988	2,307	2,544
Prepayments		4,371	4,990	3,709
Inventories	9	2,860	3,699	2,552
		<u>166,491</u>	<u>102,275</u>	<u>165,937</u>
<b>Current Liabilities</b>				
Accounts Payable	11	45,465	28,001	39,251
Revenue Received in Advance	12	400	-	-
Provision for Cyclical Maintenance	13	-	3,325	3,341
Finance Lease Liability	14	1,980	2,233	2,173
Funds held for Capital Works Projects	15	-	-	18,830
		<u>47,845</u>	<u>33,559</u>	<u>63,595</u>
<b>Working Capital Surplus/(Deficit)</b>		<b>118,646</b>	<b>68,716</b>	<b>102,342</b>
<b>Non-current Assets</b>				
Property, Plant and Equipment	10	187,537	162,036	184,165
		<u>187,537</u>	<u>162,036</u>	<u>184,165</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	13	7,113	3,081	4,091
Finance Lease Liability	14	1,609	3,334	1,161
		<u>8,722</u>	<u>6,415</u>	<u>5,252</u>
<b>Net Assets</b>		<b><u>297,461</u></b>	<b><u>224,337</u></b>	<b><u>281,255</u></b>
<b>Equity</b>		<b><u>297,461</u></b>	<b><u>224,337</u></b>	<b><u>281,255</u></b>

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

**Hikuai School**  
**Statement of Cash Flows**  
For the year ended 31 December 2022

		2022	2022	2021
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Cash flows from Operating Activities</b>				
Government Grants		167,250	135,109	147,462
Locally Raised Funds		75,338	39,300	48,177
Goods and Services Tax (net)		(444)	-	(237)
Payments to Employees		(117,656)	311,351	(100,396)
Payments to Suppliers		(99,668)	(490,535)	(66,436)
Interest Paid		(263)	(207)	(403)
Interest Received		666	250	402
Net cash from/(to) Operating Activities		25,223	(4,732)	28,569
<b>Cash flows from Investing Activities</b>				
Purchase of Property Plant & Equipment (and Intangibles)		(17,771)	(6,600)	(6,379)
Net cash from/(to) Investing Activities		(17,771)	(6,600)	(6,379)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		3,090	-	-
Finance Lease Payments		(1,059)	(2,173)	(1,072)
Funds Administered on Behalf of Third Parties		(18,830)	-	17,417
Net cash from/(to) Financing Activities		(16,799)	(2,173)	16,345
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(9,347)</b>	<b>(13,505)</b>	<b>38,535</b>
Cash and cash equivalents at the beginning of the year	7	121,850	83,315	83,315
<b>Cash and cash equivalents at the end of the year</b>	7	<b>112,503</b>	<b>69,810</b>	<b>121,850</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.

# Hikuai School

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

Hikuai 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 statements have been prepared for the period 1 January 2022 to 31 December 2022 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 expense 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 best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition. During the year, the Board assesses the reasonableness of its painting maintenance 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. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. 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. Finance lease liability disclosures are contained in note 14. Future operating lease commitments are disclosed in note 20b.

##### *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.

Other Ministry Grants for directly funded programs are recorded as revenue when the School has the rights to the funding in the period they relate to. The grants are not received in cash by the School and are paid directly 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. Grants for the use of land and buildings 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 where conditions exist**

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 recognised as an asset and revenue when the right to receive funding or the asset has been established unless there is an obligation to return funds if conditions are not met. If conditions are not met funding is recognised as revenue in advance and recognised as revenue when conditions are satisfied.

### **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 expected 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) 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.

### **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 (funded by the Board) to buildings owned by the Crown or directly by the board 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	18-40 years
Furniture and Equipment	5-15 years
Information and Communication Technology	5 years
Motor Vehicles	5 years
Library Resources	12.5% DV
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 and research expenditure are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

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. If such indication exists, the School estimates the asset's recoverable service amount. 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.

In determining fair value less costs to sell the school engages an independent valuer to assess market value based on the best available information. The valuation is based on a comparison to recent market transactions.

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. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognised.

**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 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 12 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. Remeasurements are recognised in surplus or deficit in the period in which they arise.

#### **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 students, should the School be unable to provide the services to which they relate.

#### **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 Comprehensive Revenue and Expense.

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

#### **q) Funds held for Capital works**

The school directly receives funding from the Ministry of Education for capital works projects that are included in the School five year capital works agreement. These funds are held on behalf and for a specified purpose as such these transactions are not recorded in the Statement of Comprehensive Revenue and Expense.

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

#### **r) Shared Funds**

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. In instances where funds are outside of the School's control, these amounts are not recorded in the Statement of Comprehensive Revenue and Expense. In instances where the school is determined to be the principal for providing the service related to the Shared Funds (such as the RTL programme), all income and expenditure related to the provision of the service is recorded in the Statement of Comprehensive Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

**s) Provision for Cyclical Maintenance**

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

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision is a reasonable estimate, based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition.

The school carries out painting maintenance of the whole school over a 7 to 10 year period, the economic outflow of this is dependent on the plan established by the school to meet this obligation and is detailed in the notes and disclosures of these accounts.

**t) Financial Instruments**

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

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. On initial recognition of an equity investment that is not held for trading, the School may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive revenue and expense. This election has been made for investments that are shares. Subsequent to initial recognition, these assets are measured at fair value. Dividends are recognised as income in surplus or deficit unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive revenue and expense and are never reclassified to surplus or deficit.

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in surplus or deficit.

**u) Borrowings**

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

**v) Goods and Services Tax (GST)**

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

**w) Budget Figures**

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

**x) Services received in-kind**

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

## 2. Government Grants

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Government Grants - Ministry of Education	168,621	135,109	148,105
Teachers' Salaries Grants	344,855	311,351	333,553
Use of Land and Buildings Grants	101,820	113,861	90,185
Other MOE Grants	7,363	-	3,145
	622,659	560,321	574,988

## 3. Locally Raised Funds

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Revenue</b>			
Donations & Bequests	5,483	7,000	5,055
Fees for Extra Curricular Activities	7,990	3,600	2,599
Trading	2,109	2,300	2,560
Fundraising & Community Grants	36,904	28,700	24,700
Other Revenue	20,624	16,660	16,186
	73,110	58,260	51,100
<b>Expenses</b>			
Extra Curricular Activities Costs	6,664	3,050	1,859
Trading	2,129	1,300	3,216
Fundraising & Community Grant Costs	14,573	6,600	8,775
Other Locally Raised Funds Expenditure	27,524	25,000	8,429
	50,890	35,950	22,279
<i>Surplus for the year Locally raised funds</i>	22,220	22,310	28,821

## 4. Learning Resources

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Curricular	2,967	3,600	2,999
Library Resources	-	400	-
Employee Benefits - Salaries	401,025	365,499	386,415
Staff Development	1,440	1,300	1,075
Depreciation	18,826	16,730	21,854
	424,258	387,529	412,343

## 5. Administration

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Audit Fee	5,099	5,099	4,950
Board Fees	3,385	4,600	4,050
Board Expenses	1,299	1,300	-
Communication	2,163	1,858	1,654
Consumables	6,248	7,000	6,189
Other	8,001	6,559	4,366
Employee Benefits - Salaries	35,015	22,750	24,452
Insurance	1,900	1,418	1,772
Service Providers, Contractors and Consultancy	8,524	9,176	6,699
	71,634	59,760	54,132

## 6. Property

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Caretaking and Cleaning Consumables	3,906	5,700	5,688
Cyclical Maintenance Provision	(319)	2,301	2,061
Grounds	2,213	3,700	4,316
Heat, Light and Water	4,776	4,500	5,238
Repairs and Maintenance	4,397	5,000	2,851
Use of Land and Buildings	101,820	113,861	90,185
Employee Benefits - Salaries	19,481	20,552	20,806
	136,274	155,614	131,145

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Bank Accounts	112,503	69,810	121,850
Cash and cash equivalents for Statement of Cash Flows	112,503	69,810	121,850

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

**8. Accounts Receivable**

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Receivables	1,095	1,788	3,799
Receivables from the Ministry of Education	4,864	-	-
Banking Staffing Underuse	6,906	-	2,000
Teacher Salaries Grant Receivable	30,904	19,681	29,483
	43,769	21,469	35,282
	1,095	1,788	3,799
Receivables from Exchange Transactions	42,674	19,681	31,483
Receivables from Non-Exchange Transactions	43,769	21,469	35,282

**9. Inventories**

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
School Uniforms	2,860	3,699	2,552
	2,860	3,699	2,552

## 10. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2022	\$	\$	\$	\$	\$	\$
Building Improvements	153,165	2,300	-	-	(9,296)	146,170
Furniture and Equipment	6,686	10,823	-	-	(3,003)	14,505
Information and Communication Technology	17,950	6,453	-	-	(3,849)	20,553
Leased Assets	3,128	2,622	-	-	(2,273)	3,477
Library Resources	3,236	-	-	-	(405)	2,832
<b>Balance at 31 December 2022</b>	<b>184,165</b>	<b>22,198</b>	<b>-</b>	<b>-</b>	<b>(18,826)</b>	<b>187,537</b>

The net carrying value of equipment held under a finance lease is \$3,477 (2021: \$3,128)

### Restrictions

There are no restrictions over the title of the school's property, plant and equipment, nor are any property, plant and equipment pledged as security for liabilities.

	2022	2022	2022	2021	2021	2021
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Building Improvements	270,076	(123,906)	146,170	267,776	(114,611)	153,165
Furniture and Equipment	131,431	(116,926)	14,505	120,609	(113,923)	6,686
Information and Communication Technology	166,263	(145,710)	20,553	152,153	(134,203)	17,950
Motor Vehicles	30,430	(30,430)	-	30,430	(30,430)	-
Leased Assets	14,629	(11,152)	3,477	12,007	(8,879)	3,128
Library Resources	38,147	(35,315)	2,832	38,147	(34,911)	3,236
<b>Balance at 31 December</b>	<b>650,976</b>	<b>(463,439)</b>	<b>187,537</b>	<b>621,122</b>	<b>(436,957)</b>	<b>184,165</b>

### 11. Accounts Payable

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Creditors	11,285	2,098	6,057
Accruals	3,099	3,104	3,450
Banking Staffing Overuse	-	2,579	-
Employee Entitlements - Salaries	30,904	19,681	29,483
Employee Entitlements - Leave Accrual	177	539	261
	45,465	28,001	39,251
Payables for Exchange Transactions	45,465	28,001	39,251
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	45,465	28,001	39,251

The carrying value of payables approximates their fair value.

### 12. Revenue Received in Advance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Income in Advance	400	-	-
	400	-	-

### 13. Provision for Cyclical Maintenance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Provision at the Start of the Year	7,432	4,105	5,371
Increase to the Provision During the Year	2,371	2,301	2,285
Other Adjustments	(2,690)	-	(224)
Provision at the End of the Year	7,113	6,406	7,432
Cyclical Maintenance - Current	-	3,325	3,341
Cyclical Maintenance - Non current	7,113	3,081	4,091
	7,113	6,406	7,432

The school has not been appointed with an approved Ministry expert, therefore the accuracy of the calculation cannot be reliably estimated.



#### 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:

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
No Later than One Year	2,210	2,233	2,380
Later than One Year and no Later than Five Years	1,749	3,334	1,211
Future Finance Charges	(370)	-	(257)
	3,589	5,567	3,334
<b>Represented by</b>			
Finance lease liability - Current	1,980	2,233	2,173
Finance lease liability - Non current	1,609	3,334	1,161
	3,589	5,567	3,334

#### 15. Funds Held (Owed) for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects. The amount of cash held on behalf of the Ministry for capital works projects is included under cash and cash equivalents in note 7.

	2022	Project No.	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions	Closing Balances \$
SIP Projects			1,404	-	(1,404)	-	-
AMS Combined Upgrade			17,426	7,363	(24,789)	-	-
Totals			18,830	7,363	(26,193)	-	-

**Represented by:**

Funds Held on Behalf of the Ministry of Education	-
Funds Receivable from the Ministry of Education	-

	2021	Project No.	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions	Closing Balances \$
SIP Projects			1,413	2,292	(2,301)	-	1,404
AMS Combined Upgrade			-	153,379	(135,953)	-	17,426
Totals			1,413	155,671	(138,254)	-	18,830

**Represented by:**

Funds Held on Behalf of the Ministry of Education	18,830
Funds Receivable from the Ministry of Education	-

## 16. Related Party Transactions

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

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions 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.

## 17. Remuneration

### Key management personnel compensation

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

	2022 Actual \$	2021 Actual \$
<i>Board Members</i>		
Remuneration	3,385	4,050
<i>Leadership Team</i>		
Remuneration	110,923	108,021
Full-time equivalent members	1.00	1.00
Total key management personnel remuneration	114,308	112,071

There are 6 members of the Board excluding the Principal. The Board had held 9 full meetings of the Board in the year. The Board also has Finance (6 members) and Property (6 members) that met 9 and 9 times respectively. As well as these regular meetings, including preparation time, the Presiding Member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

### Principal 1

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

	2022 Actual \$000	2021 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	100 - 110	100 - 110
Benefits and Other Emoluments	3 - 4	3 - 4
Termination Benefits	-	-

### Other Employees

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

Remuneration \$000	2022 FTE Number	2021 FTE Number
100 - 110	-	-
	0.00	0.00

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

### 18. 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:

	2022 Actual	2021 Actual
Total	-	-
Number of People	-	-

### 19. Contingencies

There are no contingent liabilities and no contingent assets (except as noted below) as at 31 December 2022 (Contingent liabilities and assets at 31 December 2021: nil).

In 2022 the Ministry of Education provided additional funding for both the Support Staff in Schools' Collective Agreement (CA) Settlement and the Teacher Aide Pay Equity Settlement. The school is still yet to receive a final wash up that adjusts the estimated quarterly instalments for the actual teacher aides employed in 2022.

The Ministry is in the Process of determining the amount of the final wash up payment for the year ended 31 December 2022. Even though the payment is probable, the amount to be received is not known with a high level of certainty. The school has therefore not recognised the expected receipt (asset) and income in its financial statements. The payment is expected to be received in July 2023.

#### 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 2022 a contingent liability for the school may exist.

## 20. Commitments

### (a) Capital Commitments

There are no capital commitments as at 31 December 2022.

(Capital commitments as at 31 December 2021:

\$30,036 contract for the SIP Projects as agent for the Ministry of Education. This project is fully funded by the Ministry and \$29,626 has been received of which \$28,222 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$172,722 contract for the AMS Combined Upgrade as agent for the Ministry of Education. This project is fully funded by the Ministry and \$153,379 has been received of which \$135,953 has been spent on the project to balance date. This project has been approved by the Ministry.)

### (b) Operating Commitments

There are no operating commitments as at 31 December 2022 (Operating commitments at 31 December 2021: nil).

## 21. Financial Instruments

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

### Financial assets measured at amortised cost

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Cash and Cash Equivalents	112,503	69,810	121,850
Receivables	43,769	21,469	35,282
Investments - Term Deposits	-	-	-
	156,272	91,279	157,132

### Financial liabilities measured at amortised cost

Payables	45,465	28,001	39,251
Finance Leases	3,589	5,567	3,334
	49,054	33,568	42,585

## 22. Events After Balance Date

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

## 23. Comparatives

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

## Hikuai School

### Members of the Board

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Term Expired/ Expires</b>
STACEY LEE CLARKE	Presiding Member	Elected	Jun 2025
RACHELL LEITCH	Principal	ex Officio	Jun 2025
SARAH DRUM	Parent Representative	Appointed	Jun 2025
DAMIAN JOHANSEN	Parent Representative	Appointed	Sep 2022
CHAD FLOWCS-WILLIAMS	Parent Representative	Co-opted	Jun 2025
EMILY RATCLIFFE	Parent Representative	Co-opted	Jun 2025
MARK THOMSON	Staff Representative	Appointed	Jun 2025

## Hikuai School

## Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2022, the school received total Kiwisport funding of \$770 (excluding GST). The funding was spent on sporting endeavours.

## Statement of Compliance with Employment Policy

For the year ended 31st December 2022 the Hikuai School Board:

- Has developed and implemented personnel policies, within policy and procedural frameworks to ensure the fair and proper treatment of employees in all aspects of their employment
- Has reviewed its compliance against both its personnel policy and procedures and can report that it meets all requirements and identified best practice.
- Is a good employer and complies with the conditions contained in the employment contracts of all staff employed by the Board.
- Ensures all employees and applicants for employment are treated according to their skills, qualifications and abilities, without bias or discrimination.
- Meets all Equal Employment Opportunities requirements.