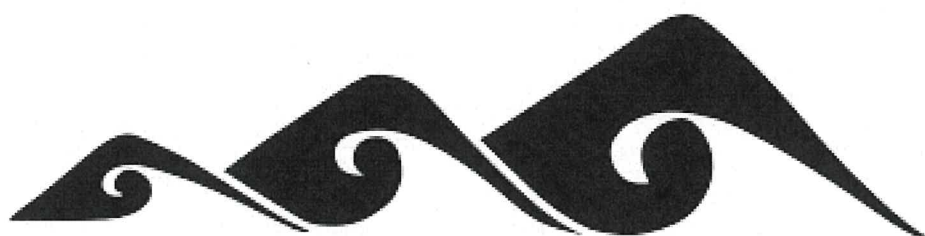


# PARAPARAUMU BEACH SCHOOL

## ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021



***Paraparaumu Beach School***

|                                |  |
|--------------------------------|--|
| Principal:                     | Jess Ward  |
| Ministry Number:               | 2948   |
| School Address:                | 65 Gray Avenue, Paraparaumu Beach 5032                         |
| School Postal Address:         | PO Box 1443, Paraparaumu Beach, 5252                           |
| School Phone:                  | (04) 298 5775  |
| School Email:                  | <a href="mailto:office@pbs.school.nz">office@pbs.school.nz</a> |
| Accountant / Service Provider: | Accounting For Schools Limited                                 |

# PARAPARAUMU BEACH SCHOOL

Annual Report - For the year ended 31 December 2021

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# PARAPARAUMU BEACH SCHOOL

## Statement of Responsibility

For the year ended 31 December 2021

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2021 fairly reflects the financial position and operations of the school.

The School's 2021 financial statements are authorised for issue by the Board.

\_\_\_\_\_  
Full Name of Presiding Member

\_\_\_\_\_  
Full Name of Principal

\_\_\_\_\_  
Signature of Presiding Member

\_\_\_\_\_  
Signature of Principal

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Date:

# PARAPARAUMU BEACH SCHOOL

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

|   | Notes | 2021<br>Actual<br>\$ | 2021<br>Budget<br>(Unaudited)<br>\$ | 2020<br>Actual<br>\$ |
|---|-------|----------------------|-------------------------------------|----------------------|
| <b>Revenue</b>  |       |                      |                                     |                      |
| Government Grants   | 2     | 4,126,223            | 4,314,827                           | 4,335,734            |
| Locally Raised Funds  | 3     | 190,055              | 67,400                              | 159,699              |
| Interest Earned   |       | 2,930                | 5,000                               | 6,508                |
|   |       | <u>4,319,208</u>     | <u>4,387,227</u>                    | <u>4,501,941</u>     |
| <b>Expenses</b>   |       |                      |                                     |                      |
| Locally Raised Funds  | 3     | 52,882               | 17,380                              | 76,937               |
| Learning Resources  | 4     | 3,456,252            | 3,140,200                           | 3,183,759            |
| Administration  | 5     | 199,809              | 200,600                             | 205,175              |
| Finance   |       | 3,773                | 1,000                               | 2,888                |
| Property  | 6     | 695,421              | 829,500                             | 855,255              |
| Depreciation  | 11    | 109,580              | 104,413                             | 102,577              |
|   |       | <u>4,517,717</u>     | <u>4,293,093</u>                    | <u>4,426,591</u>     |
| <b>Net Surplus / (Deficit) for the year</b>                 |       | (198,509)            | 94,134                              | 75,350               |
| Other Comprehensive Revenue and Expenses                    |       | -                    | -                                   | -                    |
| <b>Total Comprehensive Revenue and Expense for the Year</b> |       | <u>(198,509)</u>     | <u>94,134</u>                       | <u>75,350</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.

**PARAPARAUMU BEACH SCHOOL**  
Statement of Changes in Net Assets/Equity  
For the year ended 31 December 2021

|  | 2021<br>Actual<br>\$ | 2021<br>Budget<br>(Unaudited)<br>\$ | 2020<br>Actual<br>\$ |
|--|----------------------|-------------------------------------|----------------------|
| <b>Balance at 1 January</b>                          | 1,478,147            | 1,478,147                           | 1,402,797            |
| Total comprehensive revenue and expense for the year | (198,509)            | 94,134                              | 75,350               |
| <b>Equity at 31 December</b>                         | 1,279,638            | 1,572,281                           | 1,478,147            |
| Retained Earnings                                    | 1,279,638            | 1,572,281                           | 1,478,147            |
| <b>Equity at 31 December</b>                         | 1,279,638            | 1,572,281                           | 1,478,147            |

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.

# PARAPARAUMU BEACH SCHOOL

## Statement of Financial Position

As at 31 December 2021

|  |       | 2021             | 2021             | 2020             |
|--|-------|------------------|------------------|------------------|
|  | Notes | Actual           | Budget           | Actual           |
|  |       | \$               | (Unaudited)      | \$               |
|  |       |                  | \$               |                  |
| <b>Current Assets</b>                    |       |                  |                  |                  |
| Cash and Cash Equivalents                | 7     | 407,576          | 583,194          | 388,874          |
| Accounts Receivable                      | 8     | 231,476          | 201,000          | 205,173          |
| GST Receivable                           |       | 19,179           | 6,500            | 6,730            |
| Inventories                              | 9     | 5,111            | 5,000            | 5,260            |
| Investments                              | 10    | 273,696          | 270,000          | 270,729          |
| Prepayments                              |       | 6,025            | 10,000           | 12,550           |
|  |       | <u>943,063</u>   | <u>1,075,694</u> | <u>889,316</u>   |
| <b>Current Liabilities</b>               |       |                  |                  |                  |
| Accounts Payable                         | 12    | 334,310          | 236,000          | 232,300          |
| Borrowings                               | 13    | 8,117            | -                | -                |
| Revenue Received in Advance              | 14    | 27,671           | -                | 43,401           |
| Provision for Cyclical Maintenance       | 15    | 29,000           | 44,500           | 35,391           |
| Finance Lease Liability                  | 16    | 28,846           | 18,000           | 16,229           |
| Funds held for Capital Works Projects    | 17    | 89,518           | -                | -                |
|  |       | <u>517,462</u>   | <u>298,500</u>   | <u>327,321</u>   |
| <b>Working Capital Surplus/(Deficit)</b> |       | 425,601          | 777,194          | 561,995          |
| <b>Non-current Assets</b>                |       |                  |                  |                  |
| Property, Plant and Equipment            | 11    | 964,439          | 861,587          | 952,505          |
| Funds held for Capital Works Projects    | 17    | -                | -                | 7,200            |
|  |       | <u>964,439</u>   | <u>861,587</u>   | <u>959,705</u>   |
| <b>Non-current Liabilities</b>           |       |                  |                  |                  |
| Borrowings                               | 13    | 30,439           | -                | -                |
| Provision for Cyclical Maintenance       | 15    | 52,000           | 61,500           | 30,170           |
| Finance Lease Liability                  | 16    | 27,963           | 5,000            | 13,383           |
|  |       | <u>110,402</u>   | <u>66,500</u>    | <u>43,553</u>    |
| <b>Net Assets</b>                        |       | <u>1,279,638</u> | <u>1,572,281</u> | <u>1,478,147</u> |
| <b>Equity</b>                            |       | <u>1,279,638</u> | <u>1,572,281</u> | <u>1,478,147</u> |

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

# PARAPARAUMU BEACH 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   |          | 1,040,233      | 1,034,827      | 1,051,823      |
| Locally Raised Funds  |          | 176,257        | 24,931         | 203,132        |
| Goods and Services Tax (net)                                |          | (12,398)       | 231            | 7,677          |
| Payments to Employees                                       |          | (717,050)      | (574,870)      | (649,125)      |
| Payments to Suppliers                                       |          | (505,778)      | (283,312)      | (378,096)      |
| Interest Paid   |          | (3,773)        | (1,000)        | (2,888)        |
| Interest Received   |          | 3,271          | 5,691          | 8,786          |
| Net cash from/(to) Operating Activities                     |          | (19,238)       | 206,498        | 241,309        |
| <b>Cash flows from Investing Activities</b>                 |          |                |                |                |
| Purchase of Property Plant & Equipment                      |          | (29,550)       | (93,798)       | (134,434)      |
| Purchase of Investments                                     |          | (2,967)        | 729            | (8,442)        |
| Net cash to the Investing Activities                        |          | (32,517)       | (93,069)       | (142,876)      |
| <b>Cash flows from Financing Activities</b>                 |          |                |                |                |
| Finance Lease Payments                                      |          | (64,767)       | 73,691         | 26,720         |
| Loans Received  |          | 38,556         | -              | -              |
| Funds Administered on Behalf of Third Parties               |          | 96,718         | 7,200          | (7,200)        |
| Net cash from the Financing Activities                      |          | 70,507         | 80,891         | 19,520         |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |          | <b>18,752</b>  | <b>194,320</b> | <b>117,953</b> |
| Cash and cash equivalents at the beginning of the year      | 7        | 388,874        | 388,874        | 270,921        |
| <b>Cash and cash equivalents at the end of the year</b>     | <b>7</b> | <b>407,576</b> | <b>583,194</b> | <b>388,874</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.

# PARAPARAUMU BEACH SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2021

### 1. Statement of Accounting Policies

#### a) Reporting Entity

Paraparaumu Beach 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.

##### **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 11.



# PARAPARAUMU BEACH SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2021

### 1. Statement of Accounting Policies

#### *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 15.

#### **Critical Judgements in applying accounting policies**

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

#### *Classification of leases*

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

#### *Recognition of grants*

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

### c) Revenue Recognition

#### **Government Grants**

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 Grants**

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

#### **Donations, Gifts and Bequests**

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

#### **Interest Revenue**

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

### d) Use of Land and Buildings Expense

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

# PARAPARAUMU BEACH SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2021

### 1. Statement of Accounting Policies

#### e) Operating Lease Payments

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

#### f) Finance Lease Payments

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

#### g) Cash and Cash Equivalents

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

#### h) Accounts Receivable

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

#### i) Inventories

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

#### j) Investments

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

#### k) Property, Plant and Equipment

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

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

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

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

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

# PARAPARAUMU BEACH SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2021

### 1. Statement of Accounting Policies

#### **Finance Leases**

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

#### **Depreciation**

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

The estimated useful lives of the assets are:

|   |                         |
|---|-------------------------|
| Building improvements to Crown Owned Assets | 10 - 50 years           |
| Furniture and equipment                     | 5 - 15 years            |
| Information technology                      | 3 - 5 years             |
| Leased assets held under a Finance Lease    | 3 - 5 years             |
| Library resources                           | 12.5% Diminishing value |
| Textbooks                                   | 3 years                 |

#### **l) Impairment of property, plant, and equipment**

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 are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

#### **m) Accounts Payable**

Accounts Payable represents liabilities for goods and services provided to the School prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

#### **n) Employee Entitlements**

##### *Short-term employee entitlements*

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

# PARAPARAUMU BEACH SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2021

### 1. Statement of Accounting Policies

#### o) Revenue Received in Advance

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

#### 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) Provision for Cyclical Maintenance

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

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

#### r) Financial Instruments

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets are categorised as 'financial assets measured at amortised cost' for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise accounts payable, borrowings and finance lease liabilities. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

#### s) 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 finance leases and term loans.

#### t) 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.

#### u) Budget Figures

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

#### v) 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.

# PARAPARAUMU BEACH SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2021

### 2. Government Grants

|                                  | 2021<br>Actual<br>\$ | 2021<br>Budget<br>(Unaudited)<br>\$ | 2020<br>Actual<br>\$ |
|----------------------------------|----------------------|-------------------------------------|----------------------|
| Operational Grants               | 874,337              | 913,827                             | 885,221              |
| Teachers' Salaries Grants        | 2,637,183            | 2,650,000                           | 2,651,928            |
| Use of Land and Buildings Grants | 448,807              | 630,000                             | 631,983              |
| Other MoE Grants                 | 103,645              | 96,000                              | 116,391              |
| Other Government Grants          | 62,251               | 25,000                              | 50,211               |
|                                  | <b>4,126,223</b>     | <b>4,314,827</b>                    | <b>4,335,734</b>     |

The School is not eligible to opt into the Ministry of Education donation scheme.

### 3. Locally Raised Funds

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

|  | 2021<br>Actual<br>\$ | 2021<br>Budget<br>(Unaudited)<br>\$ | 2020<br>Actual<br>\$ |
|--|----------------------|-------------------------------------|----------------------|
| <b>Revenue</b>                                   |                      |                                     |                      |
| Fees for Extra Curricular Activities             | 37,962               | 14,400                              | 38,859               |
| Donations & Bequests                             | 92,287               | 25,000                              | 48,626               |
| Fundraising & Community Grants                   | 53,732               | 25,000                              | 65,250               |
| Trading  | 3,327                | -                                   | 3,159                |
| Other Revenue                                    | 2,747                | 3,000                               | 3,805                |
|  | <b>190,055</b>       | <b>67,400</b>                       | <b>159,699</b>       |
| <b>Expenses</b>                                  |                      |                                     |                      |
| Extra Curricular Activities Costs                | 33,636               | 17,380                              | 46,070               |
| Fundraising & Community Grant Costs              | 14,439               | -                                   | 24,019               |
| Trading  | 3,408                | -                                   | 6,848                |
| Other Expenses                                   | 1,399                | -                                   | -                    |
|  | <b>52,882</b>        | <b>17,380</b>                       | <b>76,937</b>        |
| <i>Surplus for the year Locally raised funds</i> | <b>137,173</b>       | <b>50,020</b>                       | <b>82,762</b>        |

### 4. Learning Resources

|  | 2021<br>Actual<br>\$ | 2021<br>Budget<br>(Unaudited)<br>\$ | 2020<br>Actual<br>\$ |
|--|----------------------|-------------------------------------|----------------------|
| Curricular                               | 204,011              | 62,600                              | 57,549               |
| Employee Benefits - Salaries             | 3,202,252            | 3,018,700                           | 3,080,972            |
| Information and Communication Technology | 31,162               | 31,500                              | 29,818               |
| Library Resources                        | 2,484                | 6,000                               | 2,056                |
| Staff Development                        | 16,343               | 21,400                              | 13,364               |
|  | <b>3,456,252</b>     | <b>3,140,200</b>                    | <b>3,183,759</b>     |

# PARAPARAUMU BEACH SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2021

### 5. Administration

|  | 2021           | 2021           | 2020           |
|--|----------------|----------------|----------------|
|  | Actual         | Budget         | Actual         |
|  | \$             | (Unaudited)    | \$             |
| Audit Fee                                      | 4,620          | 4,200          | 4,235          |
| Board of Trustees Fees                         | 5,700          | 5,700          | 3,300          |
| Board of Trustees Expenses                     | 1,502          | 3,500          | 1,071          |
| Communication                                  | 6,952          | 7,000          | 8,016          |
| Consumables                                    | 14,601         | 17,500         | 25,655         |
| Employee Benefits - Salaries                   | 119,077        | 118,000        | 114,528        |
| Other  | 30,152         | 25,000         | 29,210         |
| Insurance                                      | 7,665          | 9,200          | 9,125          |
| Service Providers, Contractors and Consultancy | 9,540          | 10,500         | 10,035         |
|  | <b>199,809</b> | <b>200,600</b> | <b>205,175</b> |

### 6. Property

|                                     | 2021           | 2021           | 2020           |
|-------------------------------------|----------------|----------------|----------------|
|                                     | Actual         | Budget         | Actual         |
|                                     | \$             | (Unaudited)    | \$             |
| Caretaking and Cleaning Consumables | 18,741         | 15,000         | 24,548         |
| Cyclical Maintenance Expense        | 35,170         | 13,000         | 10,140         |
| Employee Benefits - Salaries        | 108,321        | 97,500         | 104,759        |
| Grounds                             | 9,399          | 9,000          | 9,780          |
| Heat, Light and Water               | 14,744         | 16,500         | 19,788         |
| Rates                               | 8,487          | 9,500          | 9,014          |
| Repairs and Maintenance             | 42,902         | 32,000         | 35,700         |
| Security                            | 8,850          | 7,000          | 9,543          |
| Use of Land and Buildings           | 448,807        | 630,000        | 631,983        |
|                                     | <b>695,421</b> | <b>829,500</b> | <b>855,255</b> |

In 2021, the Ministry of Education revised the notional rent rate from 8% to 5% to align it with the Government Capital Charge rate. This is considered to be a reasonable proxy for the market rental yield on the value of land and buildings used by schools. Accordingly in 2021, the use of land and buildings figure represents 5% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

# PARAPARAUMU BEACH SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2021

### 7. Cash and Cash Equivalents

|   | 2021<br>Actual<br>\$ | 2021<br>Budget<br>(Unaudited)<br>\$ | 2020<br>Actual<br>\$ |
|---|----------------------|-------------------------------------|----------------------|
| Cash on Hand  | 500                  | 500                                 | 550                  |
| Bank Current Account                                  | 91,472               | 332,694                             | 102,018              |
| Bank Call Account                                     | 315,604              | 250,000                             | 286,306              |
| Cash and cash equivalents for Statement of Cash Flows | <u>407,576</u>       | <u>583,194</u>                      | <u>388,874</u>       |

Of the \$407,576 Cash and Cash Equivalents, \$89,518 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2022 on Crown owned school buildings under the School's Five Year Property Plan.

### 8. Accounts Receivable

|  | 2021<br>Actual<br>\$ | 2021<br>Budget<br>(Unaudited)<br>\$ | 2020<br>Actual<br>\$ |
|--|----------------------|-------------------------------------|----------------------|
| Receivables                                | -                    | 1,000                               | 1,932                |
| Interest Receivable                        | 350                  | -                                   | 691                  |
| Teacher Salaries Grant Receivable          | 231,126              | 200,000                             | 202,550              |
|  | <u>231,476</u>       | <u>201,000</u>                      | <u>205,173</u>       |
| Receivables from Exchange Transactions     | 350                  | 1,000                               | 2,623                |
| Receivables from Non-Exchange Transactions | 231,126              | 200,000                             | 202,550              |
|  | <u>231,476</u>       | <u>201,000</u>                      | <u>205,173</u>       |

### 9. Inventories

|                 | 2021<br>Actual<br>\$ | 2021<br>Budget<br>(Unaudited)<br>\$ | 2020<br>Actual<br>\$ |
|-----------------|----------------------|-------------------------------------|----------------------|
| School Uniforms | 5,111                | 5,000                               | 5,260                |
|                 | <u>5,111</u>         | <u>5,000</u>                        | <u>5,260</u>         |

### 10. Investments

The School's investment activities are classified as follows:

|                          | 2021<br>Actual<br>\$ | 2021<br>Budget<br>(Unaudited)<br>\$ | 2020<br>Actual<br>\$ |
|--------------------------|----------------------|-------------------------------------|----------------------|
| Current Asset            | -                    | -                                   | -                    |
| Short-term Bank Deposits | 273,696              | 270,000                             | 270,729              |
|                          | <u>273,696</u>       | <u>270,000</u>                      | <u>270,729</u>       |

# PARAPARAUMU BEACH SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2021

### 11. Property, Plant and Equipment

|                                    | Opening<br>Balance (NBV) | Additions      | Disposals | Impairment | Depreciation     | Total (NBV)    |
|------------------------------------|--------------------------|----------------|-----------|------------|------------------|----------------|
| 2021                               | \$                       | \$             | \$        | \$         | \$               | \$             |
| Building Improvements              | 543,384                  | 40,584         | -         | -          | (19,760)         | 564,208        |
| Furniture and Equipment            | 335,266                  | 18,485         | -         | -          | (55,459)         | 298,292        |
| Information Technology             | 330                      | 18             | -         | -          | (199)            | 149            |
| Leased Assets                      | 33,471                   | 58,740         | -         | -          | (28,886)         | 63,325         |
| Library Resources                  | 40,054                   | 3,687          | -         | -          | (5,276)          | 38,465         |
| <b>Balance at 31 December 2021</b> | <b>952,505</b>           | <b>121,514</b> | <b>-</b>  | <b>-</b>   | <b>(109,580)</b> | <b>964,439</b> |

The net carrying value of equipment held under a finance lease is \$63,325 (2020: \$47,209).

|                               | 2021                 | 2021                        | 2021              | 2020                 | 2020                        | 2020              |
|-------------------------------|----------------------|-----------------------------|-------------------|----------------------|-----------------------------|-------------------|
|                               | Cost or<br>Valuation | Accumulated<br>Depreciation | Net Book<br>Value | Cost or<br>Valuation | Accumulated<br>Depreciation | Net Book<br>Value |
|                               | \$                   | \$                          | \$                | \$                   | \$                          | \$                |
| Building Improvements         | 743,733              | (179,525)                   | 564,208           | 703,148              | (159,764)                   | 543,384           |
| Furniture and Equipment       | 580,928              | (282,636)                   | 298,292           | 562,443              | (227,177)                   | 335,266           |
| Information Technology        | 996                  | (847)                       | 149               | 34,199               | (33,869)                    | 330               |
| Leased Assets                 | 172,267              | (108,942)                   | 63,325            | 80,303               | (46,832)                    | 33,471            |
| Library Resources             | 184,777              | (146,312)                   | 38,465            | 181,090              | (141,036)                   | 40,054            |
| <b>Balance at 31 December</b> | <b>1,682,701</b>     | <b>(718,262)</b>            | <b>964,439</b>    | <b>1,561,183</b>     | <b>(608,678)</b>            | <b>952,505</b>    |

### 12. Accounts Payable

|                                       | 2021           | 2021                  | 2020           |
|---------------------------------------|----------------|-----------------------|----------------|
|                                       | Actual         | Budget<br>(Unaudited) | Actual         |
|                                       | \$             | \$                    | \$             |
| Creditors                             | 11,427         | 10,000                | 13,880         |
| Accruals                              | 3,670          | 4,000                 | 3,200          |
| Banking staffing overuse              | 75,555         | -                     | -              |
| Employee Entitlements - Salaries      | 231,126        | 210,000               | 202,550        |
| Employee Entitlements - Leave Accrual | 12,532         | 12,000                | 12,670         |
|                                       | <b>334,310</b> | <b>236,000</b>        | <b>232,300</b> |
| Payables for Exchange Transactions    | 334,310        | 236,000               | 232,300        |
|                                       | <b>334,310</b> | <b>236,000</b>        | <b>232,300</b> |

The carrying value of payables approximates their fair value.



# PARAPARAUMU BEACH SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2021

### 13. Borrowings

|                       | 2021<br>Actual<br>\$ | 2021<br>Budget<br>(Unaudited)<br>\$ | 2020<br>Actual<br>\$ |
|-----------------------|----------------------|-------------------------------------|----------------------|
| Loans due in one year | 8,117                | -                                   | -                    |
| Due Beyond One Year   | 30,439               | -                                   | -                    |
|                       | 38,556               | -                                   | -                    |

The school has borrowings at 31 December 2021 of \$38,556 (31 December 2020 \$0). This loan is from The Energy Efficiency and Conservation Authority for the purpose of upgrading lighting. The loan is unsecured and interest free.

### 14. Revenue Received in Advance

|                          | 2021<br>Actual<br>\$ | 2021<br>Budget<br>(Unaudited)<br>\$ | 2020<br>Actual<br>\$ |
|--------------------------|----------------------|-------------------------------------|----------------------|
| Other Revenue in Advance | 27,671               | -                                   | 43,401               |
|                          | 27,671               | -                                   | 43,401               |

### 15. Provision for Cyclical Maintenance

|   | 2021<br>Actual<br>\$ | 2021<br>Budget<br>(Unaudited)<br>\$ | 2020<br>Actual<br>\$ |
|---|----------------------|-------------------------------------|----------------------|
| Provision at the Start of the Year        | 65,561               | 65,561                              | 55,421               |
| Increase to the Provision During the Year | 35,170               | 13,000                              | 10,140               |
| Use of the Provision During the Year      | (19,731)             | 27,439                              | -                    |
| Provision at the End of the Year          | 81,000               | 106,000                             | 65,561               |
| Cyclical Maintenance - Current            | 29,000               | 44,500                              | 35,391               |
| Cyclical Maintenance - Term               | 52,000               | 61,500                              | 30,170               |
|   | 81,000               | 106,000                             | 65,561               |

# PARAPARAUMU BEACH SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2021

### 16. 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<br>Actual<br>\$ | 2021<br>Budget<br>(Unaudited)<br>\$ | 2020<br>Actual<br>\$ |
|--|----------------------|-------------------------------------|----------------------|
| No Later than One Year                           | 31,309               | 18,000                              | 16,229               |
| Later than One Year and no Later than Five Years | 29,134               | 5,000                               | 13,383               |
| Future Finance Charges                           | (3,634)              | -                                   | -                    |
|  | <u>56,809</u>        | <u>23,000</u>                       | <u>29,612</u>        |
| <b>Represented by</b>                            |                      |                                     |                      |
| Finance lease liability - Current                | 28,846               | 18,000                              | 16,229               |
| Finance lease liability - Term                   | 27,963               | 5,000                               | 13,383               |
|  | <u>56,809</u>        | <u>23,000</u>                       | <u>29,612</u>        |

### 17. Funds Held for Capital Works Projects

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

| 2021                            | Project Number  | Opening<br>Balances<br>\$ | Receipts<br>from MoE<br>\$ | Payments<br>\$   | Board<br>Contribution<br>\$ | Closing<br>Balances<br>\$ |
|---------------------------------|-----------------|---------------------------|----------------------------|------------------|-----------------------------|---------------------------|
| Admin Redevelopment             | 223940          | (7,200)                   | 25,000                     | (22,042)         | -                           | (4,242)                   |
| Adventure Playground            | 223941          | -                         | 90,000                     | (95,626)         | -                           | (5,626)                   |
| Classroom 28 & 29 Refurbishment | 226269          | -                         | -                          | (8,185)          | -                           | (8,185)                   |
| Heating Upgrade                 | 226263 & 226267 | -                         | 55,170                     | -                | -                           | 55,170                    |
| New Library Carpet              | 226268          | -                         | 20,070                     | -                | -                           | 20,070                    |
| SIP Carpet & Vinyl Blocks 4 & 6 | 230332          | -                         | 32,331                     | -                | -                           | 32,331                    |
| Totals                          |                 | <u>(7,200)</u>            | <u>222,571</u>             | <u>(125,853)</u> | <u>-</u>                    | <u>89,518</u>             |

#### Represented by:

|   |               |
|---|---------------|
| Funds Held on Behalf of the Ministry of Education | 107,571       |
| Funds Due from the Ministry of Education          | (18,053)      |
|   | <u>89,518</u> |

| 2020                    | Project Number | Opening<br>Balances<br>\$ | Receipts<br>from MoE<br>\$ | Payments<br>\$ | Board<br>Contribution<br>\$ | Closing<br>Balances<br>\$ |
|-------------------------|----------------|---------------------------|----------------------------|----------------|-----------------------------|---------------------------|
| 5YA - Admin Development | 223940         | -                         | -                          | (7,200)        | \$0.00                      | (7,200)                   |
| Totals                  |                | <u>-</u>                  | <u>-</u>                   | <u>(7,200)</u> | <u>-</u>                    | <u>(7,200)</u>            |

# PARAPARAUMU BEACH SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2021

### 18. 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.

### 19. Remuneration

#### Key management personnel compensation

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

|   | 2021<br>Actual<br>\$ | 2020<br>Actual<br>\$ |
|---|----------------------|----------------------|
| <i>Board Members</i>                        |                      |                      |
| Remuneration                                | 5,700                | 3,300                |
| <i>Leadership Team</i>                      |                      |                      |
| Remuneration                                | 781,811              | 748,368              |
| Full-time equivalent members                | 7.00                 | 7.00                 |
| Total key management personnel remuneration | 787,511              | 751,668              |

There are 7 members of the Board excluding the Principal. The Board held 11 full meetings of the Board in the year. As well as these regular meetings, including preparation time, the Presiding Member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

#### Principal

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

|  | 2021<br>Actual<br>\$000 | 2020<br>Actual<br>\$000 |
|--|-------------------------|-------------------------|
| Salaries and Other Short-term Employee Benefits: |                         |                         |
| Salary and Other Payments                        | 150 - 160               | 150 - 160               |
| Benefits and Other Emoluments                    | 4 - 5                   | 4 - 5                   |
| Termination Benefits                             | -                       | -                       |

#### Other Employees

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

| Remuneration | 2021 | 2020 |
|--------------|------|------|
| \$000        | FTE  | FTE  |
| 100 - 110    | 2    | 2    |
| 110 - 120    | 2    | -    |
|              | 4    | 2    |

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

# PARAPARAUMU BEACH SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2021

### 20. Contingencies

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

#### Holidays Act Compliance – schools payroll

The Ministry of Education performs payroll processing and payments on behalf of school board, 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 2020, a contingent liability for the school may exist.

### 21. Commitments

#### (a) Capital Commitments

As at 31 December 2021 the Board has entered into the following contractual agreements:

(i) \$250,000 contract for the Admin Development as an agent for the Ministry of Education. This project is fully funded by the Ministry. \$25,000 has been received from the Ministry, and \$29,242 has been spent on the project to date. This project has been approved by the Ministry; and

(ii) \$102,850 contract for the Adventure Playground as an agent for the Ministry of Education. This project is fully funded by the Ministry. \$90,000 has been received from the Ministry, and \$95,626 has been spent on the project to date. This project has been approved by the Ministry; and

(iii) \$55,170 contract for the Heating Upgrade as an agent for the Ministry of Education. This project is fully funded by the Ministry and \$55,170 has been received of which \$0 has been spent on the project to date. This project has been approved by the Ministry; and

(iv) \$20,070 contract for the New Library Carpet as an agent for the Ministry of Education. This project is fully funded by the Ministry and \$20,070 has been received of which \$0 has been spent on the project to date. This project has been approved by the Ministry; and

(v) \$34,679 contract for the Carpet & Vinyl Blocks 4 & 6 as an agent for the Ministry of Education. This project is fully funded by the Ministry and \$32,331 has been received of which \$0 has been spent on the project to date. This project has been approved by the Ministry; and

(Capital commitments at 31 December 2020: \$242,800)

#### (b) Operating Commitments

As at 31 December 2021 the Board has entered into the following operating lease with Norrcom (2020: \$nil)

|  | 2021<br>Actual | 2020<br>Actual |
|--|----------------|----------------|
| No later than One Year                           | \$ 7,920       | -              |
| Later than One Year and No Later than Five Years | -              | -              |
|  | <u>7,920</u>   | <u>-</u>       |

# PARAPARAUMU BEACH SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2021

### 22. Financial Instruments

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

|   | 2021<br>Actual | 2021<br>Budget<br>(Unaudited) | 2020<br>Actual |
|---|----------------|-------------------------------|----------------|
| <b>Financial assets measured at amortised cost</b>      |                |                               |                |
|   | \$             | \$                            | \$             |
| Cash and Cash Equivalents                               | 407,576        | 583,194                       | 388,874        |
| Receivables   | 231,476        | 201,000                       | 205,173        |
| Investments - Term Deposits                             | 273,696        | 270,000                       | 270,729        |
| Total Financial assets measured at amortised cost       | <u>912,748</u> | <u>1,054,194</u>              | <u>864,776</u> |
| <b>Financial liabilities measured at amortised cost</b> |                |                               |                |
| Payables  | 334,310        | 236,000                       | 232,300        |
| Borrowings - Loans                                      | 38,556         | -                             | -              |
| Finance Leases  | 56,809         | 23,000                        | 29,612         |
| Total Financial Liabilities Measured at Amortised Cost  | <u>429,675</u> | <u>259,000</u>                | <u>261,912</u> |

### 23. Events After Balance Date

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

### 24. Comparatives

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

## PARAPARAUMU BEACH SCHOOL

Members of the Board

For the year ended 31 December 2021

| <b>Name</b>       | <b>Position</b>  | <b>How position on Board gained</b> | <b>Occupation</b>       | <b>Term expired/expires</b> |
|-------------------|------------------|-------------------------------------|-------------------------|-----------------------------|
| Zoe Pearson       | Presiding Member | Elected June 2019                   | Lawyer                  | Sept 2022                   |
| Jess Ward         | Principal        | Appointed                           | Principal               |                             |
| Pembroke Chambers | Parent Rep       | Re-elected June 2019                | Sport/PE Mentor         | Sept 2022                   |
| James Dryburgh    | Parent Rep       | Elected June 2019                   | Military Officer        | Sept 2022                   |
| Kate Fiske        | Parent Rep       | Elected June 2019                   | Business Analyst        | Sept 2022                   |
| Kate Saunders     | Parent Rep       | Elected June 2019                   | Recruitment Coordinator | Resigned February 2021      |
| Cath Franks       | Staff Rep        | Re-elected June 2019                | Teacher                 | Sept 2022                   |
| Lisa Patterson    | Parent Rep       | Elected June 2021                   | Teacher                 | Sept 2022                   |

# **PARAPARAUMU BEACH SCHOOL**

## **Kiwisport Statement**

**For the year ended 31 December 2021**

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2021, the school received total Kiwisport funding of \$8,575 (2020: 8,650).

During 2021 all of our students were offered a range of sporting and physical education opportunities.

Kiwisport funding enabled transport to venues to be free for all participants.

With our school pool being too shallow for our Year 7/8 students to really challenge their swimming skills, funding was used to transport students to Kapiti Aquatic Centre for lessons.

On the school site students in Year 1 – 8 enjoyed dance, weekly sports, swimming (Years 1-6), athletics and Touch Rugby coaching sessions in association with Kapiti/Horowhenua Rugby.

With Touch Rugby teams, netball teams and hockey teams representing the school, Kiwisport funding also enabled us to replace tired sports equipment, buy a variety of new balls and other essential sporting items.

We are fully committed to promoting physical activity at Paraparaumu Beach School and are very pleased with the high level of student participation that we see inside and outside of school hours.