

COMBINED BOARD OF SOUTH AUCKLAND MIDDLE SCHOOL AND MIDDLE SCHOOL WEST AUCKLAND

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

School Directory

Ministry Number:	876 and 877
Principal:	Wendy Greig and Warren Cook
School Address:	198 Mahia Road, Wattle Downs, Auckland 289 Lincoln Road, Henderson, Auckland
School Phone:	09 - 266 66 95 09 - 972 17 44
School Email:	admin@south.auckland.school.nz admin@westauckland.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained
Rebecca Dow	Chair Person	Appointed
Wendy Greig	Principal SAMS	Appointed
Warren Cook	Principal MSWA	Appointed
Karen Poole	Proprietors Trustee	Appointed
Bill Kathagen	Proprietors Trustee	Appointed
Murray Burton	Trustee	Co-Opted
Deanne Kathagen	Staff Rep	Elected
Amabda Nanai	Member	Elected
Kuinimeli Saili	Trustee	Co-Opted
Te Mete Lowman	Staff Rep	Elected
Allanah Winiata Kelly	Parent Rep	Elected

Accountant / Service Provider: Shore Chartered Accountants Limited

COMBINED BOARD OF SOUTH AUCKLAND MIDDLE SCHOOL AND

Annual Report - For the year ended 31 December 2021

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Combined Board of South Auckland Middle School and Middle School West Auckland

Statement of Responsibility

For the year ended 31 December 2021

The Board of Trustees accepts responsibility for the preparation of the annual financial statements and the judgements used in these financial statements, which are for the Combined Board of South Auckland Middle School and Middle School West Auckland (Combined Board).

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 Combined Board'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 Combined Board's.

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

Murray Burton (pp Rebecca Dow) South
Auckland Middle School

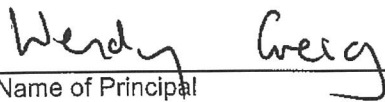
Full Name of Board Chairperson



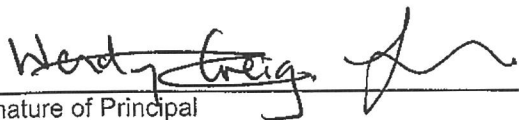
Signature of Board Chairperson

5.04.24

Date:



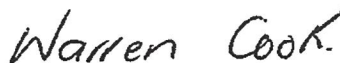
Full Name of Principal



Signature of Principal

8/4/24

Date:



Full Name of Principal



Signature of Principal

8/4/24

Date:

Combined Board of South Auckland Middle School and Middle School West Auckland

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Revenue				
Government Grants	2	5,439,456	1,371,692	4,869,910
Locally Raised Funds	3	170,620	27,150	30,232
International Students	4	-	1,000	(10,187)
		<u>5,610,076</u>	<u>1,399,842</u>	<u>4,889,955</u>
Expenses				
Locally Raised Funds	3	60,730	-	60,540
Learning Resources	5	4,046,134	912,700	3,705,329
Administration	6	315,313	271,580	288,100
Finance		2,189	-	-
Property	7	1,104,733	91,500	850,862
Depreciation	8	157,189	-	193,640
		<u>5,686,288</u>	<u>1,275,780</u>	<u>5,098,471</u>
Net Surplus / (Deficit) for the year		(76,212)	124,062	(208,516)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(76,212)</u>	<u>124,062</u>	<u>(208,516)</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.

Combined Board of South Auckland Middle School and Middle School West Auckland

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2021

	Notes	Actual 2021 \$	Budget (Unaudited) 2021 \$	Actual 2020 \$
Balance at 1 January		679,731	679,731	888,247
Total comprehensive revenue and expense for the year		(76,212)	124,062	(208,516)
Equity at 31 December	19	603,519	803,793	679,731
Retained Earnings		603,519	803,793	679,731
Equity at 31 December		603,519	803,793	679,731

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.

Combined Board of South Auckland Middle School and Middle School West Auckland

Statement of Financial Position

As at 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Assets				
Cash and Cash Equivalents	9	5,219	184,592	61,020
Accounts Receivable	10	240,018	170,050	207,340
GST Receivable		-	-	19,732
Prepayments		-	-	74,439
		245,237	354,642	362,531
Current Liabilities				
GST Payable		1,916	2,000	-
Accounts Payable	12	298,113	238,000	482,998
Finance Lease Liability - Current Portion	13	3,957	3,957	8,644
Funds held for Capital Works Projects	14	16,392	-	-
		320,378	243,957	491,642
Working Capital Surplus/(Deficit)		(75,141)	110,685	(129,111)
Non-current Assets				
Property, Plant and Equipment	11	699,944	714,392	828,579
		699,944	714,392	828,579
Non-current Liabilities				
Finance Lease Liability	13	21,284	21,284	19,737
		21,284	21,284	19,737
Net Assets		603,519	803,793	679,731
Equity	19	603,519	803,793	679,731

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

Combined Board of South Auckland Middle School and Middle School West Auckland

Statement of Cash Flows

For the year ended 31 December 2021

	Note	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash flows from Operating Activities				
Government Grants		1,823,973	1,146,417	1,772,158
Locally Raised Funds		166,236	74,713	53,947
International Students		-	1,000	(10,187)
Goods and Services Tax (net)		21,648	15,283	(17,358)
Payments to Employees		(715,020)	(648,092)	(609,939)
Payments to Suppliers		(1,327,839)	(686,807)	(1,104,231)
Net cash from/(to) Operating Activities		(33,191)	(97,486)	84,390
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(28,555)	199,253	(50,056)
Net cash from/(to) Investing Activities		(28,555)	248,087	(50,056)
Cash flows from Financing Activities				
Finance Lease Payments		(10,445)	(3,140)	(10,445)
Net cash from/(to) Financing Activities		5,947	(3,140)	(10,445)
Net increase/(decrease) in cash and cash equivalents		(55,799)	147,461	23,889
Cash and cash equivalents at the beginning of the year	9	61,020	37,131	37,131
Cash and cash equivalents at the end of the year	9	5,221	184,592	61,020

The statement of cash flows records only those cash flows directly within the control of the Combined Board's. 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.

Combined Board of South Auckland Middle School and Middle School West Auckland

Notes to the Financial Statements For the year ended 31 December 2021

1. Statement of Accounting Policies

a) Reporting Entity

On 29 August 2018, the Minister of Education approved the establishment of two state Schools (designated character Schools) under the Education Act 1989, being South Auckland Middle School and Middle School West Auckland. These are governed by an establishment board of trustees (EBOT) of a single public entity being the Combined Board of South Auckland Middle School and Middle School West Auckland (Combined Board)

The two state Schools were previously operating as partnership Schools governed by the board of Villa Education Trust. These partnership Schools were formally terminated on 7 December 2018 under the terms of termination agreement with the Minister.

The initial EBOT comprises the trustees of the Villa Education Trust and hence there is related party relationship between these two entities.

Combined Board of South Auckland Middle School and Middle School West Auckland (hereafter described as "Combined Board), albeit this term covers both state schools) is a Crown entity as specified in the Crown Entities Act 2004 and a Combined Board as described in the Education Act 1989. The Board of Trustees (the Board) is of the view that the Combined Board is a public benefit entity for financial reporting purposes. The Combined Board was not fully operational until 2019 and was in the establishment phase in 2018.

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2021 to 31 December 2021 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

The Education and Training Act 2020 requires the schools, 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 Combined Board 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 Combined Board qualifies for Tier 2 as the Combined Board 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 Combined Board reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The Combined Board 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.

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 Combined Board. 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 Combined Board reviews the grants monies received at the end of each reporting period and whether any require a provision to carry forward amounts unspent. The Combined Board 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 Combined Board receive funding from the Ministry of Education. The following are the main types of funding that the Combined Board receives.

Operational grants are recorded as revenue when the Combined Board 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 Combined Board was the rights to the funding in the salary period they relate to. The grants are not received in cash by The Combined Board and are paid directly to teachers by the Ministry of Education.

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

Other Grants

Other grants are recorded as revenue when the Combined Board 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 Combined Board.

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

e) Operating Lease Payments

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

f) 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 Combined Board 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) Property, Plant and Equipment

Land and buildings owned by the Crown are excluded from these financial statements. The Combined 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.

Depreciation

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

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	10–75 years
Furniture and equipment	2–5 years
Information and communication technology	1–5 years
Motor vehicles	5 years
Leased assets held under a Finance Lease	Term of Lease

i) Impairment of property, plant, and equipment and intangible assets

The Combined Board 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.

j) Accounts Payable

Accounts Payable represents liabilities for goods and services provided to the Combined Board 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.

k) 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.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

l) Financial Instruments

The Combined Board'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 Combined Board'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.

m) 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 Combined Board 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.

n) 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.

o) Budget Figures

The budget figures are extracted from the Combined Board's budget that was approved by the Board.

p) Services received in-kind

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

2. Government Grants

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	1,328,788	1,154,692	1,420,660
Teachers' Salaries Grants	2,632,312	-	2,465,799
Use of Land and Buildings Grants	999,841	-	746,304
Other Government Grants	478,515	217,000	237,147
	<u>5,439,456</u>	<u>1,371,692</u>	<u>4,869,910</u>

3. Locally Raised Funds

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

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations	141,441	27,150	11,141
Activities	12,351	-	5,136
Trading	16,828	-	13,955
	<u>170,620</u>	<u>27,150</u>	<u>30,232</u>
Expenses			
Activities	27,270	-	23,748
Trading	31,829	-	36,792
Other Locally Raised Funds Expenditure	1,631	-	-
	<u>60,730</u>	<u>-</u>	<u>60,540</u>
	<u>109,890</u>	<u>27,150</u>	<u>(30,308)</u>

Surplus/ (Deficit) for the year Locally raised funds

4. International Student Revenue and Expenses

	2021	2021	2020
	Actual	Budget	Actual
	Number	(Unaudited)	Number
International Student Roll	0	5	0
	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>1,000</u>	<u>(10,187)</u>
Revenue			
International Student Fees	-	1,000	(10,187)
Expenses			
	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>1,000</u>	<u>(10,187)</u>

Surplus/ (Deficit) for the year International Students

5. Learning Resources

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	421,086	214,500	262,195
Information and Communication Technology	59,623	24,780	55,209
Employee Benefits - Salaries	3,559,863	667,420	3,382,780
Staff Development	5,562	6,000	5,145
	<u>4,046,134</u>	<u>912,700</u>	<u>3,705,329</u>

6. Administration

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	17,558	-	12,300
Board of Trustees Fees	7,040	-	5,599
Communication	6,259	4,680	4,648
Consumables	50,566	34,620	33,214
Operating Lease	16,294	-	28,839
Management Fees and Other	209,596	210,000	200,000
Insurance	-	8,280	-
Service Providers, Contractors and Consultancy	8,000	14,000	3,500
	<u>315,313</u>	<u>271,580</u>	<u>288,100</u>

7. Property

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Consultancy and Contract Services	48,019	55,000	54,757
Vehicles	13,226	10,000	14,448
Heat, Light and Water	17,482	16,000	20,282
Repairs and Maintenance	26,165	10,500	13,501
Use of Land and Buildings	999,841	-	746,304
Security	-	-	1,570
	<u>1,104,733</u>	<u>91,500</u>	<u>850,862</u>

8. Depreciation

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Buildings - School	60,230	-	68,598
Furniture and Equipment	14,382	-	16,474
Information and Communication Technology	51,288	-	81,136
Motor Vehicles	22,181	-	26,652
Leased Assets	9,108	-	780
	<u>157,189</u>	<u>-</u>	<u>193,640</u>

9. Cash and Cash Equivalents

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Bank Current Account	5,219	184,592	61,020
Cash and cash equivalents for Statement of Cash Flows	<u>5,219</u>	<u>184,592</u>	<u>61,020</u>

10. Accounts Receivable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Receivables	12,299	10,050	7,915
Teacher Salaries Grant Receivable	227,719	160,000	199,425
	<u>240,018</u>	<u>170,050</u>	<u>207,340</u>
Receivables from Exchange Transactions	12,299	10,050	7,915
Receivables from Non-Exchange Transactions	227,719	160,000	199,425
	<u>240,018</u>	<u>170,050</u>	<u>207,340</u>

11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2021						
Buildings	541,417	-	-	-	(60,230)	481,187
Furniture and Equipment	100,257	1,569	-	-	(14,382)	87,444
Information and Communication Technology	97,116	6,840	-	-	(51,288)	52,668
Motor Vehicles	62,188	20,145	-	-	(22,181)	60,152
Leased Assets	27,601	-	-	-	(9,108)	18,493
Balance at 31 December 2021	<u>828,579</u>	<u>28,554</u>	<u>-</u>	<u>-</u>	<u>(157,189)</u>	<u>699,944</u>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2021			
Buildings	945,235	(464,048)	481,187
Furniture and Equipment	220,933	(133,489)	87,444
Information and Communication Technology	667,941	(615,273)	52,668
Motor Vehicles	145,364	(85,212)	60,152
Leased Assets	28,381	(9,888)	18,493
Balance at 31 December 2021	<u>2,007,854</u>	<u>(1,307,910)</u>	<u>699,944</u>

2020	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Buildings	610,015	-	-	-	(68,598)	541,417
Furniture and Equipment	111,416	5,315	-	-	(16,474)	100,257
Information and Communication Technology	123,826	54,426	-	-	(81,136)	97,116
Motor Vehicles	88,840	-	-	-	(26,652)	62,188
Leased Assets	-	28,381	-	-	(780)	27,601
Balance at 31 December 2020	934,097	88,122	-	-	(193,640)	828,579

2020	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Buildings	945,235	(403,818)	541,417
Furniture and Equipment	210,231	(109,974)	100,257
Information and Communication Technology	661,101	(563,985)	97,116
Motor Vehicles	125,218	(63,030)	62,188
Leased Assets	28,381	(780)	27,601
Balance at 31 December 2020	1,970,166	(1,141,587)	828,579

12. Accounts Payable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Operating Creditors	17,100	18,000	144,720
Accruals	20,000	20,000	21,500
Banking Staffing Overuse	29,819	-	97,681
Employee Entitlements - Salaries	231,194	200,000	219,097
	298,113	238,000	482,998
Payables for Exchange Transactions	298,113	238,000	482,998
	298,113	238,000	482,998

The carrying value of payables approximates their fair value.

13. Finance Lease Liability

The Combined Board 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	3,957	-	8,644
Later than One Year and no Later than Five Years	21,284	-	19,737
	25,241	-	28,381

14. Funds Held for Capital Works Projects

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

	2021	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
Site:Roofing Replacement	<i>completed</i>	-	(235,172)	218,779	-	16,392
Totals		-	(235,172)	218,779	-	16,392

Represented by:

Funds Held on Behalf of the Ministry of Education	16,392
Funds Due from the Ministry of Education	-
	16,392

	2020	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
Totals		-	-	-	-	-

15. Related Party Transactions

The Combined Board is a controlled entity of the Crown, and the Crown provides the major source of revenue to the Combined Board. The Combined Board 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 Combined Board 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 Combined Board 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.

Alwyn Luke Poole is 100% shareholder of Innovative Education Consultants Limited and provided Education Support Services like curriculum to both schools. The total value of all transactions for the year were \$82,932 for Middle School West Auckland and \$56,512 for South Auckland Middle School. (2020: \$51,720 Middle School West Auckland and \$32,637 South Auckland Middle School).

Villa Education Trust are the Service Provider for the School with Karen Poole and Rebecca Dow (resigned in January 2022) are the trustee of both the Villa Education Trust and the School/Villa Education Trust provided monthly management services to both the schools. The total value of all transactions for the year were \$108,696 for Middle School West Auckland and \$100,900 for South Auckland Middle School. (2020: \$100,000 Middle School West Auckland and \$100,000 South Auckland Middle School). The amount outstanding as at balance date are \$500 for Middle School West Auckland and \$2,000 for South Auckland Middle School (2020: \$2,000 Middle School West Auckland and \$2,000 South Auckland Middle School.)

For both these transactions, Ministry Approval is required under Section 103 of the Education Act 1989.

16. Remuneration

Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	7,040	5,599
Full-time equivalent members	1.40	1.40
<i>Leadership Team</i>		
Remuneration	747,417	809,145
Full-time equivalent members	7.00	7.00
Total key management personnel remuneration	<u>754,457</u>	<u>814,744</u>
Total full-time equivalent personnel	<u>8.40</u>	<u>8.40</u>

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

South Auckland Middle School

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	130 - 140	130 - 140
Benefits and Other Emoluments	-	-
Termination Benefits	-	-

Middle School West Auckland

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	140 - 150	140 - 150
Benefits and Other Emoluments	-	-
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2021 FTE Number	2020 FTE Number
110 - 120	1.00	1.00
100 - 110	4.00	4.00
	<u>5.00</u>	<u>5.00</u>

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

17. 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 boards of trustees, through payroll service provider Education Payroll Limited.

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

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

18. Commitments

(a) Capital Commitments

As at 31 December 2021 the Board has not entered into any contract agreements for capital works.

(Capital commitments at 31 December 2020: nil)

(b) Operating Commitments

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

(a) operating lease of photocopiers;

	2021 Actual \$	2020 Actual \$
No later than One Year	-	4,969
	<u>-</u>	<u>4,969</u>

19. Managing Capital

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

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	5,219	184,592	61,020
Receivables	240,018	170,050	207,340
Total Financial assets measured at amortised cost	<u>245,237</u>	<u>354,642</u>	<u>268,360</u>

Financial liabilities measured at amortised cost

Payables	298,113	238,000	482,998
Finance Leases	25,241	25,241	28,381
Total Financial Liabilities Measured at Amortised Cost	<u>323,354</u>	<u>263,241</u>	<u>511,379</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. Breach of Law - Statutory Reporting Deadline

The Board of Trustees has failed to comply with section 87 the Education Act 2020 as the Board were unable to provide their audited financial statements to the Ministry Of Education by 31 May 2022.

24. Breach of Law - Late Delivery of Draft Financial Statements

The Board of Trustees did not comply with the Education and Training Act 2020, which requires the Board to provide its draft financial statements to their Statutory Auditors by 31 March 2022.