

BLOCKHOUSE BAY SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

School Directory

Ministry Number: 1233

Principal: Neil Robinson

School Address: 584 Blockhouse Bay Road, Blockhouse Bay, Auckland

School Postal Address: 584 Blockhouse Bay Road, Blockhouse Bay, Auckland

School Phone: 09 627 9940

School Email: neilr@blockhousebay.school.nz

Members of the Board

Name	Position	How Position Gained	Term Expires
Nicholas Dempsey	Presiding Member	Voted	Feb-23
Neil Robinson	Principal	ex Officio	
Simon Mahoney	Parent Rep	Elected	
Annuncia Gallaher	Parent Rep	Elected	
Rose Williams	Parent Rep	Elected	
Tarawhaiti Williams	Parent Rep	Elected	
Sally Kilpatrick	Staff Rep	Elected	
Sheereen Ali	Presiding Member	Elected	May-22
Tao Qin	Finance	Elected	May-22
Anton Leyland	Parent Rep	Elected	May-22

Accountant / Service Provider: Ask Accounting Ltd

BLOCKHOUSE BAY SCHOOL

Annual Report - For the year ended 31 December 2022

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Blockhouse Bay School

Statement of Responsibility

For the year ended 31 December 2022

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2022 fairly reflects the financial position and operations of the school.

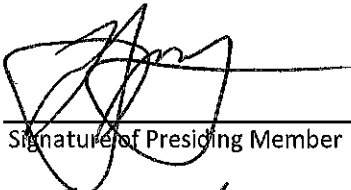
The School's 2022 financial statements are authorised for issue by the Board.

Nick Dempsey

Full Name of Presiding Member

Neil Robinson

Full Name of Principal



Signature of Presiding Member

pp Emma A. (Associate Principal)

Signature of Principal

30 May 2023

Date:

30 May 2023

Date:

Blockhouse Bay School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Revenue				
Government Grants	2	5,004,802	4,518,257	4,977,806
Locally Raised Funds	3	102,335	58,000	89,264
Interest Income		3,581	2,200	2,056
Total Revenue		5,110,718	4,578,457	5,069,126
Expenses				
Locally Raised Funds	3	27,526	17,400	26,423
Learning Resources	4	3,508,545	2,844,010	3,527,367
Administration	5	333,913	269,650	281,249
Finance		4,671	6,000	4,755
Property	6	1,286,454	1,441,397	1,221,108
Loss on Disposal of Property, Plant and Equipment		31	-	1,414
		5,161,140	4,578,457	5,062,316
Net Surplus / (Deficit) for the year		(50,422)	-	6,810
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		(50,422)	-	6,810

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

Blockhouse Bay School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Equity at 1 January		1,921,707	1,914,899	1,914,897
Total comprehensive revenue and expense for the year		(50,422)	-	6,810
Contribution - Furniture and Equipment Grant		13,041	-	-
Accumulated comprehensive revenue and expense		1,884,326	1,914,899	1,921,707
Equity at 31 December		1,884,326	1,914,899	1,921,707

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.

Blockhouse Bay School

Statement of Financial Position

As at 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Current Assets				
Cash and Cash Equivalents	7	413,764	267,300	560,278
Accounts Receivable	8	223,789	231,200	239,935
GST Receivable		21,946	15,000	-
Prepayments		10,886	10,000	9,177
Funds Receivable for Capital Works Projects	15	7,867	-	23,421
		<u>678,252</u>	<u>523,500</u>	<u>832,811</u>
Current Liabilities				
GST Payable		-	-	6,759
Accounts Payable	10	341,049	297,998	308,704
Revenue Received in Advance	11	7,994	8,850	33,618
Provision for Cyclical Maintenance	12	23,137	-	23,055
Finance Lease Liability	13	36,757	36,756	33,895
Funds held in Trust	14	-	-	63,020
Funds held for Capital Works Projects	15	12,981	-	137,064
		<u>421,918</u>	<u>343,604</u>	<u>606,115</u>
Working Capital Surplus/(Deficit)		256,334	179,896	226,696
Non-current Assets				
Property, Plant and Equipment	9	1,837,500	1,910,000	1,902,439
		<u>1,837,500</u>	<u>1,910,000</u>	<u>1,902,439</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	12	184,421	170,000	157,179
Finance Lease Liability	13	25,087	4,997	50,249
		<u>209,508</u>	<u>174,997</u>	<u>207,428</u>
Net Assets		<u>1,884,326</u>	<u>1,914,899</u>	<u>1,921,707</u>
Equity		<u>1,884,326</u>	<u>1,914,899</u>	<u>1,921,707</u>

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

Blockhouse Bay School

Statement of Cash Flows

For the year ended 31 December 2022

	Note	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Cash flows from Operating Activities				
Government Grants		1,335,955	1,123,209	1,243,891
Locally Raised Funds		75,407	33,567	72,980
International Students		1,304	(335)	29,900
Goods and Services Tax (net)		(28,705)	(21,759)	20,621
Payments to Employees		(797,914)	(573,881)	(713,089)
Payments to Suppliers		(398,560)	(408,126)	(374,905)
Interest Paid		(4,671)	(6,000)	(4,755)
Interest Received		2,807	1,962	1,806
Net cash from/(to) Operating Activities		185,623	148,637	276,449
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(137,821)	(222,561)	(87,922)
Net cash from/(to) Investing Activities		(137,821)	(222,561)	(87,922)
Cash flows from Financing Activities				
Furniture and Equipment Grant		13,041	-	-
Finance Lease Payments		(35,808)	(42,391)	(34,121)
Funds Administered on Behalf of Third Parties		(171,549)	(176,663)	143,657
Net cash from/(to) Financing Activities		(194,316)	(219,054)	109,536
Net increase/(decrease) in cash and cash equivalents		(146,514)	(292,978)	298,063
Cash and cash equivalents at the beginning of the year	7	560,278	560,278	262,215
Cash and cash equivalents at the end of the year	7	413,764	267,300	560,278

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.

Blockhouse Bay School

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

a) Reporting Entity

Blockhouse Bay School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. The Board is of the view that the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

Reporting Period

The financial statements have been prepared for the period 1 January 2022 to 31 December 2022 and in accordance with the requirements of the Education and Training Act 2020.

Basis of Preparation

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

Financial Reporting Standards Applied

The Education and Training Act 2020 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as 'having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders'.

PBE Accounting Standards Reduced Disclosure Regime

The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the expense threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

Measurement Base

The financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

Presentation Currency

These financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

Specific Accounting Policies

The accounting policies used in the preparation of these financial statements are set out below.

Critical Accounting Estimates And Assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Cyclical maintenance

The school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition. During the year, the Board assesses the reasonableness of its painting maintenance plan on which the provision is based. Cyclical maintenance is disclosed at note 12.

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the significant accounting policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 9.

Critical Judgements in applying accounting policies

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

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised. Finance lease liability disclosures are contained in note 13.

Recognition of grants

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

c) Revenue Recognition

Government Grants

The school receives funding from the Ministry of Education. The following are the main types of funding that the School receives.

Operational grants are recorded as revenue when the School has the rights to the funding, which is in the year that the funding is received.

Teachers salaries grants are recorded as revenue when the School has the rights to the funding in the salary period they relate to. The grants are not received in cash by the School and are paid directly to teachers by the Ministry of Education.

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

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. Grants for the use of land and buildings are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes.

This is a non-cash revenue that is offset by a non-cash expense. The use of land and buildings grants and associated expenditure are recorded in the period the School uses the land and buildings.

Other Grants where conditions exist

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) 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.

e) 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.

f) Accounts Receivable

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

g) Property, Plant and Equipment

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

Improvements (funded by the Board) to buildings owned by the Crown or directly by the board are recorded at cost, less accumulated depreciation and impairment losses.

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

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Building improvements	40 years
Furniture and equipment	5-40 years
Information and communication technology	4-5 years
Leased assets held under a Finance Lease	3-5 years
Library resources	12.5% Diminishing value

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

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

Non cash generating assets

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indication exists, the School estimates the asset's recoverable service amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

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

In determining fair value less costs to sell the school engages an independent valuer to assess market value based on the best available information.

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

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

i) 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.

j) Employee Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

Employee benefits that are not expected to be settled wholly before 12 months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis.

The calculations are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows. Remeasurements are recognised in surplus or deficit in the period in which they arise.

k) Revenue Received in Advance

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

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

l) 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.

m) Funds held for Capital works

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

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

n) Provision for Cyclical Maintenance

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

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

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

o) Financial Instruments

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

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

p) 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.

q) Budget Figures

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

r) Services received in-kind

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

2. Government Grants

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Government Grants - Ministry of Education	1,339,608	1,126,860	1,208,153
Teachers' Salaries Grants	2,651,124	2,200,000	2,785,492
Use of Land and Buildings Grants	1,014,070	1,191,397	983,267
Other Government Grants	-	-	894
	<u>5,004,802</u>	<u>4,518,257</u>	<u>4,977,806</u>

The school has opted in to the donations scheme for this year. Total amount received was \$81,450.

3. Locally Raised Funds

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Revenue			
Donations & Bequests	12,361	4,000	13,417
Fees for Extra Curricular Activities	41,906	3,500	30,092
Trading	1,845	-	1,834
Fundraising & Community Grants	13,691	20,000	12,548
Other Revenue	10,893	10,500	8,564
International Student Fees	21,639	20,000	22,809
	<u>102,335</u>	<u>58,000</u>	<u>89,264</u>
Expenses			
Extra Curricular Activities Costs	17,480	16,000	15,799
Trading	2,530	-	1,037
Fundraising and Community Grant Costs	5,268	-	7,171
International Student - Other Expenses	2,248	1,400	2,416
	<u>27,526</u>	<u>17,400</u>	<u>26,423</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>74,809</u>	<u>40,600</u>	<u>62,841</u>

During the year the School hosted 2 International students (2021:2)

4. Learning Resources

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Curricular	81,729	74,190	65,054
Equipment Repairs	1,682	-	-
Information and Communication Technology	18,784	17,300	20,085
Library Resources	605	700	562
Employee Benefits - Salaries	3,163,749	2,518,720	3,199,022
Staff Development	25,759	18,100	30,418
Depreciation	216,237	215,000	212,226
	<u>3,508,545</u>	<u>2,844,010</u>	<u>3,527,367</u>

5. Administration

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Audit Fee	7,998	7,500	7,765
Board Fees	3,805	4,000	3,640
Board Expenses	18,177	9,300	23,420
Communication	5,653	6,000	5,296
Consumables	8,877	9,000	6,517
Operating Lease	641	650	636
Other	12,993	14,200	12,424
Employee Benefits - Salaries	261,814	202,000	206,059
Insurance	4,855	9,000	8,842
Service Providers, Contractors and Consultancy	9,100	8,000	6,650
	<u>333,913</u>	<u>269,650</u>	<u>281,249</u>

6. Property

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	15,925	19,300	12,782
Consultancy and Contract Services	51,710	51,500	43,915
Cyclical Maintenance Provision	27,324	30,000	28,689
Grounds	17,741	13,400	17,784
Heat, Light and Water	40,908	36,500	38,700
Repairs and Maintenance	38,803	27,300	28,857
Use of Land and Buildings	1,014,070	1,191,397	983,267
Security	8,197	10,000	8,130
Employee Benefits - Salaries	71,776	62,000	58,984
	<u>1,286,454</u>	<u>1,441,397</u>	<u>1,221,108</u>

The use of land and buildings figure represents 5% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.



7. Cash and Cash Equivalents

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Bank Accounts	44,948	67,300	292,618
Short-term Bank Deposits	368,816	200,000	267,660
Cash and cash equivalents for Statement of Cash Flows	<u>413,764</u>	<u>267,300</u>	<u>560,278</u>

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

Of the \$413,764 Cash and Cash Equivalents, \$12,981 is held by the School on behalf of the Ministry of Education. These funds have been provided by the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2023 on Crown owned school buildings.

8. Accounts Receivable

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Interest Receivable	1,736	1,200	962
Teacher Salaries Grant Receivable	222,053	230,000	238,973
	<u>223,789</u>	<u>231,200</u>	<u>239,935</u>
Receivables from Exchange Transactions	1,736	1,200	962
Receivables from Non-Exchange Transactions	222,053	230,000	238,973
	<u>223,789</u>	<u>231,200</u>	<u>239,935</u>

9. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2022	\$	\$	\$	\$	\$	\$
Buildings	1,018,380	18,424	-	-	(38,812)	997,992
Furniture and Equipment	716,343	85,666	-	-	(111,262)	690,747
Information and Communication Technology	56,500	26,803	-	-	(24,944)	58,359
Leased Assets	82,483	13,508	(31)	-	(36,780)	59,180
Library Resources	28,733	6,928	-	-	(4,439)	31,222
Balance at 31 December 2022	1,902,439	151,329	(31)	-	(216,237)	1,837,500

The net carrying value of IT equipment held under a finance lease is \$59,180 (2021: \$82,483).

Restrictions

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

	2022	2022	2022	2021	2021	2021
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Buildings	1,555,903	(557,911)	997,992	1,537,479	(519,099)	1,018,380
Furniture and Equipment	2,026,367	(1,335,620)	690,747	1,940,701	(1,224,358)	716,343
Information and Communication T	347,426	(289,067)	58,359	320,623	(264,123)	56,500
Leased Assets	117,453	(58,273)	59,180	116,215	(33,732)	82,483
Library Resources	94,215	(62,993)	31,222	87,287	(58,554)	28,733
Balance at 31 December	4,141,364	(2,303,864)	1,837,500	4,002,305	(2,099,866)	1,902,439

During 2021, the School identified weathertightness failures on one of its buildings, being the Performing Arts Hall at Block 3. The Hall still provides full functionality for the School. This resulted inspections being conducted on the building to assess damage, and the remedial work required to resolve the weathertightness failures. The current estimated cost for the remedial work is between \$100,000 to \$250,000. The Ministry of Education has not evaluated the amount of impairment required to the building due to the uncertainties that exist, as the extent of damages will not be known until the actual remediation work is carried out. Thus, the accuracy of the carrying value of this building for the year ended 31 December 2022 cannot be reliably estimated.

10. Accounts Payable

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Creditors	33,771	30,000	37,152
Accruals	15,763	7,998	7,765
Banking Staffing Overuse	-	-	3,653
Employee Entitlements - Salaries	255,389	230,000	235,968
Employee Entitlements - Leave Accrual	36,126	30,000	24,166
	<u>341,049</u>	<u>297,998</u>	<u>308,704</u>
Payables for Exchange Transactions	341,049	297,998	308,704
	<u>341,049</u>	<u>297,998</u>	<u>308,704</u>

The carrying value of payables approximates their fair value.

11. Revenue Received in Advance

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
International Student Fees in Advance	-	-	20,335
Other revenue in Advance	7,994	8,850	13,283
	<u>7,994</u>	<u>8,850</u>	<u>33,618</u>

12. Provision for Cyclical Maintenance

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Provision at the Start of the Year	180,234	170,000	151,545
Increase to the Provision During the Year	27,324	-	28,689
Provision at the End of the Year	<u>207,558</u>	<u>170,000</u>	<u>180,234</u>
Cyclical Maintenance - Current	23,137	-	23,055
Cyclical Maintenance - Non current	184,421	170,000	157,179
	<u>207,558</u>	<u>170,000</u>	<u>180,234</u>

The schools cyclical maintenance schedule details annual painting to be undertaken, the costs associated to this annual work will vary dependent on the requirements during the year. This plan is based on the schools 10 Year Property plan.

13. Finance Lease Liability

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
No Later than One Year	39,777	36,756	38,042
Later than One Year and no Later than Five Years	26,095	4,997	52,863
Future Finance Charges	(4,028)	-	(6,761)
	<u>61,844</u>	<u>41,753</u>	<u>84,144</u>
Represented by			
Finance lease liability - Current	36,757	36,756	33,895
Finance lease liability - Non current	25,087	4,997	50,249
	<u>61,844</u>	<u>41,753</u>	<u>84,144</u>

14. Funds held in Trust

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	-	-	63,020
	<u>-</u>	<u>-</u>	<u>63,020</u>

These funds relate to arrangements where the school is acting as an agent. These amounts are not revenue or expense of the school and therefore are not included in the Statement of Comprehensive Revenue and Expense.

15. Funds Held for Capital Works Projects

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

2022	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
MOE Project - Subsidence	108,654	13,830	(130,351)	-	(7,867)
SIP Walkway	(23,421)	-	23,421	-	-
SIP Shade	4,284	-	(4,284)	-	-
SIP Classroom Modifications	24,126	-	(18,456)	-	5,670
UNC 1 6 12 Repurpose Rooms	-	73,925	(66,614)	-	7,311
Totals	113,643	87,755	(196,284)	-	5,114

Represented by:

Funds Held on Behalf of the Ministry of Education	12,981
Funds Receivable from the Ministry of Education	(7,867)

2021	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
Refurbishment Blk 1	12,093	-	(12,093)	-	-
MOE Project - Subsidence	(34,844)	545,879	(402,381)	-	108,654
SIP Walkway	20,913	10,843	(55,177)	-	(23,421)
SIP Shade	-	46,545	(42,261)	-	4,284
SIP Classroom Modifications	-	132,577	(118,512)	10,061	24,126
Totals	(1,838)	735,844	(630,424)	10,061	113,643

Represented by:

Funds Held on Behalf of the Ministry of Education	137,064
Funds Receivable from the Ministry of Education	(23,421)

16. Related Party Transactions

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

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

17. Remuneration

Key management personnel compensation

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

	2022 Actual \$	2021 Actual \$
<i>Board Members</i>		
Remuneration	3,805	3,640
<i>Leadership Team</i>		
Remuneration	573,833	447,208
Full-time equivalent members	5	4
Total key management personnel remuneration	577,638	450,848

There are 6 members of the Board excluding the Principal. The Board had held 8 full meetings of the Board in the year. As well as these regular meetings, including preparation time, the Presiding member and other Board members may 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:

	2022 Actual \$000	2021 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	150-160	170-180
Benefits and Other Emoluments	0-5	0-5

Other Employees

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

Remuneration \$000	2022 FTE Number	2021 FTE Number
100 - 110	3	1
110-120	1	1
	4	2

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

18. Compensation and Other Benefits Upon Leaving

No compensation or other benefits were paid or payable to persons leaving (2021: Nil).

19. Contingencies

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

Holidays Act Compliance – schools payroll

The Ministry of Education performs payroll processing and payments on behalf of boards, through payroll service provider Education Payroll Limited.

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

To the extent that any obligation cannot reasonably be quantified at 31 December 2022, a contingent liability for the school may exist.

TAPEC Wash-up Funding

The Ministry of Education provided additional funding for both the Support Staff in Schools' Collective Agreement (CA) Settlement and the Teacher Aide Pay Equity Settlement. The School has not been notified of the final wash up calculation relating to 31 December 2022. The final calculations impact on the financial statements is unable to be determined at the date of reporting.

20. Commitments

(a) Capital Commitments

As at 31 December 2022 the Board has entered into contract agreements for capital works as follows:

- (a) A contract for the subsidence project, which will be fully funded by the Ministry of Education. \$592,713 has been received of which \$600,580 has been spent on the project to date; and
- (b) A contract to have classrooms repurposed, for which \$73,925 has been received of which \$66,614 has been spent on the project to balance date.

(Capital commitments at 31 December 2021: Nil)

21. Financial Instruments

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

Financial assets measured at amortised cost

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Cash and Cash Equivalents	413,764	267,300	560,278
Receivables	223,789	231,200	239,935
Total Financial assets measured at amortised cost	<u>637,553</u>	<u>498,500</u>	<u>800,213</u>

Financial liabilities measured at amortised cost

Payables	341,049	297,998	308,704
Finance Leases	61,844	41,753	84,144
Total Financial Liabilities Measured at Amortised Cost	<u>402,893</u>	<u>339,751</u>	<u>392,848</u>

22. Events After Balance Date

During February 2023 the North Island of New Zealand was struck by several extreme weather events which resulted in widespread flooding, road closures, slips, and prolonged power and water outages for many communities in the Northland, Auckland, Coromandel, Bay of Plenty, Gisborne, and Hawkes Bay/Tairāwhiti regions.

While many schools were able to reopen soon after the extreme weather events, some schools have remained closed for a prolonged period.

The damage caused by extreme weather events in the Auckland region and the full financial impact has not yet been determined, but it is not expected to be significant to the school. The school continued to receive funding from the Ministry of Education, even while closed.



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF BLOCKHOUSE BAY SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The Auditor-General is the auditor of Blockhouse Bay School (the School). The Auditor-General has appointed me, Matt Laing, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements of the School on his behalf.

We have audited the financial statements of the School on pages 2 to 19 that comprise the statement of financial position as at 31 December 2022, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

Qualified Opinion

In our opinion, except for the matter described in the Basis for our qualified opinion section of our report, the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2022 and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 30 May 2023. This is the date at which our qualified opinion is expressed.

The basis for our qualified opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis for our qualified opinion – Carrying value of property, plant and equipment

As disclosed in note 9 of the financial statements on page 13, the School identified a weathertightness failure on one of its buildings, being the Performing Arts Hall at Block 3. This resulted in inspections being conducted on the building to assess damage and the remedial work required to resolve the weathertightness failure. The current estimated cost for the remedial work is between \$100,000 to \$250,000. The School has not evaluated the amount of impairment required to the building due to the uncertainties that exist at the date of signing its financial statements. The extent of damages will not be known until the actual remediation work has been carried out in the future.

The carrying value of the building cannot be reliably estimated and the potential impairment will have an impact in determining the results of the operations for the year. For this reason, there are limited audit procedures that we could adopt to independently confirm the carrying value of the asset as at 31 December 2022 and our audit opinion on the financial statements for the year ended 31 December 2022 was modified accordingly.

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.



We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of the Board for the financial statements

The Board is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

The Board's responsibilities, in terms of the requirements of the Education and Training Act 2020, arise from section 87 of the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the School's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.

Deloitte.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the school payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board are responsible for the other information. The other information obtained at the date of our report is list of the Members of the Board, Statement of Responsibility, Analysis of Variance, KiwiSport and Good Employer, but does not include the financial statements and our auditor's report thereon.

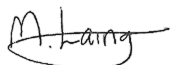
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the School.



Matt Laing

Partner

for Deloitte Limited

On behalf of the Auditor-General

Hamilton, New Zealand