

BERKLEY NORMAL MIDDLE SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

School Directory

Ministry Number: 1695

Principal: Nathan Leith

School Address: 26 Berkley Avenue, Hillcrest, Hamilton

School Postal Address: 26 Berkley Avenue, Hillcrest, Hamilton, 3216

School Phone: 07 856 6537

School Email: office@berkley.school.nz

Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Dominic Kay	Presiding Member	Elected	June 22
Nathan Leith	Principal	ex Officio	
Glenys Doake	Parent Representative	Elected	June 22
Ingrid ter Beek	Parent Representative	Elected	June 22
Sam Ware	Parent Representative	Elected	June 22
Beth Germaine	Staff Representative	Elected	June 22

Accountant / Service Provider: SRN Partners (Hamilton) Ltd

BERKLEY NORMAL MIDDLE SCHOOL

Annual Report - For the year ended 31 December 2021

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Berkley Normal Middle 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.

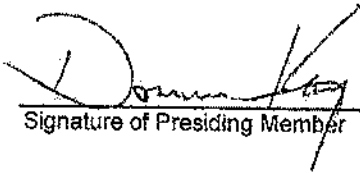
The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

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.

Dominic Kay

Full Name of Presiding Member



Signature of Presiding Member

18.05.22

Date:

Nathan Leith

Full Name of Principal



Signature of Principal

18.5.22

Date:

Berkley Normal Middle School

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	5,981,365	5,913,656	6,062,696
Locally Raised Funds	3	480,923	461,100	501,459
Interest Income		17,916	15,000	43,610
International Students	4	51,891	65,000	161,166
		<u>6,532,095</u>	<u>6,454,756</u>	<u>6,768,931</u>
Expenses				
Locally Raised Funds	3	113,829	270,000	95,782
International Students	4	-	-	17,241
Learning Resources	5	4,317,682	4,276,800	4,107,868
Administration	6	364,699	457,850	315,007
Finance		8,982	10,000	18,062
Property	7	1,451,527	1,195,300	1,579,775
Depreciation	12	289,353	244,000	343,753
Loss on Disposal of Property, Plant and Equipment	12	27,713	-	14,081
		<u>6,573,785</u>	<u>6,453,950</u>	<u>6,491,569</u>
Net Surplus / (Deficit) for the year		(41,690)	806	277,362
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(41,690)</u>	<u>806</u>	<u>277,362</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.



Berkley Normal Middle School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2021

Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Equity at 1 January	2,659,206	2,659,206	2,381,844
Total comprehensive revenue and expense for the year	(41,690)	806	277,362
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	32,362	-	-
Equity at 31 December	2,649,878	2,660,012	2,659,206
Retained Earnings	2,649,878	2,660,012	2,659,206
Reserves	-	-	-
Equity at 31 December	2,649,878	2,660,012	2,659,206

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.



Berkley Normal Middle School Statement of Financial Position

As at 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Assets				
Cash and Cash Equivalents	8	98,207	103,012	185,790
Accounts Receivable	9	519,162	492,000	394,758
GST Receivable		43,332	15,000	9,591
Prepayments		41,252	20,000	56,849
Inventories	10	6,272	5,000	9,788
Investments	11	1,536,049	1,450,000	1,626,465
Funds due for Capital Works	19	5,697	-	-
		<u>2,249,971</u>	<u>2,085,012</u>	<u>2,283,241</u>
Current Liabilities				
Accounts Payable	13	416,568	405,000	360,593
Revenue Received in Advance	14	119,463	115,000	123,728
Provision for Cyclical Maintenance	15	32,985	140,000	62,360
Painting Contract Liability	16	-	-	12,005
Finance Lease Liability	17	40,773	40,000	129,614
Funds held in Trust	18	-	-	13,460
Funds held for Capital Works Projects	19	7,712	-	89,377
		<u>617,501</u>	<u>700,000</u>	<u>791,137</u>
Working Capital Surplus/(Deficit)		1,632,470	1,385,012	1,492,104
Non-current Assets				
Property, Plant and Equipment	12	1,384,164	1,300,000	1,261,889
		<u>1,384,164</u>	<u>1,300,000</u>	<u>1,261,889</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	338,823	-	64,771
Finance Lease Liability	17	27,933	25,000	30,016
		<u>366,756</u>	<u>25,000</u>	<u>94,787</u>
Net Assets		<u><u>2,649,878</u></u>	<u><u>2,660,012</u></u>	<u><u>2,659,206</u></u>
Equity		<u><u>2,649,878</u></u>	<u><u>2,660,012</u></u>	<u><u>2,659,206</u></u>

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



Berkley Normal Middle School

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		1,518,644	1,632,986	1,226,656
Locally Raised Funds		496,595	491,100	565,560
International Students		22,338	30,000	32,430
Goods and Services Tax (net)		(33,741)	(15,000)	24,664
Payments to Employees		(812,297)	(735,400)	(616,263)
Payments to Suppliers		(759,908)	(1,068,650)	(800,682)
Interest Paid		(8,982)	(10,000)	(18,062)
Interest Received		14,829	13,000	54,154
Net cash from/(to) Operating Activities		437,478	338,036	468,457
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(400,230)	(349,000)	(133,704)
Purchase of Investments		90,416	135,000	(18,716)
Net cash from/(to) Investing Activities		(309,814)	(214,000)	(152,420)
Cash flows from Financing Activities				
Furniture and Equipment Grant		32,362	-	-
Finance Lease Payments		(134,782)	(90,000)	(147,120)
Painting contract payments		(12,005)	(12,000)	(22,360)
Funds Administered on Behalf of Third Parties		(100,822)	-	42,978
Net cash from/(to) Financing Activities		(215,247)	(102,000)	(126,502)
Net increase/(decrease) in cash and cash equivalents		(87,583)	22,036	189,535
Cash and cash equivalents at the beginning of the year	8	185,790	80,976	(3,745)
Cash and cash equivalents at the end of the year	8	98,207	103,012	185,790

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.



Berkley Normal Middle School

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2021 to 31 December 2021 and in accordance with the requirements of the Education and Training Act 2020.

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 15.

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 12.



Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

c) 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.

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 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) Inventories

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

h) 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.

i) Property, Plant and Equipment

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

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

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

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	10–75 years
Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Motor vehicles	5 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

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

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

Non cash generating assets

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

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

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

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



k) 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.

l) 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.

m) Revenue Received in Advance

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

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

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 an up to date 10 Year Property Plan (10YPP) or another appropriate source of evidence.

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 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, 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.

p) Borrowings

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

Borrowings include but are not limited to bank overdrafts, operating leases, finance leases, painting contracts and term loans.

q) 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.

r) Budget Figures

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

t) Services received in-kind

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



2. Government Grants

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Operational Grants	1,259,329	1,356,756	1,231,961
Teachers' Salaries Grants	3,634,748	3,630,000	3,424,320
Use of Land and Buildings Grants	896,923	896,900	1,226,296
Other MoE Grants	190,365	30,000	180,119
	5,981,365	5,913,656	6,062,696

3. Locally Raised Funds

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Revenue			
Donations & Bequests	86,479	75,000	77,820
Fees for Extra Curricular Activities	341,923	336,000	371,593
Trading	31,758	31,000	35,346
Fundraising & Community Grants	14,388	11,600	10,325
Other Revenue	6,375	7,500	6,375
	480,923	461,100	501,459
Expenses			
Extra Curricular Activities Costs	80,032	240,000	62,021
Trading	33,797	30,000	33,761
	113,829	270,000	95,782
<i>Surplus for the year Locally raised funds</i>	367,094	191,100	405,677

4. International Student Revenue and Expenses

	2021 Actual Number	2021 Budget (Unaudited) Number	2020 Actual Number
International Student Roll	5	4	15
Revenue			
International Student Fees	51,891	65,000	161,166
Expenses			
Other Expenses	-	-	17,241
	-	-	17,241
<i>Surplus for the year International Students</i>	51,891	65,000	143,925



5. Learning Resources

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Curricular	255,165	95,100	251,453
Information and Communication Technology	21,531	7,600	11,959
Library Resources	6,142	16,000	6,442
Employee Benefits - Salaries	3,992,048	4,110,600	3,821,617
Staff Development	42,796	47,500	16,397
	<u>4,317,682</u>	<u>4,276,800</u>	<u>4,107,868</u>

6. Administration

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Audit Fee	5,408	5,400	5,200
Board Fees	2,230	3,000	3,185
Board Expenses	1,684	4,500	1,035
Communication	15,758	12,000	12,007
Consumables	20,320	30,300	18,879
Other	82,519	187,850	48,127
Employee Benefits - Salaries	214,956	193,800	205,527
Insurance	18,274	17,000	17,607
Service Providers, Contractors and Consultancy	3,550	4,000	3,440
	<u>364,699</u>	<u>457,850</u>	<u>315,007</u>

7. Property

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	5,689	10,000	12,743
Consultancy and Contract Services	88,351	87,600	85,021
Cyclical Maintenance Provision	256,022	23,000	23,309
Grounds	15,003	22,000	24,650
Heat, Light and Water	35,134	41,800	43,036
Rates	7,670	7,500	7,328
Repairs and Maintenance	49,141	38,500	91,043
Use of Land and Buildings	896,923	896,900	1,226,296
Security	9,095	7,000	5,851
Employee Benefits - Salaries	88,499	61,000	60,498
	<u>1,451,527</u>	<u>1,195,300</u>	<u>1,579,775</u>

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.



8. Cash and Cash Equivalents

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
Bank Accounts	\$ 98,207	\$ 103,012	\$ 185,790
Cash and cash equivalents for Statement of Cash Flows	<u>98,207</u>	<u>103,012</u>	<u>185,790</u>

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

Of the \$98,207 Cash and Cash Equivalents, \$7,712 is held by the School on behalf of the Ministry of Education. These funds have been provided for the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2022 on Crown owned school buildings.

9. Accounts Receivable

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
Receivables	\$ 30,611	\$ 25,000	\$ 7,644
Interest Receivable	7,804	7,000	4,717
Banking Staffing Underuse	194,524	175,000	122,861
Teacher Salaries Grant Receivable	286,223	285,000	259,536
	<u>519,162</u>	<u>492,000</u>	<u>394,758</u>
Receivables from Exchange Transactions	38,415	32,000	12,361
Receivables from Non-Exchange Transactions	480,747	460,000	382,397
	<u>519,162</u>	<u>492,000</u>	<u>394,758</u>

10. Inventories

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
Stationery	\$ 6,272	\$ 5,000	\$ 9,788
	<u>6,272</u>	<u>5,000</u>	<u>9,788</u>

11. Investments

The School's investment activities are classified as follows:

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
Current Asset	\$	\$	\$
Short-term Bank Deposits	1,536,049	1,450,000	1,626,465
Total Investments	<u>1,536,049</u>	<u>1,450,000</u>	<u>1,626,465</u>



12. Property, Plant and Equipment

2021	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Buildings	592,631	34,770	-	(2,191)	(51,140)	574,070
Furniture and Equipment	415,600	78,666	-	(12,921)	(77,024)	404,321
Information and Communication Technology	42,189	279,405	-	(7,116)	(34,289)	280,189
Motor Vehicles	23,028	-	-	-	(5,572)	17,456
Leased Assets	138,519	39,111	-	-	(114,850)	62,780
Library Resources	49,922	7,389	-	(5,485)	(6,478)	45,348
Balance at 31 December 2021	1,261,889	439,341	-	(27,713)	(289,353)	1,384,164

The net carrying value of equipment held under a finance lease is \$62,780 (2020: \$138,519)

	2021 Cost or Valuation \$	2021 Accumulated Depreciation \$	2021 Net Book Value \$	2020 Cost or Valuation \$	2020 Accumulated Depreciation \$	2020 Net Book Value \$
Buildings	1,793,034	(1,218,964)	574,070	1,771,551	(1,178,920)	592,631
Furniture and Equipment	1,057,039	(652,718)	404,321	1,040,286	(624,686)	415,600
Information and Communication T.	377,255	(97,066)	280,189	428,471	(386,282)	42,189
Motor Vehicles	126,088	(108,632)	17,456	126,088	(103,060)	23,028
Leased Assets	479,478	(416,698)	62,780	497,660	(359,141)	138,519
Library Resources	112,932	(67,584)	45,348	118,570	(68,648)	49,922
Balance at 31 December	3,945,826	(2,561,662)	1,384,164	3,982,626	(2,720,737)	1,261,889

13. Accounts Payable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Creditors	61,467	60,000	46,463
Accruals	10,359	10,000	10,005
Banking Staffing Overuse	-	-	14,026
Employee Entitlements - Salaries	307,129	300,000	259,536
Employee Entitlements - Leave Accrual	37,613	35,000	30,563
	416,568	405,000	360,593
Payables for Exchange Transactions	378,955	370,000	330,030
Payables for Non-exchange Transactions - Other	37,613	35,000	30,563
	416,568	405,000	360,593

The carrying value of payables approximates their fair value.



14. Revenue Received in Advance

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Grants in Advance - Ministry of Education	-	-	13,351
International Student Fees in Advance	42,000	75,000	71,553
Other revenue in Advance	77,463	40,000	38,824
	<u>119,463</u>	<u>115,000</u>	<u>123,728</u>

15. Provision for Cyclical Maintenance

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Provision at the Start of the Year	127,131	127,131	114,177
Increase/ (decrease) to the Provision During the Year	244,677	12,869	12,954
Provision at the End of the Year	<u>371,808</u>	<u>140,000</u>	<u>127,131</u>
Cyclical Maintenance - Current	32,985	140,000	62,360
Cyclical Maintenance - Term	338,823	-	64,771
	<u>371,808</u>	<u>140,000</u>	<u>127,131</u>

16. Painting Contract Liability

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Due within one year	-	-	12,005
	<u>-</u>	<u>-</u>	<u>12,005</u>

17. Finance Lease Liability

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

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
No Later than One Year	43,432	42,600	137,266
Later than One Year and no Later than Five Years	28,873	26,000	31,809
Future Finance Charges	(3,599)	(3,600)	(9,445)
	<u>68,706</u>	<u>65,000</u>	<u>159,630</u>
Represented by			
Finance lease liability - Current	40,773	40,000	129,614
Finance lease liability - Term	27,933	25,000	30,016
	<u>68,706</u>	<u>65,000</u>	<u>159,630</u>



18. Funds held in Trust

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	-	-	13,460
	<u>-</u>	<u>-</u>	<u>13,460</u>

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

19. 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 Projects	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Solar Panels	222948	-	86,807	(90,049)	3,242	-
Gymnasium Upgrade	213575	29,125	-	(29,125)	-	-
SIP Funding	222933	60,252	56,576	(109,116)	-	7,712
	222932					
	224415					
Carpet Replacement	232034	-	104,381	(110,078)	-	(5,697)
Library Gate	224530		12,108	(12,108)	-	-
Totals		<u>89,377</u>	<u>259,872</u>	<u>(350,476)</u>	<u>3,242</u>	<u>2,015</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	7,712
Funds Due from the Ministry of Education	(5,697)
	<u>13,409</u>

	2020	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
HVAC Upgrade		1,840	-	1,840		-
Gymnasium Upgrade		21,194	205,077	197,146		29,125
SIP Funding		-	235,642	175,390		60,252
Totals		<u>23,034</u>	<u>440,719</u>	<u>374,376</u>	<u>-</u>	<u>89,377</u>

21. 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.



22. Remuneration

Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
Board Members Remuneration	2,230	3,185
Leadership Team Remuneration Full-time equivalent members	559,169 4	533,139 4
Total key management personnel remuneration	561,399	536,324

There are 5 members of the Board excluding the Principal. The Board had held 7 full meetings of the Board in the year. . As well as these regular meetings, including preparation time, the Chair and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal 1

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

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	170 - 180	160 - 170
Benefits and Other Emoluments	0 - 5	0 - 5
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
130 - 140	1	1
120 - 130	2	1
110 - 120	1	2
100 - 110	3	0
	7.00	4

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

23. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be board members, committee members, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

	2021 Actual \$4,000	2020 Actual -
Total Number of People	1	-



24. Contingencies

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

Holidays Act Compliance – schools payroll

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

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

To the extent that any obligation cannot reasonably be quantified at 31 December 2021, a contingent liability for the school may exist.

25. Commitments

(a) Capital Commitments

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

(a) Funding for carpet replacement to be completed in 2022, which will be fully funded by the Ministry of Education. \$104,381 has been received and \$110,078 has been spent on the project to date; and

(b) SIP projects funded by the Ministry of Education for various property projects to be completed in 2022. \$292,218 has been received of which \$284,506 of expenditure incurred to date. These projects have been approved by the Ministry.

(Capital commitments at 31 December 2020: \$89,377)

(b) Operating Commitments

As at 31 December 2021 the Board has no operating commitments:

No later than One Year

2021 Actual \$	2020 Actual \$
-	6,645
-	<u>6,645</u>



26. 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	98,207	103,012	185,790
Receivables	519,162	492,000	394,758
Investments - Term Deposits	1,536,049	1,450,000	1,626,465
Total Financial assets measured at amortised cost	<u>2,153,418</u>	<u>2,045,012</u>	<u>2,207,013</u>

Financial liabilities measured at amortised cost

Payables	416,568	405,000	360,593
Finance Leases	68,706	65,000	159,630
Painting Contract Liability	-	-	12,005
Total Financial Liabilities Measured at Amortised Cost	<u>485,274</u>	<u>470,000</u>	<u>532,228</u>

27. Events After Balance Date

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

28. Breach of Law - Borrowing Limit

The Board of Trustees did not comply with Section 155 of the Education and Training Act 2020 in that the borrowing limit was exceeded by \$46,727. Total borrowings during the year from finance leases and a painting contract were \$166,440. The amount of borrowing allowed per Section 155 of the Education and Training Act is \$119,713.



Berkley Normal Middle School

Kiwisport Statement

For the Year Ended 31 December 2021

In 2021 the school received Kiwisport funding of \$11,078 (2020:\$10,907)

The funding was spent on sports equipment and uniforms.