

# HAMILTON EAST SCHOOL

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### School Directory

<b>Ministry Number:</b>	1731
<b>Principal:</b>	Pippa Wright
<b>School Address:</b>	7 Dawson St, Hamilton East Hamilton
<b>School Postal Address:</b>	7 Dawson St, Hamilton East Hamilton 3216
<b>School Phone:</b>	07 839 3377
<b>School Email:</b>	<a href="mailto:office@hameast.school.nz">office@hameast.school.nz</a>

#### Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
T Dobson	Presiding Member	Elected	2025
P Wright	Principal	ex Officio	
L Taitoko	Parent Representative	Elected	2025
A Rozen	Parent Representative	Elected	2025
E Basher	Parent Representative	Elected	2025
G Read	Parent Representative	Elected	2025
L McKenzie	Staff Representative	Elected	2025

#### Retired Members

T Balvert	2022
E Nelson	2022
D Robson	2022

<b>Accountant / Service Provider:</b>	SRN Partners Chartered Accountants Ltd
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# HAMILTON EAST SCHOOL

Annual Report - For the year ended 31 December 2022

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# Hamilton East 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.

Toni Dobson  
Full Name of Presiding Member

Toni Dobson  
Signature of Presiding Member

9/2/24  
Date:

P. J. Wright  
Full Name of Principal

P. J. Wright  
Signature of Principal

9/2/24  
Date:

# Hamilton East School

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Revenue</b>				
Government Grants	2	3,911,094	3,686,100	3,850,070
Locally Raised Funds	3	105,172	74,800	130,843
Interest Income		6,880	3,000	2,397
<b>Total Revenue</b>		4,023,146	3,763,900	3,983,310
<b>Expenses</b>				
Locally Raised Funds	3	65,982	55,300	58,564
Learning Resources	4	2,981,727	2,793,400	2,872,732
Administration	5	307,682	274,810	225,108
Finance		3,193	-	5,452
Property	6	714,218	711,600	619,125
		4,072,802	3,835,110	3,780,981
<b>Net Surplus / (Deficit) for the year</b>		(49,656)	(71,210)	202,329
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		(49,656)	(71,210)	202,329

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

# Hamilton East School

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Equity at 1 January</b>		1,272,510	1,272,510	1,070,181
Total comprehensive revenue and expense for the year		(49,656)	(71,210)	202,329
Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		13,833	-	-
<b>Equity at 31 December</b>		1,236,687	1,201,300	1,272,510
Accumulated comprehensive revenue and expense		1,236,687	1,201,300	1,272,510
Reserves		-	-	-
<b>Equity at 31 December</b>		1,236,687	1,201,300	1,272,510

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.

# Hamilton East School

## Statement of Financial Position

As at 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	7	475,402	413,250	488,934
Accounts Receivable	8	235,777	217,595	198,775
GST Receivable		16,415	8,864	10,707
Prepayments		38,504	25,000	26,264
Inventories	9	5,308	5,000	6,320
Investments	10	202,894	202,500	200,952
Funds Receivable for Capital Works Projects	16	2,740	-	-
		977,040	872,209	931,952
<b>Current Liabilities</b>				
Accounts Payable	12	342,619	287,315	237,727
Borrowings	13	4,871	4,875	-
Revenue Received in Advance	14	4,160	-	-
Finance Lease Liability	15	21,801	21,801	26,450
Funds held for Capital Works Projects	16	9,878	-	72,697
		383,329	313,991	336,874
<b>Working Capital Surplus/(Deficit)</b>		593,711	558,218	595,078
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	670,993	671,097	693,380
		670,993	671,097	693,380
<b>Non-current Liabilities</b>				
Borrowings	13	17,049	17,050	-
Finance Lease Liability	15	10,968	10,965	15,948
		28,017	28,015	15,948
<b>Net Assets</b>		1,236,687	1,201,300	1,272,510
<b>Equity</b>		1,236,687	1,201,300	1,272,510

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

# Hamilton East School

## Statement of Cash Flows

For the year ended 31 December 2022

	Note	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		1,168,122	941,300	1,104,710
Locally Raised Funds		105,172	74,800	130,843
Goods and Services Tax (net)		(5,709)	1,842	(6,593)
Payments to Employees		(656,469)	(515,264)	(571,208)
Payments to Suppliers		(502,716)	(498,470)	(450,810)
Interest Paid		(3,193)	-	(5,452)
Interest Received		5,994	2,778	2,901
Net cash from/(to) Operating Activities		111,201	6,986	204,391
<b>Cash flows from Investing Activities</b>				
Purchase of Property Plant & Equipment (and Intangibles)		(56,301)	(1,787)	(149,506)
Purchase of Investments		(1,942)	(1,548)	199,048
Net cash from/(to) Investing Activities		(58,243)	(3,335)	49,542
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		13,833	-	
Finance Lease Payments		(28,878)	(28,563)	(12,760)
Loans Received		17,049	17,050	
Repayment of Loans		(2,935)	4,875	(1,650)
Funds Administered on Behalf of Third Parties		(65,559)	(72,697)	111,882
Net cash from/(to) Financing Activities		(66,490)	(79,335)	97,472
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(13,532)</b>	<b>(75,684)</b>	<b>351,405</b>
Cash and cash equivalents at the beginning of the year	7	488,934	488,934	137,529
<b>Cash and cash equivalents at the end of the year</b>	<b>7</b>	<b>475,402</b>	<b>413,250</b>	<b>488,934</b>

The statement of cash flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries and the use of land and buildings grant and expense have been excluded.

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



# Hamilton East School

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 1. Statement of Accounting Policies

##### **a) Reporting Entity**

Hamilton East 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.

###### **Useful lives of property, plant and equipment**

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the significant accounting policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 11.



### **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 15.

#### **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) 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 (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 to Crown owned assets	50 years
Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.



#### **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. If such indication exists, the School estimates the asset's recoverable service amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

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

In determining fair value less costs to sell the school engages an independent valuer to assess market value based on the best available information. The valuation is based on the valuer's approach to determining market value (i.e. what valuation techniques have been employed, comparison to recent market transactions etc.)

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.

#### **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.

##### *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.

#### **m) Revenue Received in Advance**

Revenue received in advance relates to grants received where there are unfulfilled obligations for the School to provide services in the future.

#### **n) 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.



**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, borrowings 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) 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.

**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.

**s) 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	1,167,950	941,300	1,104,710
Teachers' Salaries Grants	2,278,345	2,280,000	2,320,278
Use of Land and Buildings Grants	464,799	464,800	425,082
	<u>3,911,094</u>	<u>3,686,100</u>	<u>3,850,070</u>

The school has opted in to the donations scheme for this year. Total amount received was \$72,450.

## 3. Locally Raised Funds

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Revenue</b>			
Donations & Bequests	11,735	20,000	44,305
Fees for Extra Curricular Activities	3,293	5,000	4,882
Trading	43,698	39,800	36,592
Fundraising & Community Grants	36,109	-	30,145
Other Revenue	10,337	10,000	14,919
	<u>105,172</u>	<u>74,800</u>	<u>130,843</u>
<b>Expenses</b>			
Extra Curricular Activities Costs	9,241	14,000	14,484
Trading	47,571	37,300	39,446
Fundraising and Community Grant Costs	3,745	-	4,634
Other Locally Raised Funds Expenditure	5,425	4,000	-
	<u>65,982</u>	<u>55,300</u>	<u>58,564</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>39,190</u>	<u>19,500</u>	<u>72,279</u>

## 4. Learning Resources

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Curricular	154,355	96,000	54,827
Equipment Repairs	2,381	15,000	-
Information and Communication Technology	13,330	26,600	6,658
Library Resources	6,447	13,000	6,208
Employee Benefits - Salaries	2,674,918	2,567,000	2,681,301
Staff Development	32,359	32,800	20,737
Depreciation	97,937	43,000	103,001
	<u>2,981,727</u>	<u>2,793,400</u>	<u>2,872,732</u>

## 5. Administration

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Audit Fee	6,990	6,000	6,786
Board Fees	4,620	7,000	4,770
Board Expenses	6,461	5,000	2,810
Communication	7,881	9,400	7,663
Consumables	3,650	4,500	4,356
Other	41,426	29,310	15,459
Employee Benefits - Salaries	201,731	177,600	148,667
Insurance	10,300	11,000	9,742
Service Providers, Contractors and Consultancy	24,623	25,000	24,855
	<u>307,682</u>	<u>274,810</u>	<u>225,108</u>

## 6. Property

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Caretaking and Cleaning Consumables	4,676	4,000	2,525
Consultancy and Contract Services	105,420	88,700	1,454
Grounds	9,724	15,700	32,990
Heat, Light and Water	26,610	25,000	20,793
Rates	9,955	12,500	8,710
Repairs and Maintenance	21,261	37,700	57,564
Use of Land and Buildings	464,799	464,800	425,082
Security	4,826	3,200	5,155
Employee Benefits - Salaries	66,947	60,000	64,852
	<u>714,218</u>	<u>711,600</u>	<u>619,125</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 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Bank Accounts	272,232	210,250	287,310
Short-term Bank Deposits	203,170	203,000	201,624
Cash and cash equivalents for Statement of Cash Flows	<u>475,402</u>	<u>413,250</u>	<u>488,934</u>

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

Of the \$475,402 Cash and Cash Equivalents, \$9,878 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 2021 on Crown owned school buildings.

Of the \$475,402 Cash and Cash Equivalents, \$4,160 of unspent grant funding is held by the School. This funding is subject to conditions which specify how the grant is required to be spent. If these conditions are not met, the funds will need to be returned.



## 8. Accounts Receivable

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Receivables from the Ministry of Education	3,988	-	-
Interest Receivable	1,164	500	278
Banking Staffing Underuse	13,530	-	20,856
Teacher Salaries Grant Receivable	217,095	217,095	177,641
	<u>235,777</u>	<u>217,595</u>	<u>198,775</u>
Receivables from Exchange Transactions	1,164	500	278
Receivables from Non-Exchange Transactions	234,613	217,095	198,497
	<u>235,777</u>	<u>217,595</u>	<u>198,775</u>

## 9. Inventories

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Stationery	5,308	5,000	6,320
	<u>5,308</u>	<u>5,000</u>	<u>6,320</u>

## 10. Investments

The School's investment activities are classified as follows:

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Current Asset			
Short-term Bank Deposits	202,894	202,500	200,952
Total Investments	<u>202,894</u>	<u>202,500</u>	<u>200,952</u>

## 11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2022	\$	\$	\$	\$	\$	\$
Buildings	40,793	-	-	-	(1,021)	39,772
Furniture and Equipment	429,633	52,020	-	-	(46,165)	435,488
Information and Communication Technology	166,452	2,479	-	-	(19,483)	149,448
Leased Assets	38,554	19,249	-	-	(28,914)	28,889
Library Resources	17,948	1,802	-	-	(2,354)	17,396
<b>Balance at 31 December 2022</b>	<b>693,381</b>	<b>75,550</b>	<b>-</b>	<b>-</b>	<b>(97,937)</b>	<b>670,993</b>

The net carrying value of computer equipment held under a finance lease is \$28,889 (2021: \$38,554)

	2022	2022	2022	2021	2021	2021
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Buildings	74,797	(35,025)	39,772	74,797	(34,004)	40,793
Furniture and Equipment	859,118	(423,630)	435,488	807,100	(377,467)	429,633
Information and Communication T	666,261	(516,813)	149,448	663,782	(497,330)	166,452
Leased Assets	142,318	(113,429)	28,889	123,069	(84,515)	38,554
Library Resources	114,432	(97,036)	17,396	112,630	(94,682)	17,948
<b>Balance at 31 December</b>	<b>1,856,926</b>	<b>(1,185,933)</b>	<b>670,993</b>	<b>1,781,378</b>	<b>(1,087,997)</b>	<b>693,380</b>

## 12. Accounts Payable

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Creditors	76,312	20,220	18,340
Accruals	9,766	10,000	11,082
Employee Entitlements - Salaries	217,095	217,095	177,641
Employee Entitlements - Leave Accrual	39,446	40,000	30,664
	<b>342,619</b>	<b>287,315</b>	<b>237,727</b>
Payables for Exchange Transactions	332,853	287,315	226,645
Payables for Non-exchange Transactions - Other	9,766		11,082
	<b>342,619</b>	<b>287,315</b>	<b>237,727</b>

The carrying value of payables approximates their fair value.

### 13. Borrowings

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Loans due in one year	4,871	4,875	-
Loans due after one year	17,049	17,050	-
	21,920	21,925	-

The school has borrowings at 31 December 2022 of \$21,920 (31 December 2021 \$0). This loan is from the Energy Efficiency & Conservation Authority (EECA) for the purpose of the installation of LED Lighting. The loan is unsecured, no interest is payable and the loan is payable in quarterly instalments of \$1,217.75 until May 2027.

### 14. Revenue Received in Advance

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Grants in Advance - Ministry of Education	4,160	-	-
	4,160	-	-

### 15. 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	23,649	23,648	28,986
Later than One Year and no Later than Five Years	11,842	11,840	16,518
Future Finance Charges	(2,722)	(2,722)	(3,106)
	32,769	32,766	42,398
<b>Represented by</b>			
Finance lease liability - Current	21,801	21,801	26,450
Finance lease liability - Non current	10,968	10,965	15,948
	32,769	32,766	42,398

## 16. 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 9.

	2022	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
B Block Refurbishment	224784	72,697	11,544	(84,241)	-	-
5YA Switchboard Replacement	236967	-	10,274	(396)	-	9,878
Roof Replacement		-	-	(2,740)		(2,740)
Totals		72,697	21,818	(87,377)	-	7,138

### Represented by:

Funds Held on Behalf of the Ministry of Education	9,878
Funds Receivable from the Ministry of Education	(2,740)

	2021	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
B Block Refurbishment	224784	-	110,082	(37,385)	-	72,697
Spec Needs Mod -Handrails	221895	(4,090)	4,090	-	-	-
Staffroom Upgrade	220939	(35,095)	35,095	-	-	-
Administration Upgrade	226419	-	96,126	(112,700)	16,574	-
Totals		(39,185)	245,393	(150,085)	16,574	72,697

### Represented by:

Funds Held on Behalf of the Ministry of Education	72,697
Funds Receivable from the Ministry of Education	-

## 17. 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.

## 18. 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	4,620	4,770
<i>Leadership Team</i>		
Remuneration	498,500	499,722
Full-time equivalent members	4	4
Total key management personnel remuneration	503,120	504,492

There are six members of the Board excluding the Principal. The Board had held ten full meetings of the Board in the year. The Board also has a Finance committee that meets monthly. As well as these regular meetings, including preparation time, the Presiding member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

### Principal 1

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

	2022 Actual \$000	2021 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	160 - 170	150 - 160
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	2022 FTE Number	2021 FTE Number
100 - 110	-	1.00
110 - 120	3.00	2.00
	3.00	3.00

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

## 19. Compensation and Other Benefits Upon Leaving

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

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



## 20. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets 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.

## 21. Commitments

### (a) Capital Commitments

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

1) an \$11,416 contract for the replacement of the C, D and H Blocks switchboard under 5YA to be completed in 2023, which will be fully funded by the Ministry of Education. \$10,274 has been received of which \$396 has been spent on the project to date.

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

1) A contract for the refurbishment of B Block to be completed in 2022, which will be fully funded by the Ministry of Education. \$110,083 has been received of which \$37,386 has been spent on the project to date.

### (b) Operating Commitments

As at 31 December 2022 the Board has not entered into any operating lease agreements (2021: \$Nil).

## 22. 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	475,402	413,250	488,934
Receivables	235,777	217,595	198,775
Investments - Term Deposits	202,894	202,500	200,952
Total Financial assets measured at amortised cost	914,073	833,345	888,661

### Financial liabilities measured at amortised cost

Payables	342,619	287,315	226,645
Borrowings - Loans	21,920	21,925	-
Finance Leases	32,769	32,766	42,398
Total Financial Liabilities Measured at Amortised Cost	397,308	342,006	269,043



### **23. Events After Balance Date**

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

### **24. Comparatives**

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

**INDEPENDENT AUDITOR'S REPORT****TO THE READERS OF HAMILTON EAST PRIMARY SCHOOL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

The Auditor-General is the auditor of Hamilton East Primary School (the School). The Auditor-General has appointed me, Kurt Sherlock, using the staff and resources of Crowe New Zealand Audit Partnership, to carry out the audit of the financial statements of the School on his behalf.

**Opinion**

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.

In our opinion 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 15 February 2024. This is the date at which our opinion is expressed.

The basis for our 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 opinion**

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 opinion.

*The title 'Partner' conveys that the person is a senior member within their respective division and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.*

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## **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.
- 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 arise from the Public Audit Act 2001.

### Other information

The Board is responsible for the other information. The other information obtained at the date of our audit report is the Analysis of Variance Reporting, Kiwisport Report, and the Statement of Compliance with Employment Policy but does not include the financial statements, and our auditor's report thereon.

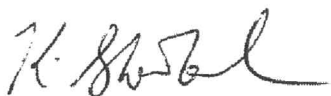
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

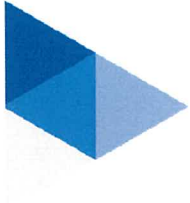
We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing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

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



Kurt Sherlock  
Crowe New Zealand Audit Partnership  
On behalf of the Auditor-General  
Auckland, New Zealand

# Analysis of Variance Reporting



<b>School Name:</b>	Hamilton East	<b>School Number:</b>	1731
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<b>Strategic Aim:</b> <b>Analysis report</b>	<b><i>Students are engaged as lifelong learners and encouraged to reach their highest potential</i></b>		
<b>Annual Aim:</b>	1.3 Embed programmes that recognise and respond to the needs of learners.		
<b>Targets:</b>	<p><b>Literacy</b> Literacy Achievement Writing 30% of students, who are currently tracking below level, will have been accelerated to be <b>writing</b> at the expected achievement level. Our Writing Target Group .... By the end of 2021, from our group of 176 students, 58 students, who are currently tracking below level, will have been accelerated to be writing at the expected achievement level. 20 of these will be Maori students, 3 of these Pasifika students, 20 of these NZ European students and 15 ELL. <u>Spelling: Target Group: 60 Year 4-6</u> Sub Target To raise the 32 tamariki that are a year below their chronological age, to be spelling at their chronological age, and the 28 who are well below, to one year below.</p> <p>Reading Target group Y2 30 students _50% students will be reading at orange by the end of Year 2.</p>		
<b>Baseline Data:</b>	<p><b>Writing</b> 176 students. 58 students, who are currently tracking below level, will have been accelerated to be writing at the expected achievement level. 20 of these will be Maori students, 3 of these Pasifika students, 20 of these NZ European students and 15 ELL. 32 tamariki that are a year below their chronological age</p> <p><b>Reading</b> This is accelerated growth, and will not put them at level, but very close to it. Year 2 reading levels so 60 % of Year 2's who have been with us for the whole year. will be reading at the expected level.</p>		

<b>Actions</b> <i>What did we do?</i>	<b>Outcomes</b> <i>What happened?</i>	<b>Reasons for the variance</b> <i>Why did it happen?</i>
Year 1/2	<p>Interrupted by Covid Lockdowns When students returned we focussed on Hauora... not assessment.</p> <p>Attempted updates of levels in Feb March 2022 . This has once again been disrupted.</p> <p>No further data available except for YR ½ learners who are the target group for 2022.</p>	
Reading Recovery		
LA phonics Yolanda individual/group lessons		
Whole class phonics Yolanda lessons		
Year 3/4		
LA phonics Yolanda individual lessons		
LA Repeated Reading groups (up to orange readers )		
Cathy/Madeleine SMART - Individual strategies (after orange)		
MSL - Groups - Teacher Mary Frewen (Multi-sensory structured literacy)		
STEPS - individual online - dyslexic tendencies		
Reading Programs with Structured Literacy elements PLD - Ann Beckitt RTLit		





MINISTRY OF EDUCATION  
Te Māhara o te Kaitiaki

## Tātaritanga raraunga

STEPS - individual online - dyslexic tendencies

Cathy Baine Literacy Specialist supporting class programme development

### Planning for next year:

Continue Reading Recovery Programme and additional Teaching time for students affected by Covid .

Employ MSL teacher for students not achieving /Progressing.

Total of 1.6 FTE for students affected by Covid Interruptions

Continue Literacy Team

Provide a description of the actions the board will take to address any targets that were not achieved. This may involve including aims and targets in next year's charter to address the variance

### Strategic Aim:

**Students are engaged as lifelong learners and encouraged to reach their highest**



## Tātaritanga raraunga

### Baseline Data:

(Term 4 2020 ) 97% of students interviewed say they learn science at school. 93% of students interviewed say they learn science at least once a week )

Actions What did we do?	Outcomes What happened?	Reasons for the variance Why did it happen?
<p>Regular PL, engaging teachers in modelled examples of teaching science in the classroom, targeting NoS and capabilities curriculum knowledge and integrated activities.</p> <p>Continued to meet with the science team who are available across the school, and provide insight into teachers' needs school wide.</p> <p>Provided a unit plan for T2 Sound science, purchased resources to support this unit, and encouraged integrated unit school-wide for T3, which has been picked up and led by the Senior Leadership Team.</p> <p>Provided resources for NoS and Capabilities and moved physical resources and science area to be physically more accessible and attractive and separate from other resource room.</p> <p>Promoted House of Science during PL and pushed it for 100% uptake</p> <p>Followed school Science Curriculum that was developed in 2020.</p> <p>Used science release time to: gather data about science progress at HES create unit plans, and develop PL sessions.</p> <p>Edie/Georgia Te Ao Māori/Science webinar attended (Science learning hub).</p> <p>Edie/Georgia Te Ao Māori/Science PL from Education Perfect attended.</p>	<p>100% of students interviewed say they learn science at least once a week.</p> <p>TARGET MET</p> <p>Full Report</p> <p>IMPACT OF SCIENCE DEVELOPMENT ON STUDENTS' ENGAGEMENT AND ACHIEVEMENT IN SCIENCE available on request .</p>	<p>Regular robust science PL I knowledge and confidence Teachers are accessing res House of Science boxes w Teachers' confidence and re Science has increased. Students throughout the scl capabilities regularly. Students throughout the scl and the capabilities in daily Reasons for variance: Our methods for gathering c school. acknowledge this in</p>

## **Hamilton East School**

### **Kiwisport Statement**

#### **For the Year Ended 31 December 2022**

In 2022 the school received Kiwisport funding of \$7,173 (2021:\$7,045)

The funding was spent on sports equipment and uniforms.

### **Statement of Compliance with Employment Policy**

For the year ended 31st December 2022 the Hamilton East School Board:

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