



ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

School Directory

Ministry Number:	3307
Principal:	Deane Power
School Address:	Cannington Road, Cannington
School Postal Address:	Cannington Road, RD 14, Cave, 7984
School Phone:	03 614 3723
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CANNINGTON SCHOOL

Annual Report - For the year ended 31 December 2021

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Cannington 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.

Andrew James Scott

Full Name of Presiding Member



Signature of Presiding Member

15.11.22

Date:

Doane Ross Power

Full Name of Principal



Signature of Principal

15/11/22

Date:

Cannington School

Members of the Board

For the year ended 31 December 2021

Name	Position	How Position Gained	Term Expired/ Expires
Andrew Scott	Presiding Member	Elected	Sep 2022
Deane Power	Principal ex Officio		
Donna Simmons	Parent Representative	Elected	Sep 2022
Michael Butt	Parent Representative	Elected	Sep 2022
Leanne Joyce	Parent Representative	Elected	Sep 2022
Trish Wood	Staff Representative	Elected	Sep 2022
In Attendance: Rachel Searle	Board Secretary		

Cannington 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	311,813	368,800	329,264
Locally Raised Funds	3	14,376	6,300	20,128
Interest Income		1,354	3,000	2,740
		<u>327,543</u>	<u>378,100</u>	<u>352,132</u>
Expenses				
Locally Raised Funds	3	1,107	750	1,387
Learning Resources	4	209,386	186,950	195,424
Administration	5	37,271	31,948	27,985
Finance		578	-	710
Property	6	69,989	188,700	100,268
Depreciation	10	8,754	12,000	11,003
		<u>327,085</u>	<u>420,348</u>	<u>336,777</u>
Net Surplus / (Deficit) for the year		458	(42,248)	15,355
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>458</u>	<u>(42,248)</u>	<u>15,355</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.



Cannington 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		264,555	264,555	249,200
Total comprehensive revenue and expense for the year		458	(42,248)	15,355
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		1,290	-	-
Equity at 31 December		266,303	222,307	264,555
Retained Earnings		266,303	222,307	264,555
Equity at 31 December		266,303	222,307	264,555

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.



Cannington School

Statement of Financial Position

As at 31 December 2021

		2021	2021	2020
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	7	45,430	83,243	121,490
Accounts Receivable	8	23,381	11,314	11,314
Prepayments		2,387	1,696	1,696
Investments	9	119,787	118,576	118,576
		190,985	214,829	253,076
Current Liabilities				
GST Payable		638	10,302	10,302
Accounts Payable	11	27,579	21,642	21,641
Revenue Received in Advance	12	377	43	43
Provision for Cyclical Maintenance	13	7,042	26,375	26,375
Finance Lease Liability	14	2,217	3,633	3,633
Funds held for Capital Works Projects	15	5,225	43,965	43,965
		43,078	105,960	105,959
Working Capital Surplus/(Deficit)		147,907	108,869	147,117
Non-current Assets				
Property, Plant and Equipment	10	127,429	120,106	127,106
		127,429	120,106	127,106
Non-current Liabilities				
Provision for Cyclical Maintenance	13	1,200	2,875	5,875
Finance Lease Liability	14	7,833	3,793	3,793
		9,033	6,668	9,668
Net Assets		266,303	222,307	264,555
Equity		266,303	222,307	264,555

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



Cannington School

Statement of Cash Flows

For the year ended 31 December 2021

		2021	2021	2020
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		106,031	63,728	113,963
Locally Raised Funds		10,856	6,300	19,007
Goods and Services Tax (net)		(9,664)	-	16,803
Payments to Employees		(81,295)	(36,857)	(51,932)
Payments to Suppliers		(58,275)	(69,418)	(49,107)
Interest Received		1,267	3,000	3,075
Net cash (to)/from Operating Activities		(31,080)	(33,247)	51,809
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(2,946)	(5,000)	(9,232)
Purchase of Investments		(1,211)	-	(2,959)
Net cash (to)/from Investing Activities		(4,157)	(5,000)	(12,191)
Cash flows from Financing Activities				
Furniture and Equipment Grant		1,290	-	-
Finance Lease Payments		(3,373)	-	(3,327)
Funds Administered on Behalf of Third Parties		(38,740)	-	43,800
Net cash (to)/from Financing Activities		(40,823)	-	40,473
Net (decrease)/increase in cash and cash equivalents		(76,060)	(38,247)	80,091
Cash and cash equivalents at the beginning of the year	7	121,490	121,490	41,399
Cash and cash equivalents at the end of the year	7	45,430	83,243	121,490

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.



Cannington School

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

1.1. Reporting Entity

Cannington 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.

1.2. 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 13.

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 10.



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.

1.3. 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.

1.4. 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.

1.5. 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.

1.6. 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.

1.7. Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for credit losses (uncollectable debts). The School's 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.



1.8. 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.

1.9. 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	40 years
Furniture and equipment	5-10 years
Information and communication technology	4-5 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

1.10. 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.



1.11. 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.

1.12. Employee Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

Employee benefits that are not expected to be settled wholly before twelve 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.

1.13. Revenue Received in Advance

Revenue received in advance relates to fees received from 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.

1.14. Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense.

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

1.15. Shared Funds

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. The cluster of schools operate activities outside of the School's control. These amounts 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.

1.16. 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.

1.17. 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.

Investments that are shares are categorised as 'financial assets at fair value through other comprehensive revenue and expense' for accounting purposes in accordance with financial reporting standards.

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



1.18. 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.

1.19. 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.

1.20. Budget Figures

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

1.21. 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	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	100,856	68,800	94,723
Teachers' Salaries Grants	138,978	150,000	142,141
Use of Land and Buildings Grants	54,059	150,000	72,329
Other MoE Grants	17,920	-	20,071
	<u>311,813</u>	<u>368,800</u>	<u>329,264</u>

The School has opted in to the donations scheme for this year. Total amount received was \$1,800 (2020: \$2,100).

3. Locally Raised Funds

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

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations & Bequests	1,665	-	5,764
Fees for Extra Curricular Activities	-	-	3,120
Trading	883	500	504
Fundraising & Community Grants	1,495	600	-
Other Revenue	10,333	5,200	10,740
	<u>14,376</u>	<u>6,300</u>	<u>20,128</u>
Expenses			
Trading	1,107	750	-
Fundraising & Community Grant Costs	-	-	1,387
	<u>1,107</u>	<u>750</u>	<u>1,387</u>
	<u>13,269</u>	<u>5,550</u>	<u>18,741</u>

Surplus / (Deficit) for the year Locally raised funds

4. Learning Resources

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	15,280	16,300	21,451
Library Resources	-	250	-
Employee Benefits - Salaries	191,770	168,300	172,612
Staff Development	2,336	2,100	1,361
	<u>209,386</u>	<u>186,950</u>	<u>195,424</u>

5. Administration

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	4,640	3,378	3,378
Board Fees	1,915	4,100	1,695
Board Expenses	1,133	1,200	808
Communication	814	1,050	762
Consumables	72	300	175
Operating Lease	74	3,660	-
Legal Fees	4,738	-	-
Other	121	350	1,155
Employee Benefits - Salaries	19,945	15,130	17,324
Insurance	119	-	-
Service Providers, Contractors and Consultancy	3,700	2,780	2,688
	<u>37,271</u>	<u>31,948</u>	<u>27,985</u>



6. Property

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Caretaking and Cleaning Consumables	1,029	1,000	620
Consultancy and Contract Services	1,947	3,000	1,265
Cyclical Maintenance Provision	(24,008)	2,000	3,625
Grounds	13,780	15,050	4,314
Heat, Light and Water	4,551	5,000	4,440
Rates	1,597	1,650	1,399
Repairs and Maintenance	6,030	2,500	2,672
Use of Land and Buildings	54,059	150,000	72,329
Employee Benefits - Salaries	11,004	8,500	9,604
	<u>69,989</u>	<u>188,700</u>	<u>100,268</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.

7. Cash and Cash Equivalents

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Bank Accounts	45,430	83,243	121,490
Cash and cash equivalents for Statement of Cash Flows	<u>45,430</u>	<u>83,243</u>	<u>121,490</u>

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

Of the \$45,430 Cash and Cash Equivalents, \$21,263 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.

8. Accounts Receivable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Receivables	4,189	335	335
Interest Receivable	290	203	203
Teacher Salaries Grant Receivable	11,979	10,776	10,776
	<u>23,381</u>	<u>11,314</u>	<u>11,314</u>
Receivables from Exchange Transactions	4,479	538	538
Receivables from Non-Exchange Transactions	18,902	10,776	10,776
	<u>23,381</u>	<u>11,314</u>	<u>11,314</u>

9. Investments

The School's investment activities are classified as follows:

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Asset			
Short-term Bank Deposits	119,787	118,576	118,576
Total Investments	<u>119,787</u>	<u>118,576</u>	<u>118,576</u>

10. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2021	\$	\$	\$	\$	\$	\$
Land	25,000	-	-	-	-	25,000
Building Improvements	67,895	-	-	-	(2,598)	65,297
Furniture and Equipment	21,270	1,257	-	-	(3,230)	19,297
Information and Communication Technology	6,169	1,689	-	-	(971)	6,887
Leased Assets	5,732	9,370	(3,239)	-	(1,825)	10,038
Library Resources	1,040	-	-	-	(130)	910
Balance at 31 December 2021	<u>127,106</u>	<u>12,316</u>	<u>(3,239)</u>	<u>-</u>	<u>(8,754)</u>	<u>127,429</u>



The net carrying value of equipment held under a finance lease is \$10,038 (2020: \$5,732)

	2021 Cost or Valuation \$	2021 Accumulated Depreciation \$	2021 Net Book Value \$	2020 Cost or Valuation \$	2020 Accumulated Depreciation \$	2020 Net Book Value \$
Land	25,000	-	25,000	25,000	-	25,000
Building Improvements	103,926	(38,629)	65,297	103,926	(36,031)	67,895
Furniture and Equipment	116,015	(96,718)	19,297	114,758	(93,488)	21,270
Information and Communication Technology	49,203	(42,316)	6,887	47,514	(41,345)	6,169
Leased Assets	11,123	(1,085)	10,038	14,883	(9,151)	5,732
Library Resources	7,163	(6,253)	910	7,163	(6,123)	1,040
Balance at 31 December	312,430	(185,001)	127,429	313,244	(186,138)	127,106

11. Accounts Payable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Creditors	7,802	1,703	1,702
Accruals	4,640	3,378	3,379
Banking Staffing Overuse	1,672	5,072	5,072
Employee Entitlements - Salaries	12,274	10,776	10,776
Employee Entitlements - Leave Accrual	1,191	713	712
	<u>27,579</u>	<u>21,642</u>	<u>21,641</u>
Payables for Exchange Transactions	<u>27,579</u>	<u>21,642</u>	<u>21,641</u>
	<u>27,579</u>	<u>21,642</u>	<u>21,641</u>

The carrying value of payables approximates their fair value.

12. Revenue Received in Advance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Other Revenue in Advance	377	43	43
	<u>377</u>	<u>43</u>	<u>43</u>

13. Provision for Cyclical Maintenance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Provision at the Start of the Year	32,250	32,250	28,625
Increase/ (decrease) to the Provision During the Year	2,208	2,000	3,625
Adjustment to the Provision	(26,216)	-	-
Use of the Provision During the Year	-	(5,000)	-
Provision at the End of the Year	<u>8,242</u>	<u>29,250</u>	<u>32,250</u>
Cyclical Maintenance - Current	7,042	26,375	26,375
Cyclical Maintenance - Term	1,200	2,875	5,875
	<u>8,242</u>	<u>29,250</u>	<u>32,250</u>

14. 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	2,956	4,130	4,130
Later than One Year and no Later than Five Years	9,079	4,007	4,007
Future Finance Charges	(1,985)	(711)	(711)
	<u>10,050</u>	<u>7,426</u>	<u>7,426</u>
Represented by:			
Finance lease liability - Current	2,217	3,633	3,633
Finance lease liability - Term	7,833	3,793	3,793
	<u>10,050</u>	<u>7,426</u>	<u>7,426</u>



15. Funds Held for Capital Works Projects

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

2021	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
Stage 2 - Upgrade to Windows	165	-	(165)	-	-
SIP - Swimming Pool & Playground Upgrade	43,800	-	(22,537)	-	21,263
Admin Kitchen Upgrade	-	-	(16,038)	-	(16,038)
Totals	43,965	-	(38,740)	-	5,225

Represented by:

Funds Held on Behalf of the Ministry of Education	21,263
Funds Due from the Ministry of Education	(16,038)
	<u>5,225</u>

2020	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
Stage 2 - Upgrade to Windows	165	-	-	-	165
SIP - Swimming Pool & Playground Upgrade	-	45,000	(1,200)	-	43,800
Totals	165	45,000	(1,200)	-	43,965

16. Related Party Transactions

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

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the school would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

17. Remuneration

Key management personnel compensation

Key management personnel of the School include all trustees of the Board, Principal, Deputy and Assistant Principals.

	2021 Actual	2020 Actual
	\$	\$
<i>Board Members</i>		
Remuneration	1,915	1,695
<i>Leadership Team</i>		
Remuneration	113,949	114,692
Full-time equivalent members	1.00	1.00
Total key management personnel remuneration	<u>115,864</u>	<u>116,387</u>

There are five members of the Board excluding the Principal. The Board had held 6 full meetings of the Board in the year. The Board also has Finance member and Property members that meet monthly and quarterly respectively. 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

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

	2021	2020
	Actual	Actual
	\$000	\$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	110-120	110-120
Benefits and Other Emoluments	0-5	0-5
Termination Benefits	0 - 0	0 - 0

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
100 -110	-	-
	-	-

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

18. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be trustees, committee member, 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	2020
	Actual	Actual
Total	\$ -	\$ -
Number of People	-	-

19. 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.

20. Commitments

(a) Capital Commitments

As at 31 December 2021 the Board has entered into the following contract agreements for capital works.

(a) Contract for Clearlight roofing to the classroom block which will be fully funded by the Ministry of Education and replaces the adventure playground project. This project is expected to be completed in 2022.

(Capital commitments in relation to Ministry projects at 31 December 2020: \$43,965)

(b) Operating Commitments

As at 31 December 2021 the Board has not entered into any operating contracts.

(Operating commitments at 31 December 2020: nil)



21. Financial Instruments

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

Financial assets measured at amortised cost

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash and Cash Equivalents	45,430	83,243	121,490
Receivables	23,381	11,314	11,314
Investments - Term Deposits	119,787	118,576	118,576
Total Financial assets measured at amortised cost	<u>188,598</u>	<u>213,133</u>	<u>251,380</u>

Financial liabilities measured at amortised cost

Payables	27,579	21,642	21,641
Finance Leases	10,050	7,426	7,426
Total Financial liabilities measured at amortised Cost	<u>37,629</u>	<u>29,068</u>	<u>29,067</u>

22. Events After Balance Date

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

23. Comparatives

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

24. COVID 19 Pandemic on going implications

Impact of Covid-19

During 2021 the country moved between alert levels. During February and March 2021 Auckland was placed into alert levels 3 and 2 and other parts of the country moved into alert level 2.

Towards the end of June 2021, the Wellington region was placed into alert level 2 for one week.

Towards the end of August 2021, the entire country moved to alert level 4, with a move to alert level 3 and 2 for everyone outside the Auckland region three weeks later. While Auckland has remained in alert level 3 for a prolonged period of time the Northland and Waikato regions have also returned to alert level 3 restrictions during this period.

Impact on operations

Schools have been required to continue adapting to remote and online learning practices when physical attendance is unable to occur in alert level 4 and 3. Schools continue to receive funding from the Te Tāhuhu o te Mātauranga | Ministry to Education, even while closed.

However, the ongoing interruptions resulting from the moves in alert levels have impacted schools in various ways which potentially will negatively affect the operations and services of the school. We describe below the possible effects on the school that we have identified, resulting from the ongoing impacts of the COVID-19 alert level changes.

Reduction in locally raised funds

Under alert levels 4, 3, and 2 the school's ability to undertake fund raising events in the community and/ or collect donations or other contributions from parents, may have been compromised. Costs already incurred arranging future events may not be recoverable.

Increased Remote learning additional costs

Under alert levels 4 and 3 ensuring that students have the ability to undertake remote or distance learning often incurs additional costs in the supply of materials and devices to students to enable alternative methods of curriculum delivery.

25. Breach of Section 119 of the Education and Training Act 2020

The school currently has three permanently employed staff members on its school Board, one only elected as a staff representative. Under Section 119 of the Education and Training Act 2020 the school's Board must comprise of the principal and one staff representative only. Accordingly the school has breached the legislation



Analysis of Variance Reporting



School Name:	Cannington School 2021	School Number:	3307
Strategic Aim:	<p>“We Can and We Do” To educate and develop confident, connected and committed learners who positively contribute to society.</p>		
Annual Aim:	<p>“We Can and We Do” To educate and develop confident, connected and committed learners who positively contribute to society through authentic learning experiences.</p>		
Target:	<p>To make at least one years progress in relation to the NZC and accelerated progress where necessary.</p>		
Baseline Data:	<p>Writing:</p> <ul style="list-style-type: none"> Exceeding Expectations: (2/11) Working Within Expectations: (6/11) Working towards Expectations: (3/11) <p>Reading</p> <ul style="list-style-type: none"> Exceeding Expectations: (2/11) Working Within Expectations: (6/11) Working towards Expectations: (3/11) <p>Mathematics</p> <ul style="list-style-type: none"> Exceeding Expectations: (2/11) Working Within Expectations: (9/11) Working towards Expectations: (nil) 		

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<p>Reading: Wheelers reading platform, supplied to us by the National Library of New Zealand, which included many audio books. We purchased enough headphones for all students and ensured that all out students were able to access a computer at school. We promoted this in the home and gave lessons on how to use this to parents during assemblies. This PD from National Library was supported with visits from their staff.</p> <p>We used on line learning more. TEAMS was what we used over lockdown. We were able to link the Ready To Read texts and questions for the students to answer in their own time. Parents were encouraged to take part in the learning.</p> <p>We actively promoted that students could read an online book if they had completed everything.</p> <p>Teacher Aide was given specific students and specific actions to take to support reading. Sight words, blends, word endings, and word family.</p>	<p>Working Towards: Nil Working Within: 12/14) 86% Exceeding Expectations: (2/14) 14%</p> <p>We were able two move students from working towards to just making it into working within expectations.</p> <p>Three students moved from working towards expectations to working within expectations. We had a greater enjoyment in reading from most students. These students also actively began to follow certain authors and search for books at their level or audio if above their level.</p>	<p>We have achieved the targets that we set out for 2021. Even for those students that were of concern for us they have made the expected progress. It really can come down to the attitude towards reading that we have developed here at school over the last seven years. While there are some specific actions that we have undertaken that are listed below it is our approach for the last few years that have made the difference. What actions makes this happen? We make sure that families are always welcome and we stay on constant contact with families around achievement if we are concerned. These interactions are never from deficit thinking rather from what can WE do together to make sure we meet your expectations of the school and your whanau?</p> <p>We are now using the latest PM evaluation kit for running records. The material enclosed in this kit is harder than the previous one and we expect the results and data to differ from those previously.</p> <p>We deliberately targeted the topics that those students were interested in and where possible kept the learning real world.</p> <p>What must be kept in mind is that while three students were able to move, the acceptable level is less than what National Standards would have accepted.</p>	<p>Hopefully next year we will have a clean run with no interruptions of the like from COVID19. We believe that the approach used this year around use of the audio books and helping families to get this to work at home will continue the progress we have started.</p>

<p>Writing</p> <p>We had a big shift in achievement in Term 4. The three students of concern were able to produce consistent work at the desired levels. We have been using what we term making sense of music for term 4. This focused on students saying what they thought and explaining why they thought this. This showed the value of personal voice and how to bring it to writing. The use of easTTle Writing was not used in 2022. Use of the Writing Matrix continued. Punctuation and Grammar PAT was used. We were supposed to take part in Best Start Literacy but this became problematic due to COVID and the way they ran their course. Targeted learners section in our weekly planning continued with our planning having more specific achievable goals than larger generic terms. We continued to fund the technology construction that many of our students are a part of. We can see the results that this has brought into our classes. Student needs that will need to be addressed in the next year are around the construction of texts. Paragraphing and the planning that develops use of them need to be reinforced. This will become part of our starting point in the Writing Internal Review document.</p>	<p>Working Towards: Nil Working Within: (12/14) 86% Exceeding Expectations: (2/14) 14%</p>	<p>We achieved the target we set out of making at least one year's progress in relation to the NZC. We cannot say that we actually had accelerated learning for a sustained period. This acceleration took place in the final part of the year. Despite the disruptions to the year we had great results.</p> <p>Writing success is very closely linked to Reading engagement. As we can see in the Reading results there are no students below, then I would expect this success to start to filter through into these two students over the coming year. Keeping writing related to school events and home events has kept the teaching relevant. What we have noticed that spelling is a concern with two of our students but not an overall concern.</p> <p>I believe it is the home school relationship that has contributed to the raising of achievement. Parents feel welcome to discuss things with the school around learning and what we can do together to improve learning.</p>	<p>Hopefully next year we will have a clean run with no interruptions of the like from COVID19. I feel that we were lucky as a school to see the level of progression we had as many of families were directly affected by the COVID19 situation.</p>
<p>Mathematics: We had to rethink some of our approach this year and went back to basics for many of our students. While we normally do</p>	<p>Working Towards: Nil Working Within: (12/14) 86% Exceeding Expectations: (2/14) 14%</p>	<p>Students' resilience has become an issue in this area. Students that we know can</p>	<p>We felt that COVID19 has interrupted our students' learning and we are expecting to see our rates climb next</p>

this the students that we had picked up during the year needed this more than expected. Absenteeism also hurt our ability to run through a concept. All students have a grasp of what times and divide means and quickly pick up the 1,2,5,10 and then 3- and 9-times tables. Before end of year 3. Our focus became around building a routine in maths and then sticking with it.

This year has seen a split in attitude towards mathematics. In the term 4 PAT mathematics test we had the situation where students were happy and scored well (stanine 7-9) or they fell apart under pressure and scored stanine 4-5. The results from this test was not used to create the OTJ at the end of the year. Over the year we were able to maintain our stats and this was more by good fortune than any thing else.

work at a high level are not able to when put in an exam situation. This has become more prevalent towards the end of the year. We expected more students to be exceeding expectations than we got. We believe that disruptions to learning from absenteeism will stop this year. Groups not being able to work together as some students had a 80% attendance rate.

year where we will see more students make it to Exceeding expectations. We are still confident in our programme. As we get closer to starting the 2022 year I see many of the same issues arising again. Thank you COVID delta and omicron.

Planning for next year:

As a BOT we discussed the results and felt that the school had weathered COVID in 21 very well. We will take the 2022 year as it comes. One day at a time. Continue to focus on the basics

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KIWISPORT 2021

Kiwisport is a Government funding initiative to support students "participation in organised sport. In 2021, the school received total Kiwisport funding of \$182.45(excluding GST). The funding was spent on the Rural Schools Kiwisport programme. This funding enabled 13 students to participate in organised sport.

INDEPENDENT AUDITOR'S REPORT**TO THE READERS OF CANNINGTON SCHOOL'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Auditor-General is the auditor of Cannington School (the School). The Auditor-General has appointed me, Jane Jackman, using the staff and resources of Nexia Audit Christchurch, 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 3 to 17, that comprise statement of financial position as at 31 December 2021, 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 2021; 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 the Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 15 November 2022. 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.

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 comprises the information included on Analysis of Variance and Kiwisport Statement, 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.



Jane Jackman

Nexia Audit Christchurch
On behalf of the Auditor-General
Christchurch, New Zealand