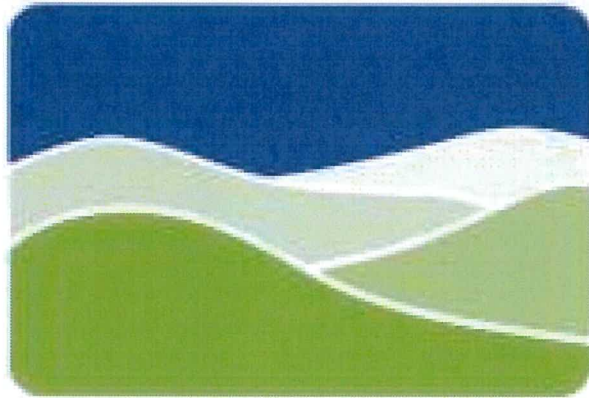


HERIOT SCHOOL



ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

School Directory

Ministry Number:	3749
Principal:	Colin McHutchon
School Address:	181 Roxburgh Street, Heriot, West Otago
School Postal Address:	181 Roxburgh Street, RD 2, Tapanui 9587
School Phone:	03 204 2007
School Email:	principal@heriot.school.nz

HERIOT SCHOOL

Annual Report - For the year ended 31 December 2022

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Heriot 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.

Howy Roulston
Full Name of Presiding Member

COLIN MCHITCHON
Full Name of Principal

Heriot School

Members of the Board

For the year ended 31 December 2022

Name	Position	How Position Gained	Term Expired/ Expires
Judy Miller	Presiding Member	Elected	Feb 2022
Holly Roulston	Parent Representative Presiding Member	Elected Elected	Feb 2022 Nov 2023
Colin McHutchon	Principal	ex Officio	
Andrew Herriott	Parent Representative	Elected	May 2022
Blair Young	Parent Representative	Elected	May 2022
John Hellewell	Parent Representative	Elected	Nov 2023
Susie Burrows	Parent Repeentative	Elected	Nov 2025
Michalle Hagan	Parent Repeentative	Elected	Nov 2025
Carl McKenzie	Parent Repeentative	Elected	Nov 2025
Penny O'Meara	Staff Representative	Elected	Nov 2025

Heriot School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2022

		2022	2022	2021
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Revenue				
Government Grants	2	858,525	754,942	752,258
Locally Raised Funds	3	62,674	74,236	40,295
Interest Income		6,668	250	191
		<u>927,867</u>	<u>829,428</u>	<u>792,744</u>
Expenses				
Locally Raised Funds	3	4,808	5,000	6,029
Learning Resources	4	586,020	533,150	521,179
Administration	5	75,275	61,851	59,176
Finance		434	1,000	781
Property	6	210,713	228,427	190,336
Loss on Disposal of Property, Plant and Equipment		547	-	-
		<u>877,797</u>	<u>829,428</u>	<u>777,501</u>
Net Surplus / (Deficit) for the year		50,070	-	15,243
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>50,070</u>	<u>-</u>	<u>15,243</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.

Heriot School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2022

Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Equity at 1 January	271,927	271,927	249,608
Total comprehensive revenue and expense for the year	50,070	-	15,243
Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	976
Contribution - Te Mana Tuhono	-	-	6,100
Equity at 31 December	321,997	271,927	271,927
Accumulated comprehensive revenue and expense	321,997	271,927	271,927
Equity at 31 December	321,997	271,927	271,927

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.

Heriot School

Statement of Financial Position

As at 31 December 2022

		2022	2022	2021
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Current Assets				
Cash and Cash Equivalents	7	434,655	226,858	225,418
Accounts Receivable	8	48,243	44,678	44,678
Prepayments		4,353	3,779	3,779
Inventories	9	1,127	1,282	1,282
Investments	10	202,185	-	-
Funds Receivable for Capital Works Projects	16	11,020	6,599	6,599
		<u>701,583</u>	<u>283,196</u>	<u>281,756</u>
Current Liabilities				
GST Payable		47,708	12,062	12,062
Accounts Payable	12	59,868	44,214	44,214
Revenue Received in Advance	13	120	445	445
Provision for Cyclical Maintenance	14	36,923	-	36,666
Finance Lease Liability	15	2,318	3,620	3,621
Funds held for Capital Works Projects	16	303,457	4,305	4,305
		<u>450,394</u>	<u>64,646</u>	<u>101,313</u>
Working Capital Surplus/(Deficit)		251,189	218,550	180,443
Non-current Assets				
Property, Plant and Equipment	11	81,708	79,262	100,702
		<u>81,708</u>	<u>79,262</u>	<u>100,702</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	10,900	23,566	6,900
Finance Lease Liability	15	-	2,319	2,318
		<u>10,900</u>	<u>25,885</u>	<u>9,218</u>
Net Assets		<u>321,997</u>	<u>271,927</u>	<u>271,927</u>
Equity		<u>321,997</u>	<u>271,927</u>	<u>271,927</u>

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

Heriot School

Statement of Cash Flows

For the year ended 31 December 2022

		2022	2022	2021
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		250,954	208,925	213,777
Locally Raised Funds		67,103	74,236	37,009
Goods and Services Tax (net)		35,646	-	(13,290)
Payments to Employees		(133,458)	(147,205)	(128,333)
Payments to Suppliers		(100,514)	(134,766)	(88,575)
Interest Paid		-	-	-
Interest Received		2,553	250	220
Net cash from/(to) Operating Activities		122,284	1,440	20,808
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(2,390)	-	(806)
Purchase of Investments		(202,185)	-	-
Net cash from/(to) Investing Activities		(204,575)	-	(806)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	976
Finance Lease Payments		(3,203)	-	(3,261)
Funds Administered on Behalf of Third Parties		294,731	-	(161,599)
Net cash from/(to) Financing Activities		291,528	-	(163,884)
Net increase/(decrease) in cash and cash equivalents		209,237	1,440	(143,882)
Cash and cash equivalents at the beginning of the year	7	225,418	225,418	369,300
Cash and cash equivalents at the end of the year	7	434,655	226,858	225,418

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.

Heriot School

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

1.1. Reporting Entity

Heriot 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 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 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 whole 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 best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition. During the year, the Board assesses the reasonableness of its painting maintenance plan on which the provision is based. Cyclical maintenance is disclosed at note 14.

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. Future operating lease commitments are disclosed in note 21b.

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 to which they relate. 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 programmes are recorded as revenue when the School has the rights to the funding in the period to which they relate. 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 recognised as 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.

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 expected 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. Inventories

Inventories are consumable items held for sale and comprised of stationery, canteen 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.

1.9. 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.

1.10. 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 Statement of Comprehensive Revenue and Expense 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	10–75 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

1.11. 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 as the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

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

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

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the Statement of Comprehensive Revenue and Expense.

The reversal of an impairment loss is recognised in the Statement of Comprehensive Revenue and Expense. 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.

1.12. 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.

1.13. 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, 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 Statement of Comprehensive Revenue and Expense in the period in which they arise.

1.14. 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.

1.15. 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 Comprehensive Revenue and Expense.

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

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.

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

The School carries out painting maintenance of the whole school over a variety of periods in accordance with the conditional assessment of each area of the school. The economic outflow of this is dependent on the plan established by the School to meet this obligation and is detailed in the notes and disclosures of these accounts.

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 initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

Investments that are shares are categorised as financial assets at fair value through other comprehensive revenue and expense in accordance with financial reporting standards. On initial recognition of an equity investment that is not held for trading, the School may irrevocably elect to present subsequent changes in the investments' fair value in other comprehensive revenue and expense. This election has been made for investments that are shares. Subsequent to initial recognition, these assets are measured at fair value. Dividends are recognised as income in the Statement of Comprehensive Revenue and Expense unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive revenue and expense and are never reclassified to the Statement of Comprehensive Revenue and Expense.

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract 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 the Statement of Comprehensive Revenue and Expense.

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.

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Government Grants - Ministry of Education	245,960	197,700	217,686
Teachers' Salaries Grants	471,892	400,000	411,122
Use of Land and Buildings Grants	137,347	152,242	123,450
Other Government Grants	3,326	5,000	-
	<u>858,525</u>	<u>754,942</u>	<u>752,258</u>

3. Locally Raised Funds

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Revenue			
Donations & Bequests	35,109	28,220	12,950
Fees for Extra Curricular Activities	2,914	2,600	2,051
Trading	432	350	274
Fundraising & Community Grants	19,187	40,066	16,316
Other Revenue	5,032	3,000	8,704
	<u>62,674</u>	<u>74,236</u>	<u>40,295</u>
Expenses			
Extra Curricular Activities Costs	2,788	2,450	2,375
Trading	453	300	438
Other Locally Raised Funds Expenditure	1,567	2,250	3,216
	<u>4,808</u>	<u>5,000</u>	<u>6,029</u>
<i>Surplus / (Deficit) for the year Locally raised funds</i>	<u>57,866</u>	<u>69,236</u>	<u>34,266</u>

4. Learning Resources

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Curricular	23,028	28,080	15,569
Equipment Repairs	18	250	-
Information and Communication Technology	419	1,500	1,728
Employee Benefits - Salaries	534,505	474,630	474,717
Staff Development	4,378	7,250	4,645
Depreciation	23,672	21,440	24,520
	<u>586,020</u>	<u>533,150</u>	<u>521,179</u>

5. Administration

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Audit Fee	4,635	4,500	4,500
Board Fees	3,960	4,455	4,015
Board Expenses	2,953	2,337	906
Communication	957	1,350	1,080
Consumables	3,192	3,350	2,793
Operating Lease	2,334	5,085	2,115
Legal Fees	-	-	2,609
Other	1,331	1,244	1,196
Employee Benefits - Salaries	51,986	35,850	36,518
Insurance	1,347	1,100	1,044
Service Providers, Contractors and Consultancy	2,580	2,580	2,400
	<u>75,275</u>	<u>61,851</u>	<u>59,176</u>

6. Property

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Caretaking and Cleaning Consumables	3,090	3,100	2,812
Cyclical Maintenance Provision	4,257	8,000	2,602
Grounds	4,212	3,750	3,262
Heat, Light and Water	21,672	22,300	20,916
Rates	1,022	1,000	965
Repairs and Maintenance	11,457	6,800	9,315
Use of Land and Buildings	137,347	152,242	123,450
Security	485	735	735
Employee Benefits - Salaries	27,171	30,500	26,279
	<u>210,713</u>	<u>228,427</u>	<u>190,336</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 nationwide 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	184,655	226,858	225,418
Short-term Bank Deposits	250,000	-	-
Bank Overdraft	-	-	-
Cash and Cash Equivalents for Statement of Cash Flows	<u>434,655</u>	<u>226,858</u>	<u>225,418</u>

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

Of the \$434,655 Cash and Cash Equivalents, \$303,457 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 2023 on Crown owned school buildings.

8. Accounts Receivable

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Receivables	2,349	7,103	7,103
Interest Receivable	4,115	-	-
Banking Staffing Underuse	-	6,225	6,225
Teacher Salaries Grant Receivable	41,779	31,350	31,350
	<u>48,243</u>	<u>44,678</u>	<u>44,678</u>
Receivables from Exchange Transactions	6,464	7,103	7,103
Receivables from Non-Exchange Transactions	41,779	37,575	37,575
	<u>48,243</u>	<u>44,678</u>	<u>44,678</u>

9. Inventories

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Stationery	1,127	1,282	1,282
	<u>1,127</u>	<u>1,282</u>	<u>1,282</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	202,185	-	-
Total Investments	<u>202,185</u>	<u>-</u>	<u>-</u>

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2022						
Land	5,000	-	-	-	-	5,000
Building Improvements	45,049	-	(547)	-	(5,897)	38,605
Furniture and Equipment	15,701	2,835	-	-	(3,709)	14,827
Information and Communication Technology	24,873	2,285	-	-	(9,891)	17,267
Leased Assets	4,008	-	-	-	(3,403)	605
Library Resources	6,071	105	-	-	(772)	5,404
Balance at 31 December 2022	100,702	5,225	(547)	-	(23,672)	81,708

The net carrying value of equipment held under a finance lease is \$605 (2021: \$4,008)

Restrictions

With the exception of the contractual restrictions relating to the above noted finance leases, there are no other restrictions over the title of the school's property, plant and equipment, nor are any property, plant and equipment pledged as security for liabilities.

	2022 Cost or Valuation	2022 Accumulated Depreciation	2022 Net Book Value	2021 Cost or Valuation	2021 Accumulated Depreciation	2021 Net Book Value
	\$	\$	\$	\$	\$	\$
Land	5,000	-	5,000	5,000	-	5,000
Building Improvements	144,105	(105,500)	38,605	146,457	(101,408)	45,049
Furniture and Equipment	148,464	(133,637)	14,827	178,271	(162,570)	15,701
Information and Communication Technology	70,560	(53,293)	17,267	117,239	(92,366)	24,873
Leased Assets	10,399	(9,794)	605	12,161	(8,153)	4,008
Library Resources	31,865	(26,461)	5,404	31,760	(25,689)	6,071
Balance at 31 December	410,393	(328,685)	81,708	490,888	(390,186)	100,702

12. Accounts Payable

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Creditors	4,554	6,406	6,406
Accruals	4,135	4,500	4,500
Employee Entitlements - Salaries	49,373	31,835	31,835
Employee Entitlements - Leave Accrual	1,806	1,473	1,473
	59,868	44,214	44,214
Payables for Exchange Transactions	59,868	44,214	44,214
	59,868	44,214	44,214

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Other Revenue in Advance	120	445	445
	120	445	445

14. Provision for Cyclical Maintenance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Provision at the Start of the Year	43,566	43,566	40,964
Increase to the Provision During the Year	7,077	8,000	7,333
Other Adjustments	(2,820)	-	(4,731)
Use of the Provision During the Year	-	(28,000)	-
Provision at the End of the Year	47,823	23,566	43,566
Cyclical Maintenance - Current	36,923	-	36,666
Cyclical Maintenance - Non current	10,900	23,566	6,900
	47,823	23,566	43,566

The School's cyclical maintenance schedule details annual painting & other significant cyclical maintenance work to be undertaken. The costs associated with this annual work will vary depending on the requirements during the year. This plan is based on the School's most recent 10 Year Property plan, adjusted as identified and confirmed appropriate by the Board, to other reliable sources of evidence.

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	2,416	4,054	4,055
Later than One Year and no Later than Five Years	-	2,417	2,416
Future Finance Charges	(98)	(532)	(532)
	2,318	5,939	5,939
Finance lease liability - Current	2,318	3,620	3,621
Finance lease liability - Non current	-	2,319	2,318
	2,318	5,939	5,939

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 7.

2022	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Boiler Replacement - 208874	(5,233)	14,614	(20,401)	-	(11,020)
SIP/ AMS CP - 212880	4,305	-	(4,305)	-	-
LSC - 220073	(1,366)	49,663	(30,793)	-	17,504
Pool Translucent Cladding - 228899	-	22,500	(19,063)	-	3,437
Toilets Remodel - 235082	-	307,345	(24,829)	-	282,516
Totals	(2,294)	394,122	(99,391)	-	292,437

Represented by:

Funds Held on Behalf of the Ministry of Education	303,457
Funds Receivable from the Ministry of Education	(11,020)

2021	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Boiler Replacement - 208874	18,732	-	(23,965)	-	(5,233)
SIP/ AMS CP - 212880	140,573	32,105	(168,373)	-	4,305
LSC - 220073	-	-	(1,366)	-	(1,366)
Totals	159,305	32,105	(193,704)	-	(2,294)

Represented by:

Funds Held on Behalf of the Ministry of Education	4,305
Funds Receivable from the Ministry of Education	(6,599)

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 trustees of the Board, Principal, Deputy and Assistant Principals.

	2022 Actual \$	2021 Actual \$
<i>Board Members</i>		
Remuneration	3,960	4,015
<i>Leadership Team</i>		
Remuneration	122,407	122,618
Full-time equivalent members	1.00	1.00
Total key management personnel remuneration	126,367	126,633

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

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	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	2022 FTE Number	2021 FTE Number
100 -110	-	-
	-	-

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 trustees, 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	-	3,500
Number of People	-	1

20. Contingencies

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

Holidays Act Compliance – schools payroll

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

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

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

In 2022 the Ministry of Education provided additional funding for both the Support Staff in Schools' Collective Agreement (CA) Settlement and the Teacher Aide Pay Equity Settlement. The School is still yet to receive a final wash up that adjusts the estimated quarterly instalments for the actual teacher aides employed in 2022. The Ministry is in the process of determining the amount of the final wash up payment for the year ended 31 December 2022. Even though the payment is probable, the amount to be received is not known with a high level of certainty. The School has therefore not recognised the expected receipt (asset) and income in its financial statements. The payment is expected to be received in July 2023.

21. Commitments

(a) Capital Commitments

As at 31 December 2022 the Board has entered into the following contract agreements for capital works.

(a) \$67,181 contract for the provision of Office Space to be completed in 2023, which will be fully funded by the Ministry of Education. \$49,663 has been received of which \$32,159 has been spent on the project to date; and

(b) Contract for Swimming Pool Building translucent cladding replacement to be completed in 2023, which will be fully funded by the Ministry of Education. \$22,500 has been received of which \$19,063 has been spent on the project to date; and

(c) \$432,743 contract for toilets remodeling to be completed in 2023, which will be fully funded by the Ministry of Education. \$307,345 has been received of which \$24,829 has been spent on the project to date.

(Capital commitments in relation to Ministry projects at 31 December 2021: \$647,703)

(b) Operating Commitments

As at 31 December 2022 the Board has not entered into any operating contracts.

(Operating commitments at 31 December 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	434,655	226,858	225,418
Receivables	48,243	44,678	44,678
Investments - Term Deposits	202,185	-	-
Total Financial assets measured at amortised cost	<u>685,083</u>	<u>271,536</u>	<u>270,096</u>

Financial liabilities measured at amortised cost

Payables	59,868	44,214	44,214
Finance Leases	2,318	5,939	5,939
Total Financial liabilities measured at amortised Cost	<u>62,186</u>	<u>50,153</u>	<u>50,153</u>

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.



Heriot School
Statement of Variance 2022



2022 LEARNING TARGETS

For our Year 1-3 learners who are below in reading and writing (at minimum) to have made sufficient progress by the end of 2022.

Table showing Gender % of Above, Within, Below

	Reading		Writing		Maths	
	Within Above	Below	Within Above	Below	Within Above	Below
Girls 44	81%	18%	84%	16%	81%	18%
Boys 36	72%	28%	56%	44%	75%	25%

The data shows a significant improvement for boys reading within or above our expected level of achievement in reading .

The data shows no significant movement for girls and boys in writing.

The data shows insignificant movement for girls and boys in maths.

BASELINE DATA FROM END OF YEAR 2021

Reading

53% (8/15) of Year 1 students are achieving **below** our expected level in READING

40% (6/15) of Year 3 students are achieving **below** our expected level in READING

Writing

53% (8/15) of Year 1 students are achieving **below** our expected level in WRITING

40% (6/13) of Year 3 students are achieving **below** our expected level in WRITING

38% (5/13) of Year 4 students are achieving **below** our expected level in WRITING

STRATEGIC GOALS 2022

Strategic Goal One

All Heriot school ākonga will be supported to achieve their highest levels of learning progress and achievement and targeted learner progress will be accelerated.

“Excellence for all”

Annual Goal

Accelerate the learning progress of our Year 1-3 learners in literacy specifically. Focus on accelerating the writing achievement of our Year 4 learners

Annual Target

We also want to focus specifically on accelerating the writing progress of our Year 4 learners (38% below)

- Year 4 learners will have improved overall (within/above) student achievement in writing from 62% to 80%

By the end of 2022 we want to have accelerated the learning progress in reading and writing of our Year 1-3 learners.

- Year 1-3 learners will have made at least six months (sufficient progress) against our literacy expectations.

Baseline Data (from 2021)

53% (8/15) of Year 1 students are achieving **below** our expected level in READING
40% (6/15) of Year 3 students are achieving **below** our expected level in READING
53% (8/15) of Year 1 students are achieving **below** our expected level in WRITING
40% (6/13) of Year 3 students are achieving **below** our expected level in WRITING
38% (5/13) of Year 4 students are achieving **below** our expected level in WRITING

Reading student achievement data is 78% within or above our expected level of progress

Writing student achievement data is 71% within or above our expected level of progress

Maths student achievement data is 79% within or above our expected level of progress

STRATEGIC GOALS 2022

Strategic Goal Two

For Heriot school students, staff and community to develop a vision and values that contributes to equity and excellence in student outcomes.

Annual Goal

To work in collaboration with the Education Review Office to develop an evaluation plan that contributes to equity and excellence in student outcomes.

Annual Target

Carry out broad consultation with students, staff, BOT and whānau to collect suitable data in order to establish a treasured vision and values. Universal recognition and acknowledgement of Te Tiriti o Waitangi in our consultation and construction processes.

ACTIONS/ OUTCOMES/ REASONS FOR VARIANCE/ EVALUATION & PLANNING FOR 2023

Our student achievement data shows consistency as an outcome which is evidence of our collective resilience in 2022.

We have had outstanding support from our families this year. Without the level of support we received we would not have been able to continue to operate, or even be open. This shows the extent of the home and school partnership at Heriot School and the importance of that relationship.

Despite having a growing number of learners who are at risk of not achieving or with specific learning differences, we have managed to achieve some equity in our student achievement data. Most learners have achieved six months progress during a six month period.

The successes of the Better Start Literacy programme is evidenced in the (Year 0-2) improvements shown in literacy data since the midpoint of the year.

The adoption of the PRIME maths programme in the middle room and then later in the year by the senior room has also reaped rewards. Results in Global Strategy Stage (GloSS) tests and also maths PATs (Progressive Achievement Tests) in both classes, showed strength in addition and subtraction as well as in place value.

An area of concern (based solely on this data) is writing. It shows 34% (20/59) of our Year 2,4,5 and Year 6 learners are below our expected level in writing. In professional discussions teachers have freely admitted to caution when making overall teacher judgements in writing. When making these decisions it is important to consider the individual learner and how their learning progress is tracking. Some teachers have decided to assess reservedly in order to allow ākonga longer to consolidate learning.

As we identified earlier this year, professional development is a key area for our progression.

We would like to work on Structured Literacy as one of our professional learning focuses in 2023. Structured literacy emphasises highly explicit and systematic teaching of all important components of literacy. These include foundational skills (eg. decoding, spelling) and higher literacy skills (eg. reading comprehension, written expression). This will mean getting all staff up to date with how structured literacy can be used to improve our pedagogy as teachers and ultimately improve student outcomes.

Management and leadership is another area in which we have invested in 2022 and aim to extend into 2023.

We have seen improved consistency since the beginning of 2021 and through this year. In spite of the challenges that everyone has been confronted with over the last 2 years we have managed to maintain learning progress.

A group of 29 students (12 girls and 17 boys) have made insufficient learning progress across reading, writing and mathematics. Only three of these 29 have made insufficient progress in all three learning areas. Irrespective of whether they are achieving within the NZC and our Heriot school expectations, this is a priority for us and will be a focus in the form of learning support in 2023.

Our priorities for ongoing improvement will feature as strategic goals for 2023. In conjunction with the BOT we will construct our annual plan for 2023 and design a budget that provides opportunities for all learners to succeed.

READING - EOY Student Achievement data 2022

Year Level	2022 EOY Below & Well Below	2022 EOY Within & Above
Year 0		100% (3)
Year 1	15% (3)	85% (17)
Year 2	38% (5)	62% (8)
Year 3		100% (13)
Year 4	12% (2)	88% (14)
Year 5	7% (1)	93% (14)
Year 6		100% (8)
TOTALS	12% (11)	88%(77)

WRITING - EOY Student Achievement data 2022

Year Level	2022 EOY Below & Well Below	2022 EOY Within & Above
Year 0		100% (3)
Year 1	20% (4)	80% (16)
Year 2	31% (4)	69% (9)
Year 3	8% (1)	92% (12)
Year 4	38% (6)	62% (10)
Year 5	47% (7)	53% (8)
Year 6	38% (3)	62% (5)
TOTALS	28% (25)	72% (63)

MATHS - EOY Student Achievement data 2022

Year Level	2022 EOY Below & Well Below	2022 EOY Within & Above
Year 0		100% (3)
Year 1	25% (5)	75% (15)
Year 2	46% (6)	54% (7)
Year 3		100% (13)
Year 4	13% (2)	87% (14)
Year 5	20% (3)	80% (12)
Year 6		100% (8)
TOTALS	18%(16)	82% (72)

Reading Summary

Sufficient Progress	82% (68)	90% (79)
Insufficient Progress	18% (15)	10% (9)

Writing Summary

Sufficient Progress	82% (68)	90% (79)
Insufficient Progress	18% (15)	10% (9)

Mathematics Summary

Sufficient Progress	90% (75)	88% (77)
Insufficient Progress	10% (8)	12% (11)

Of particular interest is the level of *SUFFICIENT LEARNING PROGRESS that our ākongā have managed to sustain this year, in spite of the many

interruptions, changes, challenges and ongoing uncertainty that they have faced in 2022.

90% in Reading and Writing and 88% in Mathematics are reasons to be pleased overall.

The endeavours of all of our staff should be recognised and celebrated as we see the light at the end of what was a very dark tunnel through covid and ongoing illnesses. This should not go without acknowledgement. In order to achieve this it meant the relationship between school, the Board of Trustees and our whole school community was genuinely tested. This is a time when we can clearly see the significance of strong home and school partnership and how it flourished for the benefit of our children.

HERIOT SCHOOL KIWISPORT

2022

Kiwisport is a Government funding initiative to support students' participation in organised sport. During 2022, the school received total Kiwisport funding of \$1269.22 (excluding GST). The funding was spent on providing a Sports Activator Program for all children in the school.