

# HILLPARK SCHOOL

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### School Directory

**Ministry Number:** 1312

**Principal:** Gavin Beere

**School Address:** 57 Grande Vue Road, Manurewa

**School Postal Address:** 57 Grande Vue Road, Manurewa, Manukau, 2102

**School Phone:** 09 267 6252

**School Email:** info@hillpark.school.nz

#### Members of the Board of Trustees

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Term Expires/ Expired</b>
Ratima Rolleston	Chairperson	Co-opted	Jun 2021
Gavin Beere	Principal	ex Officio	
Roxanne Mason	Parent Rep	Elected	Jun 2021
Daena Colebrook	Parent Rep	Elected	Jun 2021
Nicholas Eacott	Parent Rep	Elected	Jun 2021
Jermanine Nikara	Parent Rep	Elected	Jun 2021
Tania Mills	Staff Rep	Elected	Jun 2021
Emma RitzeBain	Staff Rep	Elected	Jun 2021

**Accountant / Service Provider:** Education Services Ltd

# HILLPARK SCHOOL

Annual Report - For the year ended 31 December 2020

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# Hillpark School

## Statement of Responsibility

For the year ended 31 December 2020

The Board of Trustees 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 2020 fairly reflects the financial position and operations of the school.

The School's 2020 financial statements are authorised for issue by the Board.

NICHOLAS JOHN BAGOT



Full Name of Board Chairperson

21/5/2021

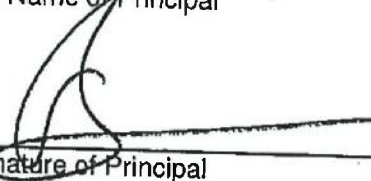
Signature of Board Chairperson

31/5/2021

Date:

Gavin George Beere

Full Name of Principal



Signature of Principal

31/5/2021

Date:

**Hillpark School**  
**Statement of Comprehensive Revenue and Expense**  
For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Revenue</b>				
Government Grants	2	3,891,247	3,700,953	3,732,959
Locally Raised Funds	3	120,645	227,750	215,324
Interest income		2,435	3,000	5,171
		<u>4,014,327</u>	<u>3,931,703</u>	<u>3,953,454</u>
<b>Expenses</b>				
Locally Raised Funds	3	72,211	142,116	102,702
International Students	4	900	-	750
Learning Resources	5	2,423,981	2,286,483	2,338,347
Administration	6	212,241	212,332	197,561
Finance		2,995	1,189	3,121
Property	7	1,157,121	1,153,475	1,179,528
Depreciation	8	95,639	78,117	100,648
Loss on Uncollectable Accounts Receivable		20	-	-
		<u>3,965,108</u>	<u>3,873,712</u>	<u>3,922,657</u>
<b>Net Surplus / (Deficit) for the year</b>		49,219	57,991	30,797
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>49,219</u>	<u>57,991</u>	<u>30,797</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.

## Hillpark School

### Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

	Notes	Actual 2020 \$	Budget (Unaudited) 2020 \$	Actual 2019 \$
<b>Balance at 1 January</b>		<u>332,782</u>	<u>316,462</u>	<u>294,507</u>
Total comprehensive revenue and expense for the year		49,219	57,991	30,797
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	7,478
<b>Equity at 31 December</b>	23	<u>382,001</u>	<u>374,453</u>	<u>332,782</u>
Retained Earnings		382,001	374,453	332,782
<b>Equity at 31 December</b>		<u>382,001</u>	<u>374,453</u>	<u>332,782</u>

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.

# Hillpark School Statement of Financial Position

As at 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	9	73,093	253,383	213,287
Accounts Receivable	10	165,547	133,558	160,730
GST Receivable		18,653	8,977	72,508
Prepayments		5,563	11,271	21,327
Inventories	11	-	1,685	2,298
Investments	12	-	10,000	100,001
Funds owed for Capital Works Projects	17	148,458	-	-
		<u>411,314</u>	<u>418,874</u>	<u>570,151</u>
<b>Current Liabilities</b>				
Accounts Payable	14	215,712	181,889	200,281
Provision for Cyclical Maintenance	15	158,983	33,588	117,867
Finance Lease Liability - Current Portion	16	29,709	31,179	23,209
Funds held for Capital Works Projects	17	-	-	202,694
		<u>404,404</u>	<u>246,656</u>	<u>544,051</u>
<b>Working Capital Surplus/(Deficit)</b>		6,910	172,218	26,100
<b>Non-current Assets</b>				
Property, Plant and Equipment	13	432,104	353,357	364,717
		<u>432,104</u>	<u>353,357</u>	<u>364,717</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	15	19,700	124,830	50,500
Finance Lease Liability	16	37,313	26,292	7,535
		<u>57,013</u>	<u>151,122</u>	<u>58,035</u>
<b>Net Assets</b>		<u>382,001</u>	<u>374,453</u>	<u>332,782</u>
<b>Equity</b>		<u>382,001</u>	<u>374,453</u>	<u>332,782</u>

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

**Hillpark School**  
**Statement of Cash Flows**  
For the year ended 31 December 2020

	2020	2020	2019
Note	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
<b>Cash flows from Operating Activities</b>			
Government Grants	981,255	920,021	838,906
Locally Raised Funds	126,357	227,750	208,013
Goods and Services Tax (net)	53,855	-	(63,531)
Payments to Employees	(502,285)	(364,778)	(402,292)
Payments to Suppliers	(365,210)	(536,377)	(511,017)
Cyclical Maintenance Payments in the year	-	(37,700)	-
Interest Paid	(2,995)	(1,189)	(3,121)
Interest Received	2,599	3,000	5,070
Net cash from/(to) Operating Activities	293,576	210,727	72,028
<b>Cash flows from Investing Activities</b>			
Purchase of Property Plant & Equipment	(93,816)	(57,642)	(68,412)
Purchase of Investments	(50,718)	-	(100,001)
Proceeds from Sale of Investments	100,001	-	10,000
Net cash from/(to) Investing Activities	(44,533)	(57,642)	(158,413)
<b>Cash flows from Financing Activities</b>			
Furniture and Equipment Grant	-	-	7,478
Finance Lease Payments	(27,954)	(22,238)	(26,066)
Funds Held for Capital Works Projects	(361,283)	-	195,724
Net cash from/(to) Financing Activities	(389,237)	(22,238)	177,136
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(140,194)</b>	<b>130,847</b>	<b>90,751</b>
Cash and cash equivalents at the beginning of the year	9 213,287	122,536	122,536
<b>Cash and cash equivalents at the end of the year</b>	<b>9 73,093</b>	<b>253,383</b>	<b>213,287</b>

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

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



# Hillpark School

## Notes to the Financial Statements

### For the year ended 31 December 2020

#### 1. Statement of Accounting Policies

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

Hillpark 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 of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

##### **b) Basis of Preparation**

###### ***Reporting Period***

The financial reports have been prepared for the period 1 January 2020 to 31 December 2020 and in accordance with the requirements of the Public Finance Act 1989.

###### ***Basis of Preparation***

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

###### ***Financial Reporting Standards Applied***

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

###### ***PBE Accounting Standards Reduced Disclosure Regime***

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

###### ***Measurement Base***

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

###### ***Presentation Currency***

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

###### ***Specific Accounting Policies***

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



### **Critical Accounting Estimates And Assumptions**

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

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

#### *Cyclical maintenance*

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

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

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 13.

### **Critical Judgements in applying accounting policies**

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

#### *Classification of leases*

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

#### *Recognition of grants*

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

## **c) Revenue Recognition**

### **Government Grants**

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

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

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

Use of land and buildings grants are recorded as revenue in the period the School uses the land and buildings. 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.

**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.

**d) Use of Land and Buildings Expense**

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of 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 expense that is offset by a non-cash grant from the Ministry.

**e) 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.

**f) 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.

**g) 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.

**h) Accounts Receivable**

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

**i) Inventories**

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

## **j) 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.

## **k) 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 are depreciated over their estimated useful lives on a straight line basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Buildings	20-40 years
Building Improvements	10-20 years
Furniture and Equipment	5-20 years
Information and Communication	3-15 years
Library Resources	8 years
Leased assets held under a Finance Lease	Term of Lease