

OREWA BEACH SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

School Address: 280 Centreway Road, Orewa

School Postal Address: 280 Centreway Road, Orewa

School Phone: 09 426 4849

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School Email: principal@orewabeach.school.nz

Ministry Number: 01406

Board of Trustees

Elected	Position	How position on Board gained	Occupation	Term Expires
Jessica Ashley	Chair	Elected Jul 2019	Veterinary nurse	2022 Election
Murray Barclay	Staff rep.	Elected Jul 2019	Teacher	2022 Election
Andrea Dunn	Member	Elected Jul 2019	Accounts person	2022 Election
Andrea Fitness	Member	Elected Jul 2019	Relationship manager	2022 Election
Steve Drury	Member	Elected Jul 2019	Company manager	2022 Election
Jake Morgan	Member	Elected Jul 2019	Real estate sales	2022 Election

Principal

Katherine Pascoe

Appointed July 2018

Accountants

BDSHughes
Chartered Accountants
Orewa

Auditors

Crowe New Zealand Audit Partnership
Chartered Accountants
Level 29, 188 Quay Street
Auckland 1010

OREWA BEACH SCHOOL

Financial Statements - For the year ended 31 December 2020

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OREWA BEACH SCHOOL
STATEMENT OF RESPONSIBILITY
For the year ended 31 December 2020

The Board of Trustees (the Board) has pleasure in presenting the annual report of Orewa Beach School, incorporating the financial statements and the auditor's report, for the year ended 31 December 2020.

The Board accepts responsibility for the preparation of the annual financial statements and the judgements used in these statements.

The management (including the Principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal control 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 reflect the financial position and operations of the School.

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

Andrea Fitness.

Full Name of Board Chairperson



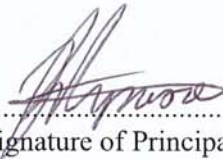
Signature of Board Chairperson

31 / 05 / 2021.

Date:

Katherine Eva Margaret Pascoe

Full Name of Principal



Signature of Principal

31/05/2021

Date:

OREWA BEACH SCHOOL
STATEMENT OF COMPREHENSIVE REVENUE and EXPENSE
For the year ended 31 December 2020

		2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue	Notes			
Government grants	2	3,414,272	3,166,332	3,036,898
Locally Raised Funds	3	77,469	72,451	180,714
International Students	4	19,117	60,000	64,124
Interest Earned		756	3,088	2,550
		3,511,614	3,301,871	3,284,286
Expenses				
Locally Raised Funds	3	26,713	24,609	47,731
International Students	4	-	-	10,733
Learning resources	5	2,289,436	2,043,454	1,994,882
Administration	6	226,601	205,592	205,211
Finance costs		1,298	1,157	1,191
Property	7	1,019,047	1,009,263	963,518
Depreciation	8	37,499	42,623	44,231
Loss on disposal of Property, Plant and Equipment		70	-	440
		3,600,664	3,326,698	3,267,937
Net Surplus/(Deficit) for the year		(89,050)	(24,827)	16,349
Other comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the year		(89,050)	(24,827)	16,349

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes.



OREWA BEACH SCHOOL
STATEMENT OF CHANGES IN NET ASSETS/EQUITY
For the year ended 31 December 2020

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Balance at 1 January	274,120	274,120	238,271
Total Comprehensive Revenue and Expense for the year	(89,050)	(24,827)	16,349
Capital Contributions from the Ministry of Education Contribution – Furniture and Equipment Grant	14,435	-	19,500
Equity at 31 December	199,505	249,293	274,120
Retained earnings	198,404	249,293	274,120
Equity at 31 December	199,505	249,293	274,120

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes.



OREWA BEACH SCHOOL
STATEMENT OF FINANCIAL POSITION
As at 31 December 2020

		2020 Actual	2020 Budget (Unaudited)	2019 Actual
		\$	\$	\$
	Notes			
Current Assets				
Cash and Cash equivalents	9	318,447	127,807	147,516
Accounts Receivable	11	146,026	115,396	116,363
GST Receivable		9,286	4,985	8,386
Prepayments		12,357	11,562	11,562
Funds spent for Capital Works Projects	17	3,853	3,335	3,335
Inventories		10,558	1,639	1,477
Investments	10	-	15,308	15,000
		500,527	280,032	303,639
Current Liabilities				
Accounts Payable	13	377,203	149,284	166,086
Provision for Cyclical Maintenance	15	3,375	-	3,800
Revenue received in advance		2,640	-	-
Funds held for Capital Works Projects	17	42,930	-	-
Finance Lease Liability	16	6,965	7,604	7,604
		433,113	156,888	177,490
Working Capital Surplus		67,414	123,144	126,149
Non-current Assets				
Property, Plant and Equipment	12	200,711	186,226	206,853
		268,125	309,370	333,002
Non-Current Liabilities				
Provision for Cyclical Maintenance	15	64,382	58,761	49,963
Finance Lease Liability	16	4,238	1,316	8,919
		68,620	60,077	58,882
Net Assets		199,505	249,293	274,120
Equity		199,505	249,293	274,120

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

OREWA BEACH SCHOOL
STATEMENT OF CASH FLOWS
For the year ended 31 December 2020

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Cash flows from Operating Activities:			
Government Grants	771,750	635,162	557,575
Locally Raised Funds	74,200	69,504	178,366
International Students	19,117	60,000	64,124
Goods and Services Tax	22,251	2,776	(3,776)
Payments to Employees	(574,061)	(394,132)	(422,426)
Payments to Suppliers	(330,689)	(323,956)	(323,174)
Interest Paid	(1,298)	-	(1,191)
Interest Received	756	3,088	2,550
Net cash from/(to) the Operating Activities	(17,974)	2,442	52,048
Cash flows from Investing Activities:			
Purchases of PPE	(31,427)	(24,095)	(29,439)
Sale (Purchase)of Investments	15,000	(308)	(15,000)
Net cash from/(to) the Investing Activities	(16,427)	(24,403)	(44,439)
Cash flows from Financing Activities:			
Furniture and Equipment Grant	14,435	-	19,500
Finance Lease Payments	415	2,252	6,374
Painting Contract Payments	-	-	(21,571)
Funds held for Capital Works	190,482	-	(18,829)
Net cash from/(to) the Financing Activities	205,332	2,252	(14,526)
Net increase/(decrease) in cash and cash equivalents	170,931	(19,709)	(6,917)
Cash and cash equivalents at the beginning of the year	147,516	147,516	154,433
Cash and cash equivalents at the end of the year	318,447	127,807	147,516

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 omitted.

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

OREWA BEACH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

1. **Statement of Accounting Policies**

For the year ended 31 December 2020

(a). Reporting Entity

Orewa Beach School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. The Board of Trustees (the Board) is of the view 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 Act 1989 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 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. 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

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 received 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 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.

(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 the 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.

Property, plant and equipment acquired with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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



Finance Assets

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 the 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	5-50 years
Furniture and Equipment	5-20 years
Information and Communication	2 years
Leased assets held under finance leases	Term of lease
Library Resources	12.5% diminishing value

(l) 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.

(m) 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, annual leave earned to but not yet taken at balance date.

(n) Revenue received in advance

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

(n) Provision for Cyclical Maintenance

The property from which the School operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. The Board is responsible for maintaining the land, buildings and other facilities on the school site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten-year property plan (10YPP).

(o) Financial Instruments

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are categorised as "loans and receivables" for accounting purposes in accordance with financial reporting standards.

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

(p) 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.

(q) Budget figures

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

(r) 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

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Operational grants	609,715	474,904	452,179
Teacher salaries grants	1,784,113	1,680,000	1,663,895
Use of land and buildings grant	842,768	839,964	799,976
Other government grants	171,941	160,451	114,948
Other MoE grants	5,735	11,013	5,900
	3,414,272	3,166,332	3,036,898

The School has opted in to the donations scheme for this year. Total amount received was \$54,900.

3. Locally Raised Funds

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Local funds raised within the school's community are made up of:			
<u>Revenue</u>			
Donations	33,543	1,000	31,108
Fundraising	8,605	31,000	87,117
Activities	14,307	15,048	43,077
Trading	21,014	25,403	19,412
	77,469	72,451	180,714
<u>Expenses</u>			
Fundraising (cost of raising funds)	1,239	5,560	-
Activities	13,325	15,048	43,364
Trading	12,149	4,001	4,367
	26,713	24,609	47,731
Surplus for the year Locally raised funds	50,756	47,842	132,983

4. International Student Revenue & Expenses

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
<u>Revenue</u>			
International Student Fees	19,117	60,000	64,124
<u>Expenses</u>			
International Student Levy	-	-	1,101
Employee benefits - Salaries	-	-	5,179
Other Expenses	-	-	4,453
	-	-	10,733
Surplus for the year International Students	19,117	60,000	53,391

5. Learning Resources

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Curricular	70,023	111,888	27,097
Employee benefits - salaries	2,181,589	1,879,766	1,916,780
Library resources	11,701	9,300	12,316
Staff development	26,123	42,500	38,695
	2,289,436	2,043,454	1,994,882

6. Administration

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Accountancy fees	7,892	10,000	9,500
Audit fees	7,523	8,700	7,304
Board of Trustees expenses	5,253	5,750	6,989
Board of Trustees fees	4,694	4,500	4,762
Communications	5,285	7,000	4,089
Consumables	20,899	16,496	15,587
Computer contractor	5,695	6,000	6,781
Employee benefits - salaries	126,792	109,792	114,672
Insurance	8,355	8,496	7,575
Operating lease	8,872	9,600	9,188
Other	25,341	19,258	18,764
	226,601	205,592	205,211

7. Property

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Caretaking and cleaning consumables	46,745	41,532	37,372
Cyclical maintenance expense	13,996	5,000	8,555
Employee benefits - salaries	52,869	51,000	50,744
Heat, light & water	16,410	20,000	18,897
Minor capital items	9,067	10,175	7,419
Property consultants	7,641	2,000	-
Rates	11,961	15,100	12,883
Repairs & maintenance	5,449	19,996	24,330
Security	1,636	3,996	3,342
SIPs	10,505	-	-
Use of land and buildings	842,768	839,964	799,976
Vandalism	-	500	-
	1,019,047	1,009,263	963,518

The use of land and buildings figure represents 8% of the school's total property value. This is used as a 'proxy' for the market rental of the property. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

8. Depreciation of Property, Plant and Equipment

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Buildings improvements	5,158	6,238	6,798
Furniture and equipment	16,042	18,394	12,012
Information and communication	13,723	15,443	22,648
Library resources	2,576	2,548	2,773
	37,499	42,623	44,231

9. Cash and cash equivalents

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Petty cash	467	978	978
ASB Bank - Current Account	13,232	(10,912)	11,576
ASB Bank – Savings Accounts	304,748	137,741	134,962
Cash and cash equivalents for cash and cash flow statement	318,447	127,807	147,516

The carrying value of short-term deposits with maturity dates of 90 days or less approximate their fair value. Of the \$318,447 Cash and Cash Equivalents, \$42,930 (2019: \$Nil) is held by the School on behalf of the Ministry of Education.

10. Investments

The School's investment activities are classified as follows:

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Short-term Bank Deposits	-	15,308	15,000
Total Investments	-	15,308	15,000

11. Accounts Receivable

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Receivables	11,582	-	967
Teacher Salaries Grant Receivable	134,444	115,396	115,396
Other debtors	-	-	-
	146,026	115,396	116,363
Receivables from Exchange Transactions	-	-	-
Receivables from Non-Exchange Transactions	146,026	115,396	116,363
	146,026	115,396	116,363

12. Property Plant and Equipment

2020	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
Building Improvements	123,930	4,750	-	-	(5,158)	123,522
Furniture and Equipment	43,046	19,048	-	-	(16,042)	46,052
Information and Communication	20,470	6,369	-	-	(13,723)	13,116
Library Resources	19,407	1,260	-	(70)	(2,526)	18,021
Balance at 31 December 2020	206,853	31,427	-	(70)	(37,499)	200,711

The net carrying value of equipment held under a finance lease is \$9,698 (2019: \$15,057).

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2020	\$	\$	\$
Building Improvements	289,420	(165,898)	123,522
Furniture and Equipment	365,727	(319,675)	46,052
Information and Communication	296,985	(283,869)	13,116
Library Resources	47,866	(29,845)	18,021
Balance at 31 December 2020	999,998	(799,287)	200,711

2019	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
Building Improvements	130,728	-	-	-	(6,798)	123,930
Furniture and Equipment	41,782	13,276	-	-	(12,012)	43,046
Information and Communication	30,173	12,945	-	-	(22,648)	20,470
Library Resources	19,402	3,218	-	(440)	(2,773)	19,407
Balance at 31 December 2019	222,085	29,439	-	(440)	(44,231)	206,853

The net carrying value of equipment held under a finance lease is \$15,057 (2018: \$Nil).

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Building Improvements	284,670	(160,740)	123,930
Furniture and Equipment	346,679	(303,633)	43,046
Information and Communication	292,257	(271,787)	20,470
Library Resources	47,058	(27,651)	19,407
Balance at 31 December 2019	970,664	(763,811)	206,853

13. Accounts payable

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Operating Creditors	207,379	17,917	19,271
Employee entitlements - salaries	134,444	115,396	115,396
Employee entitlements - leave accrual	20,373	-	17,297
Accruals	14,840	15,971	13,922
Other Creditors	167	-	200
	377,203	149,284	166,086
Payables for Exchange Transactions	377,203	149,284	166,086
	377,203	149,284	166,086

The carrying value of payables approximates their fair value.

14. Revenue received in advance

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Grants in advance – Ministry of Education	2,640	-	-
	2,640	-	-

15. Provision for Cyclical Maintenance

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Provision at the start of the year	53,761	53,761	66,777
Increase to the Provision during the year	13,996	5,000	5,029
Use of the Provision during the year	-	-	(18,045)
Provision at the end of the year	67,757	58,761	53,761
Cyclical Maintenance - Current	3,375	-	3,800
Cyclical Maintenance - Term	64,382	58,761	49,961
	67,757	58,761	53,761

16. Finance Lease Liability

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

Minimum lease payments payable:

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
No Later than One Year	6,965	7,604	7,604
Later than One Year and no Later than Five Years	4,238	1,316	8,919
Later than Five Years	-	-	-
	11,203	8,920	16,523

17. 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:

2020		Opening Balance	Receipts from MOE	Payments	Closing Balance
		\$	\$	\$	\$
Block 2, ILE modernisation	in progress	(3,335)	-	-	(3,335)
Heat pumps	completed	-	39,762	40,280	(518)
SIPs	in progress	-	241,606	198,676	42,930
Totals		(3,335)	281,368	238,956	39,077

Represented by:

Funds Held on Behalf of the Ministry of Education	42,930
Funds Due from the Ministry of Education	(3,853)
	39,077

2019		Opening Balance	Receipts from MOE	Payments	Closing Balance
		\$	\$	\$	\$
Block 2, ILE modernisation	in progress	-	-	3,335	(3,335)
Carpet, vinyl & wallcoverings	completed	(9,419)	40,998	31,579	-
Heat pumps Block 6, 9	completed	13,852	-	13,852	-
Totals		4,433	40,998	48,766	(3,335)

18. 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.

19. Remuneration

Key management personnel compensation

Key management personnel of the school include all trustees of the Board, Principal, Deputy Principals and Heads of Departments:

	2020	2019
	Actual	Actual
	\$	\$
Board members		
Remuneration	4,694	4,723
Full-time equivalent members	0.1	0.1
Leadership Team		
Remuneration	594,313	574,844
Full-time equivalent members	6	6
Total key management personnel remuneration	599,007	579,567
Total full-time equivalent personnel	6.1	6.1

Principal

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

	Actual	Actual
	\$	\$
Salaries and other short-term employee benefits	\$000	\$000
Annual Salary	140-150	130-140
Benefits and other emoluments	3-4	1-2
Termination Benefits	-	-

Other employees

Two other employees received total remuneration over \$100,000 (2019: nil)

20. Commitments

(a) Capital Commitments

The School had the following capital commitments at 31 December 2020 (2019: \$Nil):

- a commitment with T.E.A.M Sports Surfaces of \$31,891 in relation to the school improvement project to supply and install an astroturf field.
- a commitment with Decks & Renovations Ltd of \$7,731 in relation to various school improvement projects.

(b) Operating Commitments

As at 31 December 2020, the Board has entered the following contracts:

(a) Rental of a photocopier

	2020	2019
	Actual	Actual
	\$	\$
No later than one year	8,340	8,340
Later than one year and no later than five years	19,460	27,800
Later than five years	-	-
	27,800	36,140

21. Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2020 (contingent liabilities and contingent assets at 31 December 2019: nil) except as noted below:

Holidays Act Compliance – schools payroll

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

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance, however the potential impact on any specific school or individual and any associated historical liability will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2020, a contingent liability for the School may exist.

22. Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but attempts to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.

23. 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

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Cash and cash equivalents	318,447	143,115	162,516
Receivables	146,026	115,396	116,363
Total loans and receivables	464,473	258,511	278,879

Financial liabilities measured at amortised cost

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Payables	377,203	149,284	166,086
Finance leases	11,203	8,920	16,523
Total financial liabilities measured at amortised cost	388,406	158,204	182,609

24. Events After Balance Date

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

24. Change of name

The school, formerly known as Orewa North Primary School, changed its name during the year to Orewa Beach School.

INDEPENDENT AUDITOR'S REPORT**TO THE READERS OF OREWA BEACH SCHOOL'S
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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

Opinion

We have audited the financial statements of the School on pages 2 to 18, that comprise the statement of financial position as at 31 December 2020, 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 2020; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with *Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime*

Our audit was completed on 31 May 2021. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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Responsibilities of the Board for the financial statements

The Board is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees 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 Novopay 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 arises from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the End-Year Analysis of Variance 2020 and Kiwi Sport 2020 information, but does not include the financial statements, and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

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

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



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