



NORMAL INTERMEDIATE SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

School Directory

Ministry Number:	3372
Principal:	James Griggs
School Address:	Heaton Street, Merivale, Christchurch
School Postal Address:	PO Box 5242, Papanui, Christchurch, 8542
School Phone:	03 355 9555
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HEATON INTERMEDIATE NORMAL SCHOOL

Annual Report - For the year ended 31 December 2022

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Heaton Intermediate Normal 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.

Steven Townsend

Full Name of Presiding Member

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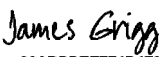
Signature of Presiding Member

31 May 2023

Date:

James Grigg

Full Name of Principal

DocuSigned by:

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Signature of Principal

31 May 2023

Date:

Heaton Intermediate Normal School

Members of the Board

For the year ended 31 December 2022

Name	Position	How Position Gained	Term Expired/ Expires
Steven Townsend	Presiding Member	Elected	Sep 2025
Rebecca Anne Wilson	Presiding Member	Elected	Feb 2023
Andrea Knight	Principal	ex Officio	Jul 2022
James Griggs	Principal	ex Officio	
Kane Crossan	Parent Representative	Co-opted Elected	Sep 2022 Sep 2025
Norman Castles	Parent Representative	Elected	Sep 2025
Candice Breeze	Parent Representative	Elected	Sep 2025
Ross Cooper	Staff Representative	Elected	Sep 2025
Shane Dixon	Parent Representative	Elected	Sep 2022
Gaye Roberts	Staff Representative	Elected	Sep 2022

Heaton Intermediate Normal School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2022

		2022	2022	2021
	Notes	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
Revenue				
Government Grants	2	4,434,025	4,329,606	4,463,975
Locally Raised Funds	3	351,949	349,076	375,566
Interest Income		9,852	2,300	4,044
Gain on Sale of Property, Plant and Equipment		-	-	1,515
		4,795,826	4,680,982	4,845,100
Expenses				
Locally Raised Funds	3	140,748	171,430	131,260
Learning Resources	4	3,261,309	3,168,546	3,340,075
Administration	5	320,605	274,660	231,556
Finance		5,896	-	3,790
Property	6	1,102,399	1,278,277	1,097,571
Loss on Disposal of Property, Plant and Equipment		172	-	997
		4,831,129	4,892,913	4,805,249
Net (Deficit)/Surplus for the year		(35,303)	(211,931)	39,851
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		(35,303)	(211,931)	39,851

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

Heaton Intermediate Normal 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		881,691	881,691	841,840
Total comprehensive revenue and expense for the year		(35,303)	(211,931)	39,851
Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	10,000	-
Equity at 31 December		846,388	679,760	881,691
Accumulated comprehensive revenue and expense		846,388	679,760	881,691
Equity at 31 December		846,388	679,760	881,691

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.

Heaton Intermediate Normal 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	187,732	41,359	150,757
Accounts Receivable	8	206,332	226,719	226,719
GST Receivable		3,805	17,358	17,358
Prepayments		22,513	30,403	30,403
Inventories	9	9,426	6,631	6,631
Investments	10	417,138	408,037	408,037
		846,946	730,507	839,905
Current Liabilities				
Accounts Payable	12	264,156	315,791	315,791
Revenue Received in Advance	13	98,875	5,846	5,846
Finance Lease Liability	15	55,331	46,485	46,485
Funds held in Trust	16	6,666	1,033	1,033
		425,028	369,155	369,155
Working Capital Surplus/(Deficit)		421,918	361,352	470,750
Non-current Assets				
Property, Plant and Equipment	11	485,442	408,559	470,210
Non-current Liabilities				
Provision for Cyclical Maintenance	14	-	10,000	-
Finance Lease Liability	15	60,972	80,151	59,269
		60,972	90,151	59,269
Net Assets		846,388	679,760	881,691
Equity		846,388	679,760	881,691

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

Heaton Intermediate Normal 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		977,795	826,595	930,892
Locally Raised Funds		318,972	349,076	332,469
International Students		129,374	-	(23,417)
Goods and Services Tax (net)		13,553	-	(4,506)
Payments to Employees		(631,015)	(462,128)	(500,177)
Payments to Suppliers		(688,785)	(761,123)	(606,446)
Interest Received		8,741	2,300	3,949
Net cash from/(to) Operating Activities		128,635	(45,280)	132,764
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		-	-	1,515
Purchase of Property Plant & Equipment (and Intangibles)		(28,752)	(3,000)	(17,052)
Purchase of Investments		(9,101)	-	(118,829)
Net cash (to)/from Investing Activities		(37,853)	(3,000)	(134,366)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	10,000	-
Finance Lease Payments		(59,440)	(71,118)	(71,642)
Funds Administered on Behalf of Third Parties		5,633	-	5,749
Net cash (to)/from Financing Activities		(53,807)	(61,118)	(65,893)
Net increase/(decrease) in cash and cash equivalents		36,975	(109,398)	(67,495)
Cash and cash equivalents at the beginning of the year	7	150,757	150,757	218,252
Cash and cash equivalents at the end of the year	7	187,732	41,359	150,757

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.

Heaton Intermediate Normal School

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

1.1. Reporting Entity

Heaton Intermediate Normal 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.

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 22b.

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 programs 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. 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.

1.5. 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.

1.6. 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.

1.7. Inventories

Inventories are consumable items held for sale and comprised of 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.

1.8. Investments

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

1.9. Property, Plant and Equipment

Land and buildings owned by the Crown are excluded from these financial statements. The Board's use of the land and buildings as 'occupant' is based on a property occupancy document.

Improvements 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	33-40 years
Furniture and equipment	4-10 years
Information and communication technology	4-5 years
Motor vehicles	5 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

1.10. Impairment of property, plant and equipment and intangible assets

The school does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

Non cash generating assets

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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.

1.11. Accounts Payable

Accounts Payable represents liabilities for goods and services provided to the School prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

1.12. Employee Entitlements*Short-term employee entitlements*

Employee 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.

1.13. Revenue Received in Advance

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

The School holds sufficient funds to enable the refund of unearned fees in relation to international students, should the School be unable to provide the services to which they relate.

1.14. Funds held 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.

1.15. 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 School is part of the Christchurch Schools Rebuild Programme which will result in the Schools buildings either being repaired or rebuilt in the future. At the present time there is significant uncertainty over how the programme will affect the School. As a result, the School cannot make a reliable estimate of the maintenance required on 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.

1.16. 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.

1.17. 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.

1.18. 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.

2. Government Grants

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Government Grants - Ministry of Education	1,060,311	836,379	1,000,780
Teachers' Salaries Grants	2,565,076	2,564,390	2,657,021
Use of Land and Buildings Grants	805,809	928,837	805,041
Other Government Grants	2,829	-	1,133
	<u>4,434,025</u>	<u>4,329,606</u>	<u>4,463,975</u>

3. Locally Raised Funds

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

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations & Bequests	143,707	171,300	174,790
Fees for Extra Curricular Activities	83,236	100,830	60,120
Trading	49,431	59,000	51,865
Fundraising & Community Grants	4,528	-	12,502
Other Revenue	34,134	17,946	36,445
International Student Fees	36,913	-	39,844
	<u>351,949</u>	<u>349,076</u>	<u>375,566</u>
Expenses			
Extra Curricular Activities Costs	75,266	105,230	55,685
Trading	53,147	66,000	55,099
Fundraising & Community Grant Costs	4,623	-	12,506
International Student - Student Recruitment	4,599	-	3,990
International Student - Other Expenses	3,113	200	3,980
	<u>140,748</u>	<u>171,430</u>	<u>131,260</u>
<i>Surplus / (Deficit) for the year Locally raised funds</i>	<u>211,201</u>	<u>177,646</u>	<u>244,306</u>

During the year the School hosted 1 International student (2021:3)

4. Learning Resources

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	79,055	118,700	99,824
Equipment Repairs	622	2,400	1,002
Information and Communication Technology	51,519	42,133	47,643
Library Resources	1,779	1,900	1,881
Employee Benefits - Salaries	3,017,264	2,826,762	3,048,116
Staff Development	17,060	20,000	15,853
Depreciation	94,010	156,651	125,756
	<u>3,261,309</u>	<u>3,168,546</u>	<u>3,340,075</u>

5. Administration

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	6,563	6,250	6,250
Board Fees	3,500	5,000	2,250
Board Expenses	23,614	17,160	14,793
Communication	2,563	2,800	2,163
Consumables	26,134	31,500	19,801
Legal Fees	11,208	-	4,810
Other	39,396	40,950	29,136
Employee Benefits - Salaries	176,432	142,000	127,184
Insurance	24,350	21,000	18,799
Service Providers, Contractors and Consultancy	6,845	8,000	6,370
	<u>320,605</u>	<u>274,660</u>	<u>231,556</u>

6. Property

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	6,020	6,500	6,921
Consultancy and Contract Services	99,775	112,200	101,610
Cyclical Maintenance Provision	-	10,000	-
Grounds	11,911	23,000	15,050
Heat, Light and Water	33,335	50,000	30,721
Rates	30,072	25,000	26,452
Repairs and Maintenance	36,826	42,200	34,523
Use of Land and Buildings	805,809	928,837	805,041
Security	13,049	13,000	9,208
Employee Benefits - Salaries	65,602	67,540	68,045
	<u>1,102,399</u>	<u>1,278,277</u>	<u>1,097,571</u>

The Use of Land and Buildings figure represents 5% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

7. Cash and Cash Equivalents

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Accounts	187,732	41,359	150,757
Cash and Cash Equivalents for Statement of Cash Flows	<u>187,732</u>	<u>41,359</u>	<u>150,757</u>

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

8. Accounts Receivable

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	2,598	5,966	5,966
Receivables from the Ministry of Education	700	-	-
Interest Receivable	1,694	583	583
Teacher Salaries Grant Receivable	201,340	220,170	220,170
	<u>206,332</u>	<u>226,719</u>	<u>226,719</u>
Receivables from Exchange Transactions	4,292	6,549	6,549
Receivables from Non-Exchange Transactions	202,040	220,170	220,170
	<u>206,332</u>	<u>226,719</u>	<u>226,719</u>

9. Inventories

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
School Uniforms	9,426	6,631	6,631
	<u>9,426</u>	<u>6,631</u>	<u>6,631</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	417,138	408,037	408,037
Total Investments	<u>417,138</u>	<u>408,037</u>	<u>408,037</u>

11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2022						
Building Improvements	299,113	-	-	-	(19,936)	279,177
Furniture and Equipment	73,005	25,093	-	-	(16,545)	81,553
Information and Communication Technology	10,664	8,856	-	-	(5,971)	13,549
Motor Vehicles	10,965	-	-	-	(6,261)	4,704
Leased Assets	71,211	72,188	-	-	(44,252)	99,147
Library Resources	5,252	3,277	(172)	-	(1,045)	7,312
Balance at 31 December 2022	<u>470,210</u>	<u>109,414</u>	<u>(172)</u>	<u>-</u>	<u>(94,010)</u>	<u>485,442</u>

The net carrying value of equipment held under a finance lease is \$99,147 (2021: \$71,211)

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 \$
Building Improvements	703,204	(424,027)	279,177	703,204	(404,091)	299,113
Furniture and Equipment	1,011,700	(930,147)	81,553	986,607	(913,602)	73,005
Information and Communication Technology	315,910	(302,361)	13,549	307,054	(296,390)	10,664
Motor Vehicles	49,104	(44,400)	4,704	49,104	(38,139)	10,965
Leased Assets	250,803	(151,656)	99,147	270,652	(199,441)	71,211
Library Resources	76,126	(68,814)	7,312	75,321	(70,069)	5,252
Balance at 31 December	<u>2,406,847</u>	<u>(1,921,405)</u>	<u>485,442</u>	<u>2,391,942</u>	<u>(1,921,732)</u>	<u>470,210</u>

12. Accounts Payable

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Creditors	24,024	52,676	52,676
Accruals	4,813	4,500	4,500
Banking Staffing Overuse	-	9,784	9,784
Employee Entitlements - Salaries	221,086	235,403	235,403
Employee Entitlements - Leave Accrual	14,233	13,428	13,428
	<u>264,156</u>	<u>315,791</u>	<u>315,791</u>
Payables for Exchange Transactions	264,156	315,791	315,791
	<u>264,156</u>	<u>315,791</u>	<u>315,791</u>

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
International Student Fees in Advance	92,461	-	-
Other Revenue in Advance	6,414	5,846	5,846
	<u>98,875</u>	<u>5,846</u>	<u>5,846</u>

14. Provision for Cyclical Maintenance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Increase to the Provision During the Year	-	10,000	-
Provision at the End of the Year	<u>-</u>	<u>10,000</u>	<u>-</u>
Cyclical Maintenance - Non current	-	10,000	-
	<u>-</u>	<u>10,000</u>	<u>-</u>

Note 21 outlines the school's current contingent liability in relation to Cyclical Maintenance

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	60,557	48,575	48,575
Later than One Year and no Later than Five Years	64,898	82,767	61,885
Future Finance Charges	(9,152)	(4,706)	(4,706)
	<u>116,303</u>	<u>126,636</u>	<u>105,754</u>
Represented by:			
Finance lease liability - Current	55,331	46,485	46,485
Finance lease liability - Non current	60,972	80,151	59,269
	<u>116,303</u>	<u>126,636</u>	<u>105,754</u>

16. Funds Held in Trust

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	6,666	1,033	1,033
	<u>6,666</u>	<u>1,033</u>	<u>1,033</u>

These funds relate to arrangements where the School is acting as an agent. These amounts are not revenue or expenditure of the School and therefore are not included in the Statement of Comprehensive Revenue and Expense.

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. 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 \$
Container Storage		-	9,116	(9,116)	-	-
Totals		-	9,116	(9,116)	-	-

	2021	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Flooding - 227982		(5,127)	4,615	-	512	-
Totals		(5,127)	4,615	-	512	-

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 and Assistant Principals.

	2022 Actual \$	2021 Actual \$
<i>Board Members</i>		
Remuneration	3,500	2,250
<i>Leadership Team</i>		
Remuneration	494,504	476,158
Full-time equivalent members	4.00	4.00
Total key management personnel remuneration	498,004	478,408

There are 6 members of the Board excluding the Principal. The Board had held 10 full meetings of the Board in the year. The Board also has 1 Finance and 2 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 1

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

	2022 Actual \$000	2021 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	80 - 90	150-160
Benefits and Other Emoluments	0 - 0	0 - 0
Termination Benefits	0 - 0	0 - 0

Principal 2

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	80 - 90	0 - 0
Benefits and Other Emoluments	1 - 5	0 - 0
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	5.00	4.00
110 -120	1.00	1.00
	<u>6.00</u>	<u>5.00</u>

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

20. 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	\$ -	\$ -
Number of People	-	-

21. 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.

Teacher Aide & Support Staff Settlement Wash Up

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 Ministry is in the process of determining wash up payments for the year ended 31 December 2022 however as at the reporting date this amount had not been calculated and therefore is not recorded in these financial statements.

Cyclical Maintenance

The School has an obligation to the Ministry of Education to maintain in good order and repair at all times the land, buildings and other facilities on the School site. The School is part of the Christchurch Schools Rebuild Programme which will result in the Schools buildings either being repaired or rebuilt in the future. At the present time there is significant uncertainty over how the programme will affect the School. As a result, the School cannot make a reliable estimate of the maintenance required on the Schools buildings so no cyclical maintenance provision has been recognised, even though the School will be required to maintain any buildings that are not replaced as well as new buildings.

22. Commitments**(a) Capital Commitments**

As at 31 December 2022 the Board has not entered into any contract agreements for capital works.

(Capital commitments in relation to Ministry projects at 31 December 2021: nil)

(b) Operating Commitments

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

(Operating commitments at 31 December 2021: nil)

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Cash and Cash Equivalents	187,732	41,359	150,757
Receivables	206,332	226,719	226,719
Investments - Term Deposits	417,138	408,037	408,037
Total Financial assets measured at amortised cost	811,202	676,115	785,513

Financial liabilities measured at amortised cost

Payables	264,156	315,791	315,791
Finance Leases	116,303	126,636	105,754
Total Financial liabilities measured at amortised Cost	380,459	442,427	421,545

24. Events After Balance Date

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

25. Comparatives

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

Analysis Of Variance 2022

Target	Outcome	Analysis of Overall data
<p>Maths</p> <p>Target 1 For the 38 Year 8 students - 11 boys and 27 girls at the beginning of level 3 and mid-level 3 of the NZ curriculum to make accelerated progress towards achieving within level 4 by the end of the year.</p> <p>Target 2 For the 3 Year 8 students - 2 boys and 1 girl who require learning interventions additional to the classroom programme to progress 1-2 sublevels (students have special education needs).</p>	<p>End of year Evaluation on Target 1 61% (23/38 students) made accelerated progress (2 or more sub-level shifts) <ul style="list-style-type: none"> o 15 students made 1 sub-level shift o 22 students made 2 sub-level shifts o 1 student made 3 sub-level shifts 39% (15/38 students) progressed to achieving within the Year 8 expectation.</p> <p>End of year Evaluation on Target 2 <ul style="list-style-type: none"> o All 3 students made 1 sub-level shift </p>	<p>Achievement data is consistent with past trends for year level, Māori students and gender. Levels of achievement were similar for girls and boys, although proportionally, more boys achieved above the curriculum expectation. Proportionally, less Māori students achieved at or above the expectation than NZ European students. This disparity slightly widened from 2021 data.</p>
<p>Reading</p> <p>Target 1 For the 26 Year 8 students - 17 boys, 9 girls (4 ELLs) working towards the Year 8 level expectation to make accelerated progress (2-3 sublevels), achieving within level 4 by the end of 2021.</p>	<p>End of year Evaluation on Target 1 14/26 (54%) students reached the target of achieving within level 4, a 2-3 sub-level shift. <ul style="list-style-type: none"> o 6 students made a 2 sub-level shift. o 8 students made a 3 sub-level shift. 12/26 (46%) students were still working towards achieving within level 4. <ul style="list-style-type: none"> o 2 students made a 1 sub-level shift. o 7 students made a 2 sub-level shift. o 3 students made a 3 sub-level shift. </p>	<p>Heaton students continue to achieve very well in reading. Achievement data is consistent with past trends. In 2021 at the end of the year, 90% of students achieved within or above their curriculum expectation. Māori students are achieving very well at Heaton, with achievement rates in Year 7 & 8 comparable to NZ European ethnicity groups.</p>



He Tiwai Mātauranga
Heaton Normal Intermediate
Ekea te pae Kahukura

125-133 Heaton Street, Merivale, Christchurch, PO Box 5242, Papanui, Christchurch
Telephone 03 355 9555 Email: admin@heaton.school.nz

3/5/23

Kiwisport Declaration

Kiwisport is a Government funding initiative to support students' participation in organized sport. In 2022, the school received total Kiwisport funding of \$7,735.20 ex GST.

The funding was spent on school sports equipment, subscription to Primary Sports Canterbury, which gave all of our students access to weekly tournaments and sporting events, and some subsidised transport to various sporting tournaments. Also some extra sport equipment.

The number of students that participated in organised sport was 522 (full school roll).

Kate Henderson

PE and Sport Coordinator



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Compliance with Education and Training Act 2020 requirements to be a good employer for the year ending 31 December 2022.

The following questions address key aspects of compliance with a good employer policy:

Reporting on the principles of being a Good Employer	
How have you met your obligations to provide good and safe working conditions?	Yes
What is in your equal employment opportunities programme? How have you been fulfilling this programme?	<i>We employ best person for job at all times</i> https://heaton.schooldocs.co.nz/ <i>EEO</i>
How do you practise impartial selection of suitably qualified persons for appointment?	<i>We employ best person for job at all times</i> <i>Full interview and referee checking for all positions other than short term</i> <i>Panel with representation from BOT where possible</i> <i>Staff rep also on appointment panel</i>
How are you recognising, <ul style="list-style-type: none">- The aims and aspirations of Maori,- The employment requirements of Maori, and- Greater involvement of Maori in the Education service?	<i>We employ best person for job regardless of ethnicity</i> <i>We have established tikanga in our school to embrace all members of our Maori community including kaiko</i> <i>We have a dedicated kaiarahi employed by the BOT</i> <i>Be good if you could outline what you consider those requirements to be to answer this question</i>

How have you enhanced the abilities of individual employees?	<i>Professional growth cycles individualised to each staff member and schoolwide development</i>
How are you recognising the employment requirements of women?	<i>Mostly female staff with clear policy on matters related specifically to female employees i.e. maternity leave etc</i> <i>Be good if you could outline what you consider those requirements to be to answer this question</i> <i>We employ best person for job regardless of gender</i>
How are you recognising the employment requirements of persons with disabilities?	<i>Be good if you could outline what you consider those requirements to be to answer this question</i> <i>Our new buildings are fully accessible and toileting design</i> <i>We employ best person for job regardless of disability</i>

Good employer policies should include provisions for an Equal Employment Opportunities (EEO) programme/policy . The Ministry of Education monitors these policies:

Reporting on Equal Employment Opportunities (EEO) Programme/Policy	YES	NO
Do you operate an EEO programme/policy?	x	
Has this policy or programme been made available to staff?	x	
Does your EEO programme/policy include training to raise awareness of issues which may impact EEO?	x	
Has your EEO programme/policy appointed someone to coordinate compliance with its requirements?	x	
Does your EEO programme/policy provide for regular reporting on compliance with the policy and/or achievements under the policy?		x
Does your EEO programme/policy set priorities and objectives?		x

Equal Employment Opportunities

The Equal Employment Opportunities policy ensures that all employees and applicants for employment are treated according to their skills, qualifications, abilities, and aptitudes, without **bias or discrimination**. All schools are required by the Public Service Act to be “good employers”, that is:

- to maintain, and comply with their school's Equal Employment Opportunities policy, and
- to include in the annual report a summary of the year's compliance.

To achieve this, the board:

- appoints a member to be the **EEO** officer – this role may be taken by the principal
- shows commitment to equal opportunities in all aspects of employment including recruitment, training, promotion, conditions of service, and career development
- selects the person most suited to the position in terms of skills, experience, qualifications, and aptitude
- recognises the value of diversity in staffing (for example, ethnicity, age, gender, disability, tenure, hours of work, etc.) and the employment requirements of diverse individuals/groups
- ensures that employment and personnel practices are fair and free of any bias.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF HEATON NORMAL INTERMEDIATE SCHOOL'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

The Auditor-General is the auditor of Heaton Normal Intermediate School (the School). The Auditor-General has appointed me, Warren Johnston, using the staff and resources of BDO Christchurch, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 3 to 18, that comprise the statement of financial position as at 31 December 2022, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2022; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity Standards Reduced Disclosure Regime.

Our audit was completed on 31 May 2023. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements

The Board is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board is also responsible for disclosing, as

applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

The Board's responsibilities, in terms of the requirements of the Education and Training Act 2020, arise from section 87 of the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the School's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the school payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of

material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the Statement of Responsibility, Members of the Board Listing, Analysis of Variance, Kiwisport Report and the Statements of Compliance with Employment Policy, but does not include the financial statements, and our auditor's report thereon.

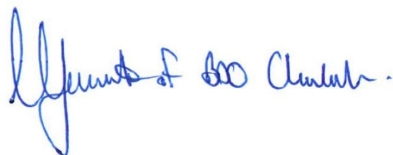
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

Independence

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

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

A handwritten signature in blue ink, appearing to read 'Warren Johnston'.

Warren Johnston,
BDO Christchurch
On behalf of the Auditor-General
Christchurch, New Zealand