

# RIDGEVIEW SCHOOL

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### School Directory

<b>Ministry Number:</b>	1433
<b>Principal:</b>	Rachael Kemball
<b>School Address:</b>	Cutts Crescent, Paremoremo
<b>School Postal Address:</b>	Cutts Crescent, Paremoremo, North Shore City, 0632
<b>School Phone:</b>	09 413 9808
<b>School Email:</b>	learn@ridgeview.school.nz

#### Members of the Board of Trustees

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Term Expires/ Expired</b>
Angela Butt	Chairperson	Elected	Jul 2020
Liz de Kort	Chairperson	Co-opted	May 2022
Rachael Kemball	Principal	ex Officio	
Tina Baines	Parent Rep	Elected	Aug 2020
Lisa Mclachlan	Parent Rep	Elected	May 2022
Colin Meffan	Parent Rep	Elected	Jul 2020
Katrina Hart	Staff Rep	Elected	May 2022
Derek Morrow	Staff Rep	Elected	May 2022

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

# RIDGEVIEW SCHOOL

Annual Report - For the year ended 31 December 2020

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# Ridgeview School

## Statement of Responsibility

For the year ended 31 December 2020

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

The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2020 fairly reflects the financial position and operations of the school.

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

Elizabeth Mary de Kort Rachael Kemball  
Full Name of Board Chairperson Full Name of Principal

  
Signature of Board Chairperson

  
Signature of Principal

31/05/2021  
Date:

31. 5. 2021  
Date:

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

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Revenue</b>				
Government Grants	2	942,496	831,011	781,114
Locally Raised Funds	3	67,674	52,650	40,956
Interest Income		1,370	2,000	2,727
Other Revenue		-	-	957
		<u>1,011,540</u>	<u>885,661</u>	<u>825,754</u>
<b>Expenses</b>				
Locally Raised Funds	3	14,653	22,539	18,149
Learning Resources	4	450,131	413,461	356,223
Administration	5	63,259	64,663	58,934
Finance		362	243	392
Property	6	389,758	375,029	346,740
Depreciation	7	9,892	11,596	9,593
Loss on Disposal of Property, Plant and Equipment		364	-	1,869
		<u>928,419</u>	<u>887,531</u>	<u>791,900</u>
<b>Net Surplus / (Deficit) for the year</b>		<b>83,121</b>	<b>(1,870)</b>	<b>33,854</b>
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u><b>83,121</b></u>	<u><b>(1,870)</b></u>	<u><b>33,854</b></u>

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

**Ridgeview School**  
**Statement of Changes in Net Assets/Equity**  
For the year ended 31 December 2020

	Notes	Actual 2020 \$	Budget (Unaudited) 2020 \$	Actual 2019 \$
<b>Balance at 1 January</b>		<u>127,355</u>	<u>85,553</u>	<u>93,501</u>
Total comprehensive revenue and expense for the year Capital Contributions from the Ministry of Education		83,121	(1,870)	33,854
<b>Equity at 31 December</b>	23	<u>210,476</u>	<u>83,683</u>	<u>127,355</u>
Retained Earnings		210,476	83,683	127,355
<b>Equity at 31 December</b>		<u>210,476</u>	<u>83,683</u>	<u>127,355</u>

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes which form part of these financial statements.

**Ridgeview School**  
**Statement of Financial Position**  
As at 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Current Assets</b>				
Cash and Cash Equivalents	8	202,352	59,494	63,696
Accounts Receivable	9	26,753	17,896	17,287
Prepayments		1,313	1,176	1,573
Inventories	10	2,884	1,702	3,270
Investments	11	52,894	-	51,573
		<hr/>	<hr/>	<hr/>
		286,196	80,268	137,399
<b>Current Liabilities</b>				
GST Payable		25,249	8,179	4,924
Accounts Payable	13	35,836	24,428	23,523
Revenue Received in Advance	14	182	22	68
Provision for Cyclical Maintenance	15	19,042	41,465	5,858
Finance Lease Liability - Current Portion	16	2,092	2,335	2,304
Funds held for Capital Works Projects	17	36,942	-	5,691
		<hr/>	<hr/>	<hr/>
		119,343	76,429	42,368
<b>Working Capital Surplus/(Deficit)</b>		166,853	3,839	95,031
<b>Non-current Assets</b>				
Property, Plant and Equipment	12	75,172	81,487	69,801
		<hr/>	<hr/>	<hr/>
		75,172	81,487	69,801
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	15	29,650	-	35,950
Finance Lease Liability	16	1,899	1,643	1,527
		<hr/>	<hr/>	<hr/>
		31,549	1,643	37,477
<b>Net Assets</b>		<hr/>	<hr/>	<hr/>
		210,476	83,683	127,355
<b>Equity</b>		<hr/>	<hr/>	<hr/>
		210,476	83,683	127,355

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

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

		2020	2020	2019
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
<b>Cash flows from Operating Activities</b>				
Government Grants		268,866	194,966	209,412
Locally Raised Funds		67,026	52,650	43,476
Goods and Services Tax (net)		20,325	-	(3,255)
Payments to Employees		(162,023)	(121,194)	(136,296)
Payments to Suppliers		(73,332)	(76,665)	(83,819)
Cyclical Maintenance Payments in the year		-	(7,000)	-
Interest Paid		(362)	(243)	(392)
Interest Received		1,487	2,000	3,063
<b>Net cash from/(to) Operating Activities</b>		<b>121,987</b>	<b>44,514</b>	<b>32,189</b>
<b>Cash flows from Investing Activities</b>				
Purchase of Property Plant & Equipment (and Intangibles)		(11,956)	(24,000)	-
Purchase of Investments		(1,321)	-	(1,721)
<b>Net cash from/(to) Investing Activities</b>		<b>(13,277)</b>	<b>(24,000)</b>	<b>(1,721)</b>
<b>Cash flows from Financing Activities</b>				
Finance Lease Payments		(1,305)	(2,304)	(1,376)
Funds Held for Capital Works Projects		31,251	-	(6,680)
<b>Net cash from/(to) Financing Activities</b>		<b>29,946</b>	<b>(2,304)</b>	<b>(8,056)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>138,656</b>	<b>18,210</b>	<b>22,412</b>
Cash and cash equivalents at the beginning of the year	8	63,696	41,284	41,284
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>202,352</b>	<b>59,494</b>	<b>63,696</b>

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

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

# Ridgeview School

## Notes to the Financial Statements

### For the year ended 31 December 2020

#### 1. Statement of Accounting Policies

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

Ridgeview School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

#### *Cyclical maintenance*

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

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

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 12.

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

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

#### *Classification of leases*

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

#### *Recognition of grants*

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

## **c) Revenue Recognition**

### **Government Grants**

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

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

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

Use of land and buildings grants are recorded as revenue in the period the School uses the land and buildings. These are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown.

**Other Grants**

Other grants are recorded as revenue when the School has the rights to the funding, unless there are unfulfilled conditions attached to the grant, in which case the amount relating to the unfulfilled conditions is recognised as a liability and released to revenue as the conditions are fulfilled.

**Donations, Gifts and Bequests**

Donations, gifts and bequests are recorded as revenue when their receipt is formally acknowledged by the School.

**Interest Revenue**

Interest Revenue earned on cash and cash equivalents and investments is recorded as revenue in the period it is earned.

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

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Ministry.

**e) Operating Lease Payments**

Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight line basis over the term of the lease.

**f) Finance Lease Payments**

Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

**g) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of 90 days or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

**h) Accounts Receivable**

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

**i) Inventories**

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

**j) Investments**

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

### **k) Property, Plant and Equipment**

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

Improvements to buildings owned by the Crown are recorded at cost, less accumulated depreciation and impairment losses.

Property, plant and equipment are recorded at cost or, in the case of donated assets, fair value at the date of receipt, less accumulated depreciation and impairment losses. Cost or fair value as the case may be, includes those costs that relate directly to bringing the asset to the location where it will be used and making sure it is in the appropriate condition for its intended use.

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

#### **Finance Leases**

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty whether the school will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

#### **Depreciation**

Property, plant and equipment are depreciated over their estimated useful lives on a straight line basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Building Improvements	20 years
Furniture and Equipment	4-20 years
Information and Communication	5 years
Library Resources	8 years
Leased assets held under a Finance Lease	Term of Lease

### **l) Impairment of property, plant, and equipment.**

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 are held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

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

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

### **m) 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.