

The Gardens School

Annual Report for the year ended 31 December 2022

| | |
|-------------------------------|--|
| Ministry Number: | 6947 |
| Principal: | Susannah Fowler |
| School Address: | 101 Charles Prevost Drive, Manukau |
| School Postal Address: | 101 Charles Prevost Drive, Manukau, 2105 |
| School Phone: | 09-2690041 |
| School Email: | principal@thegardens.school.nz |
| Service Provider: | Edtech Financial Services Ltd |

The Gardens School**Members of the Board**

For the year ended 31 December 2022

| Name | Position | How position on Board gained | Term expired/expires |
|--------------------|-------------------------|-------------------------------------|-----------------------------|
| GRAY, Richard | Presiding Member | Re-elected Sep 2022 | 2025 |
| FOWLER, Susannah | Principal | Ex-officio | |
| COSFORD, Luke | Parent Rep | Re-elected Sep 2022 | 2025 |
| GIFFORD, Kate | Staff Rep | Re-elected Sep 2022 | 2025 |
| PEMA, Annalise | Parent Rep | Re-elected Sep 2022 | 2025 |
| SWARIS, Sharon | Parent Rep to Sep2022 | Did not stand for re-election | Sep-22 |
| TROOD, Allison | Parent Rep | Elected Sep 2022 | 2025 |
| YAKOVLEVA, Natalya | Parent Rep | Elected Sep 2022 | 2025 |
| PANOHO, Peggy | Minute Secretary | | |

THE GARDENS SCHOOL

Annual Report - For the year ended 31 December 2022

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The Gardens 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.

Richard Gray

Full Name of Presiding Member

DocuSigned by:

Richard Gray

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Signature of Presiding Member

08 June 2023

Date:

Susannah Fowler

Full Name of Principal

DocuSigned by:

Susannah Fowler

DEE6E9F0052644E

Signature of Principal

03 June 2023

Date:

The Gardens School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2022

| | Notes | 2022 Actual \$ | 2022 Budget (Unaudited) \$ | 2021 Actual \$ |
|---|-------|----------------------|-------------------------------------|----------------------|
| Revenue | | | | |
| Government Grants | 2 | 5,713,212 | 4,557,040 | 5,499,276 |
| Locally Raised Funds | 3 | 239,790 | 232,124 | 180,613 |
| Interest Income | | 4,526 | 1,257 | 1,139 |
| Total Revenue | | 5,957,528 | 4,790,421 | 5,681,028 |
| Expenses | | | | |
| Locally Raised Funds | 3 | 117,020 | 76,019 | 56,191 |
| Learning Resources | 4 | 3,833,591 | 3,671,998 | 3,905,588 |
| Administration | 5 | 272,949 | 225,506 | 174,166 |
| Finance | | 1,815 | - | 4,844 |
| Property | 6 | 1,776,637 | 817,117 | 1,596,316 |
| Loss on Disposal of Property, Plant and Equipment | | 619 | - | 188 |
| | | 6,002,631 | 4,790,640 | 5,737,293 |
| Net Surplus / (Deficit) for the year | | (45,103) | (219) | (56,265) |
| Other Comprehensive Revenue and Expense | | - | - | - |
| Total Comprehensive Revenue and Expense for the Year | | (45,103) | (219) | (56,265) |

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

The Gardens 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 | | 1,088,922 | 1,088,922 | 1,144,542 |
| Total comprehensive revenue and expense for the year | | (45,103) | (219) | (56,265) |
| Contributions from the Ministry of Education | | | | |
| Contribution - Furniture and Equipment Grant | | - | - | 645 |
| Equity at 31 December | | 1,043,819 | 1,088,703 | 1,088,922 |
| Accumulated comprehensive revenue and expense | | 1,043,819 | 1,088,703 | 1,088,922 |
| Reserves | | - | - | - |
| Equity at 31 December | | 1,043,819 | 1,088,703 | 1,088,922 |

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.

The Gardens School

Statement of Financial Position

As at 31 December 2022

| | Notes | 2022 Actual \$ | 2022 Budget (Unaudited) \$ | 2021 Actual \$ |
|--|-------|----------------------|-------------------------------------|----------------------|
| Current Assets | | | | |
| Cash and Cash Equivalents | 7 | 548,826 | 575,873 | 463,295 |
| Accounts Receivable | 8 | 348,491 | 317,891 | 311,679 |
| GST Receivable | | 2,012 | 15,000 | 11,721 |
| Prepayments | | 1,244 | 5,500 | 5,205 |
| | | 900,573 | 914,264 | 791,900 |
| Current Liabilities | | | | |
| Accounts Payable | 10 | 399,941 | 339,455 | 354,379 |
| Revenue Received in Advance | 11 | - | - | 22 |
| Provision for Cyclical Maintenance | 12 | 9,853 | 15,000 | 1,300 |
| Finance Lease Liability | 13 | 20,704 | 14,500 | 13,344 |
| Funds held for Capital Works Projects | 14 | 58,215 | 72,810 | 69,015 |
| | | 488,713 | 441,765 | 438,060 |
| Working Capital Surplus/(Deficit) | | 411,860 | 472,499 | 353,840 |
| Non-current Assets | | | | |
| Property, Plant and Equipment | 9 | 830,181 | 791,204 | 904,001 |
| | | 830,181 | 791,204 | 904,001 |
| Non-current Liabilities | | | | |
| Provision for Cyclical Maintenance | 12 | 170,760 | 150,000 | 145,927 |
| Finance Lease Liability | 13 | 27,462 | 25,000 | 22,992 |
| | | 198,222 | 175,000 | 168,919 |
| Net Assets | | 1,043,819 | 1,088,703 | 1,088,922 |
| Equity | | 1,043,819 | 1,088,703 | 1,088,922 |

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

The Gardens School

Statement of Cash Flows

For the year ended 31 December 2022

| | Note | 2022 Actual \$ | 2022 Budget (Unaudited) \$ | 2021 Actual \$ |
|--|----------|----------------------|-------------------------------------|----------------------|
| Cash flows from Operating Activities | | | | |
| Government Grants | | 1,189,148 | 1,166,548 | 1,097,068 |
| Locally Raised Funds | | 239,768 | 232,102 | 180,603 |
| Goods and Services Tax (net) | | 9,709 | (3,279) | 17,209 |
| Payments to Employees | | (723,516) | (646,204) | (615,260) |
| Payments to Suppliers | | (472,170) | (503,627) | (388,388) |
| Interest Paid | | (1,815) | - | (4,844) |
| Interest Received | | 4,251 | 1,239 | 1,130 |
| Net cash from/(to) Operating Activities | | 245,375 | 246,779 | 287,518 |
| Cash flows from Investing Activities | | | | |
| Proceeds from Sale of Property Plant & Equipment (and Intangibles) | | 6,638 | - | - |
| Purchase of Property Plant & Equipment (and Intangibles) | | (120,704) | (141,160) | (185,212) |
| Net cash from/(to) Investing Activities | | (114,066) | (141,160) | (185,212) |
| Cash flows from Financing Activities | | | | |
| Furniture and Equipment Grant | | - | - | 645 |
| Finance Lease Payments | | (24,802) | 3,164 | (45,026) |
| Funds Administered on Behalf of Third Parties | | (20,976) | 3,795 | (143,971) |
| Net cash from/(to) Financing Activities | | (45,778) | 6,959 | (188,352) |
| Net increase/(decrease) in cash and cash equivalents | | 85,531 | 112,578 | (86,046) |
| Cash and cash equivalents at the beginning of the year | 7 | 463,295 | 463,295 | 549,341 |
| Cash and cash equivalents at the end of the year | 7 | 548,826 | 575,873 | 463,295 |

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.

The Gardens School

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

a) Reporting Entity

The Gardens 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.

b) 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 expense 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 best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition. During the year, the Board assesses the reasonableness of its painting maintenance plan on which the provision is based. Cyclical maintenance is disclosed at note 12.

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 9.

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 13. Future operating lease commitments are disclosed in note 19b.

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.

Other Ministry Grants for directly funded programs are recorded as revenue when the School has the rights to the funding in the period they relate to. 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 released to 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.

d) 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.

e) 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.

f) Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for expected 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.