

TE AUTE COLLEGE

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

School Directory

Ministry Number: 232

Principal: S Hiha

School Address: 100 State Highway 2, Pukehou, Central Hawkes Bay

School Postal Address: Private Bag 6030, Napier, 4142

School Phone: 06 856 8016

School Email: admin@teaute.school.nz

Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Paul Howison	Commissioner	Statutory Appointment	
Shane Hiha	Principal ex Officio		

Accountant / Service Provider: Eclipse Solutions 4 Schools Ltd

TE AUTE COLLEGE

Annual Report - For the year ended 31 December 2021

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Te Aute College

Statement of Responsibility

For the year ended 31 December 2021

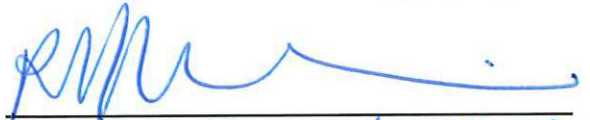
The Board accepts responsibility for the preparation of the annual financial statements and the judgements used in these financial statements.

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 2021 fairly reflects the financial position and operations of the school.

The School's 2021 financial statements are authorised for issue by the Board.

Paul William Howison
Full Name of Presiding Member *Commissioner*


Signature of Presiding Member *Commissioner*

10/03/2023
Date:

Rachel Kingi
Full Name of Principal


Signature of Principal

10/03/2023
Date:

Te Aute College

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Revenue				
Government Grants	2	1,648,257	1,569,579	1,628,090
Locally Raised Funds	3	148,562	101,660	171,702
Use of Proprietor's Land and Buildings		68,138	109,021	109,021
Interest Income		213	1,500	682
Gain on Sale of Property, Plant and Equipment		1,739	-	-
		<u>1,866,909</u>	<u>1,781,760</u>	<u>1,909,495</u>
Expenses				
Locally Raised Funds	3	89,477	65,900	75,690
Learning Resources	4	1,138,484	1,132,788	1,125,659
Administration	5	267,248	213,875	292,545
Finance		2,066	500	988
Property	6	320,415	335,945	340,032
Depreciation	11	61,469	60,000	54,073
Loss on Uncollectable Accounts Receivable		3,626	-	100
Amortisation of Intangible Assets	11	2,977	1,966	2,977
		<u>1,885,762</u>	<u>1,810,974</u>	<u>1,892,064</u>
Net Surplus / (Deficit) for the year		(18,853)	(29,214)	17,431
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(18,853)</u>	<u>(29,214)</u>	<u>17,431</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.

Te Aute College

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Equity at 1 January		348,375	348,375	325,805
Total comprehensive revenue and expense for the year		(18,853)	(29,214)	17,431
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		2,403	2,000	5,139
Equity at 31 December		331,925	321,161	348,375

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.



Te Aute College

Statement of Financial Position

As at 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Assets				
Cash and Cash Equivalents	7	150,874	147,712	198,309
Accounts Receivable	8	201,952	178,797	220,165
GST Receivable		3,282	3,000	-
Prepayments		16,279	5,000	3,742
Inventories	9	53,188	50,000	49,233
		<u>425,575</u>	<u>384,509</u>	<u>471,449</u>
Current Liabilities				
GST Payable		-	-	14,131
Accounts Payable	12	215,804	175,955	140,933
Revenue Received in Advance	13	20,175	20,175	30,898
Provision for Cyclical Maintenance	14	69,366	69,366	47,268
Finance Lease Liability	15	21,706	21,706	11,842
Funds Held in Trust	16	19,652	19,652	71,227
		<u>346,703</u>	<u>306,854</u>	<u>316,299</u>
Working Capital Surplus/(Deficit)		78,872	77,655	155,150
Non-current Assets				
Equitable Leasehold Interest	10	28,151	28,151	31,128
Property, Plant and Equipment	11	265,547	256,000	232,549
		<u>293,698</u>	<u>284,151</u>	<u>263,677</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	17,984	17,984	58,391
Finance Lease Liability	15	22,661	22,661	12,061
		<u>40,645</u>	<u>40,645</u>	<u>70,452</u>
Net Assets		<u><u>331,925</u></u>	<u><u>321,161</u></u>	<u><u>348,375</u></u>
Equity		<u><u>331,925</u></u>	<u><u>321,161</u></u>	<u><u>348,375</u></u>

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



Te Aute College

Statement of Cash Flows

For the year ended 31 December 2021

	Note	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash flows from Operating Activities				
Government Grants		693,332	663,908	672,224
Locally Raised Funds		171,855	147,066	185,190
Goods and Services Tax (net)		(17,413)	(17,131)	15,944
Payments to Employees		(415,183)	(379,452)	(389,531)
Payments to Suppliers		(326,737)	(324,437)	(384,780)
Interest Paid		(2,066)	(500)	(988)
Interest Received		213	1,500	990
Net cash from/(to) Operating Activities		104,001	90,954	99,049
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		1,739	-	(42,981)
Purchase of Property Plant & Equipment (and Intangibles)		(93,762)	(85,417)	-
Purchase of Investments		-	-	41,733
Proceeds from Sale of Investments		-	2,977	-
Net cash from/(to) Investing Activities		(92,023)	(82,440)	(1,248)
Cash flows from Financing Activities				
Furniture and Equipment Grant		241	2,000	5,139
Finance Lease Payments		(8,079)	(9,536)	(11,918)
Funds Administered on Behalf of Third Parties		(51,575)	(51,575)	14,687
Net cash from/(to) Financing Activities		(59,413)	(59,111)	7,908
Net increase/(decrease) in cash and cash equivalents		(47,435)	(50,597)	105,709
Cash and cash equivalents at the beginning of the year	7	198,309	198,309	92,602
Cash and cash equivalents at the end of the year	7	150,874	147,712	198,311

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.



Te Aute College

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

a) Reporting Entity

Te Aute College (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 reports have been prepared for the period 1 January 2021 to 31 December 2021 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 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 Proprietors 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 14.

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the significant accounting policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 11.



Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

The property from which the School operates is owned by the Proprietor. Grants for the use of land and buildings are also not received in cash by the school however they equate to the deemed expense for using the land and buildings. This expense is based on an assumed market rental yield on the 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

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) 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.

e) 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.

f) 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.

g) 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.

h) Inventories

Inventories are consumable items held for sale and comprised 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.



i) 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.

j) Property, Plant and Equipment

Land and buildings owned by the Proprietor 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 Proprietor 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 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:

Furniture and Equipment	5–20 years
Information and Communication Technology	3–10 years
Textbooks	12.5% Diminishing value
Leased Assets held under a Finance Lease	3–5 years
Library Resources	12.5% Diminishing value

k) 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. 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.

l) Accounts Payable

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

m) Employee Entitlements*Short-term employee entitlements*

Employee 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, to but not yet taken at balance date.

n) Revenue Received in Advance

Revenue received in advance relates to fees received from students 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.

o) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense.

The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

p) Provision for Cyclical Maintenance

The property from which the school operates is owned by the Proprietor. The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision is a reasonable estimate, based on an up to date 10 Year Property Plan (10YPP) or another appropriate source of evidence.

q) Financial Instruments

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets are categorised as 'financial assets measured at amortised cost' for accounting purposes in accordance with financial reporting standards.

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

r) 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.

s) Budget Figures

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

t) Services received in-kind

From time to time the School receives services in-kind, including the time of volunteers. The School has elected not to recognise services received in kind in the Statement of Comprehensive Revenue and Expense.

2. Government Grants

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Operational Grants	394,954	374,778	371,107
Teachers' Salaries Grants	913,284	905,671	955,866
Other MoE Grants	337,571	289,130	301,117
Other Government Grants	2,448	-	-
	<u>1,648,257</u>	<u>1,569,579</u>	<u>1,628,090</u>

The school has opted in to the donations scheme for this year. Total amount received was \$12,600.

3. Locally Raised Funds

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

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Revenue			
Donations & Bequests	4,353	-	43,668
Curriculum Related Activities - Purchase of Goods & Services	72	5,000	9,695
Fees for Extra Curricular Activities	34,654	28,660	10,403
Trading	37,255	-	27,688
Fundraising & Community Grants	-	-	7,101
Other Revenue	72,228	68,000	73,147
	<u>148,562</u>	<u>101,660</u>	<u>171,702</u>
Expenses			
Extra Curricular Activities Costs	38,482	37,900	26,689
Trading	28,286	-	23,023
Fundraising & Community Grant Costs	-	-	6,186
Other Locally Raised Funds Expenditure	22,709	28,000	19,792
	<u>89,477</u>	<u>65,900</u>	<u>75,690</u>
<i>Surplus/ (Deficit) for the year Locally Raised Funds</i>	<u>59,085</u>	<u>35,760</u>	<u>96,012</u>

4. Learning Resources

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Curricular	35,890	58,500	34,569
Equipment Repairs	3,991	4,200	6,600
Information and Communication Technology	-	1,817	1,817
Employee Benefits - Salaries	1,094,770	1,058,771	1,079,005
Staff Development	3,833	9,500	3,668
	<u>1,138,484</u>	<u>1,132,788</u>	<u>1,125,659</u>

5. Administration

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Audit Fee	9,880	8,000	9,880
Board Fees	165	350	165
Board Expenses	21,371	14,000	50,874
Intervention Costs & Expenses	41,641	-	35,376
Communication	6,576	6,000	6,423
Consumables	32,540	35,475	34,543
Operating Lease	4,370	4,370	4,370
Other	7,572	13,580	8,252
Employee Benefits - Salaries	131,358	118,000	129,863
Insurance	775	600	799
Service Providers, Contractors and Consultancy	11,000	13,500	12,000
	<u>267,248</u>	<u>213,875</u>	<u>292,545</u>

6. Property

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	11,840	8,300	13,524
Cyclical Maintenance Provision	10,691	11,324	11,115
Grounds	16,648	14,100	17,850
Heat, Light and Water	42,722	45,000	44,141
Rates	3,308	3,700	6,585
Repairs and Maintenance	27,202	10,000	5,889
Use of Land and Buildings	68,138	109,021	109,021
Security	-	500	-
Employee Benefits - Salaries	139,866	134,000	131,907
	<u>320,415</u>	<u>335,945</u>	<u>340,032</u>

The use of land and buildings figure represents 5% of the school's total property value. This is used as a 'proxy' for the market rental of the property.

7. Cash and Cash Equivalents

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Bank Accounts	150,874	147,712	198,309
Cash and cash equivalents for Statement of Cash Flows	<u>150,874</u>	<u>147,712</u>	<u>198,309</u>

Of the \$150,874 Cash and Cash Equivalents, \$71,227 is held by the School on behalf of students of which \$67,322 is for scholarships and \$3,905 is for future sports trips as disclosed in note 16.

8. Accounts Receivable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Receivables	118,487	100,000	156,129
Teacher Salaries Grant Receivable	83,465	78,797	64,036
	<u>201,952</u>	<u>178,797</u>	<u>220,165</u>
Receivables from Exchange Transactions	118,487	100,000	156,129
Receivables from Non-Exchange Transactions	83,465	78,797	64,036
	<u>201,952</u>	<u>178,797</u>	<u>220,165</u>

9. Inventories

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
School Uniforms	53,188	50,000	49,233
	<u>53,188</u>	<u>50,000</u>	<u>49,233</u>

10. Equitable Leasehold Interest

An equitable leasehold interest recognises an interest in an asset without transferring ownership or creating a charge over the asset. This equitable leasehold interest represents the board's interest in capital works assets owned by the proprietor but paid for in whole or in part by the Board of Trustees, either from Government funding or from community raised funds.

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
The major capital works assets included in the equitable leasehold interest are:			
Building Improvements	28,151	28,151	31,128
Total Investments	<u>28,151</u>	<u>28,151</u>	<u>31,128</u>



11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2021	\$	\$	\$	\$	\$	\$
Furniture and Equipment	205,486	53,544	-	-	(40,319)	218,711
Information and Communication Technology	2,491	1,175	-	-	(1,676)	1,990
Textbooks	1,506	-	-	-	(188)	1,318
Leased Assets	22,695	39,901	-	-	(19,259)	43,337
Library Resources	371	-	-	(153)	(27)	191
Balance at 31 December 2021	232,549	94,620	-	(153)	(61,469)	265,547

	2021	2021	2021	2020	2020	2020
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Furniture and Equipment	720,579	(501,868)	218,711	667,035	(461,549)	205,486
Information and Communication Technology	29,968	(27,978)	1,990	28,794	(26,303)	2,491
Textbooks	4,428	(3,110)	1,318	4,428	(2,922)	1,506
Leased Assets	74,568	(31,231)	43,337	70,886	(48,191)	22,695
Library Resources	63,982	(63,791)	191	64,134	(63,763)	371
Balance at 31 December	893,525	(627,978)	265,547	835,277	(602,728)	232,549

12. Accounts Payable

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Creditors	61,817	40,000	24,332
Accruals	36,485	35,000	26,055
Banking Staffing Overuse	6,359	-	-
Employee Entitlements - Salaries	80,188	70,000	64,036
Employee Entitlements - Leave Accrual	30,955	30,955	26,510
	215,804	175,955	140,933
Payables for Exchange Transactions	215,804	175,955	140,933
	215,804	175,955	140,933

The carrying value of payables approximates their fair value.



13. Revenue Received in Advance

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Other Revenue in Advance	20,175	20,175	30,898
	<u>20,175</u>	<u>20,175</u>	<u>30,898</u>

14. Provision for Cyclical Maintenance

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Provision at the Start of the Year	105,659	105,659	117,384
Increase/ (decrease) to the Provision During the Year	10,691	22,098	11,115
Use of the Provision During the Year	(29,000)	(40,407)	(22,840)
Provision at the End of the Year	<u>87,350</u>	<u>87,350</u>	<u>105,659</u>
Cyclical Maintenance - Current	69,366	69,366	47,268
Cyclical Maintenance - Term	17,984	17,984	58,391
	<u>87,350</u>	<u>87,350</u>	<u>105,659</u>

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:

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
No Later than One Year	21,706	21,706	11,842
Later than One Year and no Later than Five Years	26,248	26,248	13,350
Future Finance Charges	(3,587)	(3,587)	(1,289)
	<u>44,367</u>	<u>44,367</u>	<u>23,903</u>
Represented by			
Finance lease liability - Current	21,706	21,706	11,842
Finance lease liability - Term	22,661	22,661	12,061
	<u>44,367</u>	<u>44,367</u>	<u>23,903</u>



16. Funds Held in Trust

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	19,652	19,652	71,227
	<u>19,652</u>	<u>19,652</u>	<u>71,227</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. 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.

The Proprietor of the School Te Aute Trust Board is a related party of the Board because the proprietor appoints representatives to the Board, giving the proprietor significant influence over the Board. Any services or contributions between the Board and Proprietor have been disclosed appropriately, if the proprietor collects fund on behalf of the school (or vice versa) the amounts are disclosed.

The Proprietor provides land and buildings free of charge for use by the Board as noted in Note 1(c). The estimated value of this use during the current period is included in the Statement of Comprehensive Revenue and Expense as 'Use of Land and Buildings'.

Under an agency agreement, the School collects funds on behalf of the Proprietor. These include Boarding Bursaries funded by the Ministry of Education. The amounts collected in total were \$475,335 (2020: \$416,058). These do not represent revenue in the financial statements of the school. Any balance not transferred at the year end is treated as a liability. The total funds held by the school on behalf of the proprietor are nil, (2020:nil).

Te Aute College Hostel

During 2021, Te Aute College received the following funding on behalf of the hostel:

Hostel fees paid to the school \$2,069 (2020: \$5,398), at balance date nil was payable to the hostel (2020: nil)

Hire of Facility Fees \$nil (2020: \$500), at balance date nil was payable to the Hostel (2020:\$500).

During 2021, Te Aute College received scholarship funding from Auckland Private Education Charitable Trust on behalf of students. A portion of the scholarship was allocated towards the students hostel fees as follows:

APECT scholarships transferred to hostel fees: \$25,200 (2020: \$6,665), at balance date \$12,000 (2020: nil) was payable to the hostel.

During 2021, Te Aute College received scholarship funding from H & W Williams on behalf of students. A portion of the scholarship was allocated towards the students hostel fees as follows:

H & W Williams scholarships transferred to hostel fees: \$32,943 (2020: \$5,408), at balance date \$24,500 (2020: nil) was the hostel.



During 2021, Te Aute College received scholarship funding from Perpetual Guardian - Brightwell on behalf of students.

A portion of the scholarship was allocated towards the students hostel fees as follows:

Brightwell scholarships transferred to hostel fees: \$17,000 (2020: \$15,500), at balance date \$2,000 (2020: nil) was payable to the hostel.

During 2021 the school made payments totalling \$70,800 (2020: \$62,000) on behalf of the hostel. This comprises:

The hostel's share of grounds costs \$50,000 (2020: \$50,000), at balance date \$86,060 (2020: \$119,054) was still receivable.

The hostel's share of vehicle costs \$12,000 (2020: \$12,000), at balance date \$17,250 (2020: \$27,600) was still receivable.

The hostel's share of miscellaneous costs \$8,800 (2020: \$nil), at balance date \$8,105 (2020: \$6,378) was still receivable.

During 2021 the hostel made payments on behalf of the school:

Electricity totalling \$33,361 incl (2020: \$28,593), at balance date \$3,714 (2020: \$3,500) was payable to the hostel.

Miscellaneous costs totalling \$2,463 (2020: \$1,453), at balance date \$777 (2020: \$203) was payable to the hostel.

18. Remuneration

Key Management Personnel Compensation

Key management personnel of the School include all Board members, Principal, Deputy Principals and Heads of Departments.

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	165	165
<i>Leadership Team</i>		
Remuneration	256,757	248,322
Full-time equivalent members	2	2
Total Key Management Personnel Remuneration	256,922	248,487

Principal 1

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

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	130 - 140	130 - 140
Benefits and Other Emoluments	3 - 4	3 - 4
Termination Benefits	-	-

Other Employees

The number of other employees with remuneration greater than \$100,000 was in the following bands:

Remuneration \$000	2021 FTE Number	2020 FTE Number
120 - 130	1	1
	1	1

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



19. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be board members, 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:

	2021 Actual	2020 Actual
Total	\$17,274	\$13,000
Number of People	1	1

20. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2021 (Contingent liabilities and assets at 31 December 2020: 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 2021, a contingent liability for the school may exist.

21. Commitments

(a) Capital Commitments

As at 31 December 2021 the Board has entered into contract agreements as follows:

(a) \$53,990 contract to purchase a new van. A deposit of \$2,609 was paid in 2021 and the balance of \$51,381 will be paid in 2022 on delivery of the vehicle.

(Capital Commitments at 31 December 2020: nil)

(b) Operating Commitments

As at 31 December 2021 the Board did not have any operating commitments.

(Capital Commitments at 31 December 2020: nil)



22. 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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash and Cash Equivalents	150,874	147,712	198,309
Receivables	201,952	178,797	220,165
Equitable Leasehold Interest	28,151	28,151	31,128
Total Financial Assets Measured at Amortised Cost	<u>380,977</u>	<u>354,660</u>	<u>449,602</u>

Financial Liabilities Measured at Amortised Cost

Payables	215,804	175,955	140,933
Finance Leases	44,367	44,367	23,903
Total Financial Liabilities Measured at Amortised Cost	<u>260,171</u>	<u>220,322</u>	<u>164,836</u>

23. Events After Balance Date

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

24. Comparatives

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



Te Aute College

Kiwisport Report

For the year ended 31 December 2021

During the year the Board was the recipient of additional Government funding for specific purposes:

Kiwisport is a Government funded initiative to support students' participation in organised sport. In 2021 the school received total Kiwisport funding of \$1,212 (excluding GST). The funding was spent on sports fees and equipment.

The number of students participating in organised sport continues to be at excellent levels.

Te Aute College (#232)

Analysis of Variance 2021

School name: Te Aute College

School number: 232

Focus:

Te Aute College exemplifies a school designed to meet the challenges of a changing world. It marks the chosen site of a creative village, an experimental marae community college in Māori education, of a sacred place given to God.

Te Aute College, an educational institution from which will be sent our young men, academically qualified, strong in knowledge and practice of Māoritanga, with an insight into the Christian conception of being an influence for good among their fellows during their lifetime...

Strategic Aim:

- Quality student outcomes

Annual Aim:

- Raise achievement in junior literacy and numeracy
- Raise achievement in NCEA
- The Mihingare will be seen and felt within the school

Tātaritanga raraunga

Target:

Junior Students

- By the end of the year raise the average Literacy and Numeracy e-Asttle results for Year 9 & 10 by 3 or more steps (eg. From 3p to 4p)

Senior Students Achievement Targets:

- At least 85% of Year 11 and 12 students achieve NCEA Level 1 or 2 as appropriate (or equivalent)
- At least 20% of Year 11 and 12 students who achieve NCEA gain merit or excellence endorsements.
- At least 75% of Year 13 students achieve NCEA Level 3 (or equivalent).
- At least 20% of Year 13 students who achieve NCEA gain merit or excellence endorsements.

Student Welfare

In most sections of the W@S survey more than 90% of Year 9 & 10 students will respond positively.

- At least 90% of Year 9 & 10 students feel safe at school and enjoy their experience at TAC

Tātaritanga raraunga

Baseline data:

- In February 2021 e-Asttle reading data was collected for Year 9 &10 students.
 - Year 9 average = 3A
 - Year 10 average = 3A
- In February 2021 e-Asttle mathematics data was collected for Year 9 &10 students.
 - Year 9 average = 3P
 - Year 10 average = 3P
- NCEA 2020 Year 11,12 NCEA achievement = 85%
- New students enter Te Aute with different levels of knowledge of our special character. There is a wide range, from no knowledge of te reo me ngā tikanga or the Mihinare to those who are steeped in them both.

Summary 2021

2021 started well with a wonderful powhiri and wananga and Waitangi celebration.

New students and their whānau participated in a wananga before being welcomed into the school. This wananga achieved 3 important things;

1. The new students started to form relationships and bond with each other.
2. The new whānau also bonded with each other.
3. The student, whānau and school relationship started on a positive note which was evident throughout the rest of the year.

In term 2 the Principal was on sabbatical and the Deputy Principal fulfilled the role as Acting Principal.

The passing of 3 important people in the Te Aute whānau had a significant impact.

In term 3, Covid lockdown created considerable disruption, but our previous experience of managing distance learning meant that staff were able to provide resources more quickly.

However, there was a negative impact on student engagement and motivation.

Also the timing of the lockdown meant that traditional events such as Kapa Haka Festivals, prizegivings and sports exchanges were disrupted or unable to be held at all. This resulted in students missing out on many important occasions in the life of the college.

Interim NCEA results are mixed. All Year 12 students achieved NCEA level 2 and most boys at Year 11 and 13 achieved their goals.

Vocational pathways are still prominent for our boys with most boys attending EIT in 2021.



Tātaritanga raraunga

Actions (what did we do?)	Outcomes (what happened?)	Reasons for the variance (why did it happen?)	Evaluation (where to next?)
<ul style="list-style-type: none"> ● E-Asttle testing was carried out at the beginning of 2021 to ascertain baseline data. ● E-Asttle testing at end of 2021 for Year 9 & 10s to ascertain progress. ● Targeted programmes for individual students based on their vocational pathways and learning needs. ● Digital Learning platforms and hard copy resources were utilised during and after COVID lockdown. ● Year 10s given opportunity to sit NCEA credits. ● Teachers worked with individual NCEA students to ensure they were given the best opportunity to pass. 	<ul style="list-style-type: none"> ● E-Asttle results; <u>Reading</u> Y9 finished the year at 4B Y10 moved to 4A <u>Maths</u> Y9 finished the year at 3A Y10 finished the year at 3A ● NCEA Interim results 2021 Level 1 – 62.5% Level 2 – 100% Level 3 – 60% ● Staff and students engaged in use of Digital Platforms as a learning medium. ● Visitors can “see and hear” the school’s Special Character when onsite. Chapel and powhiri, are points where our Special Character are particularly evident. There is room however, for te reo to be used throughout the whole school community on many more occasions. 	<ul style="list-style-type: none"> ● E-Asttle results showed that overall students made progress and some students improved by up to 4 or 5 steps ● Some individuals did not engage fully once back from lockdown which impacted on the stats at their NCEA level. ● COVID-19 is having an ongoing impact on students, staff and whānau and it is hard to quantify – could the boys have achieved better results had Covid not been present? Probably. 	<ul style="list-style-type: none"> ● Focus on student health and wellbeing (Oranga Ake) across all aspects of the college. ● Ongoing PD for staff linked to the special character of Te Aute with the aim of developing the character and motivation of students and to raise academic outcomes. . ● Continue the collaboration between junior and senior school programmes to better prepare students for NCEA. ● Continue to provide additional support for students with learning needs. ● Encourage staff to engage in personal development in Te Reo and Tikanga Māori with <ul style="list-style-type: none"> - Regular slots at staff PD - MOE digital course - Other learning opportunities. ● Te Reo compulsory up to Year 12. May be some boys at NCEA Level 1 & 2 who take Te Reo but not as a NCEA subject.



Tātaritanga raraunga

<ul style="list-style-type: none"> ● Students attended chapel, chapel practices and Te Reo classes regularly. ● The school values are discussed with the boys often and in many different forums. 			<ul style="list-style-type: none"> ● Continue to support boys new to NCEA by developing individual programmes for them. Some programmes may involve; <ul style="list-style-type: none"> ○ Two years to pass NCEA Level 2 ○ Capitalising on some boys ability to gain literacy credits through Te Reo ○ Vocational Pathways at Trades Academy ○ Forming partnerships with other providers and industries
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Tātaritanga raraunga

Planning for 2022:

- Continue to whakamana (Validate) our Special Character, through Oranga Ake.
- Continue the collaboration between all teachers
 - between senior school teachers to develop units of bodies of work which can apply to several learning areas
 - between junior and senior staff to identify foundation skills, relevant to the Te Aute context, to promote students' ability to be successful in NCEA.
- PLD for staff –
 - Te Reo Māori me ngā Tikanga
 - Evidence based inquiry – Junior school in particular
 - Localised Curriculum
 - Continue to develop connections with whānau, hapū and iwi
 - Strengthening Literacy, Numeracy and Te Reo Māori facilitation skills across all staff
 - Empowering teachers and students in Restorative Practice
- Professional Growth Cycle –
 - Regular teaching observations and feedback meetings
 - Align with Standards for Teaching profession
- Strengthen internal evaluation by:
 - Ensuring all college activities are well planned, evaluated and reviewed to contribute to continual improvement.
 - Regular lesson observations and feedback to teachers.
 - Reviewing policies and procedures through SchoolDocs.
 - Using good evidence as a basis of decision making.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF TE AUTE COLLEGE'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Auditor-General is the auditor of Te Aute College (the College). The Auditor-General has appointed me, Glenn Fan-Robertson, using the staff and resources of BDO Hawke's Bay, to carry out the audit of the financial statements of the College on his behalf.

Opinion

We have audited the financial statements of the College on pages 2 to 18, that comprise the Statement of Financial Position as at 31 December 2021, 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 College:

- present fairly, in all material respects:
 - its financial position as at 31 December 2021; 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 as applicable to entities that qualify as tier 2.

Our audit was completed on 10 March 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 Commissioner 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 Commissioner for the financial statements

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

PARTNERS: Glenn Fan-Robertson Heather Hallam Lisa Townshend
CONSULTANT: David Pearson

BDO New Zealand Ltd, a New Zealand limited liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO New Zealand is a national association of independent member firms which operate as separate legal entities.

The Commissioner is responsible for such internal control as they determine is necessary to enable them to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Commissioner is responsible on behalf of the College for assessing the College's ability to continue as a going concern. The Commissioner 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 College, or there is no realistic alternative but to do so.

The Commissioner'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 College'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 College's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commissioner.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Commissioner and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College'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 College 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 College 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 Commissioner 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 Commissioner is responsible for the other information. The other information comprises the Statement of Responsibility, Members of the Board, Kiwisport Statement and Analysis of Variance, 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 College 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.

BDO Auckland provide assurance services to the Proprietor of the College. As a separate legal entity that is a member firm of the BDO international network, BDO Hawke's Bay has no other relationship with or interests in the College.



Glenn Fan-Robertson
BDO Hawke's Bay
On behalf of the Auditor-General
Hawke's Bay, New Zealand