

HEDGEHOPE SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

School Directory

Ministry Number: 3964

Principal: Sue Rogers

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School Phone: 03 230 6106

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Members of the Board of Trustees

	Position	How Position Gained	Term Expired/ Expires
Sue Rogers	Principal	Principal Jan 2017	2022
Bevan Jones	Chairperson	Elected June 2019	2022
Lisa McCracken	Staff Rep	Elected June 2019	2022
Rachael Harding	Co Chair/Parent Rep	Elected June 2019	2022
Sarah Smith	Parent Rep	Elected June 2019	2022
Cattelijne Van Sante	Treasurer	Elected June 2019	2022
Peter Blackmore	Property	Elected June 2019	2022
Rochelle Davis	Minute Secretary	Elected June 2018	2022

Accountant: Findex

HEDGEHOPE SCHOOL

Annual Report - For the year ended 31 December 2020

Index

Page	Statement
	Financial Statements
1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expense
3	Statement of Changes in Net Assets/Equity
4	Statement of Financial Position
5	Statement of Cash Flows
6 - 19	Notes to the Financial Statements
	Other Information
20	Analysis of Variance
26	Kiwisport
	Independent Auditors Report

Hedgehope 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.

Rachael Harding
Full Name of Board Chairperson

SUSAN BARBARA ROGERS
Full Name of Principal

[Signature]
Signature of Board Chairperson

[Signature]
Signature of Principal

18.5.21.
Date:

18.5.21.
Date:

Hedgehope School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue				
Government Grants	2	449,969	104,327	374,432
Locally Raised Funds	3	19,148	7,474	31,923
Interest income		824	1,000	1,782
		<hr/>	<hr/>	<hr/>
		469,941	112,801	408,137
Expenses				
Locally Raised Funds	3	27,212	8,124	22,571
Learning Resources	4	309,692	79,878	278,335
Administration	5	24,039	30,514	30,297
Finance		327	-	254
Property	6	126,730	21,193	102,030
Depreciation	7	12,583	-	14,090
Loss on Disposal of Property, Plant and Equipment		36	-	42
		<hr/>	<hr/>	<hr/>
		500,619	139,709	447,619
Net Surplus / (Deficit) for the year		(30,678)	(26,908)	(39,482)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		(30,678)	(26,908)	(39,482)

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



Hedgehope School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

Notes	Actual 2020 \$	Budget (Unaudited) 2020 \$	Actual 2019 \$
Balance at 1 January	107,964	107,964	147,446
Total comprehensive revenue and expense for the year	(30,678)	(26,908)	(39,482)
Equity at 31 December	77,286	81,056	107,964

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.



Hedgehope School

Statement of Financial Position

As at 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	8	44,317	26,541	53,449
Accounts Receivable	9	17,364	12,833	12,833
Prepayments		2,176	1,876	1,876
Investments	10	31,112	36,937	36,937
		<u>94,969</u>	<u>78,187</u>	<u>105,095</u>
Current Liabilities				
GST Payable		8,425	4,861	4,861
Accounts Payable	12	31,752	26,195	26,195
Provision for Cyclical Maintenance	13	18,412	5,625	5,625
Finance Lease Liability - Current Portion	14	7,070	6,247	6,247
Funds held for Capital Works Projects	15	11,441	24,800	24,800
		<u>77,100</u>	<u>67,728</u>	<u>67,728</u>
Working Capital Surplus/(Deficit)		17,869	10,459	37,367
Non-current Assets				
Property, Plant and Equipment	11	72,815	75,697	75,697
		<u>72,815</u>	<u>75,697</u>	<u>75,697</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	13	9,000	-	-
Finance Lease Liability	14	4,398	5,100	5,100
		<u>13,398</u>	<u>5,100</u>	<u>5,100</u>
Net Assets		<u>77,286</u>	<u>81,056</u>	<u>107,964</u>
Equity	20	<u>77,286</u>	<u>81,056</u>	<u>107,964</u>

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

Hedgehope School

Statement of Cash Flows

For the year ended 31 December 2020

		2020	2020	2019
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		161,437	104,327	108,882
Locally Raised Funds		14,492	7,474	31,923
Goods and Services Tax (net)		3,564	-	361
Payments to Employees		(95,527)	(79,580)	(81,699)
Payments to Suppliers		(76,570)	(60,129)	(85,842)
Cyclical Maintenance Payments in the year		-	-	(22,624)
Interest Paid		(327)	-	(254)
Interest Received		949	1,000	1,989
Net cash from/(to) Operating Activities		8,018	(26,908)	(47,264)
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		(36)	-	1
Purchase of Property Plant & Equipment (and Intangibles)		(4,185)	-	(5,416)
Purchase of Investments		-	-	-
Proceeds from Sale of Investments		5825	-	22,123
Net cash from/(to) Investing Activities		1,604	-	16,709
Cash flows from Financing Activities				
Finance Lease Payments		(5,395)	-	(3,268)
Funds Held for Capital Works Projects		(13,359)	-	24,800
Net cash from/(to) Financing Activities		(18,754)	-	21,532
Net increase/(decrease) in cash and cash equivalents		(9,132)	(26,908)	(9,023)
Cash and cash equivalents at the beginning of the year	8	53,449	53,449	62,472
Cash and cash equivalents at the end of the year	8	44,317	26,541	53,449

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.

Hedgehope School

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

a) Reporting Entity

Hedgehope 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 13.

Useful lives of property, plant and equipment

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

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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

Other Grants

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

Donations, 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) 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.

h) 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.

i) 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 except for library resources are depreciated over their estimated useful lives on a straight line basis. Library resources are depreciated on a diminishing value basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	33-34 years
Furniture and equipment	5-15 years
Information and communication technology	2-5 years
Library Resources	12.5% Diminishing value
Office Furniture	1-14 years
Leased assets held under a Finance Lease	3-4years
Office Equipment	2-14 years

j) 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 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.

k) 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.

l) Employee Entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, and also annual leave earned, by non teaching staff, to but not yet taken at balance date.

m) Provision for Cyclical Maintenance

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

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

n) Financial Instruments

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

Investments that are shares are categorised as 'financial assets at fair value through other comprehensive revenue and expense' for accounting purposes in accordance with financial reporting standards.

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

o) 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.

p) Budget Figures

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

q) Services received in-kind

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

2. Government Grants

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	103,732	87,827	87,723
Teachers' Salaries Grants	215,688	-	193,070
Use of Land and Buildings Grants	72,844	-	73,834
Other MoE Grants	55,735	6,000	19,076
Other Government Grants	1,970	10,500	729
	<u>449,969</u>	<u>104,327</u>	<u>374,432</u>

3. Locally Raised Funds

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

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations	2,305	-	15,699
Bequests & Grants	1,304	-	-
Activities	-	-	870
Trading	-	-	104
Fundraising	5,535	750	4,031
Other Revenue	10,004	6,724	11,219
	<u>19,148</u>	<u>7,474</u>	<u>31,923</u>
Expenses			
Activities	125	1,200	16,509
Fundraising (Costs of Raising Funds)	1,473	-	1,922
Other Locally Raised Funds Expenditure	25,614	6,924	4,140
	<u>27,212</u>	<u>8,124</u>	<u>22,571</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>(8,064)</u>	<u>(650)</u>	<u>9,352</u>

4. Learning Resources

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	9,164	12,044	13,164
Library Resources	137	1,250	-
Employee Benefits - Salaries	298,698	63,584	261,521
Staff Development	1,693	3,000	3,650
	<u>309,692</u>	<u>79,878</u>	<u>278,335</u>

5. Administration

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	3,910	3,700	3,796
Board of Trustees Fees	594	3,700	3,509
Board of Trustees Expenses	623	500	2,382
Communication	898	1,026	1,100
Consumables	462	5,792	1,264
Other	5,115	4,600	4,655
Employee Benefits - Salaries	11,244	9,996	12,425
Insurance	1,193	1,200	1,166
	<u>24,039</u>	<u>30,514</u>	<u>30,297</u>

6. Property

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	1,174	1,000	1,204
Cyclical Maintenance Provision	21,787	-	-
Grounds	708	219	933
Heat, Light and Water	8,070	6,532	7,764
Repairs and Maintenance	16,594	7,442	12,886
Use of Land and Buildings	72,844	-	73,834
Employee Benefits - Salaries	5,553	6,000	5,409
	<u>126,730</u>	<u>21,193</u>	<u>102,030</u>

7. Depreciation

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Buildings - School	2,106	-	2,106
Furniture and Equipment	1,992	-	1,992
Information and Communication Technology	2,433	-	4,457
Office Furniture	122	-	122
Other Equipment	300	-	245
Leased Assets	5,032	-	4,695
Library Resources	598	-	473
	<u>12,583</u>	<u>-</u>	<u>14,090</u>

8. Cash and Cash Equivalents

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Bank Current Account	44,317	26,541	53,449
Cash and cash equivalents for Statement of Cash Flows	<u>44,317</u>	<u>26,541</u>	<u>53,449</u>

Of the \$44,317 Cash and Cash Equivalents, \$11,442 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2021 on Crown owned school buildings under the School's Five Year Property Plan.

9. Accounts Receivable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Receivables	17,282	12,833	12,626
Interest Receivable	82	-	207
	<u>17,364</u>	<u>12,833</u>	<u>12,833</u>
Receivables from Exchange Transactions	17,364	12,833	12,833
Receivables from Non-Exchange Transactions	-	-	-
	<u>17,364</u>	<u>12,833</u>	<u>12,833</u>

10. Investments

The School's investment activities are classified as follows:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Asset			
Short-term Bank Deposits	31,112	36,937	36,937
Total Investments	<u>31,112</u>	<u>36,937</u>	<u>36,937</u>

11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2020						
Buildings	49,281				(2,106)	47,175
Furniture and Equipment	5,904				(1,992)	3,912
Information and Communication Technology	2,336	730			(2,433)	633
Office Furniture	585				(122)	463
Other Equipment	2,778				(300)	2,478
Leased Assets	11,503	7,495			(5,032)	13,966
Library Resources	3,310	1,512	(36)		(598)	4,188
Balance at 31 December 2020	<u>75,697</u>	<u>9,737</u>	<u>(36)</u>	<u>-</u>	<u>(12,583)</u>	<u>72,815</u>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2020			
Buildings	80,201	(33,026)	47,175
Furniture and Equipment	38,228	(34,316)	3,912
Information and Communication Technology	32,326	(31,693)	633
Office Furniture	5,807	(5,344)	463
Other Equipment	35,153	(32,675)	2,478
Leased Assets	21,223	(7,257)	13,966
Library Resources	27,869	(23,681)	4,188
Balance at 31 December 2020	240,807	(167,992)	72,815

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2019						
Buildings	51,387				(2,106)	49,281
Furniture and Equipment	7,896				(1,992)	5,904
Information and Communication Technology	2,232	4,561			(4,457)	2,336
Office Furniture	707				(122)	585
Other Equipment	19	3,004			(245)	2,778
Leased Assets	11,159	11,399	(6,360)		(4,695)	11,503
Library Resources	2,971	854	(42)		(473)	3,310
Balance at 31 December 2019	76,371	19,818	(6,402)	-	(14,090)	75,697

The net carrying value of equipment held under a finance lease is **\$11,503 (2018: \$11,159)**

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2019			
Buildings	80,201	(30,920)	49,281
Furniture and Equipment	38,228	(32,324)	5,904
Information and Communication Technology	31,596	(29,260)	2,336
Motor Vehicles	5,807	(5,222)	585
Textbooks	35,153	(32,375)	2,778
Leased Assets	15,707	(4,204)	11,503
Library Resources	26,646	(23,336)	3,310
Balance at 31 December 2019	233,338	(157,641)	75,697

12. Accounts Payable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operating Creditors	9,027	8,983	8,983
Payables to MOE	1,233	-	-
Banked Staffing	831	-	-
Employee Entitlements - Salaries	20,661	17,212	17,212
	<u>31,752</u>	<u>26,195</u>	<u>26,195</u>
Payables for Exchange Transactions	31,752	26,195	26,195
	<u>31,752</u>	<u>26,195</u>	<u>26,195</u>

The carrying value of payables approximates their fair value.

13. Provision for Cyclical Maintenance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Provision at the Start of the Year	5,625	5,625	28,249
Increase/ (decrease) to the Provision During the Year	21,787	-	-
Use of the Provision During the Year	-	-	(22,624)
	<u>27,412</u>	<u>5,625</u>	<u>5,625</u>
Provision at the End of the Year	18,412	5,625	5,625
Cyclical Maintenance - Current	9,000	-	-
Cyclical Maintenance - Term	9,000	-	-
	<u>27,412</u>	<u>5,625</u>	<u>5,625</u>

14. Finance Lease Liability

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
No Later than One Year	7,070	5,705	5,705
Later than One Year and no Later than Five Years	4,398	5,100	5,100
	11,468	10,805	10,805

15. Funds Held for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects:

	2020	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
Water Filtration Upgrade <i>in progress</i>		-	14,093	(13,169)		924
Block A ILE Classroom Openings <i>in progress</i>		24,800	87,107	(101,390)	-	10,517
Totals		24,800	101,200	(114,559)	-	11,441

Represented by:

Funds Held on Behalf of the Ministry of Education	11,411
Funds Due from the Ministry of Education	-
	11,411

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
Block A ILE Classroom Openings <i>in progress</i>			24,800			24,800
Totals		-	24,800	-	-	24,800

16. 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.

17. Remuneration

Key management personnel compensation

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

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	594	3,509
Full-time equivalent members	0.13	0.15
<i>Leadership Team</i>		
Remuneration	112,227	93,089
Full-time equivalent members	1	1
Total key management personnel remuneration	112,821	96,598
Total full-time equivalent personnel	1.13	1.15

The full time equivalent for Board members has been determined based on attendance at Board meetings, Committee meetings and for other obligations of the Board, such as stand downs and suspensions, plus the estimated time for Board members to prepare for meetings.

Principal 1

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

	2020 Actual \$000	2019 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	100-110	90-100
Benefits and Other Emoluments	3 - 4	2 - 3
Termination Benefits		

Other Employees

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

Remuneration \$000	2020 FTE Number	2019 FTE Number
	0.00	0.00
	0.00	0.00

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

18. Contingencies

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

Holidays Act Compliance – schools payroll

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

The Ministry's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. The current phase of this review is to design potential solutions for any compliance breaches discovered in the initial phase of the Programme. 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 2020, a contingent liability for the school may exist.

19. Commitments

(a) Capital Commitments

As at 31 December 2020 the Board has entered into contract agreements for capital works as follows:

(a) Contract to have the water filtration upgraded for the Ministry of Education. This project is fully funded by the Ministry and \$14,093 has been received of which \$13,169 has been spent on the project to balance date. This project has been approved by the Ministry; and

(b) The 5 year Property Plan was undertaken as agent for the Ministry of Education. The project is fully funded by the Ministry and \$111,907 has been received of which \$101,390 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments at 31 December 2019: \$Nil)

As at 31 December 2020 the Board has not entered into any contracts. (2019: Nil)

20. Managing Capital

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

21. Financial Instruments

The carrying amount of financial assets and liabilities in each of the financial instrument categories are as follows:

Financial assets measured at amortised cost

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash and Cash Equivalents	44,317	26,541	53,449
Receivables	17,364	12,833	12,833
Investments - Term Deposits	31,112	36,937	36,937
Total Financial assets measured at amortised cost	<u>92,793</u>	<u>76,311</u>	<u>103,219</u>

Financial liabilities measured at amortised cost

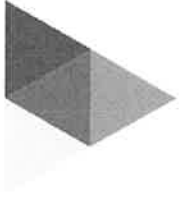
Payables	31,752	26,195	26,195
Finance Leases	11,468	11,347	11,347
Total Financial Liabilities Measured at Amortised Cost	<u>43,220</u>	<u>37,542</u>	<u>37,542</u>

22. Events After Balance Date

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



Analysis of Variance Reporting



School Name:	Hedgehope	School Number:	3964
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School Name:	Hedgehope	School Number:	3964
Strategic Aim:	<p>1: Wellbeing = Continue to develop strategies, skills, practice to ensure that Hedgehope School is a safe, happy, inclusive environment for all students, whanau, community and staff. That all students, siblings, whanau and staff are celebrated for their uniqueness.</p> <p>Tier 2 of PB4L to support positive development academically, socially and environmentally for all.</p> <p>2: Measure and Reflect Effectively = Ensure that the school's targets related to student achievement are specific and measurable, developing use and analysis of standardised assessment tools.</p> <p>Targets are set, based on the analysis of student and school data. Board of Trustees develop their knowledge and practice of analysis of provided data.</p> <p>3: Learning 4 Life = Consistently design cognitively engaging and contextual learning through student voice and interests, that is rich with hands on experiences with and for our community and environment so that learning is integrated and purposeful across the curriculum.</p> <p>Develop a careers education programme that is flexible to meet the needs, wants, interests and extensions of current Year 7 and 8 students.</p> <p>Gain Enviro Schools Silver Award and continue journey of sustainability.</p> <p>4: Modernisation = Ensure that the modernisation of classrooms and multipurpose tech space is utilised to engage authentically in collaborative best practice, to promote community participation and contributions with and for our learners.</p> <p>Continue to develop deep, rich, authentic learning through our local curriculum to accelerate reading, writing and maths skills, strategies and knowledge.</p>		
Annual Aim:	<p style="text-align: center;">Mission</p> <p>Inspire students to be curious to discover, explore and actively engage in their dynamic learning community.</p> <p>Hedgehope School carries out its mission by:</p> <ul style="list-style-type: none"> ● Inspiring students to discover, explore and engage in their individual learning path with excitement ● Supporting students to engage and aspire for their own learning, social and mental wellbeing ● Enhancing positive behaviours for all learners ● Embracing cultural diversity ● Effective teacher as inquiry practice ● Proactive effective and strategic BOT ● Developing and sustaining community relationships 		

Target

Develop an engaging student led curriculum that integrates student voice and passions, which is therefore purposeful, relevant and engaging. Provide explicit purpose and audience to engage and accelerate literacy, numeracy, self awareness and wellbeing through digital creation and consumption. Integrate, purposeful and authentic learning enhances students confidence to communicate their needs and wants. Health and wellbeing foci will be explicitly discussed and modelled.

Target Group = Seniors Year 4 to 8 (8 female, 9 male)

The cohorts targeted learning needs are:

- Increase resilience, endurance and risk taking for learning
- Increase awareness of their own body and mind health
- Reduce dependence on social media and gaming
- Broaden interests to increase body movement and happiness
- Improve self management of sleep patterns and diet
- Develop a drive to set goals, consistent effort
- Manage emotions volcano

Baseline Data.

Summary of Analysis:|

Surname	Name	Year	DOB	Ethnicity	Endurance Resilience	Body & Mind Health	Social Media gaming TV	Interests involving movement	Sleep	Diet	Drive & motivation to set goals	Managing emotions
February 2020	18 students	4 - 8			14/18	6/18	12/18	8/18	6/18	8/18	8/18	3/18
				Percentage	78%	48%	66%	48%	34%	48%	48%	31%

Foci areas that staff & students identify as a challenge for their wellbeing:

2 new students are of high concern both academically and socially - RT in particular is volatile and difficult to predict.

3 students are learning to control their 'volcanoes'

50% of these students lunchtime diets are full of snack, junk food - sugars, salts, colouring and fats.

40% have much less sleep than they need.

50% are involved in any activity that involvements movement - gaming and tv are their hobbies.

70% of students spend large amounts or in some cases all of their time online.

50% of students have hobbies that they actively enjoy.

Hedgehope Positive Behaviour Reinforcement Procedure is a 3 tier conversation and REACH Values session. The three tiers are green, orange and red.

Think sheet conversations resulting from poor choice/decision making - required behaviour reinforcement

Term 1 2020: Green 24, Orange 4, Red 1

Sudden Death of a father of 4 students during the middle of November has affected 3 families directly - emotional wellbeing has been a huge foci for last 4 weeks of Term 4. MOE Trauma Team attended and also Grief and Loss Counsellors.

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<p>Introduce a wellbeing diary for each student to use as they wish throughout the day.</p> <p>Daily Yoga session to calm the mind and body awareness for Year 4 to 6.</p> <p>Explicit teaching regarding technology use and 2 visits from John Parsons to reinforce. Digital School Kit - Term 4.</p> <p>Life Education foci with Harold for Year 7&8.</p> <p>Explicit teaching regarding sleep, food and exercise requirements for a healthy body - ongoing</p> <p>Daily Lunch box reflection and support for positive choices.</p> <p>Enviro and a garden group established to maintain the school vegetable garden.</p>	<p>Students are very positive and engaged with their own book. Particularly the positive quotes and activities.</p> <p>Calmness to start the day, discussion became more positive.</p> <p>Target students that we identified as high concern for content and time on devices have made little or no change, their device use is either supported or enabled by parents. 20% of students reduced use at home and started to make choices about content.</p> <p>Fruit, sandwich and yogurt consumption has increased in Term 3. Year 4 - 5 sleep and exercise choices far more positive and engaging in conversations and deliberate actions to improve wellbeing. Year 8 - Cohort remains a concern.</p> <p>Fruit, sandwich and yogurt consumption has increased in Term 3.</p>	<p>Ownership and control.</p> <p>Increased focus on independent learning - calmer classroom. Breathing and stopping to notice changed the class dynamics.</p> <p>Little change - Device is such a huge part of young people's connection.</p> <p>Repetition of staff comments to reinforce positive choices. Students are starting to realise that food and sleep choices affect how they feel. Valuable discussions at teachable moments.</p> <p>Repetition of staff comments to reinforce positive choices. Students are starting to realise that food and sleep choices affect how they feel.</p>	<p>Sunshine Resilience Journal ordered to be used for Year 4 to 8 students in 2021.</p> <p>Play Therapist working in School for part of one day each week starting Term 1 2021 - URF funding.</p> <p>Further develop yoga and mindfulness practices in class routine.</p> <p>Online Safety - John Parsons 2 visits July and November 2021.</p> <p>Digital School Kit - Term 1.</p> <p>Life Education foci with Harold for wellbeing, relationships and health</p> <p>Health Education Curriculum Review for Year 7&8.</p> <p>Develop Wellbeing/Resilience/Mindfulness Curriculum using MOE resources.</p> <p>Further develop School Garden with Community Catchment Group - on going community engagement and participation.</p> <p>Modernise local (concept) curriculum with student voice, strength based learning, Integrated Curiosity</p>

<p>Planted an orchard for the community - students maintaining.</p> <p>Launch Hedgehope Trader - small shop on school grounds to trade our crafts, veg and food - students running it.</p> <p>Daily communication with all students and whanau during lockdown.</p> <p>Promoted presentations for parents - Kathryn Berkett, John Parsons, Adrienne Buckingham.</p> <p>Regular focus on wellbeing in fortnightly newsletter.</p> <p>Daily positive quotes on FB page during lockdown.</p> <p>Student voice to modify rewards system at school.</p> <p>Speakers to school - role models from the community = Melissa Vinning, Southland Charity Hospital. Using values to support the cause.</p> <p>PD Tier 2 PB4L practices for classroom management.</p>	<p>Year 0 to 6 Students are eager to engage in the garden planting this year.</p> <p>Year 7&8 pride in their orchard and questioning actively to make further scientific links.</p> <p>Covid Lockdown stalled this project - launching again Term 4.</p> <p>All Year 4 to 6 students engaged eagerly on a daily basis online with teachers. ¾ of Year 8 Cohort were far less motivated to connect.</p> <p>Little acknowledgement from the community.</p> <p>Little acknowledgement from the community.</p> <p>Well engaged local community that 'liked' posts daily.</p> <p>All Year 4 to 8 students are motivated to discuss and modify the reward system. Lots of exciting possibilities.</p> <p>All Year 4 to 8 students are motivated to listen and engage in discussions about citizenship.</p>	<p>Valuable discussions at teachable moments.</p> <p>Detailed Scientific testing and planning - deep real life learning experience with a valuable end result that will be here for years - ownership students made a difference.</p> <p>Students frustrated by effort to plan and get it going - will take effort to relaunch.</p> <p>Year 4 to 6 eager to connect and have fun together. ¾ Year 8 high reliance on social media/gaming.</p> <p>Unknown - Newsletter is said to be valued, community all say they want it.</p> <p>Unknown - Newsletter is said to be valued, community all say they want it.</p> <p>Quick and easy.</p> <p>Ownership - students making a difference</p> <p>Ownership - students being seen to make a difference</p> <p>Reduction in Think Sheets:</p>
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	<p>Modified reward system, increased student voice, generally more positive attitude from teachers to support students for positive choices.</p>	<p>Think sheet conversations are reducing Term 1: Green 24, Orange 4, Red 1 Term 2: Green 26, Orange 4, Red 3, 2 standdowns Term 3: Green 13, Orange 1, Red 0, 3 restraints - Term 4: Green 10, Orange 0, Red 0,</p>	
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Kiwi Sport Funding Report 2020
Hedgehope School 3964

Operations Grant for Kiwisport for 2020 \$469.79

Hedgehope School Kiwi Sport Funding has been used to provide parts of the following activities for students during 2020

- **Central Southland Sports Coordinator = \$69.75 (31 students @ \$2.25)**
- **Swimming entry Gore Multisports complex - 2 sessions daily for 1 week each child = \$528.00**

Total \$597.67



Signed

Name: Sue Rogers

Position: Principal Hedgehope School

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF HEDGEHOPE SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The Auditor-General is the auditor of Hedgehope School (the School). The Auditor-General has appointed me, Aaron Higham, using the staff and resources of BDO Invercargill, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 19, that comprise the statement of financial position as at 31 December 2020, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2020; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity Standards Reduced Disclosure Regime as applicable to entities that qualify as tier 2.

Our audit was completed on 18 May 2021. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements

The Board is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to

continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on the titles page and on pages 20 to 26, but does not include the financial statements, and our auditor's report thereon.

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

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

Independence

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

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



Aaron Higham
BDO Invercargill
On behalf of the Auditor-General
Invercargill, New Zealand