

# **Bombay School**

## **Annual Report for the year ended 31 December 2020**

<b>Ministry Number:</b>	1234
<b>Principal:</b>	Paul Petersen
<b>School Address:</b>	35 Paparata Road, Bombay
<b>School Postal Address:</b>	35 Paparata Road, Bombay, 2675
<b>School Phone:</b>	09-2361012
<b>School Email:</b>	admin@bombay.school.nz
<b>Service Provider:</b>	Edtech Financial Services Ltd

## Bombay School

# Members of the Board of Trustees

For the year ended 31 December 2020

Name	Position	How position on Board gained	Term expired/expires
Matthew Bagley	Chairperson	Elected April 2019	April 2022
Michelle McRobbie	Trustee	Elected April 2019	April 2022
Becky Causebrook	Trustee	Elected April 2019	April 2022
Kelly Jones	Trustee	Elected April 2019	April 2022
Michael Pascoe	Trustee	Elected April 2019	April 2022

# **Bombay School**

## **Annual Report**

For the year ended 31 December 2020

### **Index**

<b>Page</b>	<b>Statement</b>
	<b>Financial Statements</b>
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 - 18	Notes to the Financial Statements
	<b>Other Information</b>
	Analysis of Variance
	Kiwisport

**Bombay 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.

Becky Causebrook  
Full Name of Board Chairperson  
[Signature]  
Signature of Board Chairperson

31 May 2021  
Date:

Paul Petersen  
Full Name **PRINCIPAL**  
[Signature]  
Signature of Principal

31 May 2021  
Date:

**Bombay School****Statement of Comprehensive Revenue and Expense**

For the year ended 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
<b>Revenue</b>				
Government Grants	2	2,505,067	2,242,133	2,397,473
Locally Raised Funds	3	208,807	76,230	196,684
Interest Income		2,579	2,000	4,454
Gain on Sale of Property, Plant and Equipment		10,932	-	-
		<u>2,727,385</u>	<u>2,320,363</u>	<u>2,598,611</u>
<b>Expenses</b>				
Locally Raised Funds	3	92,717	-	124,226
Learning Resources	4	1,702,030	1,599,637	1,703,864
Administration	5	134,638	149,082	135,333
Finance		2,648	375	3,164
Property	6	525,962	513,638	522,447
Depreciation	7	113,299	120,000	123,658
Loss on Disposal of Property, Plant and Equipment		8,236	-	92
		<u>2,579,530</u>	<u>2,382,732</u>	<u>2,612,784</u>
<b>Net Surplus / (Deficit) for the year</b>		147,855	(62,369)	(14,173)
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>147,855</u>	<u>(62,369)</u>	<u>(14,173)</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.

**Bombay School****Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2020

		2020	2020	2019
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Balance at 1 January		674,843	674,843	689,016
Total comprehensive revenue and expense for the year		147,855	(62,369)	(14,173)
Equity at 31 December	22	822,698	612,474	674,843
Retained Earnings		822,698	612,474	674,843
Equity at 31 December		822,698	612,474	674,843

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.

# Bombay School

## Statement of Financial Position

As at 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Current Assets</b>				
Cash and Cash Equivalents	8	542,535	594,105	624,833
Accounts Receivable	9	134,478	135,000	128,528
GST Receivable		5,581	-	-
Prepayments		3,718	8,500	8,220
Inventories	10	2,283	5,000	2,848
Investments		-	-	-
		<u>688,595</u>	<u>742,605</u>	<u>764,429</u>
<b>Current Liabilities</b>				
GST Payable		-	15,000	32,317
Accounts Payable	12	171,826	150,500	148,974
Revenue Received in Advance	13	41,394	60,000	58,968
Provision for Cyclical Maintenance	14	12,889	15,000	83,646
Finance Lease Liability - Current Portion	15	11,493	11,000	4,070
Funds Held for Capital Works Projects	16	33,678	250,000	294,921
		<u>271,280</u>	<u>501,500</u>	<u>622,896</u>
<b>Working Capital Surplus/(Deficit)</b>		417,315	241,105	141,533
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	513,948	502,869	606,869
		<u>513,948</u>	<u>502,869</u>	<u>606,869</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	14	96,726	120,000	45,625
Finance Lease Liability	15	11,839	11,500	27,934
		<u>108,565</u>	<u>131,500</u>	<u>73,559</u>
<b>Net Assets</b>		<u>822,698</u>	<u>612,474</u>	<u>674,843</u>
<b>Equity</b>	22	<u>822,698</u>	<u>612,474</u>	<u>674,843</u>

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

# Bombay School

## Statement of Cash Flows

For the year ended 31 December 2020

		2020	2020 Budget	2019
	Note	Actual	(Unaudited)	Actual
		\$	\$	\$
<b>Cash flows from Operating Activities</b>				
Government Grants		603,170	455,333	531,807
Locally Raised Funds		14,689	77,669	180,714
Goods and Services Tax (net)		(37,898)	(17,317)	14,932
Payments to Employees		(313,667)	(268,576)	(305,602)
Payments to Suppliers		(250,262)	(209,037)	(331,569)
Cyclical Maintenance Payments in the year		(1,154)	-	-
Interest Paid		(2,648)	(375)	(3,164)
Interest Received		2,579	2,000	4,454
<b>Net cash from Operating Activities</b>		<b>14,809</b>	<b>39,697</b>	<b>91,572</b>
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of Property Plant & Equipment		10,932	-	251
Purchase of Property Plant & Equipment		(37,540)	(74,577)	(48,567)
<b>Net cash from/(to) Investing Activities</b>		<b>(26,608)</b>	<b>(74,577)</b>	<b>(48,316)</b>
<b>Cash flows from Financing Activities</b>				
Finance Lease Payments		254	49,073	(8,238)
Funds Held for Capital Works Projects		(70,753)	(44,921)	140,818
<b>Net cash to Financing Activities</b>		<b>(70,499)</b>	<b>4,152</b>	<b>132,580</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(82,298)</b>	<b>(30,728)</b>	<b>175,836</b>
Cash and cash equivalents at the beginning of the year	8	624,833	624,833	448,997
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>542,535</b>	<b>594,105</b>	<b>624,833</b>

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

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



## Bombay School

# Notes to the Financial Statements

For the year ended 31 December 2020

### 1. Statement of Accounting Policies

#### Reporting Entity

Bombay 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.

#### 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 of 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.

## **Bombay School**

# **Notes to the Financial Statements (cont.)**

For the year ended 31 December 2020

### ***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.

### **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.

#### ***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.

### **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.

## Bombay School

# Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

### 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.

### 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.

### Inventories

Inventories are consumable items held for sale and comprise of stationery. 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.

### 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 - Crown	10-25 years
Furniture and equipment	5-8 years
Information and communication technology	5-8 years
Leased assets held under a Finance Lease	Term of lease
Library resources	12.5% Diminishing value

## **Notes to the Financial Statements (cont.)**

For the year ended 31 December 2020

### **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.

### **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.

### **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.

### **Revenue Received in Advance**

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

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

## **Bombay School**

# **Notes to the Financial Statements (cont.)**

For the year ended 31 December 2020

### **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).

### **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.

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.

### **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 Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

### **Budget Figures**

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

### **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.

## Bombay School

### Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

#### 2 Government Grants

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Operational Grants	517,324	435,773	452,240
Teachers' Salaries Grants	1,519,499	1,443,600	1,509,115
Use of Land and Buildings Grants	382,398	343,200	356,551
Resource Teachers Learning and Behaviour Grants	881	1,000	-
Other MoE Grants	84,965	18,560	79,567
	<u>2,505,067</u>	<u>2,242,133</u>	<u>2,397,473</u>

Other MOE Grants total includes additional COVID-19 funding totalling \$13,837 for the year ended 31 December 2020.

#### 3 Locally Raised Funds

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

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
<b>Revenue</b>			
Donations	35,663	41,000	35,058
Activities	80,538	250	115,891
Trading	6,179	-	5,620
Fundraising	3,023	2,500	7,042
Other Revenue	83,404	32,480	33,073
	<u>208,807</u>	<u>76,230</u>	<u>196,684</u>
<b>Expenses</b>			
Activities	83,342	-	116,751
Trading	9,375	-	7,475
	<u>92,717</u>	<u>-</u>	<u>124,226</u>
<b>Surplus for the year Locally Raised Funds</b>	<u>116,090</u>	<u>76,230</u>	<u>72,458</u>

#### 4 Learning Resources

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Curricular	27,618	39,320	30,878
Information and Communication Technology	1,586	5,300	5,729
Library Resources	939	980	693
Employee Benefits - Salaries	1,658,167	1,534,937	1,648,659
Staff Development	13,720	19,100	17,905
	<u>1,702,030</u>	<u>1,599,637</u>	<u>1,703,864</u>

## Bombay School

### Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

#### 5 Administration

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	6,170	5,990	5,989
Board of Trustees Fees	4,195	4,000	3,639
Board of Trustees Expenses	4,377	11,600	6,848
Communication	3,472	3,560	3,557
Consumables	14,662	19,200	14,393
Operating Lease	456	550	(2,992)
Other	7,246	8,738	11,718
Employee Benefits - Salaries	77,944	80,644	77,397
Insurance	7,833	8,000	8,496
Service Providers, Contractors and Consultancy	8,283	6,800	6,288
	<u>134,638</u>	<u>149,082</u>	<u>135,333</u>

#### 6 Property

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	17,345	18,995	16,744
Cyclical Maintenance Expense	(18,502)	8,500	17,532
Grounds	3,045	6,300	8,883
Heat, Light and Water	31,318	20,400	17,444
Repairs and Maintenance	17,098	24,420	14,143
Use of Land and Buildings	382,398	343,200	356,551
Security	472	1,550	1,277
Employee Benefits - Salaries	92,788	90,273	89,873
	<u>525,962</u>	<u>513,638</u>	<u>522,447</u>

The use of land and buildings figure represents 8% of the school's total property value. Property values are established as part of the nationwide revaluation exercise that is conducted every 30 June for the Ministry of Education's year end reporting purposes.

#### 7 Depreciation

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements - Crown	47,717	47,595	47,716
Furniture and Equipment	21,215	29,250	27,866
Information and Communication Technology	27,675	28,235	28,341
Leased Assets	13,259	11,315	16,152
Library Resources	3,433	3,605	3,583
	<u>113,299</u>	<u>120,000</u>	<u>123,658</u>

**Bombay School****Notes to the Financial Statements (cont.)**

For the year ended 31 December 2020

**8 Cash and Cash Equivalents**

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Current Account	542,535	594,105	624,833
Cash and cash equivalents for Statement of Cash Flows	542,535	594,105	624,833

Of the \$542,535 Cash and Cash Equivalents, \$376,931 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	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	1,461	15,000	15,407
Teacher Salaries Grant Receivable	133,017	120,000	113,121
	134,478	135,000	128,528
Receivables from Exchange Transactions	1,461	15,000	15,407
Receivables from Non-Exchange Transactions	133,017	120,000	113,121
	134,478	135,000	128,528

**10 Inventories**

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	2,283	5,000	2,848
	2,283	5,000	2,848



## Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

## 11 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2020</b>						
Land	35,000	-	-	-	-	35,000
Building Improvements	397,217	-	(2,788)	-	(47,717)	346,712
Furniture and Equipment	57,426	3,536	(802)	-	(21,215)	38,945
Information and Communication Technology	62,424	17,953	(4,620)	-	(27,675)	48,082
Leased Assets	29,721	4,715	-	-	(13,259)	21,177
Library Resources	25,081	2,410	(26)	-	(3,433)	24,032
<b>Balance at 31 December 2020</b>	<b>606,869</b>	<b>28,614</b>	<b>(8,236)</b>	<b>-</b>	<b>(113,299)</b>	<b>513,948</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2020</b>			
Land	35,000	-	35,000
Building Improvements	1,090,060	(743,348)	346,712
Furniture and Equipment	478,251	(439,306)	38,945
Information and Communication Technology	291,813	(243,731)	48,082
Leased Assets	49,651	(28,474)	21,177
Library Resources	87,929	(63,897)	24,032
<b>Balance at 31 December 2020</b>	<b>2,032,704</b>	<b>(1,518,756)</b>	<b>513,948</b>

The net carrying value of equipment held under a finance lease is \$21,177 (2019: \$29,721).

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2019</b>						
Land	35,000	-	-	-	-	35,000
Building Improvements	444,933	-	-	-	(47,716)	397,217
Furniture and Equipment	78,838	6,663	(209)	-	(27,866)	57,426
Information and Communication Technology	70,018	20,747	-	-	(28,341)	62,424
Leased Assets	16,759	29,114	-	-	(16,152)	29,721
Library Resources	25,977	2,821	(134)	-	(3,583)	25,081
<b>Balance at 31 December 2019</b>	<b>671,525</b>	<b>59,345</b>	<b>(343)</b>	<b>-</b>	<b>(123,658)</b>	<b>606,869</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2019</b>			
Land	35,000	-	35,000
Building Improvements	1,097,663	(700,446)	397,217
Furniture and Equipment	527,838	(470,412)	57,426
Information and Communication Technology	521,737	(459,313)	62,424
Leased Assets	58,577	(28,856)	29,721
Library Resources	85,609	(60,528)	25,081
<b>Balance at 31 December 2019</b>	<b>2,326,424</b>	<b>(1,719,555)</b>	<b>606,869</b>

The net carrying value of equipment held under a finance lease is \$29,721 (2018: \$16,759).

# Bombay School

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

### 12 Accounts Payable

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operating Creditors	12,584	7,500	7,041
Accruals	6,170	5,000	4,490
Banking Staffing Overuse	5,019	-	5,019
Employee Entitlements - Salaries	136,313	120,000	115,412
Employee Entitlements - Leave Accrual	11,740	18,000	17,012
	<u>171,826</u>	<u>150,500</u>	<u>148,974</u>
Payables for Exchange Transactions	171,826	150,500	148,974
	<u>171,826</u>	<u>150,500</u>	<u>148,974</u>

The carrying value of payables approximates their fair value.

### 13 Revenue Received in Advance

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Home & School / Student funds	41,394	60,000	58,968
	<u>41,394</u>	<u>60,000</u>	<u>58,968</u>

### 14 Provision for Cyclical Maintenance

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	129,271	129,271	111,739
Increase/(decrease) to the Provision During the Year	(18,502)	8,500	17,532
Use of the Provision During the Year	(1,154)	(2,771)	-
Provision at the End of the Year	<u>109,615</u>	<u>135,000</u>	<u>129,271</u>
Cyclical Maintenance - Current	12,889	15,000	83,646
Cyclical Maintenance - Term	96,726	120,000	45,625
	<u>109,615</u>	<u>135,000</u>	<u>129,271</u>

### 15 Finance Lease Liability

The school has entered into a number of finance lease agreements for IT equipment.  
Minimum lease payments payable (includes interest portion):

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
No Later than One Year	13,204	11,000	15,232
Later than One Year and no Later than Five Years	12,606	11,500	21,212
	<u>25,810</u>	<u>22,500</u>	<u>36,444</u>

## Bombay School

### Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

#### 16 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 Contribution/ (Write-off to R&M)	Closing Balances \$
Reroofing Stage 2	<i>In progress</i>	290,762	1,379	-	-	292,141
Block 1 modernisation	<i>Completed</i>	(812)	35,402	-	-	34,590
Block 2 Acoustic Wall Coverings	<i>Completed</i>	3,444	-	-	-	3,444
Sanitary Sewerage Remediation	<i>In progress</i>	1,527	-	-	-	1,527
Block 1 New Deck	<i>In progress</i>	-	-	1,508	-	(1,508)
Block 1 & 11 Carpet	<i>In progress</i>	-	46,939	1,710	-	45,229
Block 5 Rms 10-13 refurbishment	<i>In progress</i>	-	-	339,720	-	(339,720)
SIP - Fencing, Safety Gates	<i>In progress</i>	-	8,463	8,847	-	(384)
Rooms 1-3 DQLS	<i>In progress</i>	-	-	1,641	-	(1,641)
Totals		294,921	92,183	353,426	-	33,678

#### Represented by:

Funds Held on Behalf of the Ministry of Education

Funds Due from the Ministry of Education

376,931

(343,253)

33,678

2019		Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Reroofing Stage 2	<i>in progress</i>	75,387	330,575	115,200	-	290,762
Block 1 modernisation	<i>In progress</i>	(812)	-	-	-	(812)
Blocks 1,2,11 Lightning Upgrade	<i>completed</i>	22,950	-	22,950	-	-
Block 2 Acoustic Wall Coverings	<i>completed</i>	14,210	-	10,766	-	3,444
Sanitary Sewerage Remediation	<i>In progress</i>	42,368	528	41,369	-	1,527
Totals		154,103	331,103	190,285	-	294,921

#### 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.

Kelly Jones and Matthew Bagley are members of the Bombay School Board of Trustees. During the year, Kelly Jones has donated legal advice which would usually amount to \$2,000, while Matthew Bagley has donated his IT support services which would normally cost \$12,000 to \$16,000 per annum. However, these services were provided for free during the year. Because this amount is less than \$25,000 for the year, the transactions do not require Ministry approval under section 103 of the Education Act 1989. 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.

## Bombay School

### Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

#### 18 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	4,195	3,639
Full-time equivalent members	0.03	0.03
<i>Leadership Team</i>		
Remuneration	351,494	335,300
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	355,689	338,939
Total full-time equivalent personnel	3.03	3.03

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*

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	150 - 160	140-150
Benefits and Other Emoluments	-	-
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
100-110	1	-
	1	-

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

#### 19 Compensation and Other Benefits Upon Leaving

There were no compensation or other benefits paid or payable to persons upon leaving.

#### 20 Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2020.

(Contingent liabilities and assets as 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.

## Bombay School

### Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

#### 21 Commitments

##### (a) Capital Commitments

As at 31 December 2020 the Board has entered into no contract agreements for capital works.

(Capital commitments as at 31 December 2019: nil)

#### 22 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.

#### 23 Financial Instruments

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

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
<b>Financial assets measured at amortised cost</b>			
Cash and Cash Equivalents	542,535	594,105	624,833
Receivables	134,478	135,000	128,528
<b>Total Financial assets measured at amortised cost</b>	<b>677,013</b>	<b>729,105</b>	<b>753,361</b>
 <b>Financial liabilities measured at amortised cost</b>			
Payables	171,826	150,500	148,974
Finance Leases	23,332	22,500	32,004
<b>Total Financial Liabilities Measured at Amortised Cost</b>	<b>195,158</b>	<b>173,000</b>	<b>180,978</b>

#### 24 Events After Balance Date

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





# BOMBAY SCHOOL

Our Best Always

31 May 2021

Wayne Monteith  
Audit & Assurance Partner  
BDO Auckland  
4 Graham Street  
Auckland, New Zealand

## REPRESENTATION LETTER FOR THE YEAR ENDED 31 DECEMBER 2020

This representation letter is provided in connection with your audit, carried out on behalf of the Auditor-General, of the financial statements of Bombay School (the School) for the year ended 31 December 2020 for the purpose of expressing an independent opinion about whether the financial statements:

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

We understand that your audit was carried out in accordance with the Auditing Standards issued by the Auditor-General, which incorporate the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

### General representations

To the best of our knowledge and belief:

- the resources and activities under our control have been operating effectively and efficiently;
- we have complied with our statutory obligations including laws, regulations and contractual requirements;
- we have carried out our decisions and actions with due regard to minimising waste;
- we have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector (that is, we have carried out our decisions and actions with due regard to probity); and
- any decisions or actions have been taken with due regard to financial prudence.

We also acknowledge that we have responsibility for designing, implementing, and maintaining internal control (to the extent that is reasonably practical given the size of the School) to prevent and detect fraud or error, and which enables the preparation of the financial statements that are free from material misstatement whether due to fraud or error (*a requirement of paragraph NZ40.1(a) in ISA (NZ) 240*).

### Representations for the financial statements

We confirm that all transactions have been recorded in the accounting records and are reflected in the financial statements, and that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:





- we have fulfilled our responsibilities for preparing and presenting the financial statements as required by section 87 of the Education Act 1989 and, in particular, that the financial statements:
  - present fairly, in all material respects:
    - the financial position as at 31 December 2020; and
    - the financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity (Public Sector) Reduced Disclosure Regime Accounting Framework as applicable to Tier 2 entities.
  - we believe the methods, significant assumptions, and data used in making and supporting the accounting estimates and the related disclosures in the financial statements are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework;
- we have appropriately accounted for and disclosed the related party relationships and transactions in the financial statements;
- we have adjusted or disclosed all events subsequent to the date of the financial statements that require adjustment or disclosure; and
- we believe the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this representation letter; and
- we have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. Where applicable, such litigation and claims have been accounted for and disclosed in accordance with the Public Benefit Entity (Public Sector) Reduced Disclosure Regime Accounting Framework as applicable to Tier 2 entities.

#### **Representations about the provision of information**

We confirm that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have provided you with:
  - all information, such as records and documentation, and other matters that are relevant to preparing and presenting the financial statements; and
  - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence;
- we have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- we have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements;
- we have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others;
- we have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements;
- we have disclosed the identity of the related parties, all of their relationships, and all of their transactions of which we are aware; and
- we have provided you with all the other documents ("other information") which will accompany the financial statements which are consistent with the financial statements, and the other information does not contain any material misstatements.

#### **Going concern basis of accounting**

We confirm that, to the best of our knowledge and belief, the School has adequate resources to continue operations at its current level for the foreseeable future. For this reason, the Board of Trustees continues to adopt the going concern basis of accounting in preparing the financial statements for the year ended 31 December 2020. We have reached this conclusion after making enquiries and having regard to circumstances that we consider likely to affect the School during the period of one year from 31 May 2021 and to circumstances that we know will occur after that date which could affect the validity of the going concern basis of accounting.

We consider that the financial statements adequately disclose the circumstances, and any uncertainties, that we can reasonably be expected to be aware of concerning the adoption of the going concern basis of accounting by the School.



**Publication of the financial statements and related audit report on a website**

We confirm that we are responsible for the electronic presentation of the audited financial statements, and:

- that the electronic version of the audited financial statements and the related audit report presented on the website are the same as the final signed version of the audited financial statements and audit report.
- that the audited and unaudited information on the website has been clearly differentiated and we understand the risk of potential misrepresentation without appropriate controls.
- that we have assessed the security controls over audited financial information and the related audit report and are satisfied that procedures are adequate to ensure the integrity of the information provided.
- that the full financial statements have been provided on the website.

The representations in this letter are made at your request, and to supplement information obtained by you from the records of the School and to confirm information given to you orally.

Yours faithfully



**Chairperson**  
**Bombay School**

Chairperson (Becky Causebrook)



**Paul Petersen**  
**PRINCIPAL**

Principal (Paul Petersen)

**APPENDIX I – Uncorrected MISSTATEMENTS**

Description	Assets	Liabilities	Reserves	Profit
	Dr(Cr)	Dr(Cr)	Dr(Cr)	Dr(Cr)
	\$	\$	\$	\$
To correct the year end bank staffing liability in line with MOE information as a receivable	21,198	5,019	-	(26,217)
To adjust PPE as per FAR	4,620	-	-	(4,620)
Net Effect of Adjustments not made:	25,818	5,019	-	(30,837)

