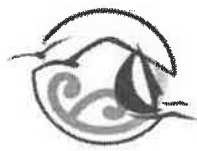


DISCOVERY SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022



DISCOVERY SCHOOL

- EDUCATING FOR SUCCESSFUL LIVING -

Ministry Number:	2832
Principal:	Kaylene Macnee
School Address:	Pullen Lane, Whitby
School Postal Address:	Pullen Lane, Whitby, Porirua, 5024
School Phone:	04 234 7103
School Email:	finance@discovery.school.nz
Accountant / Service Provider:	Accounting For Schools Limited

DISCOVERY SCHOOL

Annual Report - For the year ended 31 December 2022

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Discovery School

Statement of Responsibility

For the year ended 31 December 2022

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2022 fairly reflects the financial position and operations of the school.

The School's 2022 financial statements are authorised for issue by the Board.

Simon Gareth Lynd
Full Name of Presiding Member

[Signature]
Signature of Presiding Member

11/5/2023
Date:

Kaylene Megan Macnee
Full Name of Principal

[Signature]
Signature of Principal

11/5/2023
Date:

Discovery School

Statement of Comprehensive Revenue and Expense For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Revenue				
Government Grants	2	3,919,671	3,252,942	3,489,366
Locally Raised Funds	3	268,069	106,600	254,952
Interest income		11,243	2,000	4,121
		4,198,983	3,361,542	3,748,429
Expenses				
Locally Raised Funds	3	31,447	5,900	14,282
Learning Resources	4	3,045,096	2,611,811	3,026,874
Administration	5	263,846	213,480	207,122
Finance		3,322	1,470	2,619
Property	6	819,303	528,406	346,529
Loss on Disposal of Property, Plant and Equipment		-	-	10
		4,163,014	3,361,067	3,597,436
Net Surplus / (Deficit) for the year		35,969	475	150,993
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		35,969	475	150,993

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

Discovery School

Statement of Changes in Net Assets/Equity For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Balance at 1 January		988,176	988,176	783,739
Total comprehensive revenue and expense for the year		35,969	475	150,993
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		9,362	-	53,444
Equity at 31 December		1,033,507	988,651	988,176
Accumulated comprehensive revenue and expense		1,033,507	988,651	988,176
Reserves			-	-
Equity at 31 December		1,033,507	988,651	988,176

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.

Discovery School
Statement of Financial Position
As at 31 December 2022

		2022	2022	2021
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Current Assets				
Cash and Cash Equivalents	7	25,216	80,006	84,675
Accounts Receivable	8	249,905	200,000	197,183
Funds held for Capital Works Projects	15	28,630	-	42,687
GST Receivable		13,509	10,002	13,190
Prepayments		28,007	20,000	38,778
Investments	9	455,169	200,000	368,620
		800,436	510,008	745,133
Current Liabilities				
Accounts Payable	11	283,879	170,000	224,385
Revenue Received in Advance	12	7,114	-	59,596
Provision for Cyclical Maintenance	13	19,696	19,696	16,575
Finance Lease Liability	14	9,173	9,000	12,738
		319,862	198,696	313,294
Working Capital Surplus/(Deficit)		480,574	311,312	431,839
Non-current Assets				
Property, Plant and Equipment	10	622,677	750,000	604,105
		622,677	750,000	604,105
Non-current Liabilities				
Provision for Cyclical Maintenance	13	62,661	62,661	37,959
Finance Lease Liability	14	7,083	10,000	9,809
		69,744	72,661	47,768
Net Assets		1,033,507	988,651	988,176
Equity		1,033,507	988,651	988,176

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

Discovery School
Statement of Cash Flows
For the year ended 31 December 2022

		2022	2022	2021
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		930,382	734,016	810,147
Locally Raised Funds		194,109	(151,057)	311,129
Goods and Services Tax (net)		(318)	3,187	27,596
Payments to Employees		(557,722)	(361,985)	(494,891)
Payments to Suppliers		(436,574)	(200,784)	(440,508)
Interest Paid		(3,322)	(1,470)	(2,619)
Interest Received		6,523	2,961	4,116
Net cash from Operating Activities		133,078	24,868	214,970
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	-	(86,301)
Purchase of PPE (and Intangibles)		(116,074)	(237,297)	(251,934)
Purchase of Investments		(86,549)	168,620	-
Proceeds from Sale of Investments		-	-	140,151
Net cash from Investing Activities		(202,623)	(68,677)	(198,084)
Cash flows from Financing Activities				
Furniture and Equipment Grant		9,362	-	53,444
Finance Lease Payments		(13,333)	(3,547)	(8,424)
Funds on behalf of Third Parties		14,057	42,687	(39,952)
Net cash from Financing Activities		10,086	39,140	5,068
Net increase/(decrease) in cash and cash equivalents		(59,459)	(4,669)	21,954
Cash and cash equivalents at the beginning of the year	7	84,675	84,675	62,721
Cash and cash equivalents at the end of the year	7	25,216	80,006	84,675

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

Discovery School

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2022 to 31 December 2022 and in accordance with the requirements of the Education and Training Act 2020.

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the 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.

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 10.

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.

Discovery School

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

Critical Judgements in applying accounting policies

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

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised. Finance lease liability disclosures are contained in note 14. Future operating lease commitments are disclosed in note 20b.

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

Other Ministry Grants for directly funded programs are recorded as revenue when the School has the rights to the funding in the period they relate to. The grants are not received in cash by the School and are paid directly by the Ministry of Education.

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. Grants for the use of land and buildings are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes.

This is a non-cash revenue that is offset by a non-cash expense. The use of land and buildings grants and associated expenditure are recorded in the period the School uses the land and buildings.

Other Grants where conditions exist

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

Donations, Gifts and Bequests

Donations, gifts and bequests are recognised as an asset and revenue when the right to receive funding or the asset has been established unless there is an obligation to return funds if conditions are not met. If conditions are not met funding is recognised as revenue in advance and recognised as revenue when conditions are satisfied.

Interest Revenue

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

Discovery School

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

d) Operating Lease Payments

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

e) Finance Lease Payments

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

f) Cash and Cash Equivalents

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

g) Accounts Receivable

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

h) Inventories

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

i) Investments

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

Discovery School

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

j) 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 (funded by the Board) to buildings owned by the Crown or directly by the board 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.

Property, plant and equipment acquired with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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	20 years
Furniture and equipment	5 - 15 years
Information and communication technology	3 - 5 years
Motor vehicles	5 years
Textbooks	3 - 5 years
Leased assets held under a Finance Lease	4 years
Library resources	12.5% Diminishing value

k) Intangible Assets

Software costs

Computer software acquired by the School are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance and research expenditure are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

Discovery School

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

l) Impairment of property, plant, and equipment and intangible assets

The school does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

Non cash generating assets

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indication exists, the School estimates the asset's recoverable service amount. 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.

In determining fair value less costs to sell the school engages an independent valuer to assess market value based on the best available information. The valuation is based on [details of the valuer's approach to determining market value (i.e. what valuation techniques have been employed, comparison to recent market transaction etc.)].

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. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognised.

m) Accounts Payable

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

n) 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.

Long-term employee entitlements

Employee benefits that are not expected to be settled wholly before 12 months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis.

The calculations are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows. Remeasurements are recognised in surplus or deficit in the period in which they arise.

Discovery School

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

o) Revenue Received in Advance

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

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

p) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

q) Funds held for Capital works

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

r) Shared Funds

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. The cluster of schools operate activities outside of school control. These amounts are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

s) 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 is a reasonable estimate, based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition.

The schools carries out painting maintenance of the whole school over a 7 to 10 year period, the economic outflow of this is dependent on the plan established by the school to meet this obligation and is detailed in the notes and disclosures of these accounts.

u) 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, borrowings 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.

t) Borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the school has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Discovery School

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

u) 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.

v) Budget Figures

The budget figures are extracted from the School budget that was approved by the Board at the start of the year.

w) 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.

Discovery School

Notes to the Financial Statements

For the year ended 31 December 2022

2. Government Grants

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Government Grants - Ministry of Education	930,082	734,016	817,461
Teachers' Salaries Grants	2,388,990	2,172,250	2,406,285
Use of Land and Buildings Grants	600,299	346,676	257,911
Other Government Grants	300	-	7,699
	3,919,671	3,252,942	3,489,356

3. Locally Raised Funds

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

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations & Bequests	148,291	70,500	127,682
Fees for Extra Curricular Activities	21,221	8,200	67,156
Trading	19,320	27,900	28,682
Fundraising & Community Grants	79,237	-	31,432
	268,069	106,600	254,952
Expenses			
Extra Curricular Activities Costs	29,088	1,000	6,739
Trading	2,359	3,900	7,543
Fundraising and Community Grant Costs	-	1,000	-
	31,447	5,900	14,282
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	236,622	100,700	240,670

4. Learning Resources

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	151,931	109,979	155,405
Depreciation	104,543	91,402	96,296
Information and Communication Technology	25,300	22,300	21,115
Library Resources	3,149	3,630	2,903
Employee benefits - salaries	2,739,783	2,363,050	2,736,916
Staff Development	20,390	21,450	14,239
	3,045,096	2,611,811	3,026,874

Discovery School
Notes to the Financial Statements
For the year ended 31 December 2022

5. Administration

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	7,937	7,180	7,706
Board of Trustees Fees	3,790	4,000	3,645
Board of Trustees Expenses	15,783	18,300	13,497
Communication	4,465	5,650	4,301
Consumables	8,223	11,000	11,306
Other	12,236	18,850	18,073
Employee Benefits - Salaries	177,908	112,500	117,866
Insurance	17,875	20,000	14,468
Service Providers, Contractors and Consultancy	15,629	16,000	16,260
	<u>263,846</u>	<u>213,480</u>	<u>207,122</u>

6. Property

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	16,213	16,200	15,093
Consultancy and Contract Services	46,072	37,000	36,186
Cyclical Maintenance Provision	44,043	11,930	(70,217)
Grounds	4,376	2,500	2,905
Heat, Light and Water	12,542	17,000	17,446
Rates	8,044	10,000	9,707
Repairs and Maintenance	31,890	34,600	25,173
Use of Land and Buildings	600,299	346,676	257,911
Security	4,815	2,000	3,433
Employee Benefits - Salaries	51,009	50,500	48,892
	<u>819,303</u>	<u>528,406</u>	<u>346,529</u>

The use of land and buildings figure represents 5% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

7. Cash and Cash Equivalents

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Accounts	25,216	80,006	84,675
Cash and cash equivalents for Cash Flow Statement	<u>25,216</u>	<u>80,006</u>	<u>84,675</u>

Discovery School
Notes to the Financial Statements
For the year ended 31 December 2022

8. Accounts Receivable

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	-	20,000	1,939
Receivables from the Ministry of Education	15,953	-	-
Interest Receivable	5,681	5,000	961
Teacher Salaries Grant Receivable	228,271	175,000	194,283
	249,905	200,000	197,183
Receivables from Exchange Transactions	228,271	175,000	194,283
Receivables from Non-Exchange Transactions	21,634	25,000	2,900
	249,905	200,000	197,183

9. Investments

The School's investment activities are classified as follows:

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	455,169	200,000	368,620
Total Investments	455,169	200,000	368,620

Discovery School
Notes to the Financial Statements
For the year ended 31 December 2022

10. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2022						
Building Improvements	371,643	44,342	-	-	(28,671)	387,314
Furniture and Equipment	137,432	47,704	-	-	(35,406)	149,730
Information Technology	49,809	17,882	-	-	(22,119)	45,572
Leased Assets	19,642	7,043	-	-	(14,766)	11,919
Library Resources	25,579	6,144	-	-	(3,581)	28,142
Balance at 31 December 2022	604,105	123,115	-	-	(104,543)	622,677

The net carrying value of equipment held under a finance lease is \$11,919 (2021: \$19,642).

	2022 Cost or Valuation \$	2022 Accumulated Depreciation \$	2022 Net Book Value \$	2021 Cost or Valuation \$	2021 Accumulated Depreciation \$	2021 Net Book Value \$
Building Improvements	845,265	(457,951)	387,314	800,923	(429,280)	371,643
Furniture and Equipment	530,254	(380,524)	149,730	482,549	(345,117)	137,432
Information Technology	355,851	(310,279)	45,572	337,969	(288,180)	49,809
Leased Assets	52,232	(40,314)	11,919	45,190	(25,548)	19,642
Library Resources	69,292	(41,149)	28,142	63,147	(37,568)	25,579
Balance at 31 December	1,852,894	(1,230,217)	622,677	1,729,778	(1,125,673)	604,105

11. Accounts Payable

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Creditors	18,998	15,000	15,708
Accruals	6,437	6,000	6,208
Employee Entitlements - Salaries	249,596	141,000	194,283
Employee Entitlements - Leave Accrual	8,848	8,000	8,188
	283,879	170,000	224,385
Payables for Exchange Transactions	283,879	170,000	224,385
	283,879	170,000	224,385

The carrying value of payables approximates their fair value.

Discovery School

Notes to the Financial Statements

For the year ended 31 December 2022

12. Revenue Received in Advance

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Grants in Advance - Ministry of Education	2,868	-	-
Other	4,246	-	59,596
	7,114	-	59,596

13. Provision for Cyclical Maintenance

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	54,534	54,534	148,851
Increase/ (decrease) to the Provision During the Year	24,530	11,930	22,998
Adjustment to the provision	29,633	15,893	(93,215)
Use of the Provision During the Year	(26,340)	-	(24,100)
Provision at the End of the Year	82,357	82,357	54,534
Cyclical Maintenance - Current	19,696	19,696	16,575
Cyclical Maintenance - Term	62,661	62,661	37,959
	82,357	82,357	54,534

Per the cyclical maintenance schedule the school is next expected to undertake painting works during 2023. This plan is based on the schools 10 Year Property plan.

14. Finance Lease Liability

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

	2022	2022	2021
	\$	\$	\$
No Later than One Year	9,729	9,000	14,313
Later than One Year and no Later than Five Years	7,289	10,000	10,641
Later than Five Years	-	-	-
Future Finance Charges	(762)	-	(2,407)
	16,256	19,000	22,547
Represented by			
Finance lease liability - Current	9,173	9,000	12,738
Finance lease liability - Term	7,083	10,000	9,809
	16,256	19,000	22,547

Discovery School
Notes to the Financial Statements
For the year ended 31 December 2022

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.

2022	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
Fire and Security Alarms	(9,203)	-	(2,300)	-	(11,503)
Soffit Linings	-	-	-	-	-
SIP - Refurbish Admin Block	(21,837)	77,212	(59,800)	-	(4,425)
Roofing & Windows Blks 2 3 12 14 16 17	-	-	-	-	-
Block 16 - Leak Remediation	-	-	-	-	-
Blk 16 Leak Remediation II	1,055	-	(1,055)	-	-
Library Leak	(12,702)	-	-	-	(12,702)
Totals	(42,687)	77,212	(63,155)	-	(28,630)

Represented by:

Funds Held on Behalf of the Ministry of Education	-
Funds Due from the Ministry of Education	(28,630)
	(28,630)

2021	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
Fire and Security Alarms	(8,641)	-	(562)	-	(9,203)
Soffit Linings	22,167	906	(23,073)	-	-
Roofing & Windows Blks 2 3 12 14 16 17	(5,593)	14,842	(9,249)	-	-
SIP - Refurbish Admin Block	(3,170)	-	(18,667)	-	(21,837)
Block 16 - Leak Remediation	242	1,310	(1,552)	-	-
Blk 16 Leak Remediation II	-	41,530	(40,475)	-	1,055
Library Leak	-	-	(12,702)	-	(12,702)
Totals	5,005	58,588	(106,280)	-	(42,687)

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.

Discovery School

Notes to the Financial Statements

For the year ended 31 December 2022

17. Remuneration

Key management personnel compensation

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

	2022 Actual \$	2021 Actual \$
<i>Board Members</i>		
Remuneration	3,790	3,645
<i>Leadership Team</i>		
Remuneration	381,926	377,452
Full-time equivalent members	3	3
Total key management personnel remuneration	385,716	381,097
Total full-time equivalent personnel	3.00	3.07

There are nine members of the Board excluding the Principal. The Board had held eight full meetings of the Board in the year. As well as these regular meetings, including preparation time, the Presiding Member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal

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

	2022 Actual \$000	2021 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	150 - 160	150 - 160
Benefits and Other Emoluments	4 - 5	4 - 5
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2022 FTE Number	2021 FTE Number
100 - 110	3	5
110 - 120	1	-
	4	5

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

Discovery School

Notes to the Financial Statements

For the year ended 31 December 2022

18. Contingencies

There are no contingent liabilities and no contingent assets (except as noted below) as at 31 December 2022 (Contingent liabilities and assets at 31 December 2021: nil).

In 2022 the Ministry of Education provided additional funding for both the support staff in School's Collective Agreement (CA) Settlement and the Teacher Aide Pay Equity Settlement. The School is yet to receive a final wash up that adjusts the estimated quarterly installments for the actual teacher aides employed in 2022. The Ministry is in the process of determining the amount of the final wash up payment for the year ended 31 December 2022. Even though the payment is confirmed, the amount to be received is not known with a high level of certainty. The School has therefore not recognised the expected receipt (asset) and income in its financial statements. The payment is expected to be received in July 2023.

Holidays Act Compliance – schools payroll

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

The Ministry's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis and solutions have been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2022, a contingent liability for the school may exist.

19. Commitments

(a) Capital Commitments

As at 31 December 2022 the Board has entered into contract agreements for capital works as follows:

(a) \$138,573 Fire alarm project, which will be fully funded by the Ministry of Education. \$124,716 has been received of which \$136,219 has been spent on the project to date.

(b) \$772,117 contract for SIP Refurbish admin block, which will be fully funded by the Ministry of Education. \$77,534 has been received and \$81,959 has been spent on the project to date.

(c) \$15,000 contract for Library leak, which will be fully funded by the Ministry of Education. \$12,702 has been spent on the project to date.

(Capital commitments at 31 December 2021: \$970,948).

Discovery School

Notes to the Financial Statements

For the year ended 31 December 2022

20. 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	2022	2022	2021
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Cash and Cash Equivalents	25,216	80,006	84,675
Receivables	249,905	200,000	197,183
Investments - Term Deposits	455,169	200,000	368,620
	<u>730,290</u>	<u>480,006</u>	<u>650,478</u>
Total Financial assets measured at amortised cost			
Financial liabilities measured at amortised cost			
Payables	283,879	170,000	224,383
Finance Leases	16,256	19,000	22,547
	<u>300,135</u>	<u>189,000</u>	<u>246,930</u>
Total Financial Liabilities Measured at Amortised Cost			

21. Events After Balance Date

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

Discovery School

Members of the Board

For the year ended 31 December 2022

Name	Position	How position on Board gained	Occupation	Term expired/expires
Simon Lynds	Presiding Member	Elected	Landscaper	December 2023
Kaylene Macnee	Principal	Appointed	Principal	
Sam Taylor	Parent Rep	Elected	Project Manager	September 2025
Brayden Smith	Parent Rep	Elected	Accountant	September 2025
Laura Lumley	Parent Rep	Elected	Designer and Implementation Manager	
Adam White	Parent Rep	Elected	IT Manager	December 2023
Fuianina Washburn	Parent Rep	Co-opted		September 2025
Georgia Taingahue	Parent Rep	Co-opted	Project Leader	September 2025
Martin Robinson	Parent Rep	Appointed	Property Manager	December 2023
Andrea Smith	Staff Rep	Elected	Teacher	September 2025
Nigel Brundsdon	Parent Rep	Elected		September 2022
Wayde Beckman	Parent Rep	Elected		September 2022
Nicky Kenny	Staff Rep	Elected		September 2022

Discovery School

Kiwisport / Statement of Compliance with Employment Policy For the year ended 31 December 2022

Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sport.

In 2022, the school received total Kiwisport funding of \$6,987 (2021: \$7,186).

The funding was spent on Kelly Sports and swimming lessons.

Statement of Compliance with Employment Policy

For the year ended 31 December 2022 Discovery School Board:

- Has developed and implemented personnel policies, within policy and procedural frameworks to ensure the fair and proper treatment of employees in all aspect of their employment
- Has reviewed its compliance against both its personnel policy and procedures and can report that it meets all requirements and identified best practice.
- Is a good employer and complies with the conditions contained in the employment contract of all staff employed by the Board.
- Ensures all employees and applicants for employments are treated according to their skills, qualifications and abilities, without bias or discrimination.
- Meets all Equal Employment Opportunities requirements.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF DISCOVERY SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The Auditor-General is the auditor of Discovery School (the School). The Auditor-General has appointed me, Geoff Potter, using the staff and resources of BDO Wellington Audit Limited, 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 4 to 23, that comprise the statement of comprehensive revenue and expense, statement of changes in net assets/equity, the statement of financial position as at 31 December 2022, 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 2022*; 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 with Public Sector Benefit Entity (PBE) Standards Reduced Disclosure Regime.

Our audit was completed on 11 May 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the 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 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 school 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 pages 24 to 25, 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.

A handwritten signature in blue ink, appearing to read 'Geoff Potter', is written over a horizontal line.

Geoff Potter
BDO WELLINGTON AUDIT LIMITED
On behalf of the Auditor-General
Wellington, New Zealand