



ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

School Directory

Ministry Number:	3194
Principal:	John Armstrong
School Address	56a William Street, Richmond, Nelson
School Postal Address:	56a William Street, Richmond, Nelson 7020
School Phone:	03 544 8904
School Email:	office@henley.school.nz

HENLEY SCHOOL

Annual Report - For the year ended 31 December 2020

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Henley 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 reflect the financial position and operations of the School.


The School's 2020 financial statements are authorised for issue by the Board.

KIRSTIE VAN HOUTE
Full Name of Board Chairperson


Signature of Board Chairperson

21-5-21
Date:

JOHN ARMSTRONG
Full Name of Principal


Signature of Principal

21-5-21
Date:

Henley School

Members of the Board of Trustees

For the year ended 31 December 2020

Name	Position	How Position Gained	Held Until
Shaun Young	Chairperson	Elected	Dec 2020
John Armstrong	Principal	ex Officio	
Andy Elliot	Parent Rep	Elected	May 2022
Gus Shirley	Parent Rep	Elected	Dec 2020
Adrian Laing	Parent Rep	Elected	May 2022
Kirstie Van Houtte	Parent Rep	Elected	May 2022
Natalie Doty	Staff Rep	Elected	May 2022

Henley School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue				
Government Grants	2	4,125,246	3,986,106	3,854,736
Locally Raised Funds	3	92,415	90,876	143,880
Interest Income		615	4,000	3,755
Gain on Sale of Property, Plant and Equipment		-	-	401
		<u>4,218,276</u>	<u>4,080,982</u>	<u>4,002,772</u>
Expenses				
Locally Raised Funds	3	56,085	42,500	67,683
Learning Resources	4	2,829,778	2,702,110	2,603,014
Administration	5	169,193	169,300	165,873
Finance		2,756	-	1,404
Property	6	1,031,304	1,028,188	1,005,666
Depreciation	7	87,120	55,000	87,438
Loss on Disposal of Property, Plant and Equipment		166	-	8,425
		<u>4,176,402</u>	<u>3,997,098</u>	<u>3,939,503</u>
Net Surplus / (Deficit) for the year		41,874	83,884	63,269
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>41,874</u>	<u>83,884</u>	<u>63,269</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.

Henley School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Balance at 1 January		424,651	424,651	361,382
Total comprehensive revenue and expense for the year		41,874	83,884	63,269
Capital Contributions from the Ministry of Education				
Equity at 31 December	21	466,525	508,535	424,651
Retained Earnings		466,525	508,535	424,651
Equity at 31 December		466,525	508,535	424,651

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.

Henley School

Statement of Financial Position

As at 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	8	279,652	134,095	(4,789)
Accounts Receivable	9	291,909	160,854	160,854
GST Receivable		-	28,751	28,751
Prepayments		3,712	5,059	5,059
Funds owing for Capital Works Projects	15	330	139,823	139,823
		<u>575,603</u>	<u>468,582</u>	<u>329,698</u>
Current Liabilities				
Accounts Payable	11	271,533	186,121	186,121
Provision for Cyclical Maintenance	12	6,823	6,771	6,771
Painting Contract Liability - Current Portion	13	26,401	26,401	26,401
Finance Lease Liability - Current Portion	14	34,421	33,178	33,178
Funds held for Capital Works Projects	15	78,137	-	-
		<u>419,546</u>	<u>252,471</u>	<u>252,471</u>
Working Capital Surplus/(Deficit)		156,057	216,111	77,227
Non-current Assets				
Property, Plant and Equipment	10	398,598	402,982	457,982
		<u>398,598</u>	<u>402,982</u>	<u>457,982</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	12	50,075	32,211	32,211
Painting Contract Liability	13	24,488	42,404	42,404
Finance Lease Liability	14	13,567	35,943	35,943
		<u>88,130</u>	<u>110,558</u>	<u>110,558</u>
Net Assets		<u>466,525</u>	<u>508,535</u>	<u>424,651</u>
Equity	21	<u>466,525</u>	<u>508,535</u>	<u>424,651</u>

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

Henley School
Statement of Cash Flows
For the year ended 31 December 2020

		2020	2020	2019
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		959,758	829,858	875,336
Locally Raised Funds		92,398	90,876	135,811
Goods and Services Tax (net)		21,506	-	(29,142)
Payments to Employees		(523,972)	(377,600)	(440,196)
Payments to Suppliers		(351,730)	(392,250)	(408,847)
Cyclical Maintenance payments in the Year		(8,125)	-	17,352
Interest Received		615	4,000	3,755
Net cash from/(to) Operating Activities		<u>190,450</u>	<u>154,884</u>	<u>154,069</u>
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(25,058)	(16,000)	(54,394)
Net cash (to)/from Investing Activities		<u>(25,058)</u>	<u>(16,000)</u>	<u>(54,394)</u>
Cash flows from Financing Activities				
Finance Lease Payments		(17,492)	-	(15,395)
Painting Contract Payments		(17,916)	-	(18,151)
Funds held for Capital Works Projects		154,457	-	(172,393)
Net cash from/(to) Financing Activities		<u>119,049</u>	<u>-</u>	<u>(205,939)</u>
Net increase/(decrease) in cash and cash equivalents		<u>284,441</u>	<u>138,884</u>	<u>(106,264)</u>
Cash and cash equivalents at the beginning of the year	8	(4,789)	(4,789)	101,475
Cash and cash equivalents at the end of the year	8	<u>279,652</u>	<u>134,095</u>	<u>(4,789)</u>

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.

Henley School

Notes to the Financial Statements For the year ended 31 December 2020

1. Statement of Accounting Policies

1.1. Reporting Entity

Henley 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.

1.2. 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.

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 12.

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 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.

1.3. 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.

1.4. 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.

1.5. 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.

1.6. 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.

1.7. 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.

1.8. Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for credit losses (uncollectable debts). The School's 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.

1.9. 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	50 years
Furniture and equipment	3-10 years
Other equipment	5-20 years
Information and communication technology	3–5 years
Textbooks	3 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

1.10. Impairment of property and 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.

1.11. 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.

1.12. Employment 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 due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows

1.13. 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).

1.14. Financial Instruments

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

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

The School's financial liabilities comprise accounts payable, 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.

1.15. 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.

Borrowings include but are not limited to bank overdrafts, operating leases, finance leases, painting contracts and term loans.

1.16. 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.

1.17. Budget Figures

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

1.18. Services received in-kind

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

2. Government Grants

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operational Grants	779,786	646,094	736,179
Teachers' Salaries Grants	2,383,059	2,383,060	2,239,648
Use of Land and Buildings Grants	773,188	773,188	759,256
Other MoE Grants	162,354	182,264	61,829
Other Government Grants	26,859	1,500	57,824
	<u>4,125,246</u>	<u>3,986,106</u>	<u>3,854,736</u>

Other MOE Grants total includes additional COVID-19 funding totalling \$15,723 for the year ended 31 December 2020.

3. Locally Raised Funds

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue			
Donations	22,411	25,600	28,292
Fundraising	2,379	1,100	2,936
Bequests & Grants	7,000	7,630	15,780
Other Revenue	2,734	6,550	6,238
Trading	8,390	20,800	20,551
Activities	49,501	29,196	70,083
	<u>92,415</u>	<u>90,876</u>	<u>143,880</u>
Expenses			
Activities	52,154	22,900	55,632
Trading	3,767	18,500	11,211
Fundraising (Costs of Raising Funds)	164	1,100	840
	<u>56,085</u>	<u>42,500</u>	<u>67,683</u>
<i>Surplus for the year Locally raised funds</i>	<u>36,330</u>	<u>48,376</u>	<u>76,197</u>

4. Learning Resources

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Curricular	32,534	33,350	42,482
Equipment Repairs	4,934	7,000	5,866
Information and Communication Technology	835	6,000	509
Library Resources	828	4,500	987
Employee Benefits - Salaries	2,785,858	2,634,060	2,536,914
Staff Development	4,789	17,200	16,256
	<u>2,829,778</u>	<u>2,702,110</u>	<u>2,603,014</u>

5. Administration

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Audit Fee	3,713	3,000	3,605
Board of Trustees Fees	3,680	3,800	3,515
Board of Trustees Expenses	1,162	3,700	4,644
Communication	14,887	12,700	14,646
Consumables	30,466	52,500	29,004
Other	3,872	3,100	3,303
Employee Benefits - Salaries	101,721	84,000	96,577
Insurance	4,930	1,000	4,949
Service Providers, Contractors and Consultancy	4,762	5,500	5,630
	<u>169,193</u>	<u>169,300</u>	<u>165,873</u>

6. Property

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	11,358	10,400	12,259
Consultancy and Contract Services	48,669	49,000	48,860
Cyclical Maintenance Provision	26,041	-	799
Grounds	16,184	12,500	14,931
Heat, Light and Water	28,161	32,500	34,852
Rates	10,756	11,000	8,032
Repairs and Maintenance	64,662	97,000	80,104
Use of Land and Buildings	773,188	773,188	759,256
Employee Benefits - Salaries	52,285	42,600	46,573
	<u>1,031,304</u>	<u>1,028,188</u>	<u>1,005,666</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 nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

7. Depreciation of Property, Plant and Equipment

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Building Improvements	6,430	4,500	6,568
Furniture and Equipment	32,124	20,000	33,306
Information and Communication Technology	11,865	10,000	11,704
Leased Assets	35,828	20,000	35,245
Library Resources	873	500	615
	<u>87,120</u>	<u>55,000</u>	<u>87,438</u>

8. Cash and Cash Equivalents

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Bank Current Account	99,579	134,095	-
Bank Call Account	73	-	73
Short-term Bank Deposits	180,000	-	-
Bank Overdraft	-	-	(4,862)
Cash and cash equivalents for Statement of Cash Flows	<u>279,652</u>	<u>134,095</u>	<u>(4,789)</u>

The carrying value of short-term deposits with original maturity dates of 90 days or less approximates their fair value.

Of the \$279,652 Cash and Cash Equivalents, \$78,137 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 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Receivables	127,866	-	-
Teacher Salaries Grant Receivable	164,043	160,854	160,854
	<u>291,909</u>	<u>160,854</u>	<u>160,854</u>
Receivables from Exchange Transactions	127,866	-	-
Receivables from Non-Exchange Transactions	164,043	160,854	160,854
	<u>291,909</u>	<u>160,854</u>	<u>160,854</u>

10. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2020						
Building Improvements	156,560	-	-	-	(6,430)	150,130
Furniture and Equipment	187,107	8,922	-	-	(32,124)	163,905
Information and Communication Technology	40,589	1,446	-	-	(11,865)	30,170
Leased Assets	69,420	14,690	-	-	(35,828)	48,282
Library Resources	4,306	2,844	(166)	-	(873)	6,111
Balance at 31 December 2020	457,982	27,902	(166)	-	(87,120)	398,598

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2020			
Building Improvements	290,339	(140,209)	150,130
Furniture and Equipment	502,935	(339,030)	163,905
Information and Communication Technology	154,690	(124,520)	30,170
Leased Assets	133,196	(84,914)	48,282
Library Resources	87,977	(81,866)	6,111
Balance at 31 December 2020	1,169,137	(770,539)	398,598

The net carrying value of equipment held under a finance lease is \$48,282 (2019: \$69,420)

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2019						
Building Improvements	163,128	-	-	-	(6,568)	156,560
Furniture and Equipment	207,888	13,076	(551)	-	(33,306)	187,107
Information and Communication Technology	41,481	17,862	(7,050)	-	(11,704)	40,589
Leased Assets	81,518	23,740	(593)	-	(35,245)	69,420
Library Resources	1,964	3,188	(231)	-	(615)	4,306
Balance at 31 December 2019	495,979	57,866	(8,425)	-	(87,438)	457,982

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2019			
Building Improvements	290,339	(133,779)	156,560
Furniture and Equipment	494,013	(306,906)	187,107
Information and Communication Technology	153,244	(112,655)	40,589
Leased Assets	128,061	(58,641)	69,420
Library Resources	88,543	(84,237)	4,306
Balance at 31 December 2019	1,154,200	(696,218)	457,982

11. Accounts Payable

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Operating creditors	57,892	7,397	7,397
Accruals	2,753	3,858	3,858
Employee Entitlements - salaries	194,047	160,854	160,854
Employee Entitlements - leave accrual	16,841	14,012	14,012
	271,533	186,121	186,121
Payables for Exchange Transactions	271,533	186,121	186,121
	271,533	186,121	186,121

The carrying value of payables approximates their fair value.

12. Provision for Cyclical Maintenance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Provision at the Start of the Year	38,982	38,982	20,831
Increase/ (decrease) to the Provision During the Year	26,041	-	799
Adjustment to the Provision	-	-	25,242
Use of the Provision During the Year	(8,125)	-	(7,890)
Provision at the End of the Year	56,898	38,982	38,982
Cyclical Maintenance - Current	6,823	6,771	6,771
Cyclical Maintenance - Term	50,075	32,211	32,211
	56,898	38,982	38,982

13. Painting Contract Liability

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Liability	26,401	26,401	26,401
Non Current Liability	24,488	42,404	42,404
	50,889	68,805	68,805

In 2015 the Board signed an agreement with Programmed Maintenance Services Ltd (the contractor) for an agreed programme of work covering an eight year period. The programme provides for an interior and exterior repaint of the Ministry owned buildings in 2014, with regular maintenance in subsequent years. The agreement has an annual commitment of \$20,704. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

14. Finance Lease Liability

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
No Later than One Year	36,496	35,142	35,142
Later than One Year and no Later than Five Years	14,451	37,328	37,328
	50,947	72,470	72,470

15. Funds Held for Capital Works

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

	2020	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
Room 5 - 8 Toilet Upgrade	In Progress	(139,823)	469,072	(275,659)	-	53,590
SIP Pool Filtration Plan	In Progress	-	10,834	(11,164)	-	(330)
SIP Re-Roof Rms 1 - Tui	Completed	-	109,592	(109,592)	-	-
SIP Security System	In Progress	-	22,478	(21,578)	-	900
SIP Playground Astro Turf	In Progress	-	79,140	(55,493)	-	23,647
Totals		(139,823)	691,116	(473,486)	-	77,807

Represented by:

Funds Held on Behalf of the Ministry of Education	78,137
Funds Due from the Ministry of Education	(330)
	77,807

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
Room 5 - 8 Toilet Upgrade	In Progress	33,959	150,000	(323,782)	-	(139,823)
Upgrade Rooms 11 - 12	Complete	1,389	-	(1,389)	-	-
Totals		35,348	150,000	(325,171)	-	(139,823)

16. Related Party Transactions

The School is a controlled entity of the Crown, and the Crown provides the major source of revenue to the School. The School enters into transactions with other entities also controlled by the Crown, such as government departments, state-owned enterprises and other Crown entities. Transactions with these entities are not disclosed as they occur on terms and conditions no more or less favourable than those that it is reasonable to expect the School would have adopted if dealing with that entity at arm's length.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the school would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

17. Remuneration

Key management personnel compensation

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

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	3,680	3,515
Full-time equivalent members	0.06	0.09
<i>Leadership Team</i>		
Remuneration	366,314	342,099
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	369,994	345,614
Total full-time equivalent personnel	3.06	3.09

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	0-5	0-10

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	2.00	-
110 -120	-	-
	2.00	-

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

18. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be trustees, committee member, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

	2020 Actual \$	2019 Actual \$
Total	-	-
Number of People	-	-

19. Contingencies

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

Holidays Act Compliance – Schools payroll

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

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

To the extent that any obligation cannot reasonably be quantified at 31 December 2020, a contingent liability for the school may exist.

20. Commitments

(a) Capital Commitments

As at 31 December 2020 the Board has entered into the following contract agreement for capital works.

(a) \$515,424 contract for ILE Refurbishment of Rooms 5-8 and Ablution Block alterations commenced in 2019, which will be fully funded by the Ministry of Education. \$675,855 has been received of which \$622,265 has been spent on the project to date.

(b) \$76,734 contract for Playground astroturf to be completed in 2021, which will be fully funded by the Ministry of Education. \$79,140 has been received of which \$55,493 has been spent on the project to date

(Capital commitments at 31 December 2019: Upgrade Rooms 5-8 & Toilets)

(b) Operating Commitments

As at 31 December 2020 the Board has not entered into any operating contracts:

(Operating commitments at 31 December 2019: \$nil)

21. 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.

22. Financial Instruments

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

Financial assets measured at amortised cost

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash and Cash Equivalents	279,652	134,095	(4,789)
Receivables	291,909	160,854	160,854
Total Financial assets measured at amortised cost	<u>571,561</u>	<u>294,949</u>	<u>156,065</u>

Financial liabilities measured at amortised cost

Payables	271,533	186,121	186,121
Finance Leases	47,988	69,121	69,121
Painting Contract Liability	50,889	68,805	68,805
Total Financial liabilities measured at amortised Cost	<u>370,410</u>	<u>324,047</u>	<u>324,047</u>

23. Events After Balance Date

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

**HENLEY SCHOOL
BOARD OF TRUSTEES
2020**



Name	Position	How Position on Board was gained	Term Expires	Occupation
Shaun Young	<i>Board Chair</i>	<i>Re-elected June 2019</i>	<i>June 2022</i>	<i>General Manager, Supply Chain</i>
Andy Elliot	<i>Parent rep</i>	<i>Re-elected June 2019</i>	<i>June 2022</i>	<i>Research and Business Development Manager</i>
Gus Shirley	<i>Parent rep</i>	<i>Re-elected June 2019</i>	<i>June 2022</i>	<i>Deputy Principal</i>
Adrian Laing	<i>Parent rep</i>	<i>Elected June 2019</i>	<i>June 2022</i>	<i>Managing Director</i>
Kirstie Van Houtte	<i>Parent rep</i>	<i>Elected June 2019</i>	<i>June 2022</i>	<i>ECE Teacher</i>
John Armstrong	<i>Principal</i>			
Natalie Doty	<i>Staff Rep</i>	<i>Re-elected June 2019</i>	<i>June 2022</i>	<i>Deputy Principal</i>

**HENLEY SCHOOL
KIWISPORT
2020**

Students participated in organised sport. In 2020 the school received Kiwisport funding of \$7,378.49 (2018 \$6,963.28). The funding was spent on sports equipment and employing a Sports Co-ordinator.

Analysis of Variance Reporting



School Name:	Henley	School Number:	3194
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Strategic Aim:	In collaboration, the BOT and staff will provide the highest possible learning outcomes for our students.																																			
Annual Aim:	To increase the number of students achieving at their expected year level for Writing .																																			
Target:	In 2020 we were targeting all our students who were currently below the standard in Writing , in particular our Māori students, with the goal of accelerating their progress to move them to achieving at standard.																																			
Baseline Data:	<p>At the beginning of 2020 Writing was still our area of greatest need in relation to students achieving at the expected year level. As it stands, 83 boys (including Māori) were underachieving compared to 47 girls (including Māori). Maori students compared to non- Māori students show that they were achieving at a similar rate (27% of our Māori students were not achieving at the expected year level compared to 26% of all students).</p> <table border="1"> <thead> <tr> <th>2020 Beginning of the Year</th> <th>All Other Boys</th> <th>All Other Girls</th> <th>Māori</th> <th>Totals</th> </tr> </thead> <tbody> <tr> <td>Year 2</td> <td>17</td> <td>9</td> <td>1 boy</td> <td>27</td> </tr> <tr> <td>Year 3</td> <td>16</td> <td>19</td> <td>2 boys, 2 girls</td> <td>39</td> </tr> <tr> <td>Year 4</td> <td>21</td> <td>9</td> <td>2 boys, 2 girls</td> <td>34</td> </tr> <tr> <td>Year 5</td> <td>8</td> <td>3</td> <td>2 boys, 1 girl</td> <td>14</td> </tr> <tr> <td>Year 6</td> <td>13</td> <td>2</td> <td>1 boy, 0 girl</td> <td>16</td> </tr> <tr> <td>Totals</td> <td>75</td> <td>42</td> <td>13 (8 boys, 5 girls)</td> <td>130</td> </tr> </tbody> </table>	2020 Beginning of the Year	All Other Boys	All Other Girls	Māori	Totals	Year 2	17	9	1 boy	27	Year 3	16	19	2 boys, 2 girls	39	Year 4	21	9	2 boys, 2 girls	34	Year 5	8	3	2 boys, 1 girl	14	Year 6	13	2	1 boy, 0 girl	16	Totals	75	42	13 (8 boys, 5 girls)	130
2020 Beginning of the Year	All Other Boys	All Other Girls	Māori	Totals																																
Year 2	17	9	1 boy	27																																
Year 3	16	19	2 boys, 2 girls	39																																
Year 4	21	9	2 boys, 2 girls	34																																
Year 5	8	3	2 boys, 1 girl	14																																
Year 6	13	2	1 boy, 0 girl	16																																
Totals	75	42	13 (8 boys, 5 girls)	130																																

2020 End of the Year	All Other Boys	All Other Girls	Māori	Totals
Year 2	21	10	1 boy, 1 girl	33
Year 3	21	17	2 boys, 3 girls	43
Year 4	17	6	2 boys, 0 girls	25
Year 5	9	2	1 boy, 1 girl	13
Year 6	12	3	1 boy, 0 girls	16
Totals	80	38	12 (7 boys, 5 girls)	130

Summary at end of 2020:

At the end of 2020 the achievement data including years 2-6 shows that Writing is still our area of greatest need in relation to students achieving at the expected year level. As it stands, 92 boys (including Māori) are underachieving compared to 43 girls (including Māori).

From years 1-6, Māori students compared to non-Māori students show that they are achieving at a slightly lower rate (25% of our Māori students are not achieving at the expected year level compared to 26% of all students).

All up, 74% of our students are achieving at or above the expected curriculum level in the area of Writing.

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<ul style="list-style-type: none"> • Across syndicate and school moderation of writing levels and student achievement • Tracked identified students using the Literacy Learning Progressions • Compiled a 'Targeted Students' list for each class • Ran daily literacy programmes (term 4) for targeted students using resources provided by the Covid fund This meant teacher ratio of 1-5 for an hour per day • Provided a number of support programmes for our identified students requiring support, e.g. Forbes Robinson, STEPS to Literacy, Reading Recovery, Early Words, SPELD, ESOL • Where possible, provided extra support to individuals or small groups using trained support staff 	<ul style="list-style-type: none"> • Many teachers reported that their targeted students had an improved attitude to writing and were more willing to undertake the writing process • At the end of 2020 it shows there are 130 students not achieving at the expected level. This number is the same as at the beginning of the year • By the end of year, 74% of our students, from year 2-6, were achieving at or above the expected curriculum level for Writing 	<ul style="list-style-type: none"> • Focused teaching of the at-risk students • Regular teacher conferencing • Ensuring that the struggling writers had sufficient scaffolding • Close monitoring of identified targeted children • Additional support from teacher aides for some of the targeted students • Utilising the available support programmes for Literacy (STEPS, Forbes Robinson Reading, E.S.O.L Groups) • The effect of a Covid 19 related school closure, online learning and time to settle back into routines after this disruption 	<ul style="list-style-type: none"> • Utilise our involvement in the Kāhui Ako/Community of Learners to share best practise • Continue to target groups of students who are considered to best benefit from additional resources and those who have made improvements but are at risk of falling back • Continue to refine and apply strategies used in 2020 • Apply digital learning strategies to engage and activities covering variety of learning styles • Continue to focus on Māori underachievement in Literacy • Continue to focus on Boys underachievement in Literacy • Engage and consult with parents and caregivers early in the year and more regularly throughout the year
Planning for next year: 2021			
<p>Continue to focus on the students in the 'Working Towards, Approaching and Well Below' categories and use the Literacy Learning Progressions to monitor and set goals for all our students. Continue to focus on the needs of our identified Māori students along with boys who are underachieving and establish targets and goals to lift their achievement. Support Waimea Kāhui Ako/Community of Learners initiatives to raise achievement. Continue to utilise effective support programmes and initiatives for individual students, groups and whole class.</p>			

School Name:	Henley	School Number:	3194
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Strategic Aim:	In collaboration, the BOT and staff will provide the highest possible learning outcomes for our students.																																			
Annual Aim:	To increase the number of students achieving at their expected year level for Mathematics .																																			
Target:	In 2020 we were targeting all our students who were currently below the Expected Curriculum Level in Mathematics , in particular our Māori students, with the goal of accelerating their progress to move them be achieving at the expected level.																																			
Baseline Data:	<p>At the beginning of 2020, 99 students were not achieving at their expected year level in Mathematics. There is a slight difference in achievement when comparing girls to boys with 52 girls (including Māori) underachieving compared to 47 boys (including Māori). Māori students compared to non-Māori students show that they were achieving at a lower rate (29% of our Māori students are not achieving at their expected year level compared to 19% of all students).</p> <table border="1"> <thead> <tr> <th>2020 Beginning of the year</th> <th>All Other Boys</th> <th>All Other Girls</th> <th>Maori</th> <th>Totals</th> </tr> </thead> <tbody> <tr> <td>Year 2</td> <td>10</td> <td>4</td> <td>0</td> <td>14</td> </tr> <tr> <td>Year 3</td> <td>9</td> <td>14</td> <td>1 boy, 3 girls</td> <td>27</td> </tr> <tr> <td>Year 4</td> <td>13</td> <td>11</td> <td>1 boy, 3 girls</td> <td>28</td> </tr> <tr> <td>Year 5</td> <td>2</td> <td>8</td> <td>2 boys, 2 girls</td> <td>14</td> </tr> <tr> <td>Year 6</td> <td>8</td> <td>6</td> <td>1 boy, 1 girl</td> <td>16</td> </tr> <tr> <td>Totals</td> <td>42</td> <td>43</td> <td>14 (5 boys, 9 girls)</td> <td>99</td> </tr> </tbody> </table>	2020 Beginning of the year	All Other Boys	All Other Girls	Maori	Totals	Year 2	10	4	0	14	Year 3	9	14	1 boy, 3 girls	27	Year 4	13	11	1 boy, 3 girls	28	Year 5	2	8	2 boys, 2 girls	14	Year 6	8	6	1 boy, 1 girl	16	Totals	42	43	14 (5 boys, 9 girls)	99
2020 Beginning of the year	All Other Boys	All Other Girls	Maori	Totals																																
Year 2	10	4	0	14																																
Year 3	9	14	1 boy, 3 girls	27																																
Year 4	13	11	1 boy, 3 girls	28																																
Year 5	2	8	2 boys, 2 girls	14																																
Year 6	8	6	1 boy, 1 girl	16																																
Totals	42	43	14 (5 boys, 9 girls)	99																																


2020 End of the year	All Other Boys	All Other Girls	Maori	Totals
Year 2	11	6	1 boy, 2 girls	20
Year 3	12	15	1 boy, 4 girls	32
Year 4	11	10	1 boy, 1 girl	23
Year 5	2	4	0 boys, 2 girls	8
Year 6	5	5	1 boy, 0 girls	11
Totals	41	40	13 (4 boys, 9 girls)	94

Summary at end of 2020:

At the end of 2020, 94 students from year 2-6 were not achieving at their expected year level in Mathematics. There is a similar rate of achievement when comparing girls to boys with 49 girls (including Māori) underachieving compared to 45 boys (including Māori).

From years 1-6, Māori students compared to non-Māori students show that they are achieving at a lower rate (27% of our Māori students are not achieving at their expected year level compared to 17% of all students).

All up, 83% of our students are achieving at or above the expected curriculum level in the area of Mathematics.

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<ul style="list-style-type: none"> Identify the students in each class that are below the Expected Curriculum Level for Mathematics Tracked identified students using the Maths stages Compiled a 'Targeted Students' list for each class Incorporated a larger percentage of strategy and number knowledge into lessons, while still teaching Rich tasks 	<ul style="list-style-type: none"> At the end of 2020 there were 94 students who were not meeting the expected curriculum level for Maths – five less than at the beginning of the year By the end of 2020, 83% of our students, from year 2-6, were achieving at or above the expected curriculum level in Mathematics 	<ul style="list-style-type: none"> Focused teaching of the at-risk students Ensuring that the struggling students had sufficient scaffolding Including more teaching of strategy and number knowledge to support Rich Tasks Sharing of successful strategies Close monitoring of identified targeted children Differentiated lessons delivered to groups and utilising collaborative spaces The effect of a Covid 19 related school closure, online learning and time to settle back into routines after this disruption 	<ul style="list-style-type: none"> Moderate more frequently and effectively across the year levels and schools Continue to monitor identified students closely Investigate support programmes for Maths Continue to make use of collaborative classroom environments to best meet the needs of the range of needs in each class Engage and consult with parents and caregivers early in the year and more regularly throughout the year
Planning for next year:			
<p>Continue to focus on the students who are underachieving. Utilise the professional development opportunities for our staff in 2021, to further our teaching strategies. Continue to focus on the needs of our identified Māori students and establish targets and goals to lift their achievement. Support Waimea Kāhui Ako/Community of Learners initiatives to raise achievement.</p>  <p>John Armstrong BCom, BSc, BA (Hons), MA, Dip Teaching, Dip Educational Management Principal Henley School</p>			

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF HENLEY SCHOOL (NELSON)'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The Auditor-General is the auditor of Henley School (Nelson) (the School). The Auditor-General has appointed me, Michael Lee, using the staff and resources of Crowe, 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 3 to 16, that comprise the Statement of Financial Position as at 31 December 2020, the Statement of Comprehensive Revenue and Expense, Statement of Changes in Net Assets/Equity and Cash Flow Statement for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

Our audit was completed on 21 May 2021. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

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

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

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the Kiwisport report, the Variance of Analysis and the Board of Trustees Listing, included on pages 17-23, 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.



Michael Lee
Crowe New Zealand Audit Partnership
On behalf of the Auditor-General
Nelson, New Zealand