



ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019

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Henley School

Statement of Responsibility

For the year ended 31 December 2019

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 2019 fairly reflect the financial position and operations of the school.

The School's 2019 financial statements are authorised for issue by the Board.

Shawn Young
Full Name of Board Chairperson

John Armstrong
Full Name of Principal

[Signature]
Signature of Board Chairperson

[Signature]
Signature of Principal

25-5-2020
Date:

25-5-2020
Date:



Henley School

Members of the Board of Trustees

For the year ended 31 December 2019

Name	Position	How Position Gained	Held Until
Gus Shirley	Chairperson	Elected	May 2022
Andy Elliot	Parent Rep	Elected	May 2022
Sean Young	Parent Rep	Elected	May 2022
Adrian Laing	Parent Rep	Elected	May 2022
Kirstie Van Houtte	Parent Rep	Elected	May 2022
Natalie Doty	Parent Rep	Elected	May 2022
John Armstrong	Principal	ex Officio	
Rachel Miles	Parent Rep	Elected	Jun 2019
Andrew Smith	Parent Rep	Elected	Jun 2019
Victor Gahamadze	Parent Rep	Elected	Jun 2019

Henley School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	3,854,736	3,723,086	3,723,205
Locally Raised Funds	3	143,880	79,950	127,035
Interest Income		3,755	4,000	3,192
Gain on Sale of Property, Plant and Equipment		401	-	542
		<u>4,002,772</u>	<u>3,807,036</u>	<u>3,853,974</u>
Expenses				
Locally Raised Funds	3	67,683	44,500	73,668
Learning Resources	4	2,603,014	2,539,598	2,484,465
Administration	5	165,873	165,200	155,396
Finance Costs		1,404	-	1,544
Property	6	1,005,666	996,956	974,236
Depreciation	7	87,438	55,000	100,811
Loss on Disposal of Property, Plant and Equipment		8,425	-	2,101
		<u>3,939,503</u>	<u>3,801,254</u>	<u>3,792,221</u>
Net Surplus / (Deficit)		63,269	5,782	61,753
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u><u>63,269</u></u>	<u><u>5,782</u></u>	<u><u>61,753</u></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 2019

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Balance at 1 January	361,382	361,382	286,997
Total comprehensive revenue and expense for the year	63,269	5,782	61,753
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	-	-	12,632
Equity at 31 December	424,651	367,164	361,382
Retained Earnings	424,651	367,164	361,382
Equity at 31 December	424,651	367,164	361,382

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 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	8	(4,789)	162,257	101,475
Accounts Receivable	9	160,854	162,515	162,515
GST Receivable		28,751	-	-
Prepayments		5,059	4,216	4,216
Funds owing for Capital Works Projects	16	139,823	1,389	1,389
		<u>329,698</u>	<u>330,377</u>	<u>269,595</u>
Current Liabilities				
GST Payable		-	391	391
Accounts Payable	11	186,121	173,864	173,864
Revenue Received in Advance	12	-	8,150	8,150
Provision for Cyclical Maintenance	13	6,771	6,575	6,575
Painting Contract Liability - Current Portion	14	26,401	26,401	26,401
Finance Lease Liability - Current Portion	15	33,178	32,638	32,638
Funds held for Capital Works Projects	16	-	33,959	33,959
		<u>252,471</u>	<u>281,978</u>	<u>281,978</u>
Working Capital Surplus/(Deficit)		77,227	48,399	(12,383)
Non-current Assets				
Property, Plant and Equipment	10	457,982	440,979	495,979
		<u>457,982</u>	<u>440,979</u>	<u>495,979</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	13	32,211	14,256	14,256
Painting Contract Liability	14	42,404	60,555	60,555
Finance Lease Liability	15	35,943	47,403	47,403
		<u>110,558</u>	<u>122,214</u>	<u>122,214</u>
Net Assets		<u>424,651</u>	<u>367,164</u>	<u>361,382</u>
Equity		<u>424,651</u>	<u>367,164</u>	<u>361,382</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 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		875,336	724,182	790,472
Locally Raised Funds		135,811	79,950	102,813
Goods and Services Tax (net)		(29,142)	-	1,893
Payments to Employees		(440,196)	(344,800)	(477,455)
Payments to Suppliers		(408,847)	(402,550)	(327,815)
Cyclical Maintenance payments in the Year		17,352	-	(65,560)
Interest Received		3,755	4,000	3,192
Net cash from / (to) the Operating Activities		154,069	60,782	27,540
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	-	-
Purchase of PPE (and Intangibles)		(54,394)	-	(93,914)
Net cash from the Investing Activities		(54,394)	-	(93,914)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	12,632
Finance Lease Payments		(15,395)	-	(35,749)
Painting contract payments		(18,151)	-	18,456
Funds held for Capital Works Projects		(172,393)	-	32,570
Net cash from Financing Activities		(205,939)	-	27,909
Net increase/(decrease) in cash and cash equivalents		(106,264)	60,782	(38,465)
Cash and cash equivalents at the beginning of the year	8	101,475	101,475	139,940
Cash and cash equivalents at the end of the year	8	(4,789)	162,257	101,475

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 omitted.

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



Henley School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2019

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 Act 1989. 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 2019 to 31 December 2019 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 Act 1989 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".

Standard early adopted

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 25.

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.

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. 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.

1.6. 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.

1.7. Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for credit losses. The school applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Prior Year Policy

Accounts Receivable represents items that the School has issued invoices for or accrued for, but has not received payment for at year end. Receivables are initially recorded at fair value and subsequently recorded at the amount the School realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the School will not be able to collect all amounts due. The amount that is uncollectable (the provision for uncollectibility) is the difference between the amount due and the present value of the amounts expected to be collected.

1.8. 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.

Property, plant and equipment acquired with individual values under \$500 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 – Crown	50 years
Furniture and equipment	3-10 years
Other equipment	5-20 years
Information and communication technology	3–5 years
Leased assets held under a Finance Lease	3-5 years
Library resources	12.5% Diminishing value



1.9. 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.

1.10. 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.

1.11. 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, annual leave earned 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

1.12. Revenue Received in Advance

Revenue received in advance relates to fees received from students and grants received 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.

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 Assets and Liabilities

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 "loans and receivables" for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as "available for sale" 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. 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.

1.16. Budget Figures

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

1.17. 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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational grants	736,179	600,587	711,171
Teachers' salaries grants	2,239,648	2,239,648	2,115,720
Use of Land and Buildings grants	759,256	759,256	774,102
Other MoE Grants	61,829	122,095	108,947
Other government grants	57,824	1,500	13,265
	<u>3,854,736</u>	<u>3,723,086</u>	<u>3,723,205</u>

3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
Donations	28,292	28,600	31,245
Fundraising	2,936	1,100	8,556
Bequests & Grants	15,780	-	-
Other revenue	6,238	6,550	11,878
Trading	20,551	20,800	20,339
Activities	70,083	22,900	55,017
	<u>143,880</u>	<u>79,950</u>	<u>127,035</u>
Expenses			
Activities	55,632	24,900	61,065
Trading	11,211	18,500	10,893
Fundraising (costs of raising funds)	840	1,100	1,710
	<u>67,683</u>	<u>44,500</u>	<u>73,668</u>
<i>Surplus for the year Locally raised funds</i>	<u>76,197</u>	<u>35,450</u>	<u>53,367</u>

4. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	42,482	45,050	25,468
Equipment repairs	5,866	7,000	4,960
Information and communication technology	509	6,000	(1,136)
Library resources	987	4,700	1,381
Employee benefits - salaries	2,536,914	2,459,348	2,437,234
Staff development	16,256	17,500	16,558
	<u>2,603,014</u>	<u>2,539,598</u>	<u>2,484,465</u>

5. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	3,605	3,000	3,500
Board of Trustees Fees	3,515	3,800	3,680
Board of Trustees Expenses	4,644	3,700	2,673
Communication	14,646	10,500	9,138
Consumables	29,004	51,100	27,628
Other	3,303	3,100	8,572
Employee Benefits - Salaries	96,577	84,000	89,074
Insurance	4,949	1,000	4,857
Service Providers, Contractors and Consultancy	5,630	5,000	6,274
	<u>165,873</u>	<u>165,200</u>	<u>155,396</u>

6. Property

	2019	2019 Budget	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	12,259	9,500	13,757
Consultancy and Contract Services	48,860	49,000	47,837
Cyclical Maintenance Provision	799	-	7,935
Grounds	14,931	12,300	13,977
Heat, Light and Water	34,852	30,500	39,153
Rates	8,032	11,000	10,097
Repairs and Maintenance	80,104	84,300	25,413
Use of Land and Buildings	759,256	759,256	774,102
Employee Benefits - Salaries	46,573	41,100	41,965
	<u>1,005,666</u>	<u>996,956</u>	<u>974,236</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

	2019	2019 Budget	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
Building Improvements	6,568	10,000	7,568
Furniture and Equipment	33,306	15,000	35,944
Information and Communication Technology	11,704	10,000	11,831
Leased Assets	35,245	10,000	33,375
Library Resources	615	10,000	12,093
	<u>87,438</u>	<u>55,000</u>	<u>100,811</u>

8. Cash and Cash Equivalents

	2019	2019 Budget	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
Bank Current Account	-	162,257	31,402
Bank Call Account	73	-	73
Short-term Bank Deposits	-	-	70,000
Bank Overdraft	(4,862)	-	-
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>(4,789)</u>	<u>162,257</u>	<u>101,475</u>

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

9. Accounts Receivable

	2019	2019 Budget	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
Receivables	-	81	81
Receivables from the Ministry of Education	-	19,504	19,504
Teacher Salaries Grant Receivable	160,854	142,930	142,930
	<u>160,854</u>	<u>162,515</u>	<u>162,515</u>
Receivables from Exchange Transactions	-	81	81
Receivables from Non-Exchange Transactions	160,854	162,434	162,434
	<u>160,854</u>	<u>162,515</u>	<u>162,515</u>

10. Property, Plant and Equipment

	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	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	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

The net carrying value of equipment held under a finance lease is \$69,420 (2018: \$81,518)

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2018						
Building Improvements	137,026	33,870	-	-	(7,568)	163,328
Furniture and Equipment	227,200	17,164	(732)	-	(35,944)	207,688
Information and Communication	12,459	40,853	-	-	(11,831)	41,481
Leased Assets	112,287	2,606	-	-	(33,375)	81,518
Library Resources	12,857	2,569	(1,369)	-	(12,093)	1,964
Balance at 31 December 2018	501,829	97,062	(2,101)	-	(100,811)	495,979

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2018			
Building Improvements	290,339	(127,211)	163,128
Furniture and Equipment	519,205	(311,317)	207,888
Information and Communication	203,514	(162,033)	41,481
Leased Assets	124,990	(43,472)	81,518
Library Resources	96,746	(94,782)	1,964
Balance at 31 December 2018	1,234,794	(738,815)	495,979

11. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating creditors	7,397	13,405	13,405
Accruals	3,858	3,737	3,737
Employee Entitlements - salaries	160,854	142,930	142,930
Employee Entitlements - leave accrual	14,012	13,792	13,792
	186,121	173,864	173,864
Payables for Exchange Transactions	186,121	173,864	173,864
	186,121	173,864	173,864

The carrying value of payables approximates their fair value.



12. Revenue Received in Advance

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Other	-	8,150	8,150
	-	8,150	8,150

13. Provision for Cyclical Maintenance

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	20,831	20,831	78,456
Increase/ (decrease) to the Provision During the Year	799	-	7,935
Adjustment to the Provision	25,242	-	47,437
Use of the Provision During the Year	(7,890)	-	(112,997)
Provision at the End of the Year	38,982	20,831	20,831
Cyclical Maintenance - Current	6,771	6,575	6,575
Cyclical Maintenance - Term	32,211	14,256	14,256
	38,982	20,831	20,831

14. Painting Contract Liability

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Liability	26,401	26,401	26,401
Non Current Liability	42,404	60,555	60,555
	68,805	86,956	86,956

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.

15. Finance Lease Liability

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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
No Later than One Year	35,142	33,393	33,393
Later than One Year and no Later than Five Years	37,328	47,579	47,579
	72,470	80,972	80,972



16. 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:

		2019	Opening Balances	Receipts from MoE	Payments	BOT Contribution	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			32,570	150,000	322,393	-	(139,823)

Represented by:

Funds Due from the Ministry of Education

(139,823)
(139,823)

		2018	Opening Balances	Receipts from MoE	Payments	BOT Contribution	Closing Balances
			\$	\$	\$		\$
Room 5 - 8 Toilet Upgrade	In Progress		-	56,783	22,824	-	33,959
Upgrade Rooms 11 - 12	In Progress		-	-	1,389	-	(1,389)
Totals			-	56,783	24,213	-	32,570

17. Related Party Transactions

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

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

18. Remuneration

Key management personnel compensation

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

	2019 Actual	2018 Actual
	\$	\$
<i>Board Members</i>		
Remuneration	3,515	3,680
Full-time equivalent members	0.09	0.05
<i>Leadership Team</i>		
Remuneration	342,099	340,839
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	<u>345,614</u>	<u>344,519</u>
Total full-time equivalent personnel	<u>3.09</u>	<u>3.05</u>

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:

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	140-150	140 -150
Benefits and Other Emoluments	0-10	0 -10
Termination Benefits	0 - 0	0 - 0

Other Employees

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
100 -110	-	1.00
	-	1.00

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

19. Compensation and Other Benefits Upon Leaving

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

	2019 Actual	2018 Actual
Total	\$ -	\$ -
Number of People	-	-

20. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2019 (Contingent liabilities and assets at 31 December 2018: 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 has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance. The Ministry has recognised an estimated provision based on the analysis of sample data, which may not be wholly representative of the total dataset for Teacher and Support Staff Entitlements. A more accurate estimate will be possible after further analysis of non-compliance has been completed, and this work is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2019, a contingent liability for the school may exist.

21. Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has entered into the following contract agreement for capital works.

(a) Contract to upgrade Room 5-8 Toilets, which will be fully funded by the Ministry of Education. \$206,783 has been received of which \$346,606 has been spent on the project to date.

(Capital commitments at 31 December 2018: nil)



(b) Operating Commitments

As at 31 December 2019 the Board has not entered into any operating contracts:

(a) operating lease of a photocopier and laptops in 2018.

	2019 Actual \$	2018 Actual \$
No later than One Year	-	308
	-	308

22. Managing Capital

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

23. Financial Instruments

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

Financial assets measured at amortised cost

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	(4,789)	162,257	101,475
Receivables	160,854	162,515	162,515
Total Financial assets measured at amortised cost	156,065	324,772	263,990

Financial liabilities measured at amortised cost

Payables	186,121	173,864	173,864
Finance Leases	69,121	80,041	80,041
Painting Contract Liability	68,805	86,956	86,956
Total Financial liabilities measured at amortised Cost	324,047	340,861	340,861

24. Events After Balance Date

Impact from COVID-19

On the 11th March 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on the 26th March, New Zealand increased its' COVID-19 alert level to level 4 and a nationwide lockdown commenced. As part of this lockdown all schools were closed until 18 May 2020.

At the date of issuing the financial statements, the school has been able to absorb the majority of the impact from the nationwide lockdown as it was decided to start the annual Easter School holidays early. In the periods the school is open for tuition, the school has switched to alternative methods of delivering the curriculum, so students can learn remotely.

At this time the full financial impact of the COVID-19 pandemic is not able to be determined. The school will continue to receive funding from the Ministry of Education, even while closed. However, economic uncertainties have arisen which are likely to negatively affect the operations and services of the school. We describe below the possible effects on the school that we have identified, resulting from the COVID-19 pandemic:

· A reduction in locally raised funds revenue because the schools ability to undertake fund raising events in the community and/ or collect donations or other contributions from parents, may be compromised. Costs already incurred arranging future events may not be recoverable.

25. Adoption of PBE IFRS 9 Financial Instruments

In accordance with the transitional provisions of PBE IFRS 9, the school has elected not to restate the information for previous years to comply with PBE IFRS 9. Adjustments arising from the adoption of PBE IFRS 9 are recognised in opening equity at 1 January 2019. Accounting policies have been updated to comply with PBE IFRS 9. The main updates are:

Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.

Upon transition to PBE IFRS9 there were no material adjustments to these financial statements.



Analysis of Variance Reporting 2019

Henley School 3194



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 2019 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 2019 Writing was still our area of greatest need in relation to students achieving at the expected year level. As it stands, 76 boys (including Māori) were underachieving compared to 48 girls (including Māori). Maori students compared to non- Māori students show that they were achieving at a lower rate (41% of our Māori students were not achieving at the expected year level compared to 23% of all students – 18 Māori out of 43 v 106 non-Māori out of 444).</p> <table border="1"> <thead> <tr> <th>2019 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>9</td> <td>11</td> <td>2 boys, 4 girls</td> <td>26</td> </tr> <tr> <td>Year 3</td> <td>23</td> <td>14</td> <td>4 boys, 4 girls</td> <td>45</td> </tr> <tr> <td>Year 4</td> <td>13</td> <td>10</td> <td>2 boys, 0 girls</td> <td>25</td> </tr> <tr> <td>Year 5</td> <td>12</td> <td>1</td> <td>0</td> <td>13</td> </tr> <tr> <td>Year 6</td> <td>11</td> <td>2</td> <td>2 girls</td> <td>15</td> </tr> <tr> <td>Totals</td> <td>68</td> <td>38</td> <td>18 (out of 38) (8 boys, 10 girls)</td> <td>124 (total year 2-6 roll 425)</td> </tr> </tbody> </table>	2019 Beginning of the year	All Other Boys	All Other Girls	Maori	Totals	Year 2	9	11	2 boys, 4 girls	26	Year 3	23	14	4 boys, 4 girls	45	Year 4	13	10	2 boys, 0 girls	25	Year 5	12	1	0	13	Year 6	11	2	2 girls	15	Totals	68	38	18 (out of 38) (8 boys, 10 girls)	124 (total year 2-6 roll 425)
2019 Beginning of the year	All Other Boys	All Other Girls	Maori	Totals																																
Year 2	9	11	2 boys, 4 girls	26																																
Year 3	23	14	4 boys, 4 girls	45																																
Year 4	13	10	2 boys, 0 girls	25																																
Year 5	12	1	0	13																																
Year 6	11	2	2 girls	15																																
Totals	68	38	18 (out of 38) (8 boys, 10 girls)	124 (total year 2-6 roll 425)																																

2019 End of the Year	All Other Boys	All Other Girls	Maori	Totals
Year 2	16	19	2 boys, 2 girls	39
Year 3	21	9	2 boys, 2 girls	34
Year 4	8	3	2 boys, 1 girl	14
Year 5	13	2	1 boy, 0 girl	16
Year 6	11	3	1 boy, 1 girl	16
	69	36	14 (8 boys, 6 girls) (out of 44 Māori)	119 (total year 2-6 roll 439)

Summary at end of 2019:

At the end of 2019 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, 77 boys (including Māori) are underachieving compared to 42 girls (including Māori).

From years 2-6, Māori students compared to non-Māori students show that they are achieving at a slightly lower rate (33% of our Māori students are not achieving at the expected year level compared to 29% of all students).

Overall, 71% 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"> • Syndicate PD sessions with resources and successful strategies shared and discussed. • 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. 	<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 2019 it shows there are 119 students not achieving at the expected level, (compared to 124 students at the beginning of the year), this is a small gain in the number of students who are now achieving at the expected level. 	<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 (Rev Up Reading, STEPS, Forbes Robinson Reading, E.S.O.L Groups) 	<ul style="list-style-type: none"> • Utilise our involvement in the Kāhui Ako/Community of Learners to share best practice • 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 2019. • 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: 2020

Continue to focus on the students in the 'Working Towards 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 and whole class.

School Name:	Henley	School Number:	3194																																			
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 2019 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 2019, 98 students were not achieving at their expected year level in Mathematics. There is a notable difference in achievement when comparing girls to boys with 53 girls (including Māori) underachieving compared to 45 boys (including Māori). Māori students compared to non- Māori students show that they were achieving at a lower rate (25% of our Māori students are not achieving at their expected year level compared to 20% of all students.</p> <table border="1"> <thead> <tr> <th>2019 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>7</td> <td>12</td> <td>1 boy, 3 girls</td> <td>23</td> </tr> <tr> <td>Year 3</td> <td>17</td> <td>16</td> <td>1 boy, 3 girls</td> <td>37</td> </tr> <tr> <td>Year 4</td> <td>2</td> <td>10</td> <td>1 boy, 0 girls</td> <td>13</td> </tr> <tr> <td>Year 5</td> <td>8</td> <td>5</td> <td>0</td> <td>13</td> </tr> <tr> <td>Year 6</td> <td>7</td> <td>3</td> <td>1 boy, 1 girl</td> <td>12</td> </tr> <tr> <td>Totals</td> <td>41</td> <td>46</td> <td>11 (out of 38) (4 boys, 7 girls)</td> <td>98 (total year 2-6 roll 425)</td> </tr> </tbody> </table>			2019 Beginning of the year	All Other Boys	All Other Girls	Maori	Totals	Year 2	7	12	1 boy, 3 girls	23	Year 3	17	16	1 boy, 3 girls	37	Year 4	2	10	1 boy, 0 girls	13	Year 5	8	5	0	13	Year 6	7	3	1 boy, 1 girl	12	Totals	41	46	11 (out of 38) (4 boys, 7 girls)	98 (total year 2-6 roll 425)
2019 Beginning of the year	All Other Boys	All Other Girls	Maori	Totals																																		
Year 2	7	12	1 boy, 3 girls	23																																		
Year 3	17	16	1 boy, 3 girls	37																																		
Year 4	2	10	1 boy, 0 girls	13																																		
Year 5	8	5	0	13																																		
Year 6	7	3	1 boy, 1 girl	12																																		
Totals	41	46	11 (out of 38) (4 boys, 7 girls)	98 (total year 2-6 roll 425)																																		


2019 End of the year	All Other Boys	All Other Girls	Maori	Totals
Year 2	9	14	1 boy, 3 girls	27
Year 3	13	11	1 boy, 3 girls	28
Year 4	2	8	2 boys, 2 girls	14
Year 5	8	6	1 boy, 1 girl	16
Year 6	6	4	1 boy, 1 girl	12
Totals	38	43	16 (6 boys, 10 girls) (out of 44 Māori)	97 (total year 2-6 roll 439)

Summary at end of 2019:

At the end of 2019, 97 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 53 girls (including Māori) underachieving compared to 44 boys (including Māori).

From years 2-6, Māori students compared to non-Māori students show that they are achieving at a lower rate (33% of our Māori students are not achieving at their expected year level compared to 22% of all students).

Overall, 78% 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. Regular staff PD sessions with resources and successful strategies shared/discussed. Tracked identified students using the Maths stages. Compiled a 'Targeted Students' list for each class. 	<ul style="list-style-type: none"> At the end of 2019 there were 97 students who were not meeting the expected curriculum level for Maths – one less than at the beginning of the year. A significant number of these students began attending Henley School during 2019 which means they were not included in the beginning of the year data. 	<ul style="list-style-type: none"> Focused teaching of the at-risk students. Regular teaching conferencing. Ensuring that the struggling students had sufficient scaffolding. Up-skilling of teachers on the teaching of Rich Tasks. Developing and delivering of Rich Tasks. Sharing of successful strategies. Close monitoring of identified targeted children Differentiated lessons by classroom teachers now an agreed expectation 	<ul style="list-style-type: none"> Moderate more frequently and effectively across the year levels and schools Utilise our involvement in the Kāhui Ako/Community of Learners to share best practice Continue to monitor identified students closely Investigate support programmes for Maths 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 2020, 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>			

**HENLEY SCHOOL
KIWISPORT
2019**

Students participated in organised sport. In 2019 the school received Kiwisport funding of \$7,004.14 (2018 \$6,963.28). The funding was spent on sports equipment and the provision of a part time Sports Coordinator.

INDEPENDENT AUDITOR'S REPORT**TO THE READERS OF
HENLEY SCHOOL (NELSON)'S
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

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 Horwath, 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 19, that comprise the Statement of Financial Position as at 31 December 2019, 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 2019; 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 25 May 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw your attention to the possible effects of COVID-19. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements and the statement of service performance, we comment on other information, and we explain our independence.

Emphasis of Matter – COVID-19

Without modifying our opinion, we draw attention to the disclosures in note 24 on page 18 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

Basis of 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 of Trustees for the financial statements

The Board of Trustees 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 of Trustees is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board of Trustees 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 of Trustees' responsibilities arise from 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 of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees 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 of Trustees 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 of Trustees is responsible for the other information. The other information at the date of our report are Board of Trustees schedule, Analysis Variance and Kiwisport Report, 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 (Revised): *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 Horwath New Zealand Audit Partnership
On behalf of the Auditor-General
Nelson, New Zealand