



# ANNUAL REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**Ministry Number: 1251 (Junior) / 1217 (Middle) / 97 (Senior)**

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# SIR EDMUND HILLARY COLLEGIATE

Annual Report - For the year ended 31 December 2021

## Index

Page	Statement
------	-----------

	<b>Financial Statements</b>
--	-----------------------------

<a href="#">3</a>	Statement of Responsibility
-------------------	-----------------------------

<a href="#">4</a>	Members of the Board of Trustees
-------------------	----------------------------------

<a href="#">5</a>	Statement of Comprehensive Revenue and Expense
-------------------	--

<a href="#">6</a>	Statement of Changes in Net Assets/Equity
-------------------	---

<a href="#">7</a>	Statement of Financial Position
-------------------	---------------------------------

<a href="#">8</a>	Statement of Cash Flows
-------------------	-------------------------

<a href="#">9-25</a>	Notes to the Financial Statements
----------------------	-----------------------------------

	<b>Other Information</b>
--	--------------------------

	Analysis of Variance
--	----------------------

	Kiwisport
--	-----------

# Sir Edmund Hillary Collegiate

## Statement of Responsibility

For the year ended 31 December 2021

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2021 fairly reflects the financial position and operations of the school.

The School's 2021 financial statements are authorised for issue by the Board.

Va'aiga Autagavaia

Full Name of Presiding Member

Signature of Presiding Member

5 September 2022

Date:

Kallie Ngakuru-Syder

Full Name of Principal

Signature of Principal

5 September 2022

Date:

# Sir Edmund Hillary Collegiate

## Members of the Board of Trustees

For the year ended 31 December 2021

Name	Position	How Position Gained		Term Expires
Damon Salesa	Presiding Member	Re-elected Jun 2019	Professor	Sep-22
John Shearer	Principal (Junior)	Ex officio	Teacher	
Kallie Ngakuru-Syder	Principal (Mid/Executive)	Ex officio	Teacher	
Kiri Turketo	Principal (Senior)	Ex officio	Teacher	
Tua Amerika	Parent Representative	Re-elected Jun 2019	CNC Programmer	Sep-22
Vaaiga Autagavaia	Parent Representative	Elected Jun 2019	Doctor	Sep-22
Tapaita Matekuolava	Parent Representative	Elected Jun 2019	Student	Sep-22
Debbie Tupua Kelsall	Parent Representative	Elected Jun 2019	Chair of Aiga Samoa PTA	Sep-22
Vaeagi Su'a	Parent Representative	Elected Jun 2019	Supervisor/House Leader	Sep-22
Helen Espie	Staff Representative	Re-elected Jun 2019	Teacher	Sep-22
Tiparere Arthur (MOE)	MOE Appointed Trustee	Appointed Jun 2015	MOE Representative	
Neel Pandey (MIT)	MIT Appointed Trustee	Appointed Aug 2019	MIT Representative	
Elska Tuaiti	Student Trustee	Elected Sep 2020	Student	Sep-21

# Sir Edmund Hillary Collegiate

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual Restated \$
<b>Revenue</b>				
Government Grants	2	14,562,059	12,909,704	13,394,555
Locally Raised Funds	3	363,841	228,150	270,853
Interest Income		17,708	20,000	41,982
		14,943,608	13,157,854	13,707,390
<b>Expenses</b>				
Locally Raised Funds	3	57,060	86,650	103,264
Learning Resources	4	9,494,978	8,801,328	8,861,505
Administration	5	1,695,949	669,210	878,752
Finance		15,139	11,793	11,567
Property	6 & 26	2,675,208	3,151,536	3,394,501
Depreciation	11	480,867	395,068	418,168
Loss on Disposal of Property, Plant and Equipment		10,203	-	15,960
		14,429,404	13,115,585	13,683,717
<b>Net Surplus / (Deficit) for the year</b>		514,204	42,269	23,673
<b>Total Comprehensive Revenue and Expense for the Year</b>	26	514,204	42,269	23,673

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

# Sir Edmund Hillary Collegiate

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual Restated \$
<b>Equity at 1 January</b>		2,188,373	2,301,042	2,136,083
Total comprehensive revenue and expense for the year	26	514,204	42,269	23,673
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	132,965
Adjustment to Accumulated Surplus from reallocation of 2019 funding to 2020				(104,348)
<b>Equity at 31 December</b>		2,702,577	2,343,311	2,188,373
Retained Earnings		2,702,577	2,343,311	2,188,373
Reserves		-	-	-
<b>Equity at 31 December</b>		2,702,577	2,343,311	2,188,373

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.

# Sir Edmund Hillary Collegiate

## Statement of Financial Position

As at 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual Restated \$
<b>Current Assets</b>				
Cash and Cash Equivalents	7	417,679	237,628	96,232
Accounts Receivable	8	901,812	506,870	1,321,223
GST Receivable		47,828	99,213	99,215
Prepayments		42,186	52,854	52,854
Inventories	9	6,481	10,415	10,415
Investments	10	1,552,476	1,000,000	2,048,347
		2,968,462	1,906,980	3,628,286
<b>Current Liabilities</b>				
Accounts Payable	12	1,046,437	1,038,089	1,038,089
Revenue Received in Advance	13	77,799	-	138,272
Provision for Cyclical Maintenance	14	336,024	270,833	235,494
Finance Lease Liability	15	47,375	47,375	42,065
Funds held in Trust	16	17,524	8,339	8,339
Funds held for Capital Works Projects	17	268,365	-	1,099,066
Funds held on behalf of Kahui Ako/Community of Learning Cluster	18	30,003	20,170	20,170
		1,823,527	1,384,806	2,581,495
<b>Working Capital Surplus/(Deficit)</b>		1,144,935	522,174	1,046,791
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	1,689,898	1,972,325	1,499,687
		1,689,898	1,972,325	1,499,687
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	14	85,126	109,261	288,677
Finance Lease Liability	15	47,130	41,927	69,428
		132,256	151,188	358,105
<b>Net Assets</b>		2,702,577	2,343,311	2,188,373
<b>Equity</b>		2,702,577	2,343,311	2,188,373

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

# Sir Edmund Hillary Collegiate

## Statement of Cash Flows

For the year ended 31 December 2021

	Note	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual Restated \$
<b>Cash flows from Operating Activities</b>				
Government Grants		5,596,285	4,813,926	3,883,752
Locally Raised Funds		317,040	228,150	282,666
Funds Administered on Behalf of Third Parties		19,018	-	9,780
Cyclical Maintenance Payments in the year		-	-	(84,336)
Goods and Services Tax (net)		51,387	2	(52,018)
Payments to Employees		(2,312,326)	(2,009,911)	(2,065,004)
Payments to Suppliers		(2,905,001)	(1,958,362)	(1,849,296)
Interest Paid		(15,139)	(11,793)	(11,567)
Interest Received		25,709	20,000	40,378
Net cash from/(to) Operating Activities		776,973	1,082,012	154,355
<b>Cash flows from Investing Activities</b>				
Purchase of Property Plant & Equipment (and Intangibles)		(663,509)	(845,064)	(655,134)
Purchase of Investments		495,871	1,048,347	(734,256)
Net cash from/(to) Investing Activities		(167,638)	203,283	(1,389,390)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		-	-	132,965
Finance Lease Payments		(34,760)	(44,833)	(61,793)
Funds Held for Capital Works Projects		(253,128)	(1,099,066)	897,029
Net cash from/(to) Financing Activities		(287,888)	(1,143,899)	968,201
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>321,447</b>	<b>141,396</b>	<b>(266,834)</b>
Cash and cash equivalents at the beginning of the year	7	96,232	96,232	363,066
<b>Cash and cash equivalents at the end of the year</b>	<b>7</b>	<b>417,679</b>	<b>237,628</b>	<b>96,232</b>

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

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



# Sir Edmund Hillary Collegiate

## Notes to the Financial Statements

### For the year ended 31 December 2021

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

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

##### b) Basis of Preparation

###### **Reporting Period**

The financial reports have been prepared for the period 1 January 2021 to 31 December 2021 and in accordance with the requirements of the Education and Training Act 2020.

###### **Basis of Preparation**

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

###### **Financial Reporting Standards Applied**

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

###### **PBE Accounting Standards Reduced Disclosure Regime**

The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the expenditure threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

###### **Measurement Base**

The financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

###### **Presentation Currency**

These financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

###### **Specific Accounting Policies**

The accounting policies used in the preparation of these financial statements are set out below.

###### **Critical Accounting Estimates And Assumptions**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

###### **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 14.

###### **Useful lives of property, plant and equipment**

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

### ***Critical Judgements in applying accounting policies***

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

#### ***Classification of leases***

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

#### ***Recognition of grants***

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

### **c) Revenue Recognition**

#### ***Government Grants***

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

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

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

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. 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. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes.

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

For Integrated Groups this note should also include the following:

The property from which the School operates is owned by the Proprietor. Grants for the use of land and buildings are also not received in cash by the school however they equate to the deemed expense for using the land and buildings. This expense is based on an assumed market rental yield on the land and buildings as used for rating purposes.

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

#### ***Other Grants***

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

#### ***Donations, Gifts and Bequests***

Donations, gifts and bequests are recorded as revenue when their receipt is formally acknowledged by the School.

#### ***Interest Revenue***

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

### **d) 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.

### **e) 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.

#### **f) Accounts Receivable**

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

#### **g) Inventories**

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

#### **h) Investments**

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

#### **i) Property, Plant and Equipment**

Land and buildings owned by the Crown are excluded from these financial statements. The Board's use of the land and buildings as 'occupant' is based on a property occupancy document.

Improvements to buildings owned by the Crown are recorded at cost, less accumulated depreciation and impairment losses.

Property, plant and equipment are recorded at cost or, in the case of donated assets, fair value at the date of receipt, less accumulated depreciation and impairment losses. Cost or fair value as the case may be, includes those costs that relate directly to bringing the asset to the location where it will be used and making sure it is in the appropriate condition for its intended use.

Gains and losses on disposals (i.e. sold or given away) are determined by comparing the proceeds received with the carrying amounts (i.e. the book value). The gain or loss arising from the disposal of an item of property, plant and equipment is recognised in the Statement of Comprehensive Revenue and Expense.

#### **Finance Leases**

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty whether the school will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

#### **Depreciation**

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

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	20 years
Furniture and equipment	10 years
Information and communication technology	4 years
Motor vehicles	5 years
Textbooks	5 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

#### **j) Impairment of property, plant, and equipment and intangible assets**

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

#### **Non cash generating assets**

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

**k) Accounts Payable**

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

**l) Employee Entitlements***Short-term employee entitlements*

Employee entitlements that are expected to be settled within 12 months after the end of the reporting period in which the employees provide 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, by non teaching staff, to but not yet taken at balance date.

*Long-term employee entitlements*

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

The calculations are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows

**m) Revenue Received in Advance**

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

**n) Funds Held in Trust**

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense.

The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

**o) Shared Funds**

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

**p) Provision for Cyclical Maintenance**

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

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision is a reasonable estimate, based on an up to date 10 Year Property Plan (10YPP) or another appropriate source of evidence.

**q) Financial Instruments**

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

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

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

**r) 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.

**s) 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.

**t) Budget Figures**

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

**u) 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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Operational Grants	3,929,484	3,249,044	3,599,581
Teachers' Salaries Grants	7,183,393	6,487,910	6,496,615
Use of Land and Buildings Grants	1,694,435	2,396,618	2,396,618
Other MoE Grants	1,754,747	776,132	901,741
	<u>14,562,059</u>	<u>12,909,704</u>	<u>13,394,555</u>

The school has opted in to the donations scheme for this year. Total amount received was \$190,050.

The collegiate is part of the Ministry of Education's Healthy Schools' Lunch Scheme and in the current year received lunches to the value of \$723,151. This has been recorded in MOE Other Grant Income and in Administration Consumables (2020 - Nil)

## 3. Locally Raised Funds

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Revenue</b>			
Donations & Bequests	26,136	100	2,494
Curriculum Related Activities	14,325	2,350	70,905
Trading	46,138	47,200	40,493
Fundraising & Community Grants	<u>277,242</u>	<u>178,500</u>	<u>156,961</u>
	363,841	228,150	270,853
<b>Expenses</b>			
Extra Curricular Activities Costs	26,494	54,550	26,555
Trading	21,871	20,000	21,832
Fundraising and Community Grant Costs	<u>8,695</u>	<u>12,100</u>	<u>54,877</u>
	57,060	86,650	103,264
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>306,781</u>	<u>141,500</u>	<u>167,589</u>

## 4. Learning Resources

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Curricular	434,032	677,466	810,274
Information and Communication Technology	63,108	105,000	139,362
Library Resources	1,054	6,500	3,646
Employee Benefits - Salaries	8,901,659	7,934,312	7,861,183
Staff Development	95,125	78,050	47,040
	<u>9,494,978</u>	<u>8,801,328</u>	<u>8,861,505</u>

## 5. Administration

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Audit Fee	13,723	12,559	12,253
Board Fees	3,355	6,850	3,715
Board Expenses	50,916	5,000	28,368
Communication	21,162	22,000	21,724
Consumables	804,356	63,350	59,261
Legal Fees	44,600	2,000	887
Other	143,782	106,320	152,636
Employee Benefits - Salaries	577,214	415,036	564,901
Insurance	21,518	23,045	23,007
Service Providers, Contractors and Consultancy	15,323	13,050	12,000
	<u>1,695,949</u>	<u>669,210</u>	<u>878,752</u>

The collegiate is part of the Ministry of Education's Healthy Schools' Lunch Scheme and in the current year received lunches to the value of \$723,151. This has been recorded in MOE Other Grant Income and in Administration Consumables (2020 - Nil)

## 6. Property

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual Restated \$
Caretaking and Cleaning Consumables		50,001	49,200	65,986
Consultancy and Contract Services		135,852	140,000	163,883
Cyclical Maintenance Provision		89,100	91,417	100,557
Grounds		40,338	13,000	10,862
Heat, Light and Water		137,582	89,600	111,458
Rates		1,908	500	53
Repairs and Maintenance		381,003	201,728	385,774
Use of Land and Buildings		1,694,435	2,396,618	2,396,618
Security		22,392	21,000	18,037
Employee Benefits - Salaries		122,597	148,473	141,273
	26	<u>2,675,208</u>	<u>3,151,536</u>	<u>3,394,501</u>

In 2021, the Ministry of Education revised the notional rent rate from 8% to 5% to align it with the Government Capital Charge rate. This is considered to be a reasonable proxy for the market rental yield on the value of land and buildings used by schools. Accordingly in 2021, the use of land and buildings figure represents 5% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

## 7. Cash and Cash Equivalents

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Bank Accounts	417,679	237,628	96,232
Cash and cash equivalents for Statement of Cash Flows	<u>417,679</u>	<u>237,628</u>	<u>96,232</u>

Of the \$417,679 Cash and Cash Equivalents, \$286,757 is held by the School on behalf of the Ministry of Education. These funds have been provided by the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2022 on Crown owned school buildings.

Of the \$417,679 Cash and Cash Equivalents, \$77,799 of unspent grant funding is held by the School. This funding is shown as income in advance and is subject to restrictions which specify how the grant is required to be spent. If these requirements are not met, the funds will need to be returned.

Of the \$417,679 Cash and Cash Equivalents, \$30,003 is held by the School on behalf of the Kaihu Ako/Community of Learning cluster. See note 18 for details of how the funding received for the cluster has been spent in the year.

## 8. Accounts Receivable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Receivables	136,005	11,405	11,405
Receivables from the Ministry of Education	84,012	-	736,331
Interest Receivable	6,731	14,365	14,365
Banking Staffing Underuse	102,075	-	78,022
Teacher Salaries Grant Receivable	572,989	481,100	481,100
	<u>901,812</u>	<u>506,870</u>	<u>1,321,223</u>
Receivables from Exchange Transactions	142,736	25,770	25,770
Receivables from Non-Exchange Transactions	759,076	481,100	1,295,453
	<u>901,812</u>	<u>506,870</u>	<u>1,321,223</u>

## 9. Inventories

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Stationery	6,481	10,415	10,415
	<u>6,481</u>	<u>10,415</u>	<u>10,415</u>



## 10. Investments

The School's investment activities are classified as follows:

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Asset Short-term Bank Deposits	1,552,476	1,000,000	2,048,347
Total Investments	1,552,476	1,000,000	2,048,347

## 11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2021</b>						
Building Improvements	430,603	47,415	(2,388)	-	(58,428)	<b>417,202</b>
Furniture and Equipment	390,266	153,645	(2,940)	-	(122,896)	<b>418,075</b>
Information and Communication Technology	481,615	455,920	(4,398)	-	(217,298)	<b>715,839</b>
Motor Vehicles	40,190	-	-	-	(10,248)	<b>29,942</b>
Textbooks	8,378	-	-	-	(5,429)	<b>2,949</b>
Leased Assets	81,890	24,302	(478)	-	(57,738)	<b>47,976</b>
Library Resources	66,745	-	-	-	(8,830)	<b>57,915</b>
<b>Balance at 31 December 2021</b>	<b>1,499,687</b>	<b>681,282</b>	<b>(10,204)</b>	<b>-</b>	<b>(480,867)</b>	<b>1,689,898</b>

The following note can be used for each class of asset that are held under a finance lease:

The net carrying value of equipment held under a finance lease is \$47,976 (2020: \$81,890)

The net carrying value of motor vehicles held under a finance lease is \$29,942 (2020: \$40,190)

	2021 Cost or Valuation \$	2021 Accumulated Depreciation \$	2021 Net Book Value \$	2020 Cost or Valuation \$	2020 Accumulated Depreciation \$	2020 Net Book Value \$
Building Improvements	1,210,277	(793,075)	<b>417,202</b>	1,174,369	(743,766)	<b>430,603</b>
Furniture and Equipment	1,341,889	(923,813)	<b>418,076</b>	1,473,008	(1,082,742)	<b>390,266</b>
Information and Communication Technology	1,632,268	(916,429)	<b>715,839</b>	1,966,046	(1,484,431)	<b>481,615</b>
Motor Vehicles	145,301	(115,359)	<b>29,942</b>	145,301	(105,111)	<b>40,190</b>
Textbooks	28,799	(25,850)	<b>2,949</b>	28,799	(20,421)	<b>8,378</b>
Leased Assets	193,694	(145,719)	<b>47,975</b>	175,922	(94,032)	<b>81,890</b>
Library Resources	229,568	(171,653)	<b>57,915</b>	229,568	(162,823)	<b>66,745</b>
<b>Balance at 31 December</b>	<b>4,781,796</b>	<b>(3,091,898)</b>	<b>1,689,898</b>	<b>5,193,013</b>	<b>(3,693,326)</b>	<b>1,499,687</b>

## 12. Accounts Payable

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Creditors	213,030	401,292	401,292
Accruals	11,223	12,253	12,253
Employee Entitlements - Salaries	696,917	521,286	521,286
Employee Entitlements - Leave Accrual	125,267	103,258	103,258
	<u>1,046,437</u>	<u>1,038,089</u>	<u>1,038,089</u>

Payables for Exchange Transactions	1,046,437	1,038,089	1,038,089
	<u>1,046,437</u>	<u>1,038,089</u>	<u>1,038,089</u>

The carrying value of payables approximates their fair value.

## 13. Revenue Received in Advance

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Grants in Advance - Ministry of Education	-	-	138,272
Other revenue in Advance	77,799	-	-
	<u>77,799</u>	<u>-</u>	<u>138,272</u>

## 14. Provision for Cyclical Maintenance

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Provision at the Start of the Year	524,171	524,171	507,950
Increase/ (decrease) to the Provision During the Year	89,100	91,417	100,557
Use of the Provision During the Year	(192,121)	(235,494)	(84,336)
Provision at the End of the Year	<u>421,150</u>	<u>380,094</u>	<u>524,171</u>
Cyclical Maintenance - Current	336,024	270,833	235,494
Cyclical Maintenance - Term	85,126	109,261	288,677
	<u>421,150</u>	<u>380,094</u>	<u>524,171</u>

## 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:

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
No Later than One Year	54,429	53,858	50,977
Later than One Year and no Later than Five Years	50,499	47,597	76,281
Later than Five Years			
Future Finance Charges	(10,423)	(11,793)	(15,765)
	<u>94,505</u>	<u>89,662</u>	<u>111,493</u>
<b>Represented by</b>			
Finance lease liability - Current	47,375	47,735	42,065
Finance lease liability - Term	47,130	41,927	69,428
	<u>94,505</u>	<u>89,662</u>	<u>111,493</u>

## 16. Funds held in Trust

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	17,524	8,339	8,339
Funds Held in Trust on Behalf of Third Parties - Non-current	-	-	-
	<u>17,524</u>	<u>8,339</u>	<u>8,339</u>

These funds relate to bonds and funds held by the school on behalf of third parties. These amounts are not revenue or expenditure of the school and therefore are not included in the Statement of Comprehensive Revenue and Expense.

## 17. Funds Held for Capital Works Projects

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

2021	Opening Balances (Restated) \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Roofing & Window Joinery Replacement	272,666	9,118	(273,407)	-	8,377
Library Carpet Replacement	25,393	-	(24,232)	-	1,161
Music (E Block)	25,638	-	(29,288)	-	(3,650)
Fire Alarm Panels	95,469	-	(107,932)	-	(12,463)
MD: MA, MB Exterior Door Joinery Replacement	-	-	(257)	-	(257)
Carpet & Vinyl Replacement	342,863	37,561	(380,630)	206	-
Security System Upgrade	170,398	5,599	(175,719)	(278)	-
Blocks MD & MP Internal Refurb	32,452	161,586	(24,612)	-	169,426
Toilet Refurb	18,972	-	(20,994)	-	(2,022)
SIP: Cultural Centre Development	118,936	-	(62,710)	-	56,226
Acoustic Wall Coverings	(1,748)	139,500	(131,190)	-	6,562
Lighting Replacement	(1,973)	130,952	(128,979)	-	0
Block E Hot Water Cylinder Leak	-	45,257	(253)	-	45,004
Totals	26 1,099,066	529,574	(1,360,203)	(72)	268,365

### Represented by:

Funds Held on Behalf of the Ministry of Education	286,757
Funds Due from the Ministry of Education	(18,392)
Net Funds Held on Behalf of the Ministry of Education	268,365

2020 Restated	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Roofing & Window Joinery Replacement	(10,415)	287,118	(4,037)	-	272,666
Library Carpet Replacement	25,393	-	-	-	25,393
Music (E Block)	10,994	-	-	14,644	25,638
Fire Alarm Panels	-	176,950	(81,481)	-	95,469
Carpet & Vinyl Replacement	-	344,836	(1,973)	-	342,863
Security System Upgrade	-	234,000	(63,602)	-	170,398
Fire Sprinkler Remediation	59,587	72	(90,652)	30,993	-
SR Relocatable Refurb	-	-	(81,678)	81,678	-
Blocks MD & MP Internal Refurb	-	34,000	(1,548)	-	32,452
Toilet Refurb	-	20,000	(1,028)	-	18,972
SIP: Cultural Centre Development	-	119,905	(4,104)	3,135	118,936
Acoustic Wall Coverings	-	-	(1,748)	-	(1,748)
Lighting Replacement	-	-	(1,973)	-	(1,973)
Art Relocation	(17,217)	-	-	17,217	-
Drainage	3,809	-	(673)	(3,136)	-
Learning Support E B lock	-	14,644	-	(14,644)	-
Totals	72,151	1,231,525	(334,497)	129,887	1,099,066

#### 18. Funds Held on Behalf of Kahui Ako/Community of Learning Cluster

Sir Edmund Hillary Collegiate is the lead school and holds funds on behalf of the cluster, a group of schools funded by the Ministry.

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Funds Held at Beginning of the Year	20,170	20,170	10,556
Funds Received from MoE	11,048	-	15,297
Total funds received	31,218	20,170	25,853
Funds Spent on Behalf of the Cluster	(1,215)	-	(5,683)
Funds remaining	30,003	20,170	20,170
Funds Held at Year End	30,003	20,170	20,170

#### 19. 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.

## 20. Remuneration

### Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	3,355	3,715
<i>Leadership Team</i>		
Remuneration	1,155,034	1,144,825
Full-time equivalent members	9	9
Total key management personnel remuneration	1,158,389	1,148,540

There are 10 members of the Board excluding the Principal. The Board had held 8 full meetings of the Board in the year. The Board also has Finance (2/3 members) and Property (2/3 members) that meet monthly and quarterly respectively. As well as these regular meetings, including preparation time, the Chair and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

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

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	160-170	150-160
Benefits and Other Emoluments	0-5	0-5
Termination Benefits	-	-

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

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	170-180	170-180
Benefits and Other Emoluments	0-5	0-5
Termination Benefits	-	-

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

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	160-170	150-160
Benefits and Other Emoluments	0-5	0-5
Termination Benefits	-	-

### Other Employees

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

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

Remuneration \$000	2021 FTE Number	2020 FTE Number
100-110	15.00	15.00
110-120	2.00	2.00
120-130	1.00	2.00
	18.00	19.00

## 21. Compensation and Other Benefits Upon Leaving

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

	2021 Actual	2020 Actual
Total	\$64,000	\$20,000
Number of People	5	1

## 22. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2021 (Contingent liabilities and assets at 31 December 2020: nil).

Holidays Act Compliance – schools payroll

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

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

To the extent that any obligation cannot reasonably be quantified at 31 December 2021, a contingent liability for the school may exist.

## 23. Commitments

### (a) Capital Commitments

As at 31 December 2021 the Board has entered into contract agreements for capital works as follows:

(a) \$350,000 contract as agent for the Ministry of Education in relation to roofing & window joinery replacement. This project is fully funded by the Ministry of Education. A net balance of funds held on behalf of the Ministry was brought forward from the previous year of \$272,666 with a further \$9,118 being received in 2021 and \$273,408 expenses paid. There is a balance of \$8,376 held on behalf of the Ministry as at the end of the year, pending final completion

(b) Library Carpet Replacement for the Ministry of Education. A balance of \$25,393 net was brought forward from the previous year and as the project was not completed due to weather tightness issues, \$24,232 was returned to the Ministry. There is a balance of \$1,161 of MOE funds held as at the end of the year, pending final completion

(c) \$405,565 contract as agent for the Ministry of Education relating to the Music (E Block). This project is fully funded by the Ministry of Education. A net balance of \$25,638 held on behalf of the Ministry was brought forward from the previous year with a further \$29,288 spent during the year. There is a balance of \$3,650 due from the MOE as at the end of the year.

(d) \$176,950 contract as agent for the Ministry of Education relating to Fire Alarm Panels. This project is fully funded by the Ministry of Education. A net balance of \$95,469 held on behalf of the Ministry was brought forward from the previous year with a further \$107,932 spent during the year. There is a balance of \$12,463 due from the MOE as at the end of the year.

(e) \$25,000 contract as agent for the Ministry of Education in relation to the MD:MA, MB Exterior Door Joinery. This project is fully funded by the Ministry and \$258 has been expensed on the project and due from the Ministry of Education at the end of the year.

(f) \$310,000 contract as agent for the Ministry of Education in relation to Acoustic Wall Coverings. This project is fully funded by the Ministry of Education. A net balance due of \$1,748 was brought forward from the previous year with a further \$131,190 spent and \$139,500 received from the Ministry during the year. There is a balance of \$6,562 held on behalf of the Ministry at the end of the year, pending final completion.

**(a) Capital Commitments (continued)**

(g) \$340,000 contract as agent for the Ministry of Education in relation to Blocks MD & MP Internal Refurbishment. This project is fully funded by the Ministry of Education. A net balance held on behalf of the Ministry of \$32,452 was brought forward from the previous year with a further \$24,612 spent and \$161,586 received from the Ministry during the year. There is a balance of \$169,426 held on behalf of the Ministry at the end of the year.

(h) \$300,000 approx contract as agent for the Ministry of Education in relation to Toilet Refurbishments. This project is fully funded by the Ministry. \$18,972 net balance held on behalf of the Ministry was brought forward from the previous year with a further \$20,994 spent during the year. A balance of \$2,022 is due from the Ministry at the end of the year.

(i) \$793,485 contract as agent for the Ministry of Education in relation to the SIP - Cultural Centre Development. A net balance held of \$118,937 was brought forward from the previous year with a further \$62,710 spent during the year. There is a balance of \$56,227 held at the end of the year.

(j) \$50,286 insurance contract as agent for the Ministry of Education in relation to a Water Cylinder leak. This project is fully funded by the Ministry. \$45,257 was received from the Ministry and \$253 spent during the year. A balance of \$45,005 is held on behalf of the Ministry at the end of the year.

**24. 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**

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash and Cash Equivalents	417,679	237,628	96,232
Receivables	901,812	506,870	1,321,223
Investments - Term Deposits	1,552,476	1,000,000	2,048,347
Total Financial assets measured at amortised cost	<u>2,871,967</u>	<u>1,744,498</u>	<u>3,465,802</u>

**Financial liabilities measured at amortised cost**

Payables	1,046,437	1,038,089	1,038,089
Finance Leases	94,505	89,302	111,493
Total Financial Liabilities Measured at Amortised Cost	<u>1,140,942</u>	<u>1,127,391</u>	<u>1,149,582</u>

**25. Events After Balance Date**

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

There have been a number of prior period comparatives which have been reclassified to make disclosure consistent with the current year.



## 26. Prior Period Adjustments

### MOE Capital Works - Fire Sprinkler Remediation & SR Relocatable Refurbishments

As at the end of 2020 costs were incurred in excess of the funding approved by the Ministry of Education for these projects. They represent Board of Trustees contributions to the project which should have been expensed as incurred. The net adjustment is summarised below:

Statement of Financial Position	As Previously Reported	2021 Increase / Decrease	As Restated
Funds Held for Capital Works Projects	986,397	112,669	1,099,066
Retained Earnings	2,301,042	-112,669	2,188,373
<b>Statement of Comprehensive Income</b>			
Property expenses	3,281,832	112,669	3,394,501

## 27. COVID 19 Pandemic on going implications

### Impact of Covid-19

During 2021 the country moved between alert levels. During February and March 2021 Auckland was placed into alert levels 3 and 2 and other parts of the country moved into alert level 2.

Towards the end of June 2021, the Wellington region was placed into alert level 2 for one week.

Towards the end of August 2021, the entire country moved to alert level 4, with a move to alert level 3 and 2 for everyone outside the Auckland region three weeks later. While Auckland has remained in alert level 3 for a prolonged period of time the Northland and Waikato regions have also returned to alert level 3 restrictions during this period.

### Impact on operations

Schools have been required to continue adapting to remote and online learning practices when physical attendance is unable to occur in alert level 4 and 3. Schools continue to receive funding from the Te Tāhuhu o te Mātauranga | Ministry to Education, even while closed.

However, the ongoing interruptions resulting from the moves in alert levels have impacted schools in various ways which potentially will 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 ongoing impacts of the COVID-19 alert level changes.

### Reduction in locally raised funds

Under alert levels 4, 3 and 2 the school's ability to undertake fund raising events in the community and/ or collect donations or other contributions from parents, may have been compromised. Costs already incurred arranging future events may not be recoverable.

### Increased Remote learning additional costs

Under alert levels 4 and 3 ensuring that students have the ability to undertake remote or distance learning often incurs additional costs in the supply of materials and devices to students to enable alternative methods of curriculum delivery.

### Cleaning Costs

The school has incurred additional cleaning costs as a result of compliance with COVID protocols.

## Independent Auditor's Report

# To the Readers of Sir Edmund Hillary Collegiate School's Financial Statements

## For the Year Ended 31 December 2021

The Auditor-General is the auditor of Sir Edmund Hillary Collegiate (the School). The Auditor-General has appointed me, Darren Wright, using the staff and resources of William Buck Audit (NZ) Limited, to carry out the audit of the financial statements of the School on his behalf.

### Opinion

We have audited the financial statements of the School on pages 3 to 25, that comprise the statement of financial position as at 31 December 2021, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
  - its financial position as at 31 December 2021; 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 PBE Accounting Standards (PBE IPSAS) Reduced Disclosure Regime.

Our audit was completed on 14 October 2022. 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.

#### ACCOUNTANTS & ADVISORS

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William Buck Audit (NZ) Limited

### **Responsibilities of the Board for the financial statements**

The Board is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### **Responsibilities of the auditor for the audit of the financial statements**

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

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

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

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

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

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

#### **Other information**

The Board of Trustees is responsible for the other information. The other information comprises the information included in the annual report being the Kiwisport Report, the Members of the Board of Trustees and the Analyses of Variance, 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.



**Darren Wright**  
**William Buck Audit (NZ) Limited**  
On behalf of the Auditor-General  
Auckland, New Zealand