



Lincoln High School

Te Kura Tuarua o Waihora

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

School Directory

Ministry Number:	347
Principal:	Kathy Paterson
School Address:	25 Boundary Road, Lincoln, Canterbury 7608
School Postal Address:	PO Box 69138, Lincoln 7640
School Phone:	03 325 2121
School Email:	office@lincoln.school.nz

LINCOLN HIGH SCHOOL

Annual Report - For the year ended 31 December 2021

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Lincoln High School

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.

ADRIAN MARK PATTERSON
Full Name of Presiding Member

Kathleen Mary Paterson
Full Name of Principal

Signature of Presiding Member

Signature of Principal

30/5/22
Date:

30/5/2022
Date:

Lincoln High School

Members of the Board

For the year ended 31 December 2021

Name	Position	How Position Gained	Term Expired/ Expires
Adrian Paterson	Presiding Member	Elected	Sep 2022
Kathy Paterson	Principal ex Officio		
Andrew Marshall	Parent Representative	Elected	Sep 2022
Adam Gard'ner	Parent Representative	Elected	Sep 2022
Troy Landrebe	Parent Representative	Elected	Sep 2022
Ben Olijkan	Parent Representative	Elected	Sep 2022
Maria Connolly	Staff Representative	Elected	Jul 2023
Bobbie Hira	Student Representative	Elected	Sep 2022
Poppy Cuthbert	Student Representative	Elected	Sep 2021

Lincoln High School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

		2021	2021	2020
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	13,168,502	13,105,870	13,653,479
Locally Raised Funds	3	1,073,199	1,228,739	955,692
Interest Income		33,472	45,000	80,529
Gain on Sale of Property, Plant and Equipment		795	-	4,326
International Students	4	217,873	260,142	468,875
		14,493,841	14,639,751	15,162,901
Expenses				
Locally Raised Funds	3	619,933	799,574	601,045
International Students	4	173,541	205,260	297,439
Learning Resources	5	10,405,180	10,367,909	10,235,310
Administration	6	546,185	670,031	536,453
Finance		16,696	-	13,772
Property	7	2,493,870	2,899,614	3,234,294
Depreciation	12	303,221	307,468	327,125
		14,558,626	15,249,856	15,245,438
Net (Deficit)/Surplus for the year		(64,785)	(610,105)	(82,537)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		(64,785)	(610,105)	(82,537)

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



Lincoln High School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Equity at 1 January		4,768,897	4,768,897	4,851,434
Total comprehensive revenue and expense for the year		(64,785)	(610,105)	(82,537)
Capital Contributions from the Ministry of Education Contribution - Te Mana Tūhono programme		120,746	-	-
Contribution from School to Equity	32	(211,968)	-	-
Equity at 31 December		4,612,890	4,158,792	4,768,897
Retained Earnings		4,612,890	4,158,792	4,768,897
Equity at 31 December		4,612,890	4,158,792	4,768,897

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.



Lincoln High School

Statement of Financial Position

As at 31 December 2021

		2021	2021	2020
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Current Assets				
Cash and Cash Equivalents	8	925,487	924,956	582,067
Accounts Receivable	9	739,066	682,636	682,636
GST Receivable		42,414	18,865	18,865
Prepayments		48,713	80,676	80,676
Inventories	10	99,049	86,972	86,972
Investments	11	2,703,613	2,705,000	3,505,000
Funds owing for Capital Works Projects	18	12,199	-	-
		4,570,541	4,499,105	4,956,216
Current Liabilities				
Accounts Payable	13	1,020,095	1,054,873	1,054,873
Revenue Received in Advance	14	216,664	342,333	342,333
Provision for Cyclical Maintenance	15	27,273	60,000	60,000
Finance Lease Liability	16	69,604	76,360	76,360
Funds held in Trust	17	233,604	341,611	341,611
Funds held for Capital Works Projects	18	-	43,894	43,894
Funds Held on Behalf of the ECE Nga Matapuna o Nga	19	11,844	13,087	13,087
Funds Held on Behalf of the Nga Matapuna o Nga	20	13,431	12,307	12,307
Funds Held on Behalf of the COL Nga Matapuna o Nga	21	29,874	28,782	28,782
Funds Held on Behalf of the Selwyn School 1st XV	22	8,732	-	-
		1,631,121	1,973,247	1,973,247
Working Capital Surplus/(Deficit)		2,939,420	2,525,858	2,982,969
Non-current Assets				
Investments	11	21,306	16,306	16,306
Property, Plant and Equipment	12	2,015,960	2,046,895	2,199,889
		2,037,266	2,063,201	2,216,195
Non-current Liabilities				
Provision for Cyclical Maintenance	15	258,296	312,025	312,025
Finance Lease Liability	16	105,500	118,242	118,242
		363,796	430,267	430,267
Net Assets		4,612,890	4,158,792	4,768,897
Equity		4,612,890	4,158,792	4,768,897

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



Lincoln High School

Statement of Cash Flows

For the year ended 31 December 2021

		2021	2021	2020
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		2,849,233	2,663,877	2,812,872
Locally Raised Funds		1,075,655	1,228,739	959,560
International Students		86,359	260,142	367,134
Goods and Services Tax (net)		(23,549)	-	27,515
Payments to Employees		(1,924,467)	(1,777,853)	(1,912,709)
Payments to Suppliers		(2,193,613)	(2,722,542)	(2,251,053)
Interest Received		34,385	45,000	82,503
Net cash (to)/from Operating Activities		(95,997)	(302,637)	85,822
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		795	-	4,326
Purchase of Property Plant & Equipment (and Intangibles)		(129,036)	(154,474)	(128,024)
Purchase of Investments		-	-	-
Proceeds from Sale of Investments		796,387	800,000	(50,000)
Net cash from/(to) Investing Activities		668,146	645,526	(173,698)
Cash flows from Financing Activities				
Finance Lease Payments		(87,151)	-	(76,124)
Funds Administered on Behalf of Third Parties		(141,578)	-	191,936
Net cash (to)/from Financing Activities		(228,729)	-	115,812
Net increase/(decrease) in cash and cash equivalents		343,420	342,889	27,936
Cash and cash equivalents at the beginning of the year	8	582,067	582,067	554,131
Cash and cash equivalents at the end of the year	8	925,487	924,956	582,067

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.



Lincoln High School

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

1.1. Reporting Entity

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

1.2. 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 15.

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 12.



Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to 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.

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.

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.

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. Operating Lease Payments

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

1.5. 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 (uncollectable debts). The School's receivables are largely made up of funding from the Ministry of Education, therefore the level of uncollectable debts is not considered to be material. However, short-term receivables are written off when there is no reasonable expectation of recovery.

1.8. Inventories

Inventories are consumable items held for sale and comprised of 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.

1.9. 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.

1.10. 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	10-20 years
Furniture and equipment	5-10 years
Information and communication technology	3-5 years
Motor vehicles	5 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

1.11. 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.

1.12. 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.

1.13. Employee Entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, and also annual leave earned, by non teaching staff, to but not yet taken at balance date.

Long-term employee entitlements

Employee benefits that are not expected to be settled wholly before 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.

1.14. 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.

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

1.15. 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.

1.16. 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.

1.17. 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.

1.18. 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, painting contract liability 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.

1.19. Borrowings

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

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

1.20. 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.

1.21. Budget Figures

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

1.22. 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	2,716,924	2,575,293	2,620,993
Teachers' Salaries Grants	8,423,982	8,370,000	8,336,268
Use of Land and Buildings Grants	1,768,801	2,008,714	2,418,959
Resource Teachers Learning and Behaviour Grants	13,765	16,000	17,347
Other MoE Grants	204,342	85,515	209,564
Other Government Grants	40,688	50,348	50,348
	13,168,502	13,105,870	13,653,479

3. Locally Raised Funds

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Revenue			
Donations & Bequests	236,771	334,682	217,124
Curriculum related Activities - Purchase of goods and services	82,694	-	53,602
Fees for Extra Curricular Activities	379,730	576,057	302,997
Trading	295,016	285,000	347,463
Fundraising & Community Grants	56,687	3,000	2,000
Other Revenue	22,301	30,000	32,506
	1,073,199	1,228,739	955,692
Expenses			
Extra Curricular Activities Costs	345,240	543,124	247,003
Trading	240,897	256,450	354,042
Fundraising & Community Grant Costs	33,796	-	-
	619,933	799,574	601,045
	453,266	429,165	354,647

Surplus / (Deficit) for the year Locally raised funds

4. International Student Revenue and Expenses

	2021 Actual Number	2021 Budget (Unaudited) Number	2020 Actual Number
International Student Roll	14	33	33
	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Revenue			
International Student Fees	217,873	260,142	468,875
Expenses			
Student Recruitment	-	46,290	49,251
Employee Benefit - Salaries	134,398	109,000	207,028
Other Expenses	39,143	49,970	41,160
	173,541	205,260	297,439
	44,332	54,882	171,436

Surplus / (Deficit) for the year International Students

5. Learning Resources

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Curricular	388,813	590,468	449,181
Equipment Repairs	429	776	2,580
Information and Communication Technology	209,415	232,683	239,721
Library Resources	5,168	5,950	5,046
Employee Benefits - Salaries	9,784,523	9,518,032	9,528,090
Staff Development	16,832	20,000	10,692
	10,405,180	10,367,909	10,235,310

6. Administration

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Audit Fee	10,979	9,763	9,616
Board Fees	3,575	4,000	4,195
Board Expenses	4,015	3,256	1,673
Communication	10,419	20,200	11,681
Consumables	6,455	9,500	7,661
Operating Lease	1,491	63,901	3,131
Legal Fees	1,062	2,200	2,195
Other	87,859	95,400	56,275
Employee Benefits - Salaries	363,246	400,100	380,701
Insurance	50,286	53,711	52,794
Service Providers, Contractors and Consultancy	6,798	8,000	6,531
	<u>546,185</u>	<u>670,031</u>	<u>536,453</u>

7. Property

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	43,739	45,800	44,960
Consultancy and Contract Services	214,783	220,000	228,839
Cyclical Maintenance Provision Adjustment	(86,456)	-	-
Grounds	35,946	35,200	35,963
Heat, Light and Water	223,333	223,000	190,724
Rates	9,406	9,500	9,212
Repairs and Maintenance	108,479	170,200	111,786
Use of Land and Buildings	1,768,801	2,008,714	2,418,959
Security	2,497	3,200	4,258
Employee Benefits - Salaries	173,342	184,000	189,593
	<u>2,493,870</u>	<u>2,899,614</u>	<u>3,234,294</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.

8. Cash and Cash Equivalents

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Bank Accounts	925,487	924,956	582,067
Cash and cash equivalents for Statement of Cash Flows	<u>925,487</u>	<u>924,956</u>	<u>582,067</u>

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

Of the \$925,487 Cash and Cash Equivalents, \$65,674 is held by the School on behalf of the Ministry of Education. These funds have been provided for 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 \$925,487 Cash and Cash Equivalents, \$11,844 is held by the School on behalf of the ECE Kahui Ako cluster. See note 19 for details of how the funding received for the cluster has been spent in the year.

Of the \$925,487 Cash and Cash Equivalents, \$13,431 is held by the School on behalf of the Lincoln Schools cluster. See note 20 for details of how the funding received for the cluster has been spent in the year.

Of the \$925,487 Cash and Cash Equivalents, \$29,874 is held by the School on behalf of the COL cluster. See note 21 for details of how the funding received for the cluster has been spent in the year.

Of the \$925,487 Cash and Cash Equivalents, \$8,731 is held by the School on behalf of the Selwyn School 1st XV rugby cluster. See note 22 for details of how the funding received for the cluster has been spent in the year.

9. Accounts Receivable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Receivables	8,827	5,438	5,438
Receivables from the Ministry of Education	8,120	15,878	15,878
Interest Receivable	4,270	5,183	5,183
Teacher Salaries Grant Receivable	717,849	656,137	656,137
	<u>739,066</u>	<u>682,636</u>	<u>682,636</u>
Receivables from Exchange Transactions	13,097	10,621	10,621
Receivables from Non-Exchange Transactions	725,969	672,015	672,015
	<u>739,066</u>	<u>682,636</u>	<u>682,636</u>

10. Inventories

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Stationery	-	1,249	1,249
School Uniforms	99,049	85,723	85,723
	<u>99,049</u>	<u>86,972</u>	<u>86,972</u>

11. Investments

The School's investment activities are classified as follows:

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Asset			
Short-term Bank Deposits	2,703,613	2,705,000	3,505,000
Non-current Asset			
Long-term Bank Deposits	21,306	16,306	16,306
Total Investments	<u>2,724,919</u>	<u>2,721,306</u>	<u>3,521,306</u>

12. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2021						
Building Improvements	1,358,768	3,150	(211,968)	-	(50,887)	1,099,063
Furniture and Equipment	366,870	36,007	-	-	(68,476)	334,401
Information and Communication Technology	176,706	167,263	-	-	(69,900)	274,069
Motor Vehicles	53,103	45,681	-	-	(11,323)	87,461
Leased Assets	194,388	75,478	-	-	(95,918)	173,948
Library Resources	50,054	3,986	(305)	-	(6,717)	47,018
Balance at 31 December 2021	<u>2,199,889</u>	<u>331,565</u>	<u>(212,273)</u>	<u>-</u>	<u>(303,221)</u>	<u>2,015,960</u>

The net carrying value of equipment held under a finance lease is \$173,948 (2020: \$194,388)

	2021 Cost or Valuation \$	2021 Accumulated Depreciation \$	2021 Net Book Value \$	2020 Cost or Valuation \$	2020 Accumulated Depreciation \$	2020 Net Book Value \$
Building Improvements	1,401,521	(302,458)	1,099,063	1,692,771	(334,003)	1,358,768
Furniture and Equipment	1,198,035	(863,634)	334,401	1,169,445	(802,575)	366,870
Information and Communication Technology	960,599	(686,530)	274,069	793,336	(616,630)	176,706
Motor Vehicles	194,050	(106,589)	87,461	148,369	(95,266)	53,103
Leased Assets	434,724	(260,776)	173,948	421,952	(227,564)	194,388
Library Resources	212,759	(165,741)	47,018	210,053	(159,999)	50,054
Balance at 31 December	<u>4,401,688</u>	<u>(2,385,728)</u>	<u>2,015,960</u>	<u>4,435,926</u>	<u>(2,236,037)</u>	<u>2,199,889</u>

13. Accounts Payable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Creditors	112,234	208,270	208,270
Accruals	50,956	55,747	55,747
Banking Staffing Overuse	28,126	63,279	63,279
Employee Entitlements - Salaries	767,115	672,721	672,721
Employee Entitlements - Leave Accrual	61,664	54,856	54,856
	<u>1,020,095</u>	<u>1,054,873</u>	<u>1,054,873</u>
Payables for Exchange Transactions	<u>1,020,095</u>	<u>1,054,873</u>	<u>1,054,873</u>
	<u>1,020,095</u>	<u>1,054,873</u>	<u>1,054,873</u>

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
International Student Fees in Advance	141,276	272,790	272,790
Other Revenue in Advance	75,388	69,543	69,543
	<u>216,664</u>	<u>342,333</u>	<u>342,333</u>

15. Provision for Cyclical Maintenance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Provision at the Start of the Year	372,025	372,025	450,290
Adjustment to the Provision	(86,456)	-	-
Use of the Provision During the Year	-	-	(78,265)
Provision at the End of the Year	<u>285,569</u>	<u>372,025</u>	<u>372,025</u>
Cyclical Maintenance - Current	27,273	60,000	60,000
Cyclical Maintenance - Term	<u>258,296</u>	<u>312,025</u>	<u>312,025</u>
	<u>285,569</u>	<u>372,025</u>	<u>372,025</u>

16. 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	80,456	87,917	87,917
Later than One Year and no Later than Five Years	113,801	130,907	130,907
Future Finance Charges	<u>(19,153)</u>	<u>(24,222)</u>	<u>(24,222)</u>
	<u>175,104</u>	<u>194,602</u>	<u>194,602</u>
Represented by:			
Finance lease liability - Current	69,604	76,360	76,360
Finance lease liability - Term	<u>105,500</u>	<u>118,242</u>	<u>118,242</u>
	<u>175,104</u>	<u>194,602</u>	<u>194,602</u>

17. Funds Held in Trust

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	233,604	341,611	341,611
	<u>233,604</u>	<u>341,611</u>	<u>341,611</u>

These funds relate to arrangements where the school is acting as an agent. These amounts are not revenue or expenditure of the school and therefore are not included in the Statement of Comprehensive Revenue and Expense.



18. 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	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
MOE 5YA Pool Fence and Surrounds	(3,407)	2,177	1,230	-	-
MOE 5YA Gym 1 Wall Repairs	(47,939)	1,157	(22,632)	-	(69,414)
MOE 5YA Pool Relining Project	(7,029)	7,029	-	-	-
MOE - SIP E Block	92,936	-	(62,358)	-	30,578
MOE - SIP Outdoor Education Shed	38,198	-	(43,913)	-	(5,715)
MOE - Car Parking	(2,400)	-	-	-	(2,400)
MOE 5YA T2 & T3 Upgrade	(4,697)	4,697	-	-	-
Moe A Block Heat Pumps	(7,635)	8,835	(1,200)	-	-
MOE - SIP Asphalt & Seating	(30)	1,230	(1,200)	-	-
MOE - SIP Gym LED Upgrade	(14,103)	16,803	-	-	2,700
MOE - J Block Divider	-	115,056	(118,236)	-	(3,180)
MOE - K Block Toilets	-	88,181	(81,302)	-	6,879
MOE - Ring Main Project	-	-	(5,850)	-	(5,850)
MOE - Field Irrigation	-	97,203	(63,000)	-	34,203
Totals	43,894	342,368	(398,461)	-	(12,199)

Represented by:

Funds Held on Behalf of the Ministry of Education
Funds Due from the Ministry of Education

74,360
(86,559)
(12,199)

2020	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
MOE 5YA Swimming Pool	(129,989)	130,742	(753)	-	-
MOE 5YA J Block Heat Pump	(34,191)	35,391	(1,200)	-	-
MOE 5YA Library Heat Pump	(6,225)	36,225	(30,000)	-	-
MOE 5YA 2018 Heat Pump Project	(74,323)	64,785	9,538	-	-
MOE 5YA Accessibility Project	(23,781)	26,994	(3,154)	(59)	-
MOE 5YA Gym Change Rooms Upgrade	(74,573)	72,128	2,445	-	-
MOE 5YA Pool Fence and Surrounds	1,079	-	(4,486)	-	(3,407)
MOE 5YA B5-8 & PA1 Heat Pumps	(38,500)	38,500	-	-	-
MOE 5YA Gym 1 Wall Repairs	(41,557)	366,653	(373,035)	-	(47,939)
MOE 5YA Health Nurse Room Upgrade	(162)	162	-	-	-
MOE 5YA Pool Relining Project	89,504	-	(96,533)	-	(7,029)
MOE 5YA Gym 2 Sewer Pump Upgrade	33,450	3,983	(37,450)	17	-
MOE 5YA T2 & T3 Upgrade	1,136	5,449	(11,282)	-	(4,697)
Moe A Block Heat Pumps	-	79,515	(87,150)	-	(7,635)
MOE - T Block Classroom Upgrade	-	54,885	(54,885)	-	-
MOE - SIP Asphalt & Seating	-	14,580	(14,610)	-	(30)
MOE - SIP Gym LED Upgrade	-	-	(14,103)	-	(14,103)
MOE - SIP E Block	-	104,101	(11,165)	-	92,936
MOE - SIP Outdoor Education Shed	-	43,790	(5,592)	-	38,198
MOE - SIP Students External Seating	-	43,739	(43,739)	-	-
MOE - Car Parking	-	-	(2,400)	-	(2,400)
MOE - 5YA Infrastructure	-	25,314	(25,314)	-	-
Totals	(298,132)	1,146,936	(804,868)	(42)	43,894

19. Funds Held on Behalf of the ECE Nga Matapuna o Nga Pakihi Kahui Ako Cluster

Lincoln High School has been appointed by the Kahui Ako to hold and manage the funds on behalf of the Nga Matapuna o Nga Pakihi Kahui Ako, a group of schools funded by the Ministry of Education to share professional support.

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
Funds Held at Beginning of the Year	\$ 13,087	\$ 13,087	\$ 13,087
Funds Spent on Behalf of the Cluster	(1,243)	-	-
Funds Held at Year End	<u>11,844</u>	<u>13,087</u>	<u>13,087</u>

20. Funds Held on Behalf of the Nga Matapuna o Nga Pakihi Kahui Ako Cluster

Lincoln High School has been appointed by the Kahui Ako to hold and manage the funds on behalf of the Nga Matapuna o Nga Pakihi Kahui Ako, a group of schools funded by the Ministry of Education to share professional support.

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Funds Held at Beginning of the Year	12,307	12,307	10,916
Funds Received from Cluster Members	-	-	1,362
Funds Received from MoE	2,224	-	6,791
Funds Spent on Behalf of the Cluster	(1,100)	-	(6,762)
Funds Held at Year End	13,431	12,307	12,307

21. Funds Held on Behalf of the COL Nga Matapuna o Nga Pakihi Kahui Ako Cluster

Lincoln High School has been appointed by the Kahui Ako to hold and manage the funds on behalf of the Nga Matapuna o Nga Pakihi Kahui Ako, a group of schools funded by the Ministry of Education to share professional support.

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Funds Held at Beginning of the Year	28,782	28,782	21,170
Funds Received from Cluster Members	10,142	-	8,000
Funds Spent on Behalf of the Cluster	(9,050)	-	(388)
Funds Held at Year End	29,874	28,782	28,782

22. Funds Held on Behalf of the Selwyn School 1st XV rugby Cluster

Lincoln High School holds funds on behalf of the Selwyn Schools 1st XV Cluster, a group of schools formed to ensure that the Selwyn Schools 1st XV is the Premier Under 18 team in the Ellesmere Rugby subunion, and all players attending a school within the Ellesmere sub-union have a pathway to 1st XV rugby in the Miles Toyota Championship. The main source of funding is sponsorship.

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Funds Received from Sponsorship	44,308	-	-
Funds Received from other Sources	15,505	-	-
Funds Spent on Behalf of the Cluster	(51,081)	-	-
Funds Held at Year End	8,732	-	-

23. 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.

24. Remuneration

Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	3,575	4,195
<i>Leadership Team</i>		
Remuneration	877,499	905,633
Full-time equivalent members	6.00	6.33
Total key management personnel remuneration	881,074	909,828

There are 7 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 (3 members) and Property (4 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

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	220-230	220 - 230
Benefits and Other Emoluments	5-10	5 - 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	2021 FTE Number	2020 FTE Number
100 -110	15.00	14.00
110 -120	5.00	1.00
120 - 130	2.00	4.00
130 - 140	2.00	1.00
	24.00	20.00

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

25. 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:

	2021 Actual \$	2020 Actual \$
Total	15,000	10,244
Number of People	1	1

26. 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.



27. Commitments

(a) Capital Commitments

As at 31 December 2021 the Board has entered into the following contract agreements for capital works.

(a) The school has contracted for the J Block Divider project . The total cost of the project is estimated to be \$127,840, which the school has contracted into with several contractors as agent for the Ministry of Education. The Project is fully funded by the Ministry. An amount of \$115,056 has been received from the Ministry for this project, of which \$118,236 has been spent on the project to date. This project has been approved by the Ministry.

(b) The school has contracted for the K Block Toilets project . The total cost of the project is estimated to be \$97,978, which the school has contracted into with several contractors as agent for the Ministry of Education. The Project is fully funded by the Ministry. An amount of \$88,181 has been received from the Ministry for this project, of which \$81,302 has been spent on the project to date. This project has been approved by the Ministry.

(c) The school has contracted for the SIP Field Irrigation project . The total cost of the project is estimated to be \$108,004, which the school has contracted into with several contractors as agent for the Ministry of Education. The Project is fully funded by the Ministry. An amount of \$97,203 has been received from the Ministry for this project, of which \$63,000 has been spent on the project to date. This project has been approved by the Ministry.

(d) The school has contracted for the SIP E Block Demolition and Landscaping project . The total cost of the project is estimated to be \$115,667, which the school has contracted into with several contractors as agent for the Ministry of Education. The Project is fully funded by the Ministry. An amount of \$104,101 has been received from the Ministry for this project, of which \$73,523 has been spent on the project to date. This project has been approved by the Ministry.

(e) The school has contracted for the Outdoor Education Shed project . The total cost of the project is estimated to be \$48,655, which the school has contracted into with several contractors as agent for the Ministry of Education. The Project is fully funded by the Ministry. An amount of \$43,790 has been received from the Ministry for this project, of which \$49,505 has been spent on the project to date. This project has been approved by the Ministry.

(f) The school has contracted Gym LED upgrade. \$16,803 has been received from the Ministry for this project, of which \$14,103 has been spent at balance date.

(Capital commitments in relation to Ministry projects at 31 December 2020: \$265,047)

(b) Operating Commitments

As at 31 December 2021 the Board has not entered into any operating contracts.

(a) operating lease of a photocopier;

	2021 Actual \$	2020 Actual \$
No later than One Year	-	506
	-	506

(Operating commitments at 31 December 2020: nil)

28. 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	925,487	924,956	582,067
Receivables	739,066	682,636	682,636
Investments - Term Deposits	2,724,919	2,721,306	3,521,306
Total Financial assets measured at amortised cost	4,389,472	4,328,898	4,786,009

Financial liabilities measured at amortised cost

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Payables	1,020,095	1,054,873	1,054,873
Finance Leases	175,104	194,602	194,602
Total Financial liabilities measured at amortised Cost	1,195,199	1,249,475	1,249,475

29. Events After Balance Date

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



30. Comparatives

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

31. 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 of 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.

Reduction in International students

Under alert levels 4, 3, 2, and 1 International travel is heavily restricted. The school has been unable to welcome and enrol prospective international students which has resulted in a reduction in revenue from student fees & charges from International students and/or Board of Trustee operated boarding facilities. Staffing in this area has been significantly reduced and the staffing in some curriculum areas have also been impacted by the reduction in international students. It has been stressful for staff working in this area .

32. Distribution of Equity

Ownership of Block J , being the Administration Block , was shared between the Board of Trustees and the Ministry of Education. On 15 April 2021 the Ministry of Education proposed to take ownership of the entirety of Block J so that it was 100% owned by the Ministry. The Board of Trustees passed a motion on 20 April 2021 in support of this proposal, which was subsequently approved by the Ministry. The book value of the BOT owned portion of Block J at the time of the transfer to the Ministry was \$211,968. By transferring ownership to the MOE, the school obtained the benefit of no longer being responsible for future maintenance and depreciation costs on Block J.



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF LINCOLN HIGH SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Auditor-General is the auditor of Lincoln High School (the School). The Auditor-General has appointed me, Anthony Smith, using the staff and resources of Deloitte 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 20, 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 Public Sector - Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 30 May 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.

Responsibilities of the Board for the financial statements

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

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

In preparing the financial statements, the Board is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board is also responsible for disclosing, as



applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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



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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the Board of Trustees listing, the Kiwisport Statement and the Analysis 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.

A handwritten signature in black ink, appearing to read "Anthony Smith", with a horizontal line extending to the right.

Anthony Smith
Deloitte Limited
On behalf of the Auditor-General
Christchurch, New Zealand