

# FAIRHALL SCHOOL



## ANNUAL REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**School Directory**

**Ministry Number:** 2839

**Principal:** Debbie Stanger

**School Address:** 384 New Renwick Road, Fairhall, Blenheim, 7272

**School Phone:** 03 577 8939

**School Email:** [jo@fairhall.school.nz](mailto:jo@fairhall.school.nz)

# FAIRHALL SCHOOL

Annual Report - For the year ended 31 December 2022

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# Fairhall School

## Statement of Responsibility

For the year ended 31 December 2022

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

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

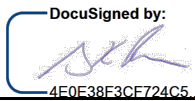
It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2022 fairly reflects the financial position and operations of the School.

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

Steve Ross

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Full Name of Presiding Member

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Signature of Presiding Member

31 May 2023

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Date:

Debbie Stanger

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Full Name of Principal

DocuSigned by:  
  
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Signature of Principal

31 May 2023

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Date:

# Fairhall School

## Members of the Board

For the year ended 31 December 2022

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Term Expired/ Expires</b>
Steve Ross	Presiding Member	Elected	May 2025
Steve Crockett	Principal	ex Officio	Dec 2022
Debbie Stanger	Principal	ex Officio	
Rachel Roundhill	Parent Representative	Elected	May 2025
Clive Dougall	Parent Representative	Elected	May 2025
Matt Flight	Parent Representative	Elected	Nov 2023
Anna O' Hagan	Parent Representative	Elected	Nov 2023
Micheal Stringer	Staff Representative	Elected	May 2025
Aaron Sangster	Staff Representative	Elected	Sep 2022

# Fairhall School

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2022

		2022	2022	2021
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Revenue</b>				
Government Grants	2	1,611,671	1,470,636	1,554,814
Locally Raised Funds	3	135,220	162,225	108,962
Interest Income		2,594	2,500	1,910
		<u>1,749,485</u>	<u>1,635,361</u>	<u>1,665,686</u>
<b>Expenses</b>				
Locally Raised Funds	3	8,332	13,500	19,368
Learning Resources	4	1,260,215	1,221,040	1,219,209
Administration	5	134,781	93,000	96,466
Finance		3,255	-	3,834
Property	6	389,465	355,000	354,426
Loss on Disposal of Property, Plant and Equipment		19,266	-	11,142
		<u>1,815,314</u>	<u>1,682,540</u>	<u>1,704,445</u>
<b>Net (Deficit)/Surplus for the year</b>		(65,829)	(47,179)	(38,759)
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>(65,829)</u>	<u>(47,179)</u>	<u>(38,759)</u>

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

# Fairhall School

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2022

Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Equity at 1 January</b>	332,231	332,231	370,990
Total comprehensive revenue and expense for the year	(65,829)	(47,179)	(38,759)
Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	6,008	-	-
Contribution to MOE Property Project	(69,466)	-	-
<b>Equity at 31 December</b>	202,944	285,052	332,231
Accumulated comprehensive revenue and expense	202,944	285,052	332,231
<b>Equity at 31 December</b>	202,944	285,052	332,231

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.

# Fairhall School

## Statement of Financial Position

As at 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	7	44,484	324,457	313,036
Accounts Receivable	8	80,601	74,070	74,070
GST Receivable		11,342	17,700	17,700
Prepayments		26,463	8,005	8,005
Investments	9	120,093	105,268	105,268
		<u>282,983</u>	<u>529,500</u>	<u>518,079</u>
<b>Current Liabilities</b>				
Accounts Payable	11	147,961	284,578	284,578
Revenue Received in Advance	12	39,674	21,109	21,109
Finance Lease Liability	14	12,672	15,309	15,309
Funds held for Capital Works Projects	15	4,019	44,733	44,733
		<u>204,326</u>	<u>365,729</u>	<u>365,729</u>
<b>Working Capital Surplus/(Deficit)</b>		78,657	163,771	152,350
<b>Non-current Assets</b>				
Property, Plant and Equipment	10	214,134	209,736	254,336
		<u>214,134</u>	<u>209,736</u>	<u>254,336</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	13	71,973	65,373	51,373
Finance Lease Liability	14	17,874	23,082	23,082
		<u>89,847</u>	<u>88,455</u>	<u>74,455</u>
<b>Net Assets</b>		<u>202,944</u>	<u>285,052</u>	<u>332,231</u>
<b>Equity</b>		<u>202,944</u>	<u>285,052</u>	<u>332,231</u>

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

# Fairhall School

## Statement of Cash Flows

For the year ended 31 December 2022

		2022	2022	2021
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Cash flows from Operating Activities</b>				
Government Grants		395,586	315,371	363,380
Locally Raised Funds		142,090	162,225	113,816
International Students		11,695	-	-
Goods and Services Tax (net)		6,358	-	(4,440)
Payments to Employees		(278,353)	(214,580)	(246,552)
Payments to Suppliers		(392,088)	(254,095)	(53,966)
Interest Received		2,018	2,500	2,594
Net cash (to)/from Operating Activities		(112,694)	11,421	174,832
<b>Cash flows from Investing Activities</b>				
Purchase of Property Plant & Equipment (and Intangibles)		(20,836)	-	(64,583)
Purchase of Investments		(14,825)	-	-
Proceeds from Sale of Investments		-	-	153,257
Net cash (to)/from Investing Activities		(35,661)	-	88,674
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		6,008	-	-
Contribution to Ministry Project		(69,466)	-	-
Finance Lease Payments		(16,025)	-	-
Painting Contract Payments		-	-	(16,938)
Funds Administered on Behalf of Third Parties		(40,714)	-	65,781
Net cash (to)/from Financing Activities		(120,197)	-	48,843
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(268,552)</b>	<b>11,421</b>	<b>312,349</b>
Cash and cash equivalents at the beginning of the year	7	313,036	313,036	687
<b>Cash and cash equivalents at the end of the year</b>	<b>7</b>	<b>44,484</b>	<b>324,457</b>	<b>313,036</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.



# Fairhall School

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 1. Statement of Accounting Policies

##### 1.1. Reporting Entity

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

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

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

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

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

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

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

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

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

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

These financial statements are presented in New Zealand dollars, rounded to the nearest whole 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 best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition. During the year, the Board assesses the reasonableness of its painting maintenance plan on which the provision is based. Cyclical maintenance is disclosed at note 13.

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

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the significant accounting policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 10.

**Critical Judgements in applying accounting policies**

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

*Classification of leases*

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

*Recognition of grants*

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to 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 to which they relate. The grants are not received in cash by the School and are paid directly to teachers by the Ministry of Education.

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

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

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

**Other Grants where conditions exist**

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

**Donations, Gifts and Bequests**

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

**Interest Revenue**

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

**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 expected 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. 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.

**1.9. Property, Plant and Equipment**

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

Improvements funded by the Board to buildings owned by the Crown or directly by the board are recorded at cost, less accumulated depreciation and impairment losses.

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

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 Statement of Comprehensive Revenue and Expense 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	20-40 years
Furniture and equipment	5-10 years
Information and communication technology	4-5 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

**1.10. Impairment of property, plant and equipment and intangible assets**

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

*Non cash generating assets*

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

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

In determining fair value less costs to sell the school engages an independent valuer to assess market value based on the best available information.

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 Statement of Comprehensive Revenue and Expense.

The reversal of an impairment loss is recognised in the Statement of Comprehensive Revenue and Expense. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognised.

**1.11. Accounts Payable**

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

**1.12. 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, but not yet taken at balance date.

*Long-term employee entitlements*

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

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

**1.13. 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.

**1.14. 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 Comprehensive Revenue and Expense.

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

### **1.15. Funds held for Capital Works**

The school directly receives funding from the Ministry of Education for capital works projects that are included in the School five year capital works agreement. These funds are held on behalf and for a specified purpose as such these transactions are not recorded in the Statement of Comprehensive Revenue and Expense.

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

### **1.16. 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.

Cyclical maintenance, which involves painting of the School, makes up the most significant part of the Board's responsibilities outside the day-to-day maintenance. The provision is a reasonable estimate, based on the school's best estimate of the cost of painting the school and when the School is required to be painted, based on an assessment of the school's condition.

The School carries out painting maintenance of the whole school over a variety of periods in accordance with the conditional assessment of each area of the school. The economic outflow of this is dependent on the plan established by the School to meet this obligation and is detailed in the notes and disclosures of these accounts.

### **1.17. 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 initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

Investments that are shares are categorised as financial assets at fair value through other comprehensive revenue and expense in accordance with financial reporting standards. On initial recognition of an equity investment that is not held for trading, the School may irrevocably elect to present subsequent changes in the investments' fair value in other comprehensive revenue and expense. This election has been made for investments that are shares. Subsequent to initial recognition, these assets are measured at fair value. Dividends are recognised as income in the Statement of Comprehensive Revenue and Expense unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive revenue and expense and are never reclassified to the Statement of Comprehensive Revenue and Expense.

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in the Statement of Comprehensive Revenue and Expense.

### **1.18. 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.

### **1.19. 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.

### **1.20. Budget Figures**

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

### **1.21. 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

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Government Grants - Ministry of Education	348,266	271,676	369,472
Teachers' Salaries Grants	921,558	888,886	937,563
Use of Land and Buildings Grants	275,013	250,000	247,779
Other Government Grants	66,834	60,074	-
	<u>1,611,671</u>	<u>1,470,636</u>	<u>1,554,814</u>

## 3. Locally Raised Funds

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

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Revenue</b>			
Donations & Bequests	102,778	111,525	75,614
Fees for Extra Curricular Activities	19,060	21,500	16,019
Trading	3,911	5,000	3,764
Fundraising & Community Grants	6,454	21,200	10,259
Other Revenue	3,017	3,000	3,306
	<u>135,220</u>	<u>162,225</u>	<u>108,962</u>
<b>Expenses</b>			
Extra Curricular Activities Costs	1,034	3,500	14,908
Trading	7,298	5,000	4,460
Fundraising & Community Grant Costs	-	5,000	-
	<u>8,332</u>	<u>13,500</u>	<u>19,368</u>
<i>Surplus / (Deficit) for the year Locally raised funds</i>	<u>126,888</u>	<u>148,725</u>	<u>89,594</u>

## 4. Learning Resources

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	72,466	108,825	41,809
Equipment Repairs	581	500	493
Information and Communication Technology	127	16,500	2,942
Library Resources	-	-	131
Employee Benefits - Salaries	1,127,073	1,045,115	1,123,716
Staff Development	10,136	5,500	9,877
Depreciation	49,832	44,600	40,241
	<u>1,260,215</u>	<u>1,221,040</u>	<u>1,219,209</u>

## 5. Administration

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	5,513	4,500	5,250
Board Fees	2,505	3,000	2,560
Board Expenses	12,312	500	5,066
Communication	2,248	2,600	1,856
Consumables	18,789	17,700	15,389
Other	3,289	3,170	2,411
Employee Benefits - Salaries	78,177	49,730	53,013
Insurance	7,670	7,800	6,907
Service Providers, Contractors and Consultancy	4,278	4,000	4,014
	<u>134,781</u>	<u>93,000</u>	<u>96,466</u>

**6. Property**

	2022	2022 Budget	2021
	Actual	(Unaudited)	Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	1,541	1,500	1,394
Consultancy and Contract Services	34,030	31,200	26,708
Cyclical Maintenance Provision	20,600	14,000	20,600
Grounds	6,561	5,200	6,676
Heat, Light and Water	16,689	15,000	18,181
Rates	620	600	639
Repairs and Maintenance	10,158	12,500	7,280
Use of Land and Buildings	275,013	250,000	247,779
Employee Benefits - Salaries	24,253	25,000	25,169
	<u>389,465</u>	<u>355,000</u>	<u>354,426</u>

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

**7. Cash and Cash Equivalents**

	2022	2022 Budget	2021
	Actual	(Unaudited)	Actual
	\$	\$	\$
Bank Accounts	44,484	224,232	212,811
Short-term Bank Deposits	-	100,225	100,225
Cash and Cash Equivalents for Statement of Cash Flows	<u>44,484</u>	<u>324,457</u>	<u>313,036</u>

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

**8. Accounts Receivable**

	2022	2022 Budget	2021
	Actual	(Unaudited)	Actual
	\$	\$	\$
Interest Receivable	835	259	259
Teacher Salaries Grant Receivable	79,766	73,811	73,811
	<u>80,601</u>	<u>74,070</u>	<u>74,070</u>
Receivables from Exchange Transactions	835	259	259
Receivables from Non-Exchange Transactions	79,766	73,811	73,811
	<u>80,601</u>	<u>74,070</u>	<u>74,070</u>

**9. Investments**

The School's investment activities are classified as follows:

	2022	2022 Budget	2021
	Actual	(Unaudited)	Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	120,093	105,268	105,268
Total Investments	<u>120,093</u>	<u>105,268</u>	<u>105,268</u>

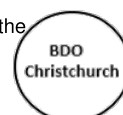
**10. Property, Plant and Equipment**

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2022</b>						
Building Improvements	33,795	-	(631)	-	(1,478)	31,686
Furniture and Equipment	152,350	22,342	(22,722)	-	(24,276)	127,694
Information and Communication Technology	22,596	1,729	-	-	(6,749)	17,576
Leased Assets	38,082	8,060	-	-	(16,283)	29,859
Library Resources	7,513	1,111	(259)	-	(1,046)	7,319
<b>Balance at 31 December 2022</b>	<u>254,336</u>	<u>33,242</u>	<u>(23,612)</u>	<u>-</u>	<u>(49,832)</u>	<u>214,134</u>

The net carrying value of equipment held under a finance lease is \$29,859 (2021: \$38,082)

**Restrictions**

With the exception of the contractual restrictions relating to the above noted finance leases, there are no other restrictions over the title of the school's property, plant and equipment, nor are any property, plant and equipment pledged as security for liabilities.



	2022 Cost or Valuation	2022 Accumulated Depreciation	2022 Net Book Value	2021 Cost or Valuation	2021 Accumulated Depreciation	2021 Net Book Value
	\$	\$	\$	\$	\$	\$
Building Improvements	108,674	(76,988)	31,686	108,674	(74,879)	33,795
Furniture and Equipment	480,701	(353,007)	127,694	482,808	(330,458)	152,350
Information and Communication Technology	98,837	(81,261)	17,576	97,108	(74,512)	22,596
Leased Assets	54,614	(24,755)	29,859	58,430	(20,348)	38,082
Library Resources	32,797	(25,478)	7,319	32,817	(25,304)	7,513
<b>Balance at 31 December</b>	<b>775,623</b>	<b>(561,489)</b>	<b>214,134</b>	<b>779,837</b>	<b>(525,501)</b>	<b>254,336</b>

#### 11. Accounts Payable

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Creditors	16,052	172,100	172,100
Accruals	3,763	3,500	3,500
Banking Staffing Overuse	34,717	16,379	16,379
Employee Entitlements - Salaries	91,500	92,117	92,117
Employee Entitlements - Leave Accrual	1,929	482	482
	<u>147,961</u>	<u>284,578</u>	<u>284,578</u>
Payables for Exchange Transactions	147,961	284,578	284,578
	<u>147,961</u>	<u>284,578</u>	<u>284,578</u>

The carrying value of payables approximates their fair value.

#### 12. Revenue Received in Advance

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
International Student Fees in Advance	14,955	3,260	3,260
Other Revenue in Advance	24,719	17,849	17,849
	<u>39,674</u>	<u>21,109</u>	<u>21,109</u>

#### 13. Provision for Cyclical Maintenance

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Provision at the Start of the Year	51,373	51,373	30,773
Increase to the Provision During the Year	20,600	14,000	20,600
Provision at the End of the Year	<u>71,973</u>	<u>65,373</u>	<u>51,373</u>
Cyclical Maintenance - Non current	71,973	65,373	51,373
	<u>71,973</u>	<u>65,373</u>	<u>51,373</u>

The School's cyclical maintenance schedule details annual painting & other significant cyclical maintenance work to be undertaken. The costs associated with this annual work will vary depending on the requirements during the year. This plan is based on the School's 10 Year Property plan is prepared by a Ministry of Education appointed property consultant.



**14. Finance Lease Liability**

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
No Later than One Year	14,969	18,380	18,380
Later than One Year and no Later than Five Years	19,647	26,169	26,169
Future Finance Charges	(4,070)	(6,158)	(6,158)
	<u>30,546</u>	<u>38,391</u>	<u>38,391</u>
<b>Represented by:</b>			
Finance lease liability - Current	12,672	15,309	15,309
Finance lease liability - Non current	17,874	23,082	23,082
	<u>30,546</u>	<u>38,391</u>	<u>38,391</u>

**15. Funds Held for Capital Works Projects**

During the year the School received and applied funding from the Ministry of Education for the following capital works projects. The amount of cash held on behalf of the Ministry for capital works project is included under cash and cash equivalents in note 7.

2022	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
SIP Combined: A;B: Roof replacement & Fire occupancy - 208797	30,528	154,961	(254,955)	69,466	-
Site: P2 Lights; Camera; Signage - 232250	14,205	-	(14,205)	-	-
UNC: Site: Pump Upgrade - 235781	-	10,114	(6,095)	-	4,019
Totals	<u>44,733</u>	<u>165,075</u>	<u>(275,255)</u>	<u>69,466</u>	<u>4,019</u>

**Represented by:**

Funds Held on Behalf of the Ministry of Education 4,019

2021	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
SIP Combined: A;B: Roof replacement & Fire occupancy	(21,048)	911,934	(860,358)	-	30,528
Site: P2 Lights; Camera; Signage	-	19,637	(5,432)	-	14,205
Totals	<u>(21,048)</u>	<u>931,571</u>	<u>(865,790)</u>	<u>-</u>	<u>44,733</u>

**Represented by:**

Funds Held on Behalf of the Ministry of Education 44,733

**16. Related Party Transactions**

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

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

**17. Remuneration***Key management personnel compensation*

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

	<b>2022 Actual \$</b>	<b>2021 Actual \$</b>
<i>Board Members</i>		
Remuneration	2,505	2,560
<i>Leadership Team</i>		
Remuneration	256,642	252,488
Full-time equivalent members	2.00	2.00
Total key management personnel remuneration	259,147	255,048

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

*Principal*

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

	<b>2022 Actual \$000</b>	<b>2021 Actual \$000</b>
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	130-140	130-140
Benefits and Other Emoluments	0-5	0-5
Termination Benefits	0 - 0	0 - 0

*Other Employees*

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

<b>Remuneration \$000</b>	<b>2022 FTE Number</b>	<b>2021 FTE Number</b>
110 -120	1.00	1.00
	1.00	1.00

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

**18. Compensation and Other Benefits Upon Leaving**

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

	<b>2022 Actual \$</b>	<b>2021 Actual \$</b>
Total	-	-
Number of People	-	-

**19. Contingencies**

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

**Holidays Act Compliance – schools payroll**

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

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

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

**Teacher Aide & Support Staff Settlement Wash Up**

In 2022 the Ministry of Education provided additional funding for both the Support Staff in Schools' Collective Agreement (CA) Settlement and the Teacher Aide Pay Equity Settlement. The Ministry is in the process of determining wash up payments for the year ended 31 December 2022 however as at the reporting date this amount had not been calculated and therefore is not recorded in these financial statements.



**20. Commitments****(a) Capital Commitments**

As at 31 December 2022 the Board has not entered into any contract agreements for capital works.

(Capital commitments in relation to Ministry projects at 31 December 2021: \$44,733)

**(b) Operating Commitments**

As at 31 December 2022 the Board has not entered into any operating contracts.

(Operating commitments at 31 December 2021: nil)

**21. Financial Instruments**

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

**Financial assets measured at amortised cost**

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Cash and Cash Equivalents	44,484	324,457	313,036
Receivables	80,601	74,070	74,070
Investments - Term Deposits	120,093	105,268	105,268
Total Financial assets measured at amortised cost	<u>245,178</u>	<u>503,795</u>	<u>492,374</u>

**Financial liabilities measured at amortised cost**

Payables	147,961	284,578	284,578
Finance Leases	30,546	38,391	38,391
Total Financial liabilities measured at amortised Cost	<u>178,507</u>	<u>322,969</u>	<u>322,969</u>

**22. Events After Balance Date**

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

**23. Comparatives**

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

## 2022 Analysis of Variance - Fairhall School 2839

## END OF YEAR REPORTING - 2022 - NUMBERS / PERCENTAGE DATA

	READING				AT / ABOVE			WRITING				AT / ABOVE			MATHEMATICS				AT / ABOVE
	Below	At	Above	%				Below	At	Above	%				Below	At	Above	%	
Year 1	0	29	0	100		Year 1	0	29	0	100		Year 1	0	27	2	100			
Year 2	1	17	5	96		Year 2	0	22	1	100		Year 2	1	16	6	96			
Year 3	4	17	2	83		Year 3	2	21	0	91		Year 3	3	20	0	87			
Year 4	0	16	9	100		Year 4	2	18	5	92		Year 4	2	18	5	92			
Year 5	2	17	0	89		Year 5	5	14	0	74		Year 5	3	16	0	84			
Year 6	2	13	2	88		Year 6	2	14	1	88		Year 6	2	14	1	88			
Year 7	6	21	0	78		Year 7	7	20	0	74		Year 7	4	17	6	85			
Year 8	7	17	1	72		Year 8	12	12	1	52		Year 8	7	14	4	72			
	Below	At	Above				Below	At	Above				Below	At	Above				
BOYS	13	73	7	86		BOYS	20	72	1	79		BOYS	9	70	14	94			
GIRLS	8	75	12	92		GIRLS	11	77	7	88		GIRLS	12	72	10	86			
MAORI	2	13	2	88		MAORI	2	13	2	88		MAORI	1	16	0	94			
NON MAORI	20	134	17	88		NON MAORI	28	137	6	84		NON MAORI	21	126	24	88			
<b>ALL</b>	<b>22</b>	<b>147</b>	<b>19</b>	<b>88</b>		<b>TOTAL</b>	<b>30</b>	<b>150</b>	<b>8</b>	<b>84</b>		<b>TOTAL</b>	<b>22</b>	<b>142</b>	<b>24</b>	<b>88</b>			

	PRIORITY LEARNERS				16 students	Sub- Level Shifts				% - 1 Sub Level or more			
	Below	At	Above	At / Above %	Negative	Zero	1	2	3				
Reading	5	10	1	69	0	4	8	4	0	75			

Writing	6	10	0	63		0	5	6	5	0	69		
Mathematics	4	12	0	75		1	2	6	7	0	81		

**ANALYSIS - READING**

- MOST STUDENTS WORKING AT OR ABOVE EXPECTED CURRICULUM LEVELS - 88% - COMPARED TO 92% IN 2021.
- HIGHER PERCENTAGE OF READERS AT YEAR 7 & 8 ARE BELOW THEIR EXPECTED LEVEL THAN OTHER YEAR GROUPS - Y6 IN 2021.
- HIGHER PERCENTAGE OF GIRLS ACHIEVING IN READING THAN BOYS.
- MAORI STUDENTS EQUALLY ACHIEVING AT OR ABOVE EXPECTED CURRICULUM LEVEL AS NON-MAORI STUDENTS
- 75% OF PRIORITY LEARNERS FOR READING MADE A SUB LEVEL SHIFT OF 1 OR MORE.

**ANALYSIS - WRITING**

- MOST STUDENTS ARE WORKING AT OR ABOVE THEIR EXPECTED CURRICULUM LEVELS - 84% - COMPARED TO 87% IN 2021.
- HIGH PERCENTAGE OF BELOW ACHIEVERS IN YEARS 5, 7 AND 8 (MAY NEED RECHECKING OF OTJ'S GIVEN/OR CHANGE BETWEEN LEVELS AND GRADING)
- HIGHER PERCENTAGE OF GIRLS ACHIEVING IN WRITING THAN BOYS.
- HIGHER PERCENTAGE OF MAORI STUDENTS ARE AT OR ABOVE THAN NON-MAORI.
- 69% OF PRIORITY LEARNERS FOR WRITING MADE A SUB LEVEL SHIFT OF 1 OR MORE.

**ANALYSIS - MATHEMATICS**

- MOST STUDENTS WORKING AT OR ABOVE THEIR EXPECTED CURRICULUM LEVELS - 88% - SAME AS IN 2021.
- HIGHER PERCENTAGE OF STUDENTS AT YEAR 7 AND 8 ARE BELOW THEIR EXPECTED LEVEL THAN OTHER YEAR LEVELS
- HIGHER PERCENTAGE OF BOYS (94%) ACHIEVING AT OR ABOVE THEIR EXPECTED LEVELS THAN GIRLS (86%) IN 2021 THIS WAS 91% AND 85% RESPECTIVELY.
- PERCENTAGE WISE MAORI STUDENTS ARE ACHIEVING AT OR ABOVE THEIR EXPECTED MATHEMATICS LEVELS THAN NON-MAORI
- 81% OF PRIORITY LEARNERS FOR MATHEMATICS MADE A SUB LEVEL SHIFT OF 1 OR MORE.

**CONSIDERATIONS:** Further COVID disruptions in Term 1. New students with high learning needs. Large class sizes in NE through to Y3, Year 5 and 6. Juggling around of class support for high numbers - breakout teaching spaces / support staff.

ANALYSED 28/11/2022  
STEVE CROCKETT



**Fairhall School**  
Fairhall PRIDE – Pathway to excellence

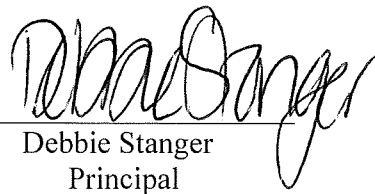
Fairhall School  
New Renwick Road  
BLENHEIM  
PH:03 577 8939/Fax:03 577 8919  
email: jo@fairhall.school.nz

**Fairhall School Kiwisport Funding – 2022**

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2022, the school received total Kiwisport funding of \$2,652.52 (excluding GST).

The funding was spent on developing ball and game skills, purchasing sports equipment and assisting teams to take part in tournaments, including transportation of sports teams to and from venues.

The number of students that participated in organised sport was between 180 and 200 students.

Signed:   
Debbie Stanger  
Principal

**Fairhall School Compliance with Education and Training Act 2020 requirements to be a good employer for the year ending 31 December 2022.**

The following questions address key aspects of compliance with a good employer policy:

Reporting on the principles of being a Good Employer	
How have you met your obligations to provide good and safe working conditions?	Yes
<p>What is in your equal employment opportunities programme?</p> <p>How have you been fulfilling this programme?</p>	<p>The board:</p> <ul style="list-style-type: none"> <li>● appoints a member to be the EEO officer – this role may be taken by the principal</li> <li>● shows commitment to equal opportunities in all aspects of employment including recruitment, training, promotion, conditions of service, and career development</li> <li>● selects the person most suited to the position in terms of skills, experience, qualifications, and aptitude</li> <li>● recognises the value of diversity in staffing (for example, ethnicity, age, gender, disability, tenure, hours of work, etc.) and the employment requirements of diverse individuals/groups</li> <li>● ensures that employment and personnel practices are fair and free of any bias.</li> </ul> <p>By adhering to the practices outlined above. The Principal is the delegated EEO and is appointed annually at our Feb Board Meeting.</p> <p>Follows a fair employment process with key criteria determined before advertising the position.</p>
How do you practise an impartial selection of suitably qualified persons for an appointment?	<p>We look at the key criteria determined for the position and rate applicants accordingly. We always follow an appointment procedure and have an appointment committee to ensure procedures are correctly followed.</p>

How are you recognising, <ul style="list-style-type: none"> <li>- The aims and aspirations of Maori,</li> <li>- The employment requirements of Maori, and</li> <li>- Greater involvement of Maori in the Education service?</li> </ul>	We undertake PD related to Māori aspirations including NZSTA training eg Te Tiriti o Waitangi, and the Hautū self-review tool.
How have you enhanced the abilities of individual employees?	Schoolwide and individual professional development opportunities. Induction programme.
How are you recognising the employment requirements of women?	Following good practices such as hygiene products in toilets, holding positions open for maternity leave, flexible return to work options, EAP Services, etc.
How are you recognising the employment requirements of persons with disabilities?	Following good practices such as being inclusive and meeting their needs as much as possible eg ramps and disability access to all rooms, included in emergency procedures, hearing and vision aides as required, disability parking, EAP services, etc.

Good employer policies should include provisions for an Equal Employment Opportunities (EEO) programme/policy . The Ministry of Education monitors these policies:

Reporting on Equal Employment Opportunities (EEO) Programme/Policy	YES	NO
Do you operate an EEO programme/policy?	✓	
Has this policy or programme been made available to staff?	✓	
Does your EEO programme/policy include training to raise awareness of issues that may impact EEO?	✓	
Has your EEO programme/policy appointed someone to coordinate compliance with its requirements?	✓	
Does your EEO programme/policy provide for regular reporting on compliance with the policy and/or achievements under the policy?	✓	
Does your EEO programme/policy set priorities and objectives?	✓	



**INDEPENDENT AUDITOR'S REPORT**  
**TO THE READERS OF FAIRHALL SCHOOL'S FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

The Auditor-General is the auditor Fairhall School (the School). The Auditor-General has appointed me, Warren Johnstone, using the staff and resources of BDO Christchurch, to carry out the audit of the financial statements of the School on his behalf.

We have audited the financial statements of the School on pages 3 to 17, that comprise the statement of financial position as at 31 December 2022, 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

### **Qualified Opinion**

In our opinion, except for the possible effect of the matter described in the basis for qualified opinion section of our report, the financial statements of the School:

- present fairly, in all material respects:
  - its financial position as at 31 December 2022; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity Standards Reduced Disclosure Regime.

Our audit was completed on 31 May 2023. This is the date at which our opinion is expressed.

The basis for our qualified 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 qualified opinion - provision for cyclical maintenance**

The School has an obligation to keep the land and buildings in good order and repair. The Statement of Financial Position on page 5 includes a provision for cyclical maintenance which totals \$71,973. We have not been able to obtain sufficient evidence to support the provision. There are no practical audit procedures to determine the effect of this absence of evidence.

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 qualified 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 arises from the Public Audit Act 2001.

### Other information

The Board is responsible for the other information. The other information comprises the Statement of Responsibility, Members of the Board, Analysis of Variance, Kiwisport and the Statement of Compliance with Employment Policy, but does not include the financial statements, and our auditor's report thereon.

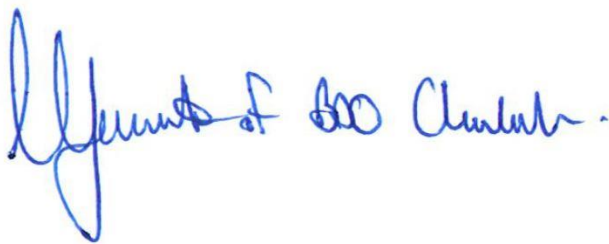
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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.



Warren Johnstone,  
BDO Christchurch  
On behalf of the Auditor-General  
Christchurch, New Zealand