INDEPENDENT AUDITOR'S REPORT

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

The Auditor-General is the auditor of Martinborough School (the School). The Auditor-General has appointed me, Vivien Cotton, using the staff and resources of Cotton Kelly Smit Limited (CKS Audit), 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 2 to 19, 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 the Public Sector - Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 24 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 arises from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included in the Analysis of Variance, the Kiwisport Statement, the list of Trustees and the Statement of Responsibility, 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.

VCotton

Vivien Cotton
CKS Audit
On behalf of the Auditor-General
Palmerston North, New Zealand

MARTINBOROUGH SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

School Directory

Ministry Number:	2906
Principal:	Craig Nelson
School Address:	Dublin Street
School Postal Address:	14-16 Dublin Street, Martinborough, 5711
School Phone:	06 306 9602
School Email:	office@martinborough.school.nz
Accountant / Service Provider:	Education Services. Dedicated to your school

Education Services.
Dedicated to your school

MARTINBOROUGH SCHOOL

Annual Report - For the year ended 31 December 2021

Index

Education Services
Dedicated to your school

Martinborough 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.

Kirsty Shepherd
Full Name of Presiding Member

K Shepherd.
Signature of Presiding Member

23/5/22
Date:

CRAIG NELSON
Full Name of Principal

Signature of Principal

23/5/22.
Date:

Education Services.
Dedicated to your school

Martinborough School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2021

	Notes	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Revenue				
Government Grants	2	2,214,634	2,152,302	2,290,990
Locally Raised Funds	3	167,204	114,900	57,072
Interest Income		266	-	1,329
		2,382,104	2,267,202	2,349,391
Expenses				
Locally Raised Funds	3	71,071	15,400	50,264
Learning Resources	4	1,653,899	1,533,113	1,544,885
Administration	5	100,361	104,081	102,658
Finance		5,294	452	4,888
Property	6	519,741	545,212	618,657
Depreciation	10	75,159	71,138	87,968
Loss on Disposal of Property, Plant and Equipment		4,168	-	-
		2,429,693	2,269,396	2,409,320
Net Surplus / (Deficit) for the year		(47,589)	(2,194)	(59,929)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		(47,589)	(2,194)	(59,929)

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

CKS AUDIT

Education Services.
Dedicated to your school

Martinborough 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		479,765	505,700	509,767
Total comprehensive revenue and expense for the year		(47,589)	(2,194)	(59,929)
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	11,230
Funds From Closure Of Schools		-	-	17,982
Assets From Closure Of Schools		-	-	715
Equity at 31 December		432,176	503,506	479,765
Retained Earnings		432,176	503,506	479,765
Equity at 31 December		432,176	503,506	479,765

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.

CKS AUDIT

Education Services. Dedicated to your school

Martinborough School
Statement of Financial Position
As at 31 December 2021

	Notes	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Current Assets				
Cash and Cash Equivalents	7	262,843	291,678	203,345
Accounts Receivable	8	137,123	89,801	113,630
GST Receivable		9,517	6,813	14,454
Prepayments		9,876	8,554	28,499
Inventories	9	15,675	13,145	18,196
		435,034	409,991	378,124
Current Liabilities				
Accounts Payable	11	135,125	131,286	125,086
Revenue Received in Advance	12	160	8,092	40,094
Provision for Cyclical Maintenance	13	78,776	38,652	62,960
Finance Lease Liability	14	27,543	43,642	41,685
Funds held for Capital Works Projects	15	95,005	-	-
		336,609	221,672	269,825
Working Capital Surplus/(Deficit)		98,425	188,319	108,299
Non-current Assets				
Property, Plant and Equipment	10	398,141	350,240	402,727
		398,141	350,240	402,727
Non-current Liabilities				
Provision for Cyclical Maintenance	13	19,653	-	23,517
Finance Lease Liability	14	44,737	35,053	7,744
		64,390	35,053	31,261
Net Assets		432,176	503,506	479,765
Equity		432,176	503,506	479,765

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

CKS AUDIT

Education Services. Dedicated to your school

Martinborough School
Statement of Cash Flows
For the year ended 31 December 2021

	Note	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Cash flows from Operating Activities				
Government Grants		485,420	451,443	513,255
Locally Raised Funds		128,558	67,500	87,786
Goods and Services Tax (net)		4,937	-	(7,641)
Payments to Employees		(232,567)	(197,700)	(216,683)
Payments to Suppliers		(365,489)	(137,571)	(450,444)
Interest Paid		(5,294)	(452)	(4,888)
Interest Received		267	-	2,314
Net cash from/(to) Operating Activities		15,832	183,220	(76,301)
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(7,829)	(30,000)	(14,684)
Proceeds from Sale of Investments		-	-	150,000
Net cash from/(to) Investing Activities		(7,829)	(30,000)	135,316
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	11,230
Owners Contributions		-	-	17,982
Finance Lease Payments		(42,970)	(45,317)	(46,462)
Funds Administered on Behalf of Third Parties		94,465	(13,000)	(35,195)
Net cash from/(to) Financing Activities		51,495	(58,317)	(52,445)
Net increase/(decrease) in cash and cash equivalents		59,498	94,903	6,570
Cash and cash equivalents at the beginning of the year	7	203,345	196,775	196,775
Cash and cash equivalents at the end of the year	7	262,843	291,678	203,345

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.

CKS AUDIT

Martinborough School
Notes to the Financial Statements
For the year ended 31 December 2021

1. Statement of Accounting Policies

a) Reporting Entity
Martinborough 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.

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

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

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

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

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

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

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

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

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

Cyclical maintenance
A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 13.

CKS AUDIT

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. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the Statement of Financial Position as property, plant, and equipment, whereas for an operating lease no such asset is recognised.

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

c) Revenue Recognition

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

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

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

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

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

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

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

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

d) 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.

CKS AUDIT

e) 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.

f) 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.

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

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

i) 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.

j) 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 are depreciated over their estimated useful lives on a straight line 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	20-50 years
Buildings	50 years
Furniture and Equipment	5-10 years
Information and Communication Technology	5 years
Library Resources	8 years
Leased assets held under a Finance Lease	Term of Lease

CKS AUDIT

k) Intangible Assets
Software costs
Computer software acquired by the School are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

l) 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.

m) 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.

n) Employee Entitlements
Short-term employee entitlements
Employee entitlements that are expected to be settled within 12 months after the end of the reporting period in which the employees provide the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned, by non teaching staff, to but not yet taken at balance date.

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

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

o) 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 students, should the School be unable to provide the services to which they relate.

CKS AUDIT

p) 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 Expenses.

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

q) 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 Comprehensive Revenue and Expenses. The School holds sufficient funds to enable the funds to be used for their intended purpose.

r) 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.

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

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

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

t) 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.

u) 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.

v) Budget Figures
The budget figures are extracted from the School budget that was approved by the Board.

w) 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.

CKS AUDIT

2. Government Grants

	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Operational Grants	417,105	390,542	433,561
Teachers' Salaries Grants	1,365,044	1,283,413	1,310,303
Use of Land and Buildings Grants	359,855	417,446	461,259
Other MoE Grants	72,630	60,901	80,575
Other Government Grants	-	-	5,292
	2,214,634	2,152,302	2,290,990

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	64,812	46,000	19,742
Fees for Extra Curricular Activities	11,054	8,500	13,402
Trading	10,665	400	14,928
Fundraising & Community Grants	65,283	48,000	-
Other Revenue	15,390	12,000	9,000
	167,204	114,900	57,072
There is a $10,000 Lions donation for Chromebooks purchased in year 2022.			
Expenses			
Extra Curricular Activities Costs	10,861	8,000	17,704
Trading	11,603	400	13,461
Fundraising & Community Grant Costs	14,243	-	13,115
Other Locally Raised Funds Expenditure	34,364	7,000	5,984
	71,071	15,400	50,264
Surplus for the year Locally raised funds	96,133	99,500	6,808

There is a $10,000 Lions donation for Chromebooks purchased in 2022 year.

4. Learning Resources

	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Curricular	89,196	76,000	53,464
Library Resources	665	2,000	560
Employee Benefits - Salaries	1,525,945	1,423,113	1,462,377
Staff Development	38,093	32,000	28,484
	1,653,899	1,533,113	1,544,885

CKS AUDIT

5. Administration

	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Audit Fee	6,108	6,231	5,931
Board Fees	2,050	2,500	2,125
Board Expenses	6,801	7,500	6,976
Communication	2,940	3,700	3,525
Consumables	8,175	2,000	1,928
Operating Lease	45	-	1,378
Other	17,083	23,650	23,471
Employee Benefits - Salaries	41,939	42,000	42,354
Insurance	3,400	6,000	3,330
Service Providers, Contractors and Consultancy	11,820	10,500	11,640
	100,361	104,081	102,658

6. Property

	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Caretaking and Cleaning Consumables	15,662	10,500	11,316
Cyclical Maintenance Provision	11,952	16,991	20,453
Grounds	1,767	2,000	3,120
Heat, Light and Water	14,146	11,000	12,440
Rates	16,500	16,025	15,390
Repairs and Maintenance	15,649	10,750	46,540
Use of Land and Buildings	359,855	417,446	461,259
Security	522	600	503
Employee Benefits - Salaries	18,347	16,000	16,303
Consultancy And Contract Services	65,341	43,900	31,333
	519,741	545,212	618,657

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

7. Cash and Cash Equivalents

	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Bank Accounts	262,843	291,678	203,345
Cash and cash equivalents for Statement of Cash Flows	262,843	291,678	203,345

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

Of the $262,843 Cash and Cash Equivalents $97,380 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.

CKS AUDIT

8. Accounts Receivable

	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Receivables	-	-	1,288
Receivables from the Ministry of Education	2,077	-	-
Banking Staffing Underuse	22,000	-	7,795
Interest Receivable	-	986	1
Teacher Salaries Grant Receivable	113,046	88,815	104,546
	137,123	89,801	113,630
Receivables from Exchange Transactions	2,077	986	1,289
Receivables from Non-Exchange Transactions	135,046	88,815	112,341
	137,123	89,801	113,630

9. Inventories

	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Stationery	496	-	-
Uniform	15,179	13,145	18,196
	15,675	13,145	18,196

CKS AUDIT

10. Property, Plant and Equipment

2021	Opening Balance (NBV) $	Additions $	Disposals $	Impairment $	Depreciation $	Total (NBV) $
Land	65,000	-	-	-	-	**65,000**
Buildings	47,923	-	-	-	(1,800)	**46,123**
Building Improvements	159,194	4,329	-	-	(7,506)	**156,016**
Furniture and Equipment	62,547	3,500	(3,799)	-	(19,729)	**42,520**
Information and Communication Technolog	13,462	-	(369)	-	(3,865)	**9,228**
Leased Assets	54,151	68,954	(2,043)	-	(42,169)	**78,895**
Library Resources	450	-	-	-	(90)	**359**
Balance at 31 December 2021	402,727	76,783	(6,211)	-	(75,159)	**398,141**

The net carrying value of equipment held under a finance lease is $78,895 (2020: $54,151)

	2021 Cost or Valuation $	2021 Accumulated Depreciation $	2021 Net Book Value $	2020 Cost or Valuation $	2020 Accumulated Depreciation $	2020 Net Book Value $
Land	65,000	-	**65,000**	65,000	-	**65,000**
Buildings	90,000	(43,877)	**46,123**	90,000	(42,077)	**47,923**
Building Improvements	234,979	(78,963)	**156,016**	267,483	(108,289)	**159,194**
Furniture and Equipment	247,335	(204,815)	**42,520**	306,069	(243,522)	**62,547**
Information and Communication Technolog	51,410	(42,182)	**9,228**	123,441	(109,979)	**13,462**
Leased Assets	168,479	(89,584)	**78,895**	160,082	(105,931)	**54,151**
Library Resources	72,516	(72,157)	**359**	72,516	(72,066)	**450**
Balance at 31 December	929,719	(531,578)	**398,141**	1,084,591	(681,864)	**402,727**

11. Accounts Payable

	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Creditors	13,137	35,242	12,890
Accruals	6,108	5,758	5,931
Employee Entitlements - Salaries	113,046	88,815	104,546
Employee Entitlements - Leave Accrual	2,834	1,471	1,719
	135,125	131,286	125,086
Payables for Exchange Transactions	135,125	131,286	125,086
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	135,125	131,286	125,086

The carrying value of payables approximates their fair value.

CKS AUDIT

12. Revenue Received in Advance

	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Income in Advance	-	7,422	33,260
Future Yr7&8 Camp Contributions	160	670	6,834
	160	8,092	40,094

13. Provision for Cyclical Maintenance

	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Provision at the Start of the Year	86,477	21,661	169,599
Increase to the Provision During the Year	16,278	16,991	16,636
Adjustment to the Provision	(4,326)	-	(3,820)
Use of the Provision During the Year	-	-	(95,938)
Provision at the End of the Year	98,429	38,652	86,477
Cyclical Maintenance - Current	78,776	38,652	62,960
Cyclical Maintenance - Term	19,653	-	23,517
	98,429	38,652	86,477

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:

	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
No Later than One Year	31,668	43,642	46,307
Later than One Year and no Later than Five Years	48,082	35,053	8,394
Future finance charges	(7,470)	-	(5,272)
	72,280	78,695	49,429
Represented by			
Finance lease liability - Current	27,543	43,642	41,685
Finance lease liability - Term	44,737	35,053	7,744
	72,280	78,695	49,429

CKS AUDIT

15. Funds Held (Owed) 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	Project No.	Opening Balances $	Receipts from MoE $	Payments $	BOT Contributions	Closing Balances $
230491 Fire Alarm Upgrade	230491	-	127,192	(42,795)	-	84,397
230492 Stormwater Drainage Upgrade	230492	-	12,090	-	-	12,090
223543 Spouting Replacement	223543	-	5,763	(4,870)	-	893
Office Leak	-	-	1,648	(1,648)	-	-
217692 Boiler Dismantle	217692	-	-	(2,375)	-	(2,375)
Totals		-	146,693	(51,688)	-	95,005

Represented by:	
Funds Held on Behalf of the Ministry of Education	97,380
Funds Due from the Ministry of Education	(2,375)
	95,005

2020	Project No.	Opening Balances $	Receipts from MoE $	Payments $	BOT Contributions	Closing Balances $
214310 S/N Paving Upgrade	214310	22,050	893	(22,943)	-	-
223543 Block O Roofing and Spouting	223543	-	7,250	(7,250)	-	-
Totals		22,050	8,143	(30,193)	-	-

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.

CKS AUDIT

17. Remuneration

Key management personnel compensation

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

	2021 Actual $	2020 Actual $
Board Members		
Remuneration	2,050	2,125
Leadership Team		
Remuneration	640,837	610,524
Full-time equivalent members	6.00	6.00
Total key management personnel remuneration	642,887	612,649

There are 6 members of the Board excluding the Principal. The Board had held 8 full meetings of the Board in the year. 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 1

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	140 - 150	140 - 150
Benefits and Other Emoluments	4 - 5	4 - 5
Termination Benefits	-	-

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	2.00	1.00
	2.00	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 board members, committee members, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

	2021 Actual	2020 Actual
Total	-	-
Number of People	-	-

CKS AUDIT

19. 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.

20. Commitments

(a) Capital Commitments

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

$148,788 contract for the Fire Alarm Upgrade as agent for the Ministry of Education. This project is fully funded by the Ministry and $127,192 has been received of which $42,795 has been spent on the project to balance date. This project has been approved by the Ministry; and

$15,100 contract for the Stormwater Drainage Upgrade as agent for the Ministry of Education. This project is fully funded by the Ministry and $12,090 has been received of which $0 has been spent on the project to balance date. This project has been approved by the Ministry; and

$7,250 contract for the Spouting Replacement as agent for the Ministry of Education. This project is fully funded by the Ministry and $5,763 has been received of which $4,870 has been spent on the project to balance date. This project has been approved by the Ministry; and

$101,635 contract for the Boiler Dismantle as agent for the Ministry of Education. This project is fully funded by the Ministry and $0 has been received of which $2,375 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments as at 31 December 2020: Nil)

(b) Operating Commitments

During the year, the school signed a 2 year cleaning contract with Supercare. $4,200(excluding GST) is the monthly charge.

CKS AUDIT

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

	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Cash and Cash Equivalents	262,843	291,678	203,345
Receivables	137,123	89,801	113,630
Investments - Term Deposits	-	-	-
Total Financial assets measured at amortised cost	399,966	381,479	316,975

Financial liabilities measured at amortised cost

	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Payables	135,125	131,286	125,086
Finance Leases	72,280	78,695	49,429
Total Financial Liabilities Measured at Amortised Cost	207,405	209,981	174,515

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.

24. Breach of Borrowing Authority

The Board has failed to comply with Clause 29 of Schedule 6 of the Education Act 1989 in that no authority is held from the Ministry of Education for borrowing which, in aggregate, involves repayments of interest and capital in excess of one tenth of the Board's operational activities grant for the year. The extent of the breach is assessed at nil for 2021 year (2020: $6,669)

CKS AUDIT

Education Services
Dedicated to your school

Martinborough School

Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Kirsty Shepherd	Presiding Member	Elected	Sep 2022
Craig Nelson	Principal	ex Officio	
Rachel Griffiths	Parent Representative	Elected	Sep 2022
John Kirkup	Parent Representative	Elected	Sep 2022
Mark Guscott	Parent Representative	Elected	Sep 2022
Grant Plumbley	Parent Representative	Elected	Sep 2022
Megan Pentecost	Staff Representative	Co-opted	Sep 2022
Tess Monro	Secretary	Co-opted	Sep 2022

Martinborough School

Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2021, the school received total Kiwisport funding of $3,761 (excluding GST). The funding was spent on sporting endeavours.

MARTINBOROUGH SCHOOL 2906

Analysis of Variance for 2021

MARTINBOROUGH
SCHOOL

Martinborough School Analysis of Variance — Reading

Strategic Aim	Students will be reading at expected levels to enable them to access the curriculum successfully
2021 Target	• Shifts from Well Below into below and Below into At • Boys remain below Girls – greater shifts for boys (increase of 4.6%) • 22% of Maori students are below • Year 3 and 4 are of concern
2021 Outcome	• Shifts from Well Below into below and Below into At • Boys performing below Girls • 29% of Maori students are below • Years 3 and 4 is of concern (2022)

Annual Aim

Priority students to make accelerated progress (more than one year progress) by the end of 2021 so that they will be reading at or above their expected level.

Reading – % reaching appropriate level of achievement

	2018 End	2019 End	2020 End	2021 End
All	**86**	**85**	**88.6**	79.4
Boys	85.5	78.5	83.1	74.3
Girls	88	90.8	91.8	84.4
Māori	78	69.8	78.4	71.4

Evaluation & Recommendations:

There are significant shifts in the reading results. Moderation in the assessment of reading is to take place this in 2022 to ensure greater consistency and looking at reading more holistically. The focus on Structured Literacy – Phonics approach: a greater investment in reading development.

We will take a closer look at assessment and progress in the first 3 years of school. This may need a concentrated effort to develop a way of showing progress through a structured literacy lens.

Actions for 2022:

- **School wide Professional Learning – Structured Literacy**
- School wide targeting of priority learners. Teachers to identify target groups within their classroom.
- Focus Group – teachers critically investigating best practice and applying it to their situation.
- Effective resourcing
- Investigate alternative ways of engaging priority learners – relevant contexts, modern and relevant texts, access to a variety of genre through digital versions
- Continue to closely monitor children against monthly reading level benchmarks and quickly move children through the levels when they are ready.
- Refine and scrutinise the processes for collecting and moderating reading assessment within and across schools.
- Use of supporting agencies and specialist teachers to support teachers with those students who are not progressing across the reading levels.
- Target learning support programmes – through employing specialized staff to work with staff and students.
- Greater involvement of parents and whanau to support learning at home

Martinborough School Analysis of Variance — Writing

Strategic Aim

Students will be writing at expected levels to enable them to access the curriculum successfully

2021 Target

2021 Outcome

- Girls are achieving higher than boys - this must be a priority
- 31% of Maori students are still below standard
- There are clear links to the improvement of writing from a structured literacy approach (Junior School)
- Year 3 and 7 cohort of concern (4 and 8, 2021)
- 25% of Maori students are still below expected level
- 32 % of boys are below expected level
- Target Years 1 and 2 – understand writing progression in correlation to Structured Lit development

Annual Aim

Priority students to make accelerated progress (more than one year progress) by the end of 2021 so that they will be writing at or above the Standard.

Writing – % reaching appropriate level of achievement				
	2018 End	2019 End	2020 End	2021 End
All	**80**	**78**	**77.7**	**78.9**
Boys	70	66.7	64.7	67.9
Girls	92	88	89.7	89.9
Māori	69.2	68.8	68.9	75

Evaluation & Recommendations:

There are still large numbers of boys and Maori students who are not achieving at the expected writing standard. Clear links to the improvement of writing through a Structured Literacy approach. We will take a closer look at assessment and progress in the first 3 years of school. This may need a concentrated effort to develop a way of showing progress through a structured literacy lens.

Actions for 2022:

- Further develop the literacy link between reading and writing – Structured Literacy approach to literacy development.
- Moderation and consistency of tracking progress of all students
- School wide targeting of priority learners. Teachers to identify priority learners within their classroom.
- Moderation across school of writing is occurring – assessment of first 3 years of school a priority
- Continue to focus on writing for a purpose rather than teaching genre. Helping students to understand and choose purposes for writing across the curriculum.
- Continued Involvement in a coaching focus on self-review and deliberate teaching acts across the curriculum, with particular interest remaining with writing
- Development of self-regulation in students – following criteria, editing skills, self and peer assessment.
- Refine the processes for collecting and moderating within and across schools.
- Involvement in Kahui Ako – Use of writing rubric developed by Kahui Ako
- Lifting the profile of writing through the extension of successful writers
- Closing the gap between primary and secondary through staff interactions/moderation, understanding of progressions and secondary expectations

Martinborough School Analysis of Variance — Maths

Strategic Aim

Students will be numerate at expected levels to enable them to access the curriculum successfully

2021 Target

- 80% of students At or Above standard – focus required on the 20%
- An increase in achievement across all gender and ethnicity groups
- 74.3% of Māori students achieving At or Above
- Target years 3, 4 and 8 2021

2021 Outcome

- 75.7% of students At or Above expected standard – a decrease on previous year
- An increase in achievement across all gender and ethnicity groups is required
- 69.6% of Māori students achieving At or Above
- Target years 1-3

Annual Aim

Priority students to make accelerated progress (more than one year progress) by the end of 2021 so that they will be able to effectively use number knowledge and strategies to solve mathematical problems successfully at or above Standard

Maths % reaching Expected Standard				
	2018 End	2019 End	2020 End	2021 End
All	**79**	**78**	**80.1**	**75.7**
Boys	81	77	78.7	76.1
Girls	78	79.2	81.5	75.2
Māori	71	69.8	74.3	69.6

Evaluation & Recommendations:
We have seen a negative shift in student outcomes across the school. We have a large number of students not achieving at the expected standard in years 3, 4 and 8 (2021). The number of Māori students in the school achieving below the standard is also disproportionate. Continue to strengthen teachers analysis of assessment using the PaCT Tool. Data entered, analysed and moderated termly.

Actions for 2022:

- Teachers to analyse and track next year class levels/class lists and identify individual students who need monitoring – and nominating individual students for extra support with numeracy target teaching/groups where funds are available. This will require continued monitoring from syndicates and should be a focus area for target groups and explicit teaching.
- Specific development of number knowledge to ensure students are secure. Home/parent involvement to support learning.
- Syndicate leaders to monitor effective teaching (through coaching) and ensure the mathematics implementation guidelines are being followed, to allow the best use of targeted teaching through use of data and explicit teaching.
- Refine the processes for collecting and moderating assessment across the school.
- Specific targeting of student needs through additional 'specialist' teacher time and support programmes.

School wide recommendations for 2022 – based on observations, data analysis, staff feedback

- In general, the assessment data is positive. We have seen great shifts with our students needing support, and fantastic shifts in maths over the last few years. Structured Literacy has resulted in accelerated shifts in both reading and writing in the Junior School.
- Planning specifically targets proposed structured maths pathway – juniors number focus, Mid/Sen develop strand knowledge. Syndicate monitor planning of maths approach.
- School wide Professional Learning of Structured Literacy (iDeaL Learning); a Phonics approach to ensure the building blocks of reading success are secure
- Structured Literacy will address the links between reading and writing, particularly with teachers making the teaching of the technical aspects of writing clear and explicit.
- Planning, assessing and moderating using the PaCT tool to ensure student learning is accelerated in mathematics.
- Learning needs to become more relevant and purposeful to the students, with explicit links and connections made – integration needs to be highlighted and clarified.
- Student agency will then be able to be further developed, with students understanding better what they are learning and why, as well as what their next steps in skill development are.
- The Student Agency assessment rubric needs to be monitored and tracked, so that this can start being reported on, and the impact of this can be measured.