



**NELSON
COLLEGE**
TE KURA TAMATĀNE O WHAKATŪ

NELSON COLLEGE

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

School Directory

Ministry Number:	KP2020
Principal:	Richard Dykes
School Address:	67 Waimea Road, Nelson 7010
School Postal Address:	Private Bag 16, Nelson 7040
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NELSON COLLEGE

Annual Report - For the year ended 31 December 2021

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Nelson College

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.

Matthew Walters

Full Name of Presiding Member

DocuSigned by:



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Signature of Presiding Member

26 May 2022

Date:

Richard Dykes

Full Name of Principal

DocuSigned by:



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Signature of Principal

26 May 2022

Date:

Nelson College

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	10,527,972	2,527,389	10,843,992
Locally Raised Funds	3	1,779,904	1,275,686	1,643,839
Interest Income		281	-	3,172
Hostel	4	1,747,271	1,632,488	1,840,164
International Students	5	620,394	512,937	874,419
		14,675,822	5,948,500	15,205,586
Expenses				
Locally Raised Funds	3	1,232,945	921,909	1,010,164
Hostel	4	1,569,594	1,564,801	1,319,281
International Students	5	179,067	199,642	311,316
Learning Resources	6	8,253,009	1,366,294	8,012,872
Administration	7	1,065,409	1,033,162	1,378,484
Finance		79,156	79,913	78,352
Property	8	1,536,386	894,928	2,270,296
Depreciation	12	513,004	475,000	456,024
Loss on Uncollectable Accounts Receivable		5,217	-	3,871
		14,433,787	6,535,649	14,840,660
Net Surplus / (Deficit) for the year		242,035	(587,149)	364,926
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		242,035	(587,149)	364,926

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

Nelson College

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		11,318,296	11,318,297	10,953,370
Total comprehensive revenue and expense for the year		242,035	(587,149)	364,926
Equity at 31 December		11,560,331	10,731,148	11,318,296
Retained Earnings		11,560,331	10,731,148	11,318,296
Equity at 31 December		11,560,331	10,731,148	11,318,296

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.

Nelson College

Statement of Financial Position

As at 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Assets				
Cash and Cash Equivalents	9	41,189	33,272	8,272
Accounts Receivable	10	716,156	253,054	831,977
GST Receivable		6,818	16,538	31,538
Prepayments		36,316	38,814	63,814
Inventories	11	59,220	57,954	67,954
		859,699	399,632	1,003,555
Current Liabilities				
Accounts Payable	13	922,482	354,230	933,150
Borrowings	14	3,015,000	3,296,349	364,200
Revenue Received in Advance	15	1,019,016	1,287,741	1,658,792
Provision for Cyclical Maintenance	16	-	15,640	10,640
Finance Lease Liability	17	47,514	43,153	43,153
Funds held in Trust	18	31,946	25,843	54,791
Funds held for Capital Works Projects	19	13,173	19,551	399,551
		5,049,131	5,042,507	3,464,277
Working Capital Surplus/(Deficit)		(4,189,432)	(4,642,875)	(2,460,722)
Non-current Assets				
Property, Plant and Equipment	12	15,782,716	15,778,567	16,123,561
		15,782,716	15,778,567	16,123,561
Non-current Liabilities				
Borrowings	14	-	-	2,000,000
Provision for Cyclical Maintenance	16	-	369,713	309,713
Finance Lease Liability	17	32,952	34,831	34,831
		32,952	404,544	2,344,544
Net Assets		11,560,331	10,731,148	11,318,296
Equity		11,560,331	10,731,148	11,318,296

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

Nelson College

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		2,850,936	2,530,599	2,892,307
Locally Raised Funds		1,875,640	1,320,607	1,557,245
Hostel		1,759,634	1,656,091	1,917,352
International Students		(86,991)	95,158	299,020
Goods and Services Tax (net)		24,720	15,000	(128,775)
Payments to Employees		(2,789,350)	(2,583,194)	(3,342,104)
Payments to Suppliers		(3,594,707)	(3,322,542)	(3,565,229)
Interest Paid		(79,156)	(79,913)	(81,852)
Interest Received		281	-	3,172
Funds Administered on Behalf of Third Parties		(22,845)	(28,948)	(196,052)
Net cash from/(to) Operating Activities		(61,838)	(397,142)	(644,916)
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(90,839)	(130,001)	(227,658)
Net cash from/(to) Investing Activities		(90,839)	(130,001)	(227,658)
Cash flows from Financing Activities				
Finance Lease Payments		(78,834)	(1)	-
Loans Received/ Repayment of Loans		650,806	932,144	336,125
Funds Held for Capital Works Projects		(386,378)	(380,000)	(84,872)
Net cash from/(to) Financing Activities		185,594	552,143	251,253
Net increase/(decrease) in cash and cash equivalents		32,917	25,000	(621,321)
Cash and cash equivalents at the beginning of the year	9	8,272	8,272	629,593
Cash and cash equivalents at the end of the year	9	41,189	33,272	8,272

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.

Nelson College

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

a) Reporting Entity

Nelson College (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 16.

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 9.

Nelson College

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

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

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

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

For Integrated Groups this note should also include the following:

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

Nelson College

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

c) 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.

d) Finance Lease Payments

Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of 90 days or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

f) Accounts Receivable

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

g) Inventories

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

g) 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.

h) 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.

Nelson College

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

Depreciation

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

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	10 – 100 years
Board Owned Buildings	10 – 100 years
Furniture and equipment	5 – 15 years
Information and communication technology	3 – 8 years
Motor vehicles	5 years
Textbooks	5 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

i) 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.

j) 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.

k) 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.

l) Revenue Received in Advance

Revenue received in advance relates to fees received from international, hostel students and Preparatory School students 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.

Nelson College

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

m) Funds Held in Trust

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

n) 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.

o) 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.

p) 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.

q) 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.

r) Budget Figures

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

s) 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.

Nelson College

Notes to the Financial Statements

For the year ended 31 December 2021

2. Government Grants

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Operational Grants	2,273,108	2,103,196	2,119,926
Teachers' Salaries Grants	6,596,132	-	6,422,985
Use of Land and Buildings Grants	1,129,047	-	1,501,291
Other MoE Grants	477,694	372,202	799,790
Other Government Grants	51,991	51,991	-
	<u>10,527,972</u>	<u>2,527,389</u>	<u>10,843,992</u>

The school has opted in to the donations scheme for this year. Total amount received was \$143,850.

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	116,933	39,500	21,522
Curriculum related Activities - Purchase of goods and services	129,341	-	225,534
Fees for Extra Curricular Activities	241,746	-	186,232
Prep School Income	983,162	1,002,261	886,726
Fundraising & Community Grants	72,679	120,000	29,968
Other Revenue	236,043	113,925	293,857
	<u>1,779,904</u>	<u>1,275,686</u>	<u>1,643,839</u>
Expenses			
Extra Curricular Activities Costs	603,177	267,860	326,246
Trading	-	-	-
Fundraising and Community Grant Costs	-	-	-
Prep School Expenses	629,768	654,049	683,918
	<u>1,232,945</u>	<u>921,909</u>	<u>1,010,164</u>
Surplus/ (Deficit) for the year Locally raised funds	<u>546,959</u>	<u>353,777</u>	<u>633,675</u>

Nelson College

Notes to the Financial Statements

For the year ended 31 December 2021

Locally Raised Funds includes the Prep School Revenue and Expenses:

Preparatory School Student Roll FTE

Revenue

Preparatory School Student Fees
Operations Grant
Other Revenue

Expenses

Advertising & Marketing
Employee Benefit - Salaries
Other Expenses

Surplus/ (Deficit) for the year Preparatory School

2021 Actual	2021 Budget (Unaudited)	2020 Actual
98	101	96
2021 Actual	2021 Budget (Unaudited)	2020 Actual
\$	\$	\$
809,369	824,261	731,527
103,310	112,000	100,165
70,483	66,000	55,034
983,162	1,002,261	886,726
2021 Actual	2021 Budget (Unaudited)	2020 Actual
3,214	5,000	3,398
535,358	549,949	466,528
91,196	99,100	213,992
629,768	654,049	683,918
353,394	348,212	202,808

4. Hostel Revenue and Expenses

Hostel Financial Performance

Hostel Full Boarders

Revenue

Hostel Fees
Other Revenue

Expenses

Administration
Property
Employee Benefit - Salaries
Other Hostel Expenses

Surplus/ (Deficit) for the year Hostel

2021 Actual Number	2021 Budget (Unaudited) Number	2020 Actual Number
99	100	111
2021 Actual	2021 Budget (Unaudited)	2020 Actual
\$	\$	\$
1,354,656	1,308,855	1,475,678
392,615	323,633	364,486
1,747,271	1,632,488	1,840,164
2021 Actual	2021 Budget (Unaudited)	2020 Actual
37,793	58,400	22,713
335,652	339,300	221,933
677,079	670,429	542,783
519,070	496,672	531,852
1,569,594	1,564,801	1,319,281
177,677	67,687	520,883

Nelson College

Notes to the Financial Statements

For the year ended 31 December 2021

5. International Student Revenue and Expenses

	2021 Actual Number 30	2021 Budget (Unaudited) Number 31	2020 Actual Number 52
International Student Roll			
Revenue			
International Student Fees	\$ 620,394	\$ 512,937	\$ 874,419
Expenses			
Student Recruitment	3,375	15,500	-
Employee Benefit - Salaries	34,129	56,170	58,553
Other Expenses	141,563	127,972	252,763
	179,067	199,642	311,316
<i>Surplus/ (Deficit) for the year International Students</i>	441,327	313,295	563,103

6. Learning Resources

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Curricular	280,874	195,000	399,720
Equipment Repairs	15,382	1,200	16,309
Information and Communication Technology	238,151	286,939	267,710
Library Resources	13,384	13,250	10,691
Employee Benefits - Salaries	7,600,640	735,705	7,269,766
Staff Development	104,578	134,200	48,676
	8,253,009	1,366,294	8,012,872

7. Administration

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Audit Fee	9,495	12,000	9,840
Board Fees	3,974	5,000	4,895
Board Expenses	4,569	4,000	2,756
Communication	65,961	78,250	85,235
Consumables	5,565	5,250	-
Legal Fees	11,287	12,500	22,251
Other	20,759	16,450	32,903
Employee Benefits - Salaries	840,859	810,712	1,027,677
Insurance	82,495	74,000	192,927
Service Providers, Contractors and Consultancy	20,445	15,000	-
	1,065,409	1,033,162	1,378,484

Nelson College

Notes to the Financial Statements

For the year ended 31 December 2021

8. Property

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	48,028	32,500	30,831
Consultancy and Contract Services	11,990	70,000	-
Cyclical Maintenance Provision	(320,353)	65,000	77,451
Grounds	128,622	150,000	226,232
Heat, Light and Water	121,628	119,750	144,035
Repairs and Maintenance	137,223	147,500	59,798
Use of Land and Buildings	1,129,047	-	1,501,291
Security	16,379	25,000	20,726
Employee Benefits - Salaries	263,822	285,178	209,932
	<u>1,536,386</u>	<u>894,928</u>	<u>2,270,296</u>

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

9. Cash and Cash Equivalents

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Bank Accounts	41,189	33,272	8,272
Cash and cash equivalents for Statement of Cash Flows	<u>41,189</u>	<u>33,272</u>	<u>8,272</u>

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

10. Accounts Receivable

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Receivables	182,542	253,054	278,054
Teacher Salaries Grant Receivable	533,614	-	553,923
	<u>716,156</u>	<u>253,054</u>	<u>831,977</u>
Receivables from Exchange Transactions	182,542	253,054	278,054
Receivables from Non-Exchange Transactions	533,614	-	553,923
	<u>716,156</u>	<u>253,054</u>	<u>831,977</u>

Nelson College

Notes to the Financial Statements

For the year ended 31 December 2021

11. Inventories

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Canteen	714	750	1,580
Dinning Room	12,348	11,000	17,666
School Uniforms	46,158	46,204	48,708
	<u>59,220</u>	<u>57,954</u>	<u>67,954</u>

12. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2021						
Land	1,553,773	-	-	-	(3,630)	1,550,143
Buildings	13,130,641	-	-	-	(235,323)	12,895,318
Building Improvements	646,081	-	-	-	(14,947)	631,134
Furniture and Equipment	286,792	41,124	-	(995)	(70,223)	256,698
Information and Communication Technology	292,324	22,664	-	-	(87,593)	227,395
Motor Vehicles	122,712	-	-	-	(21,952)	100,760
Textbooks	12,307	1,449	-	-	(5,233)	8,523
Leased Assets	68,638	81,316	-	-	(72,816)	77,138
Library Resources	10,293	-	-	-	(1,287)	9,006
Work in Progress	-	26,600	-	-	-	26,600
Balance at 31 December 2021	<u>16,123,561</u>	<u>173,153</u>	<u>-</u>	<u>(995)</u>	<u>(513,004)</u>	<u>15,782,716</u>

The net carrying value of equipment held under a finance lease is \$77,138 (2020: \$68,638)

	2021 Cost or Valuation \$	2021 Accumulated Depreciation \$	2021 Net Book Value \$	2020 Cost or Valuation \$	2020 Accumulated Depreciation \$	2020 Net Book Value \$
Land	1,618,375	(68,232)	1,550,143	1,618,375	(64,602)	1,553,773
Buildings	16,165,745	(3,270,427)	12,895,318	16,165,745	(3,035,104)	13,130,641
Building Improvements	1,045,292	(414,158)	631,134	1,045,292	(399,211)	646,081
Furniture and Equipment	2,304,396	(2,047,698)	256,698	2,264,267	(1,977,475)	286,792
Information and Communication Tec	2,663,015	(2,435,620)	227,395	2,640,351	(2,348,027)	292,324
Motor Vehicles	299,807	(199,047)	100,760	299,807	(177,095)	122,712
Textbooks	313,733	(305,210)	8,523	312,284	(299,977)	12,307
Leased Assets	167,649	(90,511)	77,138	86,333	(17,695)	68,638
Library Resources	227,375	(218,369)	9,006	227,375	(217,082)	10,293
Work in Progress	26,600	-	26,600	-	-	-
Balance at 31 December	<u>24,831,987</u>	<u>(9,049,271)</u>	<u>15,782,716</u>	<u>24,659,829</u>	<u>(8,536,268)</u>	<u>16,123,561</u>

Nelson College

Notes to the Financial Statements

For the year ended 31 December 2021

13. Accounts Payable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Creditors	151,819	241,719	235,305
Accruals	148,632	80,141	84,890
Banking Staffing Overuse	56,505	-	1,662
Employee Entitlements - Salaries	533,614	-	553,923
Employee Entitlements - Leave Accrual	31,912	32,370	57,370
	<u>922,482</u>	<u>354,230</u>	<u>933,150</u>
Payables for Exchange Transactions	922,482	354,230	933,150
Payables for Non-exchange Transactions - Other	-	-	-
	<u>922,482</u>	<u>354,230</u>	<u>933,150</u>

The carrying value of payables approximates their fair value.

14. Borrowing

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Loans due in one year	3,015,000	3,296,349	364,200
Loans due after one year	-	-	2,000,000
	<u>3,015,000</u>	<u>3,296,349</u>	<u>2,364,200</u>

Listed below are details of the borrowings at 31 December 2021. All loans are unsecured.

The Westpac Bank Loans - Refurbishment Barnicoat House and Rutherford Boarding House

Over the period 01.01.17 - 31.07.19 Barnicoat Boarding House and Rutherford Boarding House were refurbished. The following lending facilities were rearranged with Westpac Bank on 26.04.19 to facilitate the substantial modifications that were undertaken to both boarding houses over this time. Principal repayments for the three term loans are not expected to be made before the end of their 3 year terms. Currently, all the facilities are being reviewed and renegotiated with the Commercial Manager, Commercial, Corporate & Institutional Westpac Bank.

Facility	Limit \$	Term	Interest Rate	Period	Balance \$
Overdraft	1,500,000	1 Year	4.10%	Floating	1,015,000
Term Loan 91	500,000	3 Years	3.40%	Floating	500,000
Term Loan 92	750,000	3 Years	2.70%	1 Year	750,000
Term Loan 93	750,000	3 Years	3.35%	2 Years	750,000

Nelson College

Notes to the Financial Statements

For the year ended 31 December 2021

15. Revenue Received in Advance

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Grants in Advance - Ministry of Education	46,595	-	(3,210)
International Student Fees in Advance	685,394	975,000	1,392,779
Hostel Fees in Advance	13,760	25,000	1,397
Other revenue in Advance	273,267	287,741	267,826
	1,019,016	1,287,741	1,658,792

16. Provision for Cyclical Maintenance

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Provision at the Start of the Year	320,353	320,353	242,902
Increase/ (decrease) to the Provision During the Year	(320,353)	65,000	77,451
Provision at the End of the Year	-	385,353	320,353
Cyclical Maintenance - Current	-	15,640	10,640
Cyclical Maintenance - Term	-	369,713	309,713
	-	385,353	320,353

17. 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	47,514	43,153	43,153
Later than One Year and no Later than Five Years	32,952	34,831	34,831
	80,466	77,984	77,984
Finance lease liability - Current	47,514	43,153	43,153
Finance lease liability - Term	32,952	34,831	34,831
	80,466	77,984	77,984

Nelson College

Notes to the Financial Statements

For the year ended 31 December 2021

18. Funds held in Trust

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	31,946	25,843	54,791
	<u>31,946</u>	<u>25,843</u>	<u>54,791</u>

19. 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 receivables from the Ministry in account receivable note 10.

	2021	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Tech Block HVAC	<i>In progress</i>	4,441	-	(12,095)	-	(7,654)
Learning Support Offices	<i>In progress</i>	46,262	-	(37,963)	-	8,299
Science Corridor & Drainage	<i>In progress</i>	179,062	-	(177,768)	-	1,294
A & x block external waterproofing	<i>In progress</i>	(4,240)	-	(22,118)	-	(26,358)
Three Quarter Turf	<i>In progress</i>	174,758	100,000	(285,388)	-	(10,630)
Security system Upgrade	<i>In progress</i>	(732)	-	(2,521)	-	(3,253)
Unforeseen Roofing	<i>In progress</i>	-	64,337	(12,862)	-	51,475
Totals		<u>399,551</u>	<u>164,337</u>	<u>(550,715)</u>	<u>-</u>	<u>13,173</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	61,068
Funds Due from the Ministry of Education	(47,895)
	<u>13,173</u>

	2020	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Security upgrade	<i>Completed</i>	(20,812)	-	-	20,812	-
Special needs modification	<i>Completed</i>	6,606	-	-	(6,606)	-
Special needs modification	<i>Completed</i>	4,664	-	(9,144)	4,480	(1)
Seismic IT Suite	<i>Completed</i>	(3,950)	-	-	3,950	-
Old gym block upgrade	<i>Completed</i>	3,925	-	(3,850)	(75)	-
Unforeseen drainage A block	<i>Completed</i>	(1,430)	-	-	1,430	-
Unforeseen roofing extensive	<i>Completed</i>	(5,227)	-	-	5,227	-
Special needs CT	<i>Completed</i>	105,930	-	(105,901)	(29)	-
Tech Block HVAC	<i>In progress</i>	-	51,066	(46,625)	-	4,441
Learning Support Offices	<i>In progress</i>	-	57,759	(11,497)	-	46,262
Science Corridor & Drainage	<i>In progress</i>	-	201,956	(16,237)	(6,657)	179,062
A & x block external waterproofing	<i>In progress</i>	388,198	-	(392,438)	-	(4,240)
Three Quarter Turf	<i>In progress</i>	-	250,000	(75,242)	-	174,758
Security system Upgrade	<i>In progress</i>	68,899	-	(69,631)	-	(732)
Totals		<u>546,803</u>	<u>560,781</u>	<u>(730,565)</u>	<u>22,532</u>	<u>399,551</u>

Nelson College

Notes to the Financial Statements

For the year ended 31 December 2021

20. 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.

21. Remuneration

Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	4,810	4,895
<i>Leadership Team</i>		
Remuneration	834,524	621,651
Full-time equivalent members	7	5
Total key management personnel remuneration	839,334	626,546

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

Principal

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

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	200 -210	110 - 120
Benefits and Other Emoluments	4 - 5	3 - 4

Nelson College

Notes to the Financial Statements

For the year ended 31 December 2021

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	16	13
110 - 120	6	4
120 - 130	1	0
140 - 150	0	1
	<u>23</u>	<u>18</u>

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

22. Contingencies

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

Holidays Act Compliance – schools payroll

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

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

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

Cyclical Maintenance

The future profile and maintenance of the school's buildings is currently being worked on with the Ministry of Education's Infrastructure Services team (EIS) as part of a strategic plan for the school's future. It is therefore not possible to measure a provision for cyclical maintenance with any rigor or accuracy. The provision for cyclical maintenance has been reversed in the current year. Refer to note 8

23. Commitments

(a) Capital Commitments

As at 31 December 2021 the Board has entered into contract agreements for capital works as follows as detailed in Note 19. (Capital commitments at 31 December 2020: nil)

(b) Operating Commitments

As at 31 December 2021 the Board has entered into no contracts

Nelson College

Notes to the Financial Statements

For the year ended 31 December 2021

24. Financial Instruments

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

Financial assets measured at amortised cost

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash and Cash Equivalents	41,189	33,272	8,272
Receivables	716,156	253,054	831,977
Total Financial assets measured at amortised cost	<u>757,345</u>	<u>286,326</u>	<u>840,249</u>

Financial liabilities measured at amortised cost

Payables	922,482	354,230	933,150
Borrowings - Loans	3,015,000	3,296,349	2,364,200
Finance Leases	80,466	77,984	77,984
Total Financial Liabilities Measured at Amortised Cost	<u>4,017,948</u>	<u>3,728,563</u>	<u>3,375,334</u>

25. Events After Balance Date

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

26. Comparatives

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

Nelson College

Notes to the Financial Statements

For the year ended 31 December 2021

27. COVID 19 Pandemic on going implications

Impact of Covid-19

During 2021 the country moved between alert levels. Towards the end of August 2021, the entire country moved to alert level 4, with a move to alert level 3 and 2 for everyone outside the Auckland region three weeks later.

Impact on operations

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

However, the ongoing interruptions resulting from the moves in alert levels have impacted schools in various ways which potentially will negatively affect the operations and services of the school. We describe below the possible effects on the school that we have identified, resulting from the ongoing impacts of the COVID-19 alert level changes.

Reduction in locally raised funds

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

Increased Remote learning additional costs

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

Reduction in International students

Under alert levels 4, 3, 2, and 1 International travel is heavily restricted. The school has been unable to welcome and enrol prospective international students which has resulted in a reduction in revenue from student fees & charges from International students and/or Board of Trustee operated boarding facilities.

28. Breach of Borrowing

The School has breached clause 12 of the Crown Entities Regulations, as its annual cost of interest and principal exceeds 10% of the operating grant.

29. Going Concern

The School is experiencing financial difficulties, at balance date the School has a working capital deficit of \$4,189,432. The financial difficulties have arisen mainly due to the following factors:

- Historical bank loans creating significant interest expenses;
- The bank loans becoming current liabilities in 2021;
- The significant decline in international students revenue due to COVID-19;
- Incurring several cash deficits over recent years.

The School is managing this by tighter budgetary control to reduce future deficits. The School is also working with the Ministry of Education to establish a debt reduction plan.

These financial statements are prepared on a going concern basis. The going concern assumption is dependent on the continuing support from the Ministry of Education. The Ministry of Education has confirmed it will continue to provide the School with resources, so it may meet its obligations as they fall due. The Ministry have also acknowledged that the College's bank loans fall due in October 2022.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF NELSON COLLEGE'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Auditor-General is the auditor Nelson College (the School). The Auditor-General has appointed me, Michael Rondel, using the staff and resources of BDO Christchurch, 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 22, that comprise the statement of financial position as at 31 December 2021, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2021; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity Standards Reduced Disclosure Regime.

Our audit was completed on 26 May 2022. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw your attention to other matters. 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.

Emphasis of matter - financial difficulties

In forming our unmodified opinion, we draw your attention to note 29 which refers to the School's working capital deficit of \$4,189,432.

These financial statements are prepared on a going concern basis. The going concern assumption is dependent on the continuing support from the Ministry of Education. The Ministry of Education has confirmed it will continue to provide the School with resources so it may meet its obligations as they fall due.

Other Matter - Breach of borrowing authority

Without modifying our opinion, we draw attention to note 28, to the fact that the Board did not comply with section 155(2)(b) of the Education and Training Act 2020 in that the Board's borrowings, in aggregate, involved repayments of interest and capital in excess of one tenth of the Board's operational activities grant for the year, without consent from the Minister of Education or Finance.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board for the financial statements

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

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

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the school payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of

material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on the Analysis of Variance, Kiwisport Statement, Statement of Responsibility, and the Board Listing 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.



Michael Rondel,
BDO Christchurch
On behalf of the Auditor-General
Christchurch, New Zealand

NELSON COLLEGE

Members of the Board of Trustees

For the year ended 31 December 2021

Name	Position	How position on Board gained	Occupation	Term expires
Deleece Hall	Chairperson Parent Rep	Elected 2019	Finance Director	2022
Richard Dykes	Principal	Appointed	Principal	
Jack Franklin	Student Representative	Elected 2021	Student	2022
Matthew Walters	Deputy Chairperson Parent Rep	Elected 2021	General Manager/Director	2022
Richard Smith	Parent Rep	Elected 2021	Real Estate - Sales	2022
Vikki Heays	Staff Trustee	Elected 2021	Teacher	2022
Rebecca Burgess	Trustee	Co-opted	Youth Worker	2022

Nelson College

Kiwisport Funding

For the year ended 31 December 2021

Kiwisport is a Government funding initiative to support students participation in organised sport.

In 2021 the School received total Kiwisport funding of \$22,799 (2020: \$25,760).

The funding contributed to coaching for Rugby, Football, Volleyball, Basketball, Cricket, and Athletics. It contributed to equipment and playing strip for all sports

Academic

Benchmark comparisons of NCEA data, even to historical data within the college has become fraught over the last two years due to the impact of COVID-19. The provision of extra credits to compensate for students in lockdown has made school and national data highly variable.

With this in mind and considering the significant, ongoing disruption from COVID-19, the NCEA results of Nelson College ākonga remained solid overall in 2021, with some highlights.

This continues to affirm the ability and mahi of our kaiako, ākonga and whānau. Highlights include:

- the general robustness of academic results across the kura
- continued improvement of Level 2 NCEA results, both pass and endorsement rates
- continued improvement of Māori and Pasifika ākonga academic results

Overall, our students achieve well compared to the national average (boys and girls) and the national average for males attending Decile 7 schools.

Our college-wide academic targets remain the same in 2022. These are aspirational targets, including for NZ Scholarship, that affirm that Nelson College is a high quality academic college, as well as providing a well-rounded education.

Pass rates

... % of students achieving the appropriate level for their year group

In the long-term, our pass rates are improving at all three year levels, though Level 3 pass rates fell slightly in 2021.

While our ākonga achieve above the national average, they're below their male counterparts at other Decile 7 schools across New Zealand, and below other Decile 7 Boys kura. This must be an ongoing focus.

Endorsements

... % of students gaining NCEA endorsed with merit or excellence

Endorsements were up for Level 2, but down for Levels 1 and 3. The medium-term trend for Level 3 is down, which needs to be further investigated. Is this due to higher retention rates or some other factor?

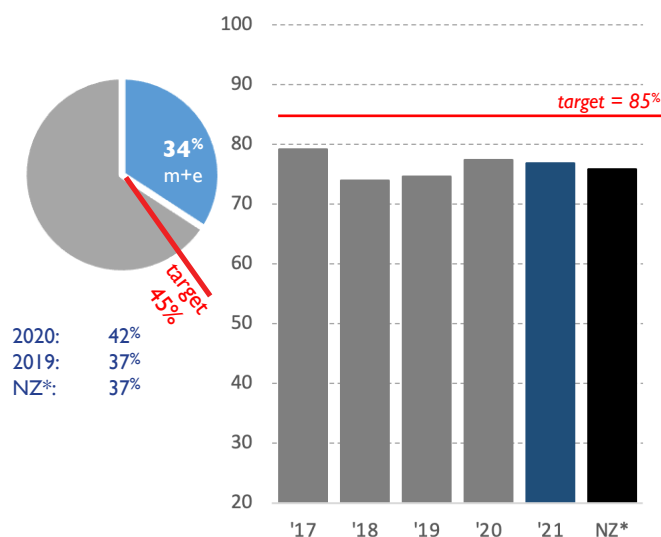
University Entrance

... % of year 13 students meeting the required level to enter university

University entrance rates have been largely static around the 50% mark over the last seven years. While we track this, the usefulness of this statistic is limited by students who intentionally choose vocational (non-university) courses and consequently may achieve well at Level 2 NCEA, but not achieve university entrance.

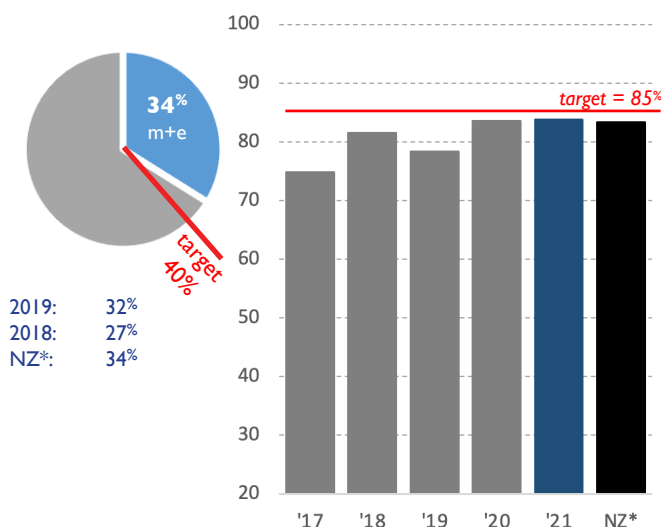
Level 1 NCEA

% of year 11 students achieving Level 1



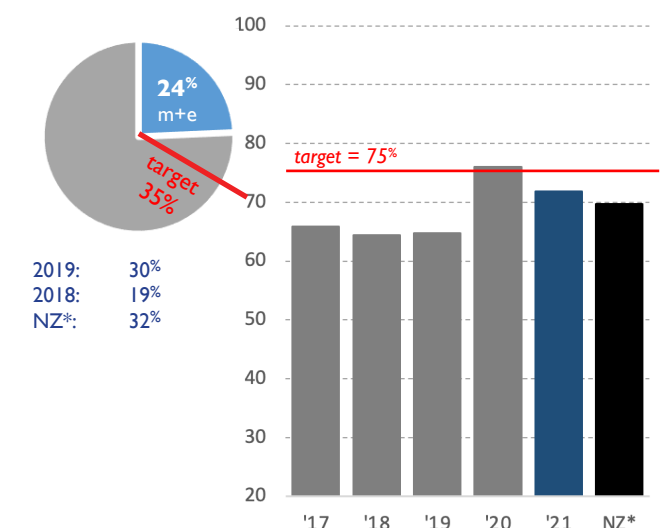
Level 2 NCEA

% of year 12 students achieving Level 2



Level 3 NCEA

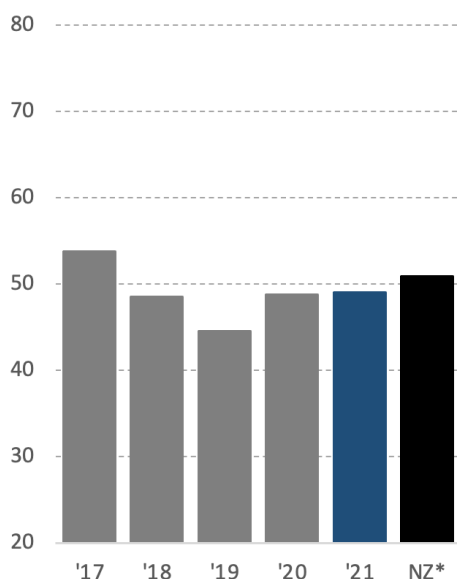
% of year 13 students achieving Level 3



NZ* refers to all Decile 7 Males in all NZ schools

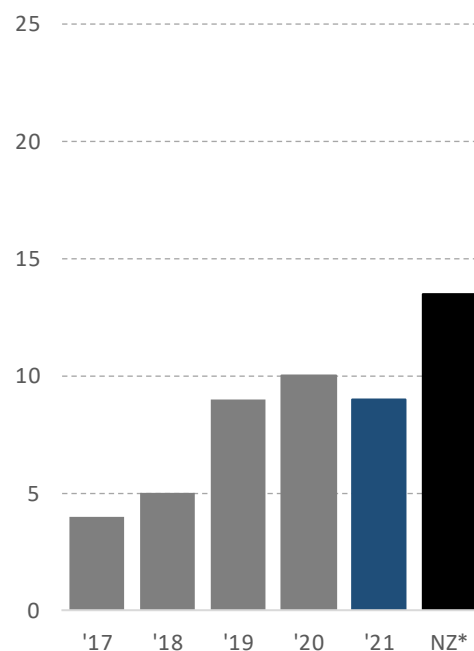
University Entrance

% of year 13 students getting University Entrance



Scholarships

Annual Number of Scholarships



Scholarship

... a separate exam administered by NZQA that recognises the top 2-3% of students in each subject across NZ

Our students gained 9 scholarships in 2021. This is similar to 2020 and, as stated above, is a positive result in light of the upheaval of 2021. While no longer a major annual goal in 2022, lifting NZ Scholarship results to over 20 annually remains a goal of the kura.

Māori

... our goal is for Māori students to achieve the same as other ethnicities
Our overall Māori achievement and endorsement rates continue to improve, which is very pleasing.

In 2022, we will establish Te Rumaki Whakatū which we hope will have a positive long-term impact on the achievement and wider development of our ākonga Māori.

Pasifika

... our goal is for Pasifika students to achieve the same as other ethnicities
Our Pasifika achievement rates improved across all three year levels. However, the lack of Pasifika students gaining an endorsement is frustrating. This will be a focus of the school.

Boarding

Our boarding students achieved well in NCEA:

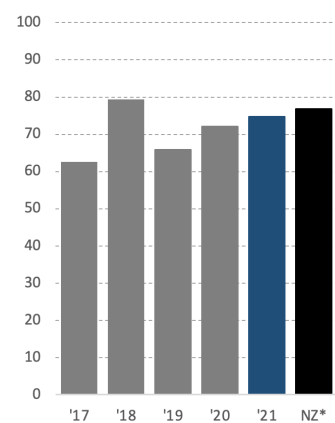
	Level 1	Level 2	Level 3
Barnicoat	90%	94%	89%
Rutherford	75%	100%	92%

In 2022, Nelson College's academic targets are:

L1 // 85% achievement // 45% m+e endorsement
L2 // 85% achievement // 40% m+e endorsement
L3 // 75% achievement // 35% m+e endorsement
 // 20+ scholarships

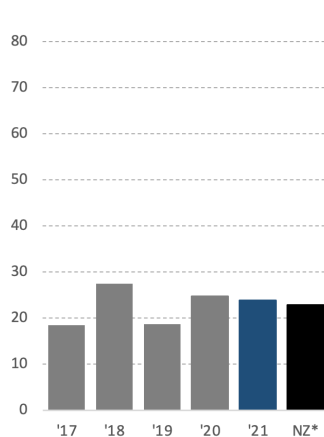
Māori - Achieved

% of years 11-13 students gaining NCEA



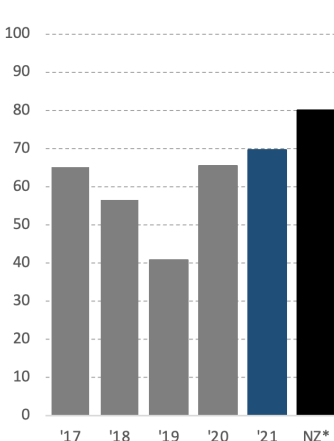
Māori - Endorsements

% of students with NCEA endorsed



Pasifika - Achieved

% of years 11-13 students gaining NCEA



Pasifika - Endorsements

% of students with NCEA endorsed

