

KAIKOURA HIGH SCHOOL



ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

School Directory

Ministry Number: 307

Principal: John Tait

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KAIKOURA HIGH SCHOOL

Annual Report - For the year ended 31 December 2020

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Kaikoura High School

Statement of Responsibility

For the year ended 31 December 2020

The Board of Trustees 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 2020 fairly reflect the financial position and operations of the School.

The School's 2020 financial statements are authorised for issue by the Board.

Matt Boyce

Full Name of Board Chairperson

John Tait

Full Name of Principal

Matt Boyce

Signature of Board Chairperson

John Tait

Signature of Principal

28/05/2021

Date:

28/5/2021

Date:

Kaikoura High School

Members of the Board of Trustees

For the year ended 31 December 2020

Name	Position	How Position Gained	Held Until
Matt Boyce	Ministerial Appointment Chairperson	Co-opted	May 2022
John Tait	Principal	ex Officio	
Mark Fissenden	Parent Rep Chairperson until October 2020	Elected	May 2022
John Wyatt	Ministerial Appointment	Co-opted	May 2022
Lyn Bentley	Parent Rep	Elected	May 2022
Ian Bradshaw	Parent Rep	Elected	May 2022
Riria Allen	Runanga Rep	Runanga appointed	May 2022
Lorraine Hawke	Runanga Rep	Runanga appointed	May 2022
Rawiri Manawatu	Runanga Rep	Runanga appointed	May 2022
Amanda Fissenden	Staff Rep	Elected	May 2022
Amber Fissenden	Student Rep	Elected	Sep 2021
Owen Thornton	Student Rep	Elected	Sep 2020

Kaikoura High School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue				
Government Grants	2	4,043,249	3,082,990	3,656,672
Locally Raised Funds	3	190,596	260,866	304,740
Interest Income		22,683	10,000	33,231
International Students	4	13,656	-	-
		<u>4,270,184</u>	<u>3,353,856</u>	<u>3,994,643</u>
Expenses				
Locally Raised Funds	3	48,510	98,786	117,666
International Students	4	478	5,000	411
Learning Resources	5	2,844,435	2,237,054	2,652,262
Administration	6	167,027	189,540	175,526
Finance		7,562	-	9,260
Property	7	923,838	978,192	1,097,544
Depreciation	8	90,821	80,000	81,226
Loss on Disposal of Property, Plant and Equipment		2,450	-	531
		<u>4,085,121</u>	<u>3,588,572</u>	<u>4,134,426</u>
Net Surplus / (Deficit) for the year		185,063	(234,716)	(139,783)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>185,063</u>	<u>(234,716)</u>	<u>(139,783)</u>

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

Kaikoura High School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Balance at 1 January		<u>1,790,055</u>	<u>1,790,055</u>	<u>1,929,838</u>
Total comprehensive revenue and expense for the year		185,063	(234,716)	(139,783)
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		9,346	-	-
Equity at 31 December	24	<u>1,984,464</u>	<u>1,555,339</u>	<u>1,790,055</u>
Retained Earnings		1,984,464	1,555,339	1,790,055
Equity at 31 December		<u>1,984,464</u>	<u>1,555,339</u>	<u>1,790,055</u>

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.

Kaikoura High School

Statement of Financial Position

As at 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	9	204,503	178,996	333,712
Accounts Receivable	10	196,108	176,751	176,751
Prepayments		14,333	13,976	13,976
Investments	11	1,166,075	1,143,131	1,143,131
		<u>1,581,019</u>	<u>1,512,854</u>	<u>1,667,570</u>
Current Liabilities				
GST Payable		17,950	55,800	55,800
Accounts Payable	13	252,841	196,841	196,841
Revenue Received in Advance	14	5,196	31,452	31,452
Provision for Cyclical Maintenance	15	13,500	13,500	13,500
Finance Lease Liability - Current Portion	16	29,948	38,120	38,120
Funds held in Trust	17	1,975	114	114
Funds held for Capital Works Projects	18	378,839	589,825	589,825
		<u>700,249</u>	<u>925,652</u>	<u>925,652</u>
Working Capital Surplus/(Deficit)		880,770	587,202	741,918
Non-current Assets				
Property, Plant and Equipment	12	1,262,955	1,191,883	1,271,883
		<u>1,262,955</u>	<u>1,191,883</u>	<u>1,271,883</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	135,750	179,300	179,300
Finance Lease Liability	16	23,511	44,446	44,446
		<u>159,261</u>	<u>223,746</u>	<u>223,746</u>
Net Assets		<u>1,984,464</u>	<u>1,555,339</u>	<u>1,790,055</u>
Equity	24	<u>1,984,464</u>	<u>1,555,339</u>	<u>1,790,055</u>

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

Kaikoura High School
Statement of Cash Flows
For the year ended 31 December 2020

		2020	2020	2019
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		988,344	832,990	886,821
Locally Raised Funds		214,673	260,866	428,458
International Students		(13,301)	-	26,957
Goods and Services Tax (net)		(37,850)	-	90,639
Payments to Employees		(511,036)	(462,800)	(463,642)
Payments to Suppliers		(458,929)	(795,772)	(810,476)
Funds Administered on Behalf of Third Parties		1,861	-	(2,939)
Interest Received		24,656	10,000	35,195
Net cash from/(to) Operating Activities		208,418	(154,716)	191,013
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		-	-	(531)
Purchase of Property Plant & Equipment (and Intangibles)		(73,271)	-	(34,940)
Purchase of Investments		(22,944)	-	(34,332)
Net cash (to) / from Investing Activities		(96,215)	-	(69,803)
Cash flows from Financing Activities				
Furniture and Equipment Grant		9,346	-	-
Finance Lease Payments		(39,772)	-	(45,773)
Funds held for Capital Works Projects		(210,986)	-	104,025
Net cash (to) / from Financing Activities		(241,412)	-	58,252
Net (decrease) / increase in cash and cash equivalents				
		(129,209)	(154,716)	179,462
Cash and cash equivalents at the beginning of the year	9	333,712	333,712	154,250
Cash and cash equivalents at the end of the year	9	204,503	178,996	333,712

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.

Kaikoura High School

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

1.1. Reporting Entity

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

1.2. Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2020 to 31 December 2020 and in accordance with the requirements of the Public Finance Act 1989.

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.

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 12.

Cyclical Maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 15.

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 carryforward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

1.3. Revenue Recognition

Government Grants

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

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

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

Use of Land and Buildings Grants are recorded as revenue in the period the School uses the land and buildings. 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.

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

1.4. Use of Land and Buildings Expense

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of 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 expense that is offset by a non-cash grant from the Ministry.

1.5. Operating Lease Payments

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

1.6. Finance Lease Payments

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

1.7. Cash and Cash Equivalents

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

1.8. Accounts Receivable

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

1.9. Investments

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

1.10. Property, Plant and Equipment

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

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

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

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Building improvements	40 years
Furniture and equipment	3-10 years
Information and communication technology	4-5 years
Motor vehicles	5 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

1.11. Impairment of property, plant and equipment and intangible assets

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

Non cash generating assets

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

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

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

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

1.12. Accounts Payable

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

1.13. Employment Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows

1.14. Revenue Received in Advance

Revenue received in advance relates to fees received from students and grants received where there are unfulfilled obligations for the School to provide services in the future. The fees are recorded as revenue as the obligations are fulfilled and the fees earned.

1.15. Funds Held in Trust

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

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

1.16. 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 for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).

1.17. Financial Instruments

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

1.18. Borrowings

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

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

1.19. Goods and Services Tax (GST)

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

1.20. Budget Figures

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

1.21. Services received in-kind

From time to time the School receives services in-kind, including the time of volunteers. The School has elected not to recognise services received in kind in the Statement of Comprehensive Revenue and Expense.

2. Government Grants

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operational Grants	711,782	729,295	726,243
Teachers' Salaries Grants	2,368,519	1,700,000	2,098,911
Use of Land and Buildings Grants	678,417	550,000	670,940
Other MoE Grants	190,778	9,942	13,038
Other Government Grants	93,753	93,753	147,540
	<u>4,043,249</u>	<u>3,082,990</u>	<u>3,656,672</u>

The School has opted in to the donations scheme for this year. Total amount received was \$31,650.

Other MOE Grants total includes additional COVID-19 funding totalling \$13,218 for the year ended 31 December 2020.

3. Locally Raised Funds

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue			
Donations	45,817	78,598	74,243
Fundraising	4,403	3,000	3,040
Bequests & Grants	11,282	-	1,310
Other Revenue	103,460	109,111	139,572
Activities	25,634	70,157	86,575
	<u>190,596</u>	<u>260,866</u>	<u>304,740</u>
Expenses			
Activities	47,955	95,786	101,925
Other Locally Raised Funds Expenditure	555	3,000	15,741
	<u>48,510</u>	<u>98,786</u>	<u>117,666</u>
<i>Surplus / (Deficit) for the year Locally raised funds</i>	<u>142,086</u>	<u>162,080</u>	<u>187,074</u>

4. International Student Revenue and Expenses

	2020 Actual Number	2020 Budget (Unaudited) Number	2019 Actual Number
International Student Roll	1	1	1
Revenue			
International Student Fees	13,656	-	-
Expenses			
International Student Levy	478	5,000	411
	<u>478</u>	<u>5,000</u>	<u>411</u>
<i>Surplus for the year International Students</i>	<u>13,178</u>	<u>(5,000)</u>	<u>(411)</u>

5. Learning Resources

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Curricular	161,701	209,109	237,761
Information and Communication Technology	13,697	36,410	35,444
Library Resources	2,704	4,189	3,105
Employee Benefits - Salaries	2,656,588	1,953,346	2,340,277
Staff Development	9,745	34,000	35,675
	<u>2,844,435</u>	<u>2,237,054</u>	<u>2,652,262</u>

6. Administration

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Audit Fee	6,312	6,875	6,129
Board of Trustees Fees	4,690	6,875	3,660
Board of Trustees Expenses	10,605	7,808	10,896
Communication	8,783	10,900	10,306
Consumables	4,578	6,550	6,306
Operating Lease	5,786	24,001	5,793
Other	8,934	14,112	12,968
Employee Benefits - Salaries	106,801	103,794	109,108
Insurance	1,883	-	1,920
Service Providers, Contractors and Consultancy	8,655	8,625	8,440
	<u>167,027</u>	<u>189,540</u>	<u>175,526</u>

7. Property

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Caretaking and Cleaning Consumables	6,543	5,100	6,309
Cyclical Maintenance Provision	(43,550)	12,600	36,950
Grounds	24,866	17,300	22,301
Heat, Light and Water	48,198	52,900	42,038
Rates	8,843	7,131	7,131
Repairs and Maintenance	69,727	222,001	181,812
Use of Land and Buildings	678,417	550,000	670,940
Security	5,537	5,500	5,363
Employee Benefits - Salaries	125,257	105,660	124,700
	<u>923,838</u>	<u>978,192</u>	<u>1,097,544</u>

The Use of Land and Buildings figure represents 8% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

8. Depreciation of Property, Plant and Equipment

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Building Improvements	14,463	14,000	14,463
Furniture and Equipment	24,898	23,500	23,284
Information and Communication Technology	9,855	7,000	7,201
Motor Vehicles	1,913	2,000	1,913
Leased Assets	36,299	30,000	30,832
Library Resources	3,393	3,500	3,533
	<u>90,821</u>	<u>80,000</u>	<u>81,226</u>

9. Cash and Cash Equivalents

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Bank Current Account	109,390	178,996	183,629
Bank Call Account	95,113	-	150,083
Cash and cash equivalents for Statement of Cash Flows	<u>204,503</u>	<u>178,996</u>	<u>333,712</u>

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

Of the \$204,503 Cash and Cash Equivalents, \$378,839 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2021 on Crown owned school buildings under the School's Five Year Property Plan.

10. Accounts Receivable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Receivables	969	24,345	24,345
Interest Receivable	112	2,085	2,085
Teacher Salaries Grant Receivable	195,027	150,321	150,321
	<u>196,108</u>	<u>176,751</u>	<u>176,751</u>
Receivables from Exchange Transactions	1,081	26,430	26,430
Receivables from Non-Exchange Transactions	195,027	150,321	150,321
	<u>196,108</u>	<u>176,751</u>	<u>176,751</u>

11. Investments

The School's investment activities are classified as follows:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Asset			
Short-term Bank Deposits	1,166,075	1,143,131	1,143,131
Total Investments	<u>1,166,075</u>	<u>1,143,131</u>	<u>1,143,131</u>

12. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2020						
Building Improvements	1,007,643	-	-	-	(14,463)	993,180
Furniture and Equipment	130,322	26,388	-	-	(24,898)	131,812
Information and Communication Technology	18,873	42,027	-	-	(9,855)	51,045
Motor Vehicles	6,079	-	-	-	(1,913)	4,166
Leased Assets	84,235	11,072	-	-	(36,299)	59,008
Library Resources	24,731	4,856	(2,450)	-	(3,393)	23,744
Balance at 31 December 2020	<u>1,271,883</u>	<u>84,343</u>	<u>(2,450)</u>	<u>-</u>	<u>(90,821)</u>	<u>1,262,955</u>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2020			
Building Improvements	1,231,623	(238,443)	993,180
Furniture and Equipment	465,595	(333,783)	131,812
Information and Communication Technology	757,135	(706,090)	51,045
Motor Vehicles	9,565	(5,399)	4,166
Leased Assets	140,123	(81,115)	59,008
Library Resources	64,881	(41,137)	23,744
Balance at 31 December 2020	<u>2,668,922</u>	<u>(1,405,967)</u>	<u>1,262,955</u>

The net carrying value of equipment held under a finance lease is \$59,008 (2019: \$84,235)

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Building Improvements	1,022,106	-	-	-	(14,463)	1,007,643
Furniture and Equipment	130,027	23,579	-	-	(23,284)	130,322
Information and Communication Technology	21,748	4,326	-	-	(7,201)	18,873
Motor Vehicles	7,992	-	-	-	(1,913)	6,079
Leased Assets	69,524	45,543	-	-	(30,832)	84,235
Library Resources	22,171	6,624	(531)	-	(3,533)	24,731
Balance at 31 December 2019	1,273,568	80,072	(531)	-	(81,226)	1,271,883

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Building Improvements	1,231,623	(223,980)	1,007,643
Furniture and Equipment	439,207	(308,885)	130,322
Information and Communication Technology	715,108	(696,235)	18,873
Motor Vehicles	9,565	(3,486)	6,079
Leased Assets	133,845	(49,610)	84,235
Library Resources	66,625	(41,894)	24,731
Balance at 31 December 2019	2,595,973	(1,324,090)	1,271,883

13. Accounts Payable

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Operating creditors	16,330	13,646	13,646
Accruals	4,612	5,093	5,093
Employee Entitlements - salaries	195,027	150,321	150,321
Employee Entitlements - leave accrual	36,872	27,781	27,781
	<u>252,841</u>	<u>196,841</u>	<u>196,841</u>
Payables for Exchange Transactions	252,841	196,841	196,841
	<u>252,841</u>	<u>196,841</u>	<u>196,841</u>

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
International Student Fees	-	26,957	26,957
Other	5,196	4,495	4,495
	<u>5,196</u>	<u>31,452</u>	<u>31,452</u>

15. Provision for Cyclical Maintenance

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Provision at the Start of the Year	192,800	192,800	155,850
Increase/ (decrease) to the Provision During the Year	36,950	-	36,950
Adjustment to the Provision	(80,500)	-	-
Provision at the End of the Year	<u>149,250</u>	<u>192,800</u>	<u>192,800</u>
Cyclical Maintenance - Current	13,500	13,500	13,500
Cyclical Maintenance - Term	135,750	179,300	179,300
	<u>149,250</u>	<u>192,800</u>	<u>192,800</u>

16. Finance Lease Liability

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
No Later than One Year	33,869	45,063	45,063
Later than One Year and no Later than Five Years	25,091	48,786	48,786
	<u>58,960</u>	<u>93,849</u>	<u>93,849</u>

17. Funds Held in Trust

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	1,975	114	114
	<u>1,975</u>	<u>114</u>	<u>114</u>

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

18. Funds Held for Capital Works

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

	2020	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
Spouting/Ext Doors/Library Roof	Completed	2,927	-	(2,927)	-	-
Gym Changing Sheds	In Progress	486,025	-	(403,501)	-	82,524
Bi-Lingual Signage	In Progress	33,099	6,612	(38,505)	-	1,206
Outdoor Education Shed	In Progress	49,185	-	(19,743)	-	29,442
Door Closers & Gym Doors	Completed	868	397	(1,265)	-	-
Roof Replacement & Drainage	In Progress	17,721	179	(17,600)	-	300
Basketball Court Upgrade	In Progress	-	40,867	(37,942)	-	2,925
B Block Science Labs	In Progress	-	250,001	(9,013)	-	240,988
LSC Office Alterations	In Progress	-	6,390	-	-	6,390
B Block Burst pipe/water damage	In Progress	-	15,064	-	-	15,064
Totals		<u>589,825</u>	<u>319,510</u>	<u>(530,496)</u>	<u>-</u>	<u>378,839</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	<u>378,839</u>
	<u>378,839</u>

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
Reclad Windows	Completed	240,685	-	(240,685)	-	-
Window Replacement	Completed	(4,139)	4,139	-	-	-
Potable Water	Completed	67,114	-	(67,114)	-	-
Spouting/Ext Doors/Library Roof	In Progress	32,922	-	(29,995)	-	2,927
Drainage Repairs	Completed	(13,617)	13,617	-	-	-
Gym Changing Sheds	In Progress	(4,719)	839,830	(349,086)	-	486,025
Paving	Completed	69,015	6,320	(75,335)	-	-
External Door Replacement	Completed	35,462	21,028	(56,490)	-	-
Electronic Keying	Completed	63,077	-	(63,077)	-	-
Bi-Lingual Signage	In Progress	-	36,632	(3,533)	-	33,099
Outdoor Education Shed	In Progress	-	55,035	(5,850)	-	49,185
Door Closers & Gym Doors	In Progress	-	25,664	(24,796)	-	868
Roof Replacement & Drainage	In Progress	-	17,721	-	-	17,721
Totals		<u>485,800</u>	<u>1,019,986</u>	<u>(915,961)</u>	<u>-</u>	<u>589,825</u>

19. Related Party Transactions

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

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

Mark Fissenden is a Trustee of the Board and also owns Fissenden Bros Limited. During the year the School contracted Fissenden Bros Limited to provide services. The total value of all transactions for the year was \$39,128 (2019: Nil).

20. Remuneration

Key management personnel compensation

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

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	4,690	3,660
Full-time equivalent members	0.47	0.75
<i>Leadership Team</i>		
Remuneration	463,727	431,779
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	468,417	435,439
Total full-time equivalent personnel	3.47	3.75

The full time equivalent for Board members has been determined based on attendance at Board meetings, Committee meetings and for other obligations of the Board, such as stand downs and suspensions, plus the estimated time for Board members to prepare for meetings.

Principal

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

	2020 Actual \$000	2019 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	210-220	190 - 200
Benefits and Other Emoluments	1 - 10	1-10
Termination Benefits	0 - 0	0 - 0

Other Employees

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

Remuneration \$000	2020 FTE Number	2019 FTE Number
100 -110	4.00	3.00
110 -120	2.00	-
120 - 130	-	1.00
130 - 140	1.00	-
	7.00	4.00

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

21. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be trustees, committee member, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

	2020 Actual		2019 Actual	
Total	\$	-	\$	-
Number of People		-		-

22. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2020 (Contingent liabilities and assets at 31 December 2019: Earthquake related insurance claim).

Holidays Act Compliance – Schools payroll

The Ministry of Education performs payroll processing and payments on behalf of school boards of trustees, 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. The current phase of this review is to design potential solutions for any compliance breaches discovered in the initial phase of the Programme. 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 2020, a contingent liability for the school may exist.

Earthquake related insurance claims

As at 31 December 2018 there are earthquake related insurance claims outstanding on houses that are included on the school's fixed asset register. At the date of signing, the claim process is continuing and the Board is unable to quantify the amount due.

23. Commitments

(a) Capital Commitments

As at 31 December 2020 the Board has entered into the following contract agreements for capital works.

(a) The school has various projects underway to be completed in 2021, which will be fully funded by the Ministry of Education. \$411,692 has been received of which \$622,343 has been spent on these projects to date.

(Capital commitments at 31 December 2019: nil)

(b) Operating Commitments

As at 31 December 2020 the Board has not entered into any operating contracts:

(Operating commitments at 31 December 2019: nil)

24. Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but attempts to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.

25. 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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash and Cash Equivalents	204,503	178,996	333,712
Receivables	196,108	176,751	176,751
Investments - Term Deposits	1,166,075	1,143,131	1,143,131
Total Financial assets measured at amortised cost	<u>1,566,686</u>	<u>1,498,878</u>	<u>1,653,594</u>

Financial liabilities measured at amortised cost

Payables	252,841	196,841	196,841
Funds Held on Behalf of the Ministry of Education	378,839	589,825	589,825
Finance Leases	53,459	82,566	82,566
Total Financial liabilities measured at amortised Cost	<u>685,139</u>	<u>869,232</u>	<u>869,232</u>

26. Events After Balance Date

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

27. Breach of Legislation

The Board has breached the Education and Training Act (Section 10, Schedule 23) because it did not seek the approval of the Secretary of Education before awarding a contract valued in excess of \$25,000 to a Trustee.

Kaikoura High School
Annual Plan – Analysis of Variance 2020



Goal 1 – Every student will experience academic success				
Annual Aims	Actions	Responsible	Resources	Variance
Implement changes as a result of the Government review of NCEA, including implementation of digital assessment and examinations	Communicating updated information to CALs Develop plans in response to Government announcements on NCEA IT provision planning	CALs M Lawrie – Principal's Nominee J Tait - Principal BOT Finance Committee	MOE website – Korero Matauranga Teacher Only Days – 10 August and 23 November 2020 2020/2021 Budget	Achieved
Targeted Senior students have a mentoring plan	Identify the students Assign Mentors Mentoring PLD	C Kitt - Senior Dean	Mentors: Lw Bn Da Fl Rd Tt	Achieved
Support Curriculum Planning progression across the Kahui Ako	Provide Kahui Ako PLD in liaison with WSLs	J Tait – Principal J Fissenden A Lean (ASL)	Kahui Ako Lead Team	Achieved; focused on numeracy
Continue external Department Reviews	Identify suitable reviewers for English and Technology	J Tait - Principal T Lean - CAL English D Anderson – Technology A Lidbetter	Budget provision	Technology review completed English review scheduled for 2021

Goal 2 – Students will have diverse learning pathways

Annual Aims	Actions	Responsible	Resources	Variance
Phase 1 of Ki Uta Ki Tai curriculum development plan is implemented	Mapping current Localised Curriculum provision with CALs Mapping and financing Outdoor Education across the curriculum 2020	J Tait - Principal M Lawrie BOT	Time Kaikoura High School Fundraising Group	Achieved
Teachers implement the new Digital Curriculum in their subject areas	CALs lead the development of the Digital Curriculum in their subject areas	CALs J Fissenden M Lawrie	New Digital Technology Curriculum Kahui Ako Digital PLD	Achieved
Review the effectiveness of on-line learning	Implement the review	J Fissenden		Review started but incomplete
Comprehensive review of Year 9/10 curriculum structure	Form a working group (to be completed by the end of Term 2)	M Lawrie C Davis	Time	Review started but incomplete
Review whole school careers plan provision	Implement the plan	M Fissenden J Fissenden		Not Achieved

Goal 3 – The school will develop effective relationships with its students, parents, whanau and wider community

Annual Aims	Actions	Responsible	Resources	Variance
Kaikoura High School Fundraising Group - support functioning and working in alignment with school goals	Regular liaison with KKHS Fundraising support group	J Tait – Principal SLT BOT		Achieved
Review forms of communication with parents in particular digital systems	Implement and evaluate the review	J Fissenden		Achieved
Continue to align whanau group whaingas with the Runanga o Kaikoura 2018-2021 draft Education Strategy	Facilitate whanau group meetings Attend Runanga o Kaikoura hui every second month	J Tait – Principal C Davis	Time	Partly Achieved

Goal 4 – The school will nurture all learners and leaders to have pride, self-worth and value learning

Annual Aims	Actions	Responsible	Resources	Variance
Engage leaders in development and provision of on-going cross school PLD	Create a schedule for weekly Wednesday morning PLD Survey staff for input	SLT		Achieved
All staff participate in cross school PLD	Regular cross school PLD opportunities are documented and diarised	J Fissenden		Achieved
Develop a plan for the implementation of senior curriculum innovation linked to NZQA changes	An Agenda item for all CAL meetings in 2020	J Fissenden		Started but incomplete due to delays in receiving detailed information from NZQA

Goal 5 – The school will develop innovative practice with is reponsive to current educational change

Annual Aims	Actions	Responsible	Resources	Variance
Further develop the student leadership plan	Document and implement the student leadership plan	SLT Deans	Time	Started – ongoing into 2021
Further develop articulation with Te Ha o Matauranga and the Kaikoura Youth Collective	Attend Kaikoura Youth Collective meetings Implement outcomes	John T – Principal M Lawrie		Achieved
Facilitate whole staff engagement with Kahui Ako PLD goals (inquiry, PaCT, digital fluency, wellbeing)	Create opportunities for staff to partake Kahui Ako PLD	Lead Principals ASL WSLs	Kahui Ako funds Time	Achieved

Goal 6 – The school will support the teaching and learning needs of students by governing/managing school resources and meeting government requirements

Annual Aims	Actions	Responsible	Resources	Variance
Establish a capital purchasing programme	Scope capital purchasing needs over the next three years	BOT Finance Committee		Not Achieved
Start upgrade of B Block Science Laboratories	Continue to work with M&J Property Management Ltd on development of plans which address firewall regulation	SLT BOT Property Committee	Current 5YA funding	Achieved
Begin B Block classroom upgrade planning	Continue to work with James Hardy, MOE Property Adviser and M&J Property Management Ltd on detailed planning	SLT BOT Property Committee	2021-2026 5YA funding	Achieved



KAIKOURA HIGH SCHOOL

Principal – John Tait

12 May 2021

KIWISPORT FUNDING 2020

Kiwisport is a Government funding initiative to support students' participation in ^{CT} organised sport. In 2020, the school received total Kiwisport funding of \$4,319.06 (excluding GST).

The funding was used to top-up our Sports Co-ordinators wages. She is employed in a permanent position for 10 hours per week.

The number of students that participated in organised sport was 132.

Yours sincerely

John Tait
Principal



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF KAIKOURA HIGH SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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

Opinion

We have audited the financial statements of the School on pages [3] to [19], that comprise the statement of financial position as at 31 December 2020, 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 2020; 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 as applicable to entities that qualify as tier 2.

Our audit was completed on 28 May 2021. 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 of Trustees 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 136 of the Education and Training Act 2020.

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 Novopay 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 pages [20] to [26], but does not include the financial statements, and our auditor's report thereon.

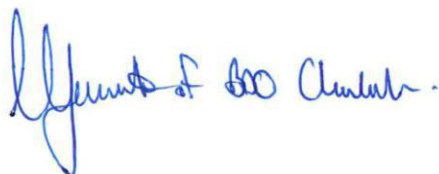
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the School.



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