



ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Ministry Number:	292
Principal:	Linda Tame
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GOLDEN BAY HIGH SCHOOL

Annual Report - For the year ended 31 December 2019

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Golden Bay High School

Statement of Responsibility

For the year ended 31 December 2019

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 2019 fairly reflect the financial position and operations of the school.

The School's 2019 financial statements are authorised for issue by the Board.

Andrew John Williams
Full Name of Board Chairperson

Andrew John Williams

Signature of Board Chairperson

Linda Kidman Tame
Full Name of Principal

Linda Kidman Tame

Signature of Principal

Friday 29th May 2020
Date:

Friday 29th May 2020
Date:

Golden Bay High School

Members of the Board of Trustees

For the year ended 31 December 2019

Name	Position	How Position Gained	Held Until
Andrew Williams	Chairperson	Elected	Jun 2022
Cynthia Sampson	Deputy Chairperson	Elected	Jun 2022
Gareth Batten	Staff Trustee	Elected	Jun 2019
Daniel Padial	Staff Trustee	Elected	Jun 2022
Bev Purdie	Manawhenua Ki Mohua Representative	Co-opted	Jun 2019
Haydon Ward-Holmes	Manawhenua Ki Mohua Representative	Co-opted	Jun 2022
Xanthe Rose	Student Trustee	Elected	Sep 2019
Imogen Harris	Student Trustee	Elected	Sep 2020
Vanessa Harwood	Home & School Representative	Co-opted	Oct 2019
Cherrie Chubb	Parent Trustee	Elected	Jun 2019
Susanne Struck	Parent Trustee	Elected	Jun 2022
Brian Nesbit	Parent Trustee	Elected	Jun 2022
Gabby Hollis	Parent Trustee	Elected	Jun 2022
Linda Tame	Principal	ex Officio	
In Attendance			
Richard Baker	Deputy Principal		May 2019
Coralie Stopford	Deputy Principal		May 2019
Jude Edmondson	Secretary		Dec 2019
Steph Hartill	Secretary		Feb 2019

Golden Bay High School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
Revenue				
Government Grants	2	4,371,846	2,571,852	4,562,847
Locally Raised Funds	3	336,569	201,647	289,865
Interest Income		17,300	15,660	6,784
Gain on Sale of Property, Plant and Equipment		750	-	1,017
International Students	4	83,004	70,683	23,368
		<u>4,809,469</u>	<u>2,859,842</u>	<u>4,883,881</u>
Expenses				
Locally Raised Funds	3	128,508	57,920	119,714
International Students	4	39,741	48,205	1,546
Learning Resources	5	3,275,059	819,802	3,096,090
Administration	6	218,833	232,273	198,658
Finance Costs		2,998	2,200	2,168
Property	7	955,465	1,215,097	1,239,689
Depreciation	8	56,285	60,000	42,723
Loss on Disposal of Property, Plant and Equipment		2,293	500	4,948
		<u>4,679,182</u>	<u>2,435,997</u>	<u>4,705,536</u>
Net Surplus / (Deficit)		130,287	423,845	178,345
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>130,287</u>	<u>423,845</u>	<u>178,345</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.

Golden Bay High School**Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2019

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Balance at 1 January	245,881	245,881	53,821
Total comprehensive revenue and expense for the year	130,287	423,845	178,345
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	13,715
Contribution - Distribution to MOE	(112,277)	-	-
Contribution - Capital Grant	410,000	-	-
Equity at 31 December	673,891	669,726	245,881
Retained Earnings	673,891	669,726	245,881
Equity at 31 December	673,891	669,726	245,881

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.



Golden Bay High School
Statement of Financial Position
As at 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
Current Assets				
Cash and Cash Equivalents	9	221,073	682,825	198,980
Accounts Receivable	10	235,931	215,924	215,924
GST Receivable		21,464	2,014	2,014
Prepayments		16,011	9,291	9,291
Inventories	11	-	1,500	1,500
Investments	12	407,980	-	-
		<u>902,459</u>	<u>911,554</u>	<u>427,709</u>
Current Liabilities				
Accounts Payable	14	263,090	274,535	274,535
Revenue Received in Advance	15	64,050	110,591	110,591
Provision for Cyclical Maintenance	16	26,206	10,415	10,415
Painting Contract Liability - Current Portion	17	19,214	19,214	19,214
Finance Lease Liability - Current Portion	18	20,536	9,857	9,857
Funds held in Trust	19	41,728	7,743	7,743
Funds held for Capital Works Projects	20	15,585	28,684	28,684
		<u>450,409</u>	<u>461,039</u>	<u>461,039</u>
Working Capital Surplus/(Deficit)		452,050	450,515	(33,330)
Non-current Assets				
Property, Plant and Equipment	13	340,433	315,632	375,632
		<u>340,433</u>	<u>315,632</u>	<u>375,632</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	16	43,500	41,956	41,956
Painting Contract Liability	17	31,327	42,590	42,590
Finance Lease Liability	18	43,765	11,875	11,875
		<u>118,592</u>	<u>96,421</u>	<u>96,421</u>
Net Assets		<u>673,891</u>	<u>669,726</u>	<u>245,881</u>
Equity		<u>673,891</u>	<u>669,726</u>	<u>245,881</u>

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

Golden Bay High School
Statement of Cash Flows
For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
Cash flows from Operating Activities				
Government Grants		964,720	1,430,769	1,125,880
Locally Raised Funds		294,044	201,647	351,183
International Students		144,318	70,683	4,203
Goods and Services Tax (net)		(19,450)	-	(57,670)
Payments to Employees		(628,671)	(630,580)	(554,648)
Payments to Suppliers		(656,752)	(601,634)	(588,473)
Cyclical Maintenance payments in the Year		(7,950)	-	(101,804)
Interest Received		15,526	15,660	6,784
Net cash from Operating Activities		105,785	486,545	185,455
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		(1,543)	(500)	-
Purchase of PPE (and Intangibles)		(85,153)	-	(61,438)
Purchase of Investments		(407,980)	-	-
Net cash from Investing Activities		(494,676)	(500)	(61,438)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	13,715
Capital Grant		410,000	-	-
Finance Lease Payments		(8,639)	(2,200)	(9,227)
Painting contract payments		(11,263)	-	61,804
Funds Administered on Behalf of Third Parties		33,985	-	(243,321)
Funds held for Capital Works Projects		(13,099)	-	(27,634)
Net cash from Financing Activities		410,984	(2,200)	(204,663)
Net increase/(decrease) in cash and cash equivalents		22,093	483,845	(80,646)
Cash and cash equivalents at the beginning of the year	9	198,980	198,980	279,626
Cash and cash equivalents at the end of the year	9	221,073	682,825	198,980

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 omitted.

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

Golden Bay High School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2019

1.1. Reporting Entity

Golden Bay High School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. 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 2019 to 31 December 2019 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 Act 1989 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".

Standard early adopted

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 29.

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 13.

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.

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. Finance Lease Payments

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

1.6. Cash and Cash Equivalents

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

1.7. Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for credit losses. The school applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Prior Year Policy

Accounts Receivable represents items that the School has issued invoices for or accrued for, but has not received payment for at year end. Receivables are initially recorded at fair value and subsequently recorded at the amount the School realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the School will not be able to collect all amounts due. The amount that is uncollectable (the provision for uncollectibility) is the difference between the amount due and the present value of the amounts expected to be collected.

1.8. Inventories

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

1.9. Investments

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

Prior Year Policy

Bank term deposits for periods exceeding 90 days are classified as investments and are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. After initial recognition bank term deposits are measured at amortised cost using the effective interest method less impairment.

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards. Share investments are recognised initially by the School at fair value plus transaction costs. At balance date the School has assessed whether there is any evidence that an investment is impaired. Any impairment, gains or losses are recognised in the Statement of Comprehensive Revenue and Expense.

After initial recognition any investments categorised as available for sale are measured at their fair value without any deduction for transaction costs the school may incur on sale or other disposal.

The School has met the requirements of Schedule 6 para 28 of the Education Act 1989 in relation to the acquisition of investment securities.

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.

Property, plant and equipment acquired with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense, except for sets of like items with a collective worth exceeding \$1,000.

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 to Crown Owned Assets	33–50 years
Furniture and equipment	5–20 years
Information and communication technology	3–5 years
Artwork	100 years
Trophies	100 years
Leased assets held under a Finance Lease	3 years
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, annual leave earned 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.

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

1.15. Funds Held In Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

1.16. 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 Assets and Liabilities

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 "loans and receivables" for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as "available for sale" 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. 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.

1.19. Budget Figures

The budget figures are extracted from the School budget that was approved by the Board at the start of the year.

1.20. 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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational grants	902,707	891,848	923,332
Teachers' salaries grants	2,683,037	260,000	2,555,884
Use of Land and Buildings grants	643,769	881,083	881,083
Other MoE Grants	94,493	491,081	137,831
Other government grants	47,840	47,840	64,717
	<u>4,371,846</u>	<u>2,571,852</u>	<u>4,562,847</u>

3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
Donations	123,327	87,034	77,647
Other revenue	42,235	42,013	34,905
Trading	48,088	50,000	50,276
Activities	122,919	22,600	127,037
	<u>336,569</u>	<u>201,647</u>	<u>289,865</u>
Expenses			
Activities	72,538	10,420	69,058
Trading	55,970	47,500	50,656
	<u>128,508</u>	<u>57,920</u>	<u>119,714</u>
<i>Surplus for the year Locally raised funds</i>	<u>208,061</u>	<u>143,727</u>	<u>170,151</u>

4. International Student Revenue and Expenses

	2019 Actual Number	2019 Budget (Unaudited) Number	2018 Actual Number
International Student Roll	5	2	2
	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
International student fees	83,004	70,683	23,368
Expenses			
Advertising	13,827	20,000	-
Commissions	5,292	5,065	757
International student levy	1,859	1,540	650
Employee Benefit - Salaries (Contractor)	17,122	15,000	139
Other Expenses	1,641	6,600	-
	<u>39,741</u>	<u>48,205</u>	<u>1,546</u>
<i>Surplus for the year International Students</i>	<u>43,263</u>	<u>22,478</u>	<u>21,822</u>

6. Administration

8. Depreciation of Property, Plant and Equipment

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Building Improvements	3,454	7,000	6,934
Furniture and Equipment	14,364	15,000	13,969
Information and Communication Technology	15,053	15,000	10,405
Motor Vehicles	5,975	6,000	-
Leased Assets	14,767	14,000	8,666
Library Resources	2,672	3,000	2,749
	<u>56,285</u>	<u>60,000</u>	<u>42,723</u>

9. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Bank Current Account	221,073	682,825	198,980
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>221,073</u>	<u>682,825</u>	<u>198,980</u>

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

Of the \$221,073 Cash and Cash Equivalents, \$15,585 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2020 on Crown owned school buildings under the School's Five Year Property Plan.

10. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	16,585	1,915	1,915
Receivables from the Ministry of Education	35,477	35,157	35,157
Interest Receivable	1,774	-	-
Teacher Salaries Grant Receivable	182,095	178,852	178,852
	<u>235,931</u>	<u>215,924</u>	<u>215,924</u>
Receivables from Exchange Transactions	18,359	1,915	1,915
Receivables from Non-Exchange Transactions	217,572	214,009	214,009
	<u>235,931</u>	<u>215,924</u>	<u>215,924</u>

11. Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Canteen	-	1,500	1,500
	<u>-</u>	<u>1,500</u>	<u>1,500</u>

12. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	407,980	-	-
Total Investments	<u>407,980</u>	<u>-</u>	<u>-</u>

13. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Building Improvements	175,353	2,414	(112,512)	-	(3,454)	61,801
Furniture and Equipment	106,174	22,750	(464)	-	(14,364)	114,096
Information and Communication	53,582	8,982	(163)	-	(15,053)	47,348
Motor Vehicles	-	42,230	-	-	(5,975)	36,255
Leased Assets	21,283	55,713	-	-	(14,767)	62,229
Library Resources	19,240	3,568	(1,432)	-	(2,672)	18,704
Balance at 31 December 2019	375,632	135,657	(114,571)	-	(56,285)	340,433

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Building Improvements	131,192	(69,391)	61,801
Furniture and Equipment	750,012	(635,916)	114,096
Information and Communication	245,714	(198,366)	47,348
Motor Vehicles	42,230	(5,975)	36,255
Leased Assets	87,926	(25,697)	62,229
Library Resources	53,183	(34,479)	18,704
Balance at 31 December 2019	1,310,257	(969,824)	340,433

The net carrying value of equipment held under a finance lease is \$62,229 (2018: \$21,283)

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Building Improvements	182,287	-	-	-	(6,934)	175,353
Furniture and Equipment	106,812	13,331	-	-	(13,969)	106,174
Information and Communication	19,843	44,144	-	-	(10,405)	53,582
Leased Assets	10,062	19,887	-	-	(8,666)	21,283
Library Resources	23,373	3,564	(4,948)	-	(2,749)	19,240
Balance at 31 December 2018	342,377	80,926	(4,948)	-	(42,723)	375,632

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Building Improvements	288,358	(113,005)	175,353
Furniture and Equipment	780,138	(673,964)	106,174
Information and Communication	566,574	(512,992)	53,582
Leased Assets	39,716	(18,433)	21,283
Library Resources	53,177	(33,937)	19,240
Balance at 31 December 2018	1,727,963	(1,352,331)	375,632

14. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating creditors	35,727	50,252	50,252
Accruals	9,012	4,502	4,502
Employee Entitlements - salaries	188,276	185,055	185,055
Employee Entitlements - leave accrual	30,075	34,726	34,726
	<u>263,090</u>	<u>274,535</u>	<u>274,535</u>
Payables for Exchange Transactions	263,090	274,535	274,535
	<u>263,090</u>	<u>274,535</u>	<u>274,535</u>

The carrying value of payables approximates their fair value.

15. Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Grants in Advance - Ministry of Education	-	80,000	80,000
International Student Fees	61,314	-	-
Other	2,736	30,591	30,591
	<u>64,050</u>	<u>110,591</u>	<u>110,591</u>

16. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	52,371	52,371	79,490
Increase/ (decrease) to the Provision During the Year	26,086	-	74,685
Adjustment to the Provision	(801)	-	-
Use of the Provision During the Year	(7,950)	-	(101,804)
Provision at the End of the Year	<u>69,706</u>	<u>52,371</u>	<u>52,371</u>
Cyclical Maintenance - Current	26,206	10,415	10,415
Cyclical Maintenance - Term	<u>43,500</u>	<u>41,956</u>	<u>41,956</u>
	<u>69,706</u>	<u>52,371</u>	<u>52,371</u>

The school has a provision for cyclical maintenance of \$69,706 as at 31 December 2019. As part of the schools financial recovery plan a full review of all the schools buildings has taken place, and as a result the school is to receive significant building refurbishment works. For buildings not impacted by the refurbishment a new 10 year property plan will be put in place. Until this is complete there is significant uncertainty about the level of cyclical maintenance required. Therefore a new cyclical maintenance plan is available the school has based the provision for cyclical maintenance on the plan prepared in 2016. It is possible an adjustment to the provision will be required in future due to the assessment but the quantum of any adjustment is unknown.

17. Painting Contract Liability

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Liability	19,214	19,214	19,214
Non Current Liability	31,327	42,590	42,590
	<u>50,541</u>	<u>61,804</u>	<u>61,804</u>

In 2018 the Board signed an agreement with Programmed Property Services Ltd (the contractor) for an agreed programme of work covering a seven year period. The programme provides for an exterior repaint of the Ministry owned buildings in 2018, with regular maintenance in subsequent years. The agreement has an annual commitment of \$19,214 in years 2 -7 and \$40,000 lump sum in year 1. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

18. Finance Lease Liability

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	24,162	11,556	11,556
Later than One Year and no Later than Five Years	49,715	12,841	12,841
	<u>73,877</u>	<u>24,397</u>	<u>24,397</u>

19. Funds Held in Trust

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	41,728	7,743	7,743
	<u>41,728</u>	<u>7,743</u>	<u>7,743</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.

20. 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:

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution	Closing Balances \$
Gym Alterations	In Progress	28,684	54,665	67,764	-	15,585
Totals		<u>28,684</u>	<u>54,665</u>	<u>67,764</u>	<u>-</u>	<u>15,585</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	<u>15,585</u>
	<u>15,585</u>

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution	Closing Balances \$
Science Lab Extension	Completed	232,845	276,993	511,745	(1,907)	-
Exterior Cladding & Painting	Completed	39,160	-	-	39,160	-
Asbestos Removal	Completed	-	15,079	14,359	720	-
Gym Alterations	In Progress	-	30,000	1,316	-	28,684
Totals		<u>272,005</u>	<u>322,072</u>	<u>527,420</u>	<u>37,973</u>	<u>28,684</u>

21. 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.

22. Remuneration

Key management personnel compensation

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	3,750	3,420
Full-time equivalent members	0.50	0.52
<i>Leadership Team</i>		
Remuneration	381,596	431,793
Full-time equivalent members	3.00	4.00
Total key management personnel remuneration	385,346	435,213
Total full-time equivalent personnel	3.50	4.52

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:

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	160-170	150 - 160
Benefits and Other Emoluments	1-10	0 - 0
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	2019 FTE Number	2018 FTE Number
100 -110	3.00	1.00
	3.00	1.00

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



23. 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:

	2019 Actual	2018 Actual
Total	\$ -	\$ -
Number of People	-	-

24. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2019 (Contingent liabilities and assets at 31 December 2018: nil).

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 has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance. The Ministry has recognised an estimated provision based on the analysis of sample data, which may not be wholly representative of the total dataset for Teacher and Support Staff Entitlements. A more accurate estimate will be possible after further analysis of non-compliance has been completed, and this work is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2019, a contingent liability for the school may exist.

25. Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has not entered into any contract agreements for capital works.

(Capital commitments at 31 December 2018: nil)

26. 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.

27. 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

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
	\$	\$	\$
Cash and Cash Equivalents	221,073	682,825	198,980
Receivables	235,931	215,924	215,924
Investments - Term Deposits	407,980	-	-
Total Financial assets measured at amortised cost	864,984	898,749	414,904

Financial liabilities measured at amortised cost

Payables	263,090	274,535	274,535
Finance Leases	64,301	21,732	21,732
Painting Contract Liability	50,541	61,804	61,804
Total Financial liabilities measured at amortised Cost	377,932	358,071	358,071

28. Events After Balance Date

Impact from COVID-19

On the 11th March 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on the 26th March, New Zealand increased its' COVID-19 alert level to level 4 and a nationwide lockdown commenced. As part of this lockdown all schools were closed until 18 May 2020.

At the date of issuing the financial statements, the school has been able to absorb the majority of the impact from the nationwide lockdown as it was decided to start the annual Easter School holidays early. In the periods the school is open for tuition, the school has switched to alternative methods of delivering the curriculum, so students can learn remotely.

At this time the full financial impact of the COVID-19 pandemic is not able to be determined, but it is not expected to be significant to the school. The school will continue to receive funding from the Ministry of Education, even while closed.

29. Adoption of PBE IFRS 9 Financial Instruments

In accordance with the transitional provisions of PBE IFRS 9, the school has elected not to restate the information for previous years to comply with PBE IFRS 9. Adjustments arising from the adoption of PBE IFRS 9 are recognised in opening equity at 1 January 2019. Accounting policies have been updated to comply with PBE IFRS 9. The main updates are:

Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.

Term deposits: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

Upon transition to PBE IFRS9 there were no material adjustments to these financial statements.



Ake ake kia kaha

GOLDEN BAY HIGH SCHOOL

KIWISPORT FUNDING 2019

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

During 2019, Golden Bay High School received total funding of \$7,491.74 (excluding GST).

The funding was spent on a Kiwisport Coordinator to increase the range and variety of sporting activities available for all students from Year 7-13.

The number of students that participated in organised sport was 350.

PERSONNEL POLICIES 2019

The Board of Trustees ratified the 2019 Personnel Compliance Report which reflected compliance with Golden Bay High School's Personnel Policies.

Linda Tame
Principal



GOLDEN BAY HIGH SCHOOL

ANALYSIS OF VARIANCE

2019

Golden Bay High School 2019 Analysis of Variance

Other relevant documents: 2019 Action plan – with notes about completion of actions, 2020 Action plan

Target 1:

High relational trust is evident between all in the Golden Bay High School community – students, staff, whānau, Mohua Kāhui Ako schools and the wider community.

2019 Measures:

- Community feedback at November hui is positive about school relationships having improved
- 360 feedback at Principal's external appraisal is positive
- Staff anonymous survey and feedback is positive about an improvement in trust
- 2018 student wellbeing survey is unpacked, a plan developed and implementation begun
- Positive media coverage about school
- International student market on upwards trend

Outcomes:

- Anonymous staff survey very positive
- Positive feedback from staff given to ERO
- Positive feedback from students, staff and community through Linda's 360
- Student wellbeing survey completed – unpacking has occurred. 2020 focus will be Poutama Pounamu.
- International student market – 4.2 FTTE in 2019

Evaluation

- Measures met (no community hui held as community meetings held for property redevelopment)

Next steps

- Relational Trust moved to Business as Usual for 2020
- New target of Students and Staff Wellbeing for 2020

Target 2:

Every learner will be challenged and supported with high quality, future focussed teaching

2019 Measures:

- Achievement targets :
 - E-asttle Numeracy:
 - Each Year level's progress will be at the same level or above the national norm
 - Evidence of close attention paid to Year 10 progress
 - E-asttle Literacy:
 - Year 7, 8 & 10 progress will be at the same level or above the national norm
 - Year 9 progress will be greater than the national norm
 - 93% of Level 1 NCEA students achieve literacy and numeracy
 - NCEA Level 1, 2 and 3 and UE pass rates are above decile average.
 - 90% of 2019 NCEA Level 2 Leavers have achieved Level 2 NCEA (Kāhui Ako goal 85%) (Note – results not available until October)
 - Evidence of the further upwards trend in the percentage of students participating in NCEA at each level gaining endorsements (Kāhui Ako stretch goal 50%)
- Evidence of a shift towards student centred pedagogy
- Evidence of teachers engaged in continuing to improve pedagogy based on future focused New Zealand research (14 teachers volunteered for shadow coaching)

Outcomes (see attached data)

- E-asttle numeracy: achieved at years 7, 8 & 9 (Year 7 faster, Year 8 same, Year 9 faster, Year 10 slower)
- E-asttle literacy: achieved at Year 10 (Years 7-9 slower, Year 10 same)
- NCEA Level 1 literacy and numeracy: achieved (92.5%)
- Teachers engaged in teaching inquiries around 5 themes which are all proven levers for improving student outcomes and half teachers involved in shadow coaching programme.
- NCEA pass rates: Achieved at L1, L2 and UE. L1 well above decile average, L2 above decile average, L3 below decile average (close), UE just above decile average
- 2019 school leaver results not available yet. 2018 school leavers: 83% had L2, slightly above the national norm.
- Endorsements – L1 slight reduction (though increase in excellence), L2 increase, L3 decrease

Evaluation:

- E-asttle maths demonstrates good progress, but reading needs further investigation and work.
- NCEA pass rates and leaver rates are positive, endorsements are patchy.
- UE pass rate has regained to near decile average.
- Teacher work on improving pedagogy minimal evidence of a shift towards more student centred pedagogy across the school Excellent practice in _____ access

Next Steps:

- Student achievement will always be a target.
- We have turned our main focus from relational trust, enhancing governance, property and finance to student learning and wellbeing.
- For NCEA we are focussing on engaging students and targeting successful interventions for students at risk of not achieving, including Māori students.
- PLD is very future focussed on improving outcomes (Poutama Pounamu)

Target 3:

Māori students enjoy accelerated educational success as Māori

2019 Measures:

- Treaty of Waitangi Policy implementation plan developed in partnership with iwi and whānau
- Evidence of increased engagement with iwi and whānau
- Each Māori student's progress and achievement is monitored and tracked, and interventions successfully put in place
- Teachers engaged in 'culturally responsive pedagogy' professional learning (Poutama Pounamu)

Outcomes

- Action plan has been developed around Māori student outcomes
- Manawhenua consulted regarding property redevelopment
- NCEA Māori student progress monitored. Interventions in place, but limited success. Junior Māori students' progress not monitored in a systemised manner
- Major focus on culturally responsive pedagogy through Poutama Pounamu

Evaluation

- Whilst significant progress has been made, we are still at the beginning of the journey

Next steps

- Māori students enjoying accelerated educational success as Māori continues to be a major focus in 2020

Target 4:

Enhance Governance

2019 Measures:

- Enhance and embed self-review process including Hautū tool
- ERO review cycle returns to regular cycle
- Sustainable financial processes including budget embedded
- Education Brief completed and Master Planning begun
- Board undertaken future focussed PLD (Internally run)

Outcomes

- Policy review processes embedded. Decision not to undertake Hautū
- ERO findings "well placed"
- Budget adhered to, and business case successful
- Education Brief completed
- Lead Consultant selection completed (but not published)
- Future focussed workshop held

Evaluation

- All achieved

Next Steps

- In 2020 the focus will move to BoT self evaluation, and internal evaluation.

**INDEPENDENT AUDIT REPORT TO THE READERS OF
GOLDEN BAY HIGH SCHOOL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

The Auditor-General is the auditor of Golden Bay 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.

We have audited the financial statements of the School on pages 3 to 20 that comprise the statement of financial position as at 31 December 2019, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

Qualified Opinion

In our opinion, except for the matter described in the *Basis for our qualified opinion* section of our report, the financial statements of the School:

- present fairly, in all material respects:
 - financial position as at 31 December 2019; and
 - financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practices in New Zealand and have been prepared in accordance with Public Benefit Entity Standards with disclosure concessions.

Our audit was completed on 29 May 2020. 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 of Trustees and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Emphasis of Matter - COVID-19

Without modifying our opinion, we draw attention to the disclosures in note 26 on page 20 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

Basis for our qualified opinion

Qualified opinion on the provision for cyclical maintenance

The School has an obligation to the Ministry of Education to keep the land and buildings in good order and repair. The Statement of Financial Position on page 4 includes a provision for cyclical maintenance, which totals \$69,706. We have not been able to obtain enough evidence to support the provision. There are no practical audit procedures to determine the effect of this absence of evidence.

As disclosed in note 16, the Ministry of Education is undertaking a full condition assessment of the school's buildings. Until there is a clear plan, there is significant uncertainty about the maintenance the School needs to carry out on those buildings. As a result, we consider the cyclical maintenance provision could be materially misstated.

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 of Trustees

The Board of Trustees 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 of Trustees is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board of Trustees 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 of Trustees' responsibilities arise from 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 of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees 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 of Trustees 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 of Trustees is responsible for the other information. The other information comprises the Analysis of Variance, Kiwisport notice and Board of Trustees 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.

A handwritten signature in blue ink, appearing to read 'Warren Johnstone', followed by a stylized flourish.

Warren Johnstone
BDO Christchurch

On behalf of the Auditor-General
Christchurch, New Zealand