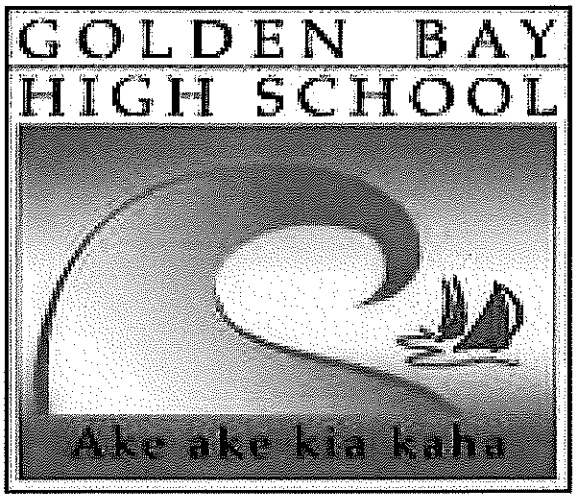

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

Ministry Number:	292
Principal:	Linda Tame
School Address	12 Waitapu Road, Takaka, Nelson
School Postal Address:	12 Waitapu Road, Takaka, Nelson, 7110
School Phone:	03 525 9914
School Email:	postie@gbh.school.nz

Solutions Services
Collaborative School Administration

GOLDEN BAY HIGH SCHOOL

Annual Report - For the year ended 31 December 2018

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Golden Bay High School

Statement of Responsibility

For the year ended 31 December 2018

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 2018 fairly reflects the financial position and operations of the school.

The School's 2018 financial statements are authorised for issue by the Board.

Signature of Board Chairperson	Signature of Principal
24/5/19	24/5/19
Date:	Date:

Golden Bay High School

Members of the Board of Trustees

For the year ended 31 December 2018

Name	Position	How Position Gained	Held Until
Andrew Williams	Chairperson	Elected	May 2019
Linda Tame	Principal		
Cynthia Sampson	Parent Rep	Elected	May 2019
Cherrie Chubb	Parent Rep	Elected	May 2019
Susanne Struck	Parent Rep	Elected	May 2019
Bev Purdie	Parent Rep	Co-opted	May 2019
Vanessa Harwood	Parent Rep	Co-opted	May 2019
Xanthe Rose	Student Rep	Elected	May 2019
Gareth Batten	Staff Rep	Elected	May 2019

Golden Bay High School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2018

	Notes	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Revenue				
Government Grants	2	4,562,847	4,248,123	4,310,454
Locally Raised Funds	3	289,865	156,633	303,891
Interest Earned		6,784	6,660	3,747
Gain on Sale of Property, Plant and Equipment		1,017	-	-
International Students	4	23,368	25,000	40,212
		4,883,881	4,436,416	4,658,304
Expenses				
Locally Raised Funds	3	119,714	70,970	146,332
International Students	4	1,546	5,983	6,841
Learning Resources	5	3,096,090	3,146,543	3,265,646
Administration	6	198,658	209,457	319,311
Finance Costs		2,168	-	949
Property	7	1,239,689	961,855	997,370
Depreciation	8	42,723	41,500	35,589
Loss on Disposal of Property, Plant and Equipment		4,948	-	1,238
		4,705,536	4,436,308	4,773,276
Net Surplus / (Deficit)		178,345	108	(114,972)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		178,345	108	(114,972)

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes.

BDO Christchurch

Golden Bay High School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2018

	Actual 2018 $	Budget (Unaudited) 2018 $	Actual 2017 $
Balance at 1 January	53,821	53,821	168,793
Total comprehensive revenue and expense for the year	178,345	108	(114,972)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	13,715	-	-
Equity at 31 December	245,881	53,929	53,821
Retained Earnings	245,881	53,929	53,821
Equity at 31 December	245,881	53,929	53,821

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes.

BDO Christchurch

Golden Bay High School

Statement of Financial Position

As at 31 December 2018

	Notes	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Current Assets				
Cash and Cash Equivalents	9	198,980	321,234	279,626
Accounts Receivable	10	215,924	230,329	230,329
GST Receivable		2,014	-	-
Prepayments		9,291	7,357	7,357
Inventories	11	1,500	1,500	1,500
		427,709	560,420	518,812
Current Liabilities				
GST Payable		-	55,656	55,656
Accounts Payable	13	274,535	252,997	252,997
Revenue Received in Advance	14	110,591	101,523	101,523
Provision for Cyclical Maintenance	15	10,415	-	-
Painting Contract Liability - Current Portion	16	19,214	-	-
Finance Lease Liability - Current Portion	17	9,857	5,634	5,634
Funds held in Trust	18	7,743	35,377	35,377
Funds held for Capital Works Projects	19	28,684	272,005	272,005
		461,039	723,192	723,192
Working Capital (Deficit)		(33,330)	(162,772)	(204,380)
Non-current Assets				
Property, Plant and Equipment	12	375,632	300,877	342,377
		375,632	300,877	342,377
Non-current Liabilities				
Provision for Cyclical Maintenance	15	41,956	79,490	79,490
Painting Contract Liability	16	42,590	-	-
Finance Lease Liability	17	11,875	4,686	4,686
		96,421	84,176	84,176
Net Assets		245,881	53,929	53,821
Equity		245,881	53,929	53,821

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

BDO Christchurch

Golden Bay High School

Statement of Cash Flows

For the year ended 31 December 2018

	Note	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Cash flows from Operating Activities				
Government Grants		1,125,880	980,608	1,087,782
Locally Raised Funds		351,183	156,633	256,386
International Students		4,203	25,000	29,703
Goods and Services Tax (net)		(57,670)	-	65,087
Payments to Employees		(554,648)	(578,462)	(689,413)
Payments to Suppliers		(588,473)	(527,831)	(732,147)
Cyclical Maintenance Payments in the Year		(101,804)	(21,000)	(10,836)
Interest Received		6,784	6,660	3,747
Net cash from / (to) the Operating Activities		185,455	41,608	10,309
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(61,438)	-	(11,937)
Net cash from / (to) the Investing Activities		(61,438)	-	(11,937)
Cash flows from Financing Activities				
Furniture and Equipment Grant		13,715	-	-
Finance Lease Payments		(9,227)	-	(7,360)
Painting contract payments		61,804	-	-
Funds Held for Capital Works Projects		(243,321)	-	272,005
Funds Administered on Behalf of Third Parties		(27,634)	-	(9,946)
Net cash from Financing Activities		(204,663)	-	254,699
Net increase/(decrease) in cash and cash equivalents		(80,646)	41,608	253,071
Cash and cash equivalents at the beginning of the year	9	279,626	279,626	26,555
Cash and cash equivalents at the end of the year	9	198,980	321,234	279,626

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.

BDO Christchurch

1. Statement of Accounting Policies

For the year ended 31 December 2018

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 2018 to 31 December 2018 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".

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.

BDO Christchurch

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

Classification of leases
The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 17.

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.

BDO Christchurch

1.8. Accounts Receivable

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.

1.9. Inventories

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

1.10. Investments

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.

1.11. 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 $500 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 $500.

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.

Leased Assets

Leases where the School assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets acquired by way of finance lease are measured at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Leased assets and corresponding liability are recognised in the Statement of Financial Position and leased assets are depreciated over the period the School is expected to benefit from their use or over the term of the lease.

BDO Christchurch

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	3 years
Library resources	12.5% Diminishing value

1.12. 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.

1.13. 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.

1.14. 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

BDO Christchurch

1.15. Revenue Received in Advance
Revenue received in advance relates to fees received from international 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.

1.16. 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.

1.17. 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).

1.18. 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, borrowings, finance lease liability, and painting contract liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

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 at the start of the year.

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.

BDO Christchurch

2. Government Grants

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Operational grants	923,332	868,075	855,244
Teachers' salaries grants	2,555,884	2,600,124	2,600,124
Use of Land and Buildings grants	881,083	667,391	667,391
Other MoE Grants	137,831	61,535	143,509
Other government grants	64,717	50,998	44,186
	4,562,847	4,248,123	4,310,454

3. Locally Raised Funds

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

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Revenue			
Donations	77,647	37,450	66,835
Other revenue	34,905	38,683	44,018
Trading	50,276	60,000	62,328
Activities	127,037	20,500	130,710
	289,865	156,633	303,891
Expenses			
Activities	69,058	11,970	77,434
Trading	50,656	59,000	68,898
	119,714	70,970	146,332
Surplus for the year Locally raised funds	170,151	85,663	157,559

4. International Student Revenue and Expenses

	2018 Actual Number	2018 Budget (Unaudited) Number	2017 Actual Number
International Student Roll	2	3	6

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Revenue			
International student fees	23,368	25,000	40,212
Expenses			
Commissions	757	3,783	2,916
International student levy	650	1,100	2,210
Employee Benefit - Salaries	139	500	1,261
Other Expenses	-	600	454
	1,546	5,983	6,841
	21,822	19,017	33,371

BDO Christchurch

5. Learning Resources

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Curricular	187,753	209,688	220,268
Equipment repairs	-	-	1,485
Information and communication technology	22,521	23,800	20,111
Extra-curricular activities	46,506	750	31,728
Library resources	6,667	7,550	5,640
Employee benefits - salaries	2,807,370	2,880,855	2,949,445
Staff development	25,273	23,900	36,969
	3,096,090	3,146,543	3,265,646

6. Administration

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Audit Fee	3,915	9,000	5,451
Board of Trustees Fees	3,420	5,000	3,600
Board of Trustees Expenses	5,884	6,570	81,864
Communication	5,990	7,600	7,620
Consumables	14,644	15,210	24,577
Operating Lease	2,098	2,500	-
Legal Fees	300	-	-
Other	216	7,500	396
Employee Benefits - Salaries	150,114	146,667	179,348
Insurance	6,727	6,250	12,090
Service Providers, Contractors and Consultancy	5,350	3,160	4,365
	198,658	209,457	319,311

7. Property

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Caretaking and Cleaning Consumables	13,230	13,500	14,967
Cyclical Maintenance Provision	74,685	21,000	10,836
Grounds	13,317	14,000	19,061
Heat, Light and Water	55,652	60,500	63,542
Rates	8,027	8,200	7,745
Repairs and Maintenance	41,161	21,300	48,662
Use of Land and Buildings	881,083	667,391	667,391
Security	9,029	5,400	5,601
Employee Benefits - Salaries	143,505	150,564	159,565
	1,239,689	961,855	997,370

The use of land and buildings figure represents 8% of the school's total property value. This is used as a 'proxy' for the market rental of the property. 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.

BDO Christchurch

8. Depreciation of Property, Plant and Equipment

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Building Improvements	6,934	6,000	6,934
Furniture and Equipment	13,969	15,500	14,392
Information and Communication Technology	10,405	9,000	4,425
Leased Assets	8,666	8,000	6,499
Library Resources	2,749	3,000	3,339
	42,723	41,500	35,589

9. Cash and Cash Equivalents

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Bank Current Account	198,980	321,234	279,626
Cash equivalents and bank overdraft for Cash Flow Statement	198,980	321,234	279,626

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

Of the $198,980 Cash and Cash Equivalents, $28,684 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2019 on Crown owned school buildings under the School's Five Year Property Plan.

10. Accounts Receivable

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Receivables	1,915	35,000	35,000
Receivables from the Ministry of Education	35,157	35,157	35,157
Teacher Salaries Grant Receivable	178,852	160,172	160,172
	215,924	230,329	230,329
Receivables from Exchange Transactions	1,915	35,000	35,000
Receivables from Non-Exchange Transactions	214,009	195,329	195,329
	215,924	230,329	230,329

11. Inventories

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Canteen	1,500	1,500	1,500
	1,500	1,500	1,500

BDO Christchurch

12. Property, Plant and Equipment

2018	Opening Balance (NBV) $	Additions $	Disposals $	Impairment $	Depreciation $	Total (NBV) $
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**

2018	Cost or Valuation $	Accumulated Depreciation $	Net Book Value $
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**

The net carrying value of equipment held under a finance lease is $21,283 (2017: $10,062)

2017	Opening Balance (NBV) $	Additions $	Disposals $	Impairment $	Depreciation $	Total (NBV) $
Building Improvements	189,221	-	-	-	(6,934)	**182,287**
Furniture and Equipment	114,733	6,471	-	-	(14,392)	**106,812**
Information and Communication	23,312	956	-	-	(4,425)	**19,843**
Leased Assets	9,908	6,653	-	-	(6,499)	**10,062**
Library Resources	23,439	4,511	(1,238)	-	(3,339)	**23,373**
Balance at 31 December 2017	360,613	18,591	(1,238)	-	(35,589)	**342,377**

2017	Cost or Valuation $	Accumulated Depreciation $	Net Book Value $
Building Improvements	288,358	(106,071)	**182,287**
Furniture and Equipment	766,806	(659,994)	**106,812**
Information and Communication	522,430	(502,587)	**19,843**
Leased Assets	21,245	(11,183)	**10,062**
Library Resources	62,937	(39,564)	**23,373**
Balance at 31 December 2017	1,661,776	(1,319,399)	**342,377**

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13. Accounts Payable

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Operating creditors	50,252	37,949	37,949
Accruals	4,502	4,543	4,543
Employee Entitlements - salaries	185,055	163,614	163,614
Employee Entitlements - leave accrual	34,726	46,891	46,891
	274,535	252,997	252,997
Payables for Exchange Transactions	274,535	252,997	252,997
	274,535	252,997	252,997

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Grants in Advance - Ministry of Education	80,000	80,000	80,000
International Student Fees	-	19,165	19,165
Other	30,591	2,358	2,358
	110,591	101,523	101,523

15. Provision for Cyclical Maintenance

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Provision at the Start of the Year	79,490	79,490	68,654
Increase to the Provision During the Year	74,685	-	10,836
Use of the Provision During the Year	(101,804)	-	-
Provision at the End of the Year	52,371	79,490	79,490
Cyclical Maintenance - Current	10,415	-	-
Cyclical Maintenance - Term	41,956	79,490	79,490
	52,371	79,490	79,490

16. Painting Contract Liability

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Current Liability	19,214	-	-
Non Current Liability	42,590	-	-
	61,804	-	-

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.

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17. Finance Lease Liability

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

	2018 Actual	2018 Budget (Unaudited)	2017 Actual
	$	$	$
No Later than One Year	11,556	6,395	6,395
Later than One Year and no Later than Five Years	12,841	5,029	5,029
Later than Five Years	-	-	-
	24,397	11,424	11,424

18. Funds Held in Trust

	2018 Actual	2018 Budget (Unaudited)	2017 Actual
	$	$	$
Funds Held in Trust on Behalf of Third Parties - Current	7,743	35,377	35,377
	7,743	35,377	35,377

These funds relate to arrangements where the school is acting an 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.

19. 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:

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

Represented by:

Funds Held on Behalf of the Ministry of Education	28,684
	28,684

	2017	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		$	$	$		$
Science Lab Extension	In progress	-	278,404	45,559	-	232,845
Upgrade of Wired Network	Completed	-	25,920	29,170	3,250	-
Water Fountains	Completed	-	6,807	10,797	3,990	-
Special Ed Block Upgrade	Completed	-	32,635	30,754	(1,881)	-
Exterior Cladding & Painting	In progress	-	39,910	750	-	39,160
Pool Fence	Completed	-	37,497	37,497	-	-
Totals		-	421,173	154,527	5,359	272,005

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20. Related Party Transactions

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

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

21. Remuneration

Key management personnel compensation

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

	2018 Actual $	2017 Actual $
Board Members		
Remuneration	3,420	3,600
Full-time equivalent members	0.52	0.75
Leadership Team		
Remuneration	431,793	407,014
Full-time equivalent members	4.00	3.34
Total key management personnel remuneration	435,213	410,614
Total full-time equivalent personnel	4.52	4.09

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 or Acting Principal was in the following bands:

	2018 Actual $	2017 Actual $
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	150 - 160	130-140
Benefits and Other Emoluments	0 - 0	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 $	2018 FTE Number	2017 FTE Number
110 - 120	-	-
100 - 110	1.00	1.00
	1.00	1.00

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

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22. 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:

	2018 Actual	2017 Actual
Total	$ -	$ 50,000
Number of People	-	1

23. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2018 (Contingent liabilities and assets at 31 December 2017: 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, however the potential impact on any specific school or individual and any associated historical liability will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2018, a contingent liability for the school may exist.

24. Commitments

(a) Capital Commitments

As at 31 December 2018 the Board has not entered into any contract agreements for capital works.

(Capital commitments at 31 December 2017: $155,284)

(b) Operating Commitments

As at 31 December 2018 the Board has entered into the following contracts:

(a) operating lease of a photocopier;

	2018 Actual $	2017 Actual $
No later than One Year	-	5,631
Later than One Year and No Later than Five Years	-	-
Later than Five Years	-	-
	-	5,631

25. 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.

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26. Financial Instruments

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

Loans and Receivables

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Cash and Cash Equivalents	198,980	321,234	279,626
Receivables	215,924	230,329	230,329
Total Loans and Receivables	414,904	551,563	509,955

Financial liabilities measured at amortised cost

Payables	274,535	252,997	252,997
Finance Leases	21,732	10,320	10,320
Painting Contract Liability	61,804	-	-
Total Financial Liabilities Measured at Amortised Cost	358,071	263,317	263,317

27. Working Capital Deficit

The School is experiencing financial difficulties, at balance date the School has a working capital deficit of $32,143. Included in the deficit is a current liability to the Ministry of Education for an $80,000 cash advance made in November 2017, which was required to enable the School to pay wages and creditors. The repayment term of the advance is still being negotiated. The advance is interest free. The negative working capital is a long standing issue that had worsened as a result of the significant operating deficit, which occurred in the 2017 year. The Board is working closely with the Ministry of Education to develop a budget to avoid such deficits in the foreseeable future. Subsequent to balance date the received a capital grant from the Ministry of Education.

The Board of Trustees and Principal have met with the MOE Regional Senior Financial Adviser - South Island and the District Manager. There is a Financial Recovery Plan in place, and has been in place for the the last 5 years. Monthly financial reports are sent to the Regional Senior Financial Adviser. In addition to this, a Limited Statutory Manager had been appointed to assist the Board of Trustees, including managing this working capital deficit, as of the 21st March 2017. The Limited Statutory Manager has since been released.

As reported at Note 15, the School has a Provision for Cyclical Maintenance of $52,371 as at 31 December 2018. As part of the financial recovery plan a Business Case, including full condition assessment of all the buildings is in progress but not completed. Until this is completed, there is significant uncertainty about the level of future cyclical maintenance required. Therefore, until the Condition Assessment is completed and a 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 Condition Assessment but the quantum of any adjustment is unknown.

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

28. Events After Balance Date

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

29. Breach of section 67 of the Education Act 1989

The School was in breach of section 67 of the Education Act 1989 due to its borrowing exceeding 10% of the operations funding for the year ended 31 December 2017.

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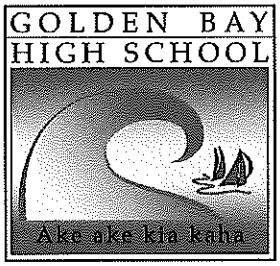


GOLDEN BAY HIGH SCHOOL

ANALYSIS OF VARIANCE

2018

12 Waitapu Road, Takaka 7110, New Zealand • Tel 00643 525 9914• • email: postie

Golden Bay High School 2018 Analysis of Variance

Other relevant documents: 2018 Action plan – with notes about completion of actions, 2019 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.

2018 Measures:

- Community feedback at repeat hui is positive about school relationships having improved
- Staff anonymous survey and feedback is positive about an improvement in trust
- Student wellbeing survey is completed, a plan developed and implementation begun

Outcomes:

- Positive feedback at Hui – attendance low indicating 'satisfaction'. Other informal positive feedback received regularly.
- 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 begun but not complete

Evaluation

- Measures met except for student wellbeing survey planning and implementation. Student wellbeing survey unpacking and planning very complex. We are deliberately taking our time and weaving it into staff PLD on relational practice

Next steps

- Relational Trust remains a target for 2019, however, we hope to move to Business as Usual in 2020

Target 2:

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

2018 Measures:

- Achievement targets :
  - E-asttle Numeracy.
    - Years 8-10: One sublevel increase for each cohort between end 2017 and end 2018
    - Year 7: One sublevel increase from Term 2 2018 until end 2018
  - E-asttle Literacy:
    - Years 7-10: One sublevel increase from Term 2 2018 until end 2018
  - 93% of Level 1 NCEA students achieve literacy and numeracy
  - 90% of NCEA Level 2 Leavers have achieved Level 2 NCEA (Kāhui ako goal 85%)
  - Evidence of the beginnings of an upwards trend in the percentage of students participating in NCEA at each level gaining endorsements (Kāhui ako stretch goal 50%)

- Evidence of teachers engaged in continuing to improve pedagogy based on future focused New Zealand research

Outcomes (see attached data)

- E-asttle numeracy: achieved at years 8 & 9; progress similar to national norm at year 7; Year 10 not achieved
- E-asttle literacy: achieved at years 7 & 8, progress similar to national norm at years 9 & 10
- NCEA Level 1 Literacy and numeracy: achieved
- 2018 leavers – data not yet available. 2018 pass rates L1 & L2 above decile average. L3 greatly improved on 2017, but not yet at decile average
- Endorsements – evidence of slight improvement in total % endorsements at L1 & L2, total at Level 3 did not improve, but excellences did.

- Teachers engaged in teaching inquiries around 5 themes which are all proven levers for improving student outcomes

Evaluation:

Now that we have more reliable baseline data, and increased staff understanding of the measures, we are able to use the data to set more meaningful targets in the junior school. We became aware of the issue with year 10 maths late in Term 3 and planned our first group intervention for late term 4.

We are aware of the issues around endorsements, Level 3 and UE.

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.

We have a focus on year 10 Maths and year 9 Reading in the Junior school.

For NCEA we are focussing on endorsements, and targeting successful interventions for students at risk of not achieving including Māori students.

The BoT will need to determine goals for University Entrance.

PLD is very future focussed on improving outcomes.

Target 3:

Māori students enjoy accelerated educational success as Māori

2018 Measures:

- Treaty of Waitangi Policy and implementation plan developed in partnership with iwi and whānau
- Evidence of increased engagement with iwi and whānau
- A robust process for measuring cohort Māori student achievement is implemented
- Each Māori student' progress and achievement is monitored and tracked, monitored and interventions put in place.
- On average, across combined years 7-10, Māori students progress one subgrade in e-asttle numeracy and literacy.

Outcomes

- Treaty Policy approved but implementation plan not complete
- Processes for manawhenua input into school decision making agreed with manawhenua
- Process worked on with MOE data analyst. A single robust measure is not possible due to small numbers
- NCEA Māori student progress monitored. Interventions in place, but limited success. Junior Māori students'' progress not monitored in a systemised manner
- MOE data analyst has advised that this is not an appropriate way to measure Māori success due to small sample sizes, consequently we have not reported on the e-asttle progress. However, looking across all data it is clear Māori students are not enjoying accelerated educational success as Māori.

Evaluation

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

Next steps

- Māori students enjoying accelerated educational success as Māori is a major focus in 2019

Target 4:

Enhance Governance

2018 Measures:

- Enhanced self-review process developed and implemented
- Sustainable financial plan in place
- Property development plans progressed

Outcomes

- Complete overhaul of policies and governance manual
- Self review plan in place including deep dives on student achievement
- Budget adhered to and no borrowing beyond $80k advance
- Capital injection business case successful
- Property redevelopment announced
- Maintenance and asset replacement programme in place
- Limited Statutory Manager lifted
- Positive feedback from ERO

Evaluation

- All achieved

Next Steps

- Embedding self-review and finances processes remains a target for 2019, but we hope to move to business as usual in 2020

KIWISPORT FUNDING 2018

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

During 2018, Golden Bay High School received total funding of $7,570.98 (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 2018

The Board of Trustees ratified the 2018 Personnel Compliance Report which reflected compliance with Golden Bay High School's Personnel Policies.

Linda Tame
Principal

INDEPENDENT AUDIT REPORT TO THE READERS OF GOLDEN BAY HIGH SCHOOL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018, 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 2018; 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 24 May 2019. 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 of Trustees and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

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 $52,371. 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 27, 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.

Emphasis of matter - financial difficulties

In forming our opinion, we draw your attention to note 27, which refers to the School's working capital deficit of $33,330. These financial statements are prepared on a going concern basis. The going concern assumption is dependent on the continuing support from the Ministry of Education. The Ministry of Education has confirmed it will continue to provide the School with resources so it may meet its obligations as they fall due.

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.

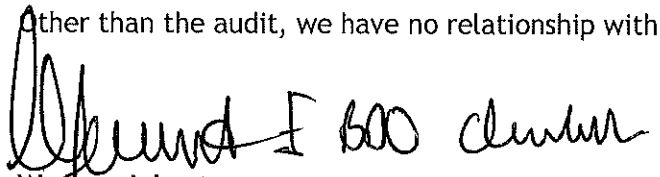
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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 (Revised): 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