



# Lincoln High School

Te Kura Tuarua o Waihora

## ANNUAL REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2020**

School Directory

Ministry Number:	347
Principal:	Kathy Paterson
School Address:	25 Boundary Road, Lincoln, Canterbury 7608
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# LINCOLN HIGH SCHOOL

Annual Report - For the year ended 31 December 2020

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# Lincoln High School

## Statement of Responsibility

For the year ended 31 December 2020

The Board of Trustees accepts responsibility for the preparation of the annual financial statements and the judgements used in these financial statements.

The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the School's financial reporting.

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2020 fairly reflects the financial position and operations of the School.

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

ADRIAN MARK PATERSON  
Full Name of Board Chairperson

Kathleen Mary Paterson  
Full Name of Principal

# **Lincoln High School**

## **Members of the Board of Trustees**

For the year ended 31 December 2020

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Held Until</b>
Adrian Paterson	Chairperson	Elected	May 2021
Kathy Paterson	Principal	ex Officio	
Andrew Marshall	Parent Rep	Elected	May 2021
Poppy Cuthbert	Student Rep	Elected	May 2021
Adam Gard'ner	Parent Rep	Elected	May 2021
Troy Landrebe	Parent Rep	Elected	May 2021
Ben Olijkan	Parent Rep	Elected	May 2021
Maria Connolly	Staff Rep	Elected	May 2021

# Lincoln High School

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
<b>Revenue</b>				
Government Grants	2	13,653,479	13,294,118	12,379,601
Locally Raised Funds	3	955,692	1,326,483	1,447,532
Interest Income		80,529	92,000	131,161
Gain on Sale of Property, Plant and Equipment		4,326	-	-
International Students	4	468,875	722,550	538,530
		<u>15,162,901</u>	<u>15,435,151</u>	<u>14,496,824</u>
<b>Expenses</b>				
Locally Raised Funds	3	601,045	921,092	1,064,046
International Students	4	297,439	409,254	380,799
Learning Resources	5	10,235,310	10,235,298	9,949,378
Administration	6	536,453	671,394	573,643
Finance		13,772	-	11,957
Property	7	3,234,294	3,390,900	2,524,149
Depreciation	8	327,125	280,000	309,269
Loss on Disposal of Property, Plant and Equipment		-	-	2,452
		<u>15,245,438</u>	<u>15,907,938</u>	<u>14,815,693</u>
<b>Net (Deficit) / Surplus for the year</b>		(82,537)	(472,787)	(318,869)
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>(82,537)</u>	<u>(472,787)</u>	<u>(318,869)</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.



**Lincoln High School**  
**Statement of Changes in Net Assets/Equity**  
For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Balance at 1 January</b>		<u>4,851,434</u>	<u>4,851,434</u>	<u>5,110,897</u>
Total comprehensive revenue and expense for the year		(82,537)	(472,787)	(318,869)
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	59,406
<b>Equity at 31 December</b>	28	<u>4,768,897</u>	<u>4,378,647</u>	<u>4,851,434</u>
Retained Earnings		4,768,897	4,378,647	4,851,434
<b>Equity at 31 December</b>		<u>4,768,897</u>	<u>4,378,647</u>	<u>4,851,434</u>

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes which form part of these financial statements.



**Lincoln High School**  
**Statement of Financial Position**  
As at 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Current Assets</b>				
Cash and Cash Equivalents	9	582,067	361,344	554,131
Accounts Receivable	10	682,636	558,027	558,027
GST Receivable		18,865	46,380	46,380
Prepayments		80,676	64,109	64,109
Inventories	11	86,972	80,232	80,232
Investments	12	3,505,000	3,450,000	3,450,000
Funds owing for Capital Works Projects	19	87,240	423,301	423,301
		<u>5,043,456</u>	<u>4,983,393</u>	<u>5,176,180</u>
<b>Current Liabilities</b>				
Accounts Payable	14	1,054,873	895,264	895,264
Revenue Received in Advance	15	342,333	442,391	442,391
Provision for Cyclical Maintenance	16	60,000	-	-
Finance Lease Liability - Current Portion	17	76,360	73,100	73,100
Funds held in Trust	18	341,611	500,704	500,704
Funds held for Capital Works Projects	19	131,134	125,169	125,169
Funds Held on Behalf of the Lincoln Schools cluster	20	12,307	10,916	10,916
Funds Held on Behalf of the COL cluster (Kāhui Ako)	21	28,782	21,170	21,170
Funds Held on Behalf of the ECE Kahui Ako Cluster	22	13,087	13,087	13,087
		<u>2,060,487</u>	<u>2,081,801</u>	<u>2,081,801</u>
<b>Working Capital Surplus/(Deficit)</b>		<u>2,982,969</u>	<u>2,901,592</u>	<u>3,094,379</u>
<b>Non-current Assets</b>				
Investments	12	16,306	21,306	21,306
Property, Plant and Equipment	13	2,199,889	1,956,660	2,236,660
		<u>2,216,195</u>	<u>1,977,966</u>	<u>2,257,966</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	16	312,025	450,290	450,290
Finance Lease Liability	17	118,242	50,621	50,621
		<u>430,267</u>	<u>500,911</u>	<u>500,911</u>
<b>Net Assets</b>		<u>4,768,897</u>	<u>4,378,647</u>	<u>4,851,434</u>
<b>Equity</b>	28	<u>4,768,897</u>	<u>4,378,647</u>	<u>4,851,434</u>

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



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

	Note	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		2,812,872	2,718,713	2,615,963
Locally Raised Funds		959,560	1,326,483	1,686,619
International Students		367,134	722,550	487,677
Goods and Services Tax (net)		27,515	-	(35,609)
Payments to Employees		(1,912,709)	(1,993,734)	(1,945,072)
Payments to Suppliers		(2,172,788)	(2,841,799)	(2,932,238)
Funds Administered on Behalf of Third Parties		(150,090)	-	(61,213)
Cyclical Maintenance payments in the Year		(78,265)	-	(74,246)
Interest Received		82,503	92,000	137,861
Net cash from/(to) Operating Activities		(64,268)	24,213	(120,258)
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		4,326	-	(2,452)
Purchase of Property Plant & Equipment (and Intangibles)		(128,024)	(217,000)	(391,432)
Purchase of Investments		(50,000)	-	200,000
Net cash from/(to) Investing Activities		(173,698)	(217,000)	(193,884)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		-	-	59,406
Finance Lease Payments		(76,124)	-	(34,042)
Funds held for Capital Works Projects		342,026	-	(289,509)
Net cash from/(to) Financing Activities		265,902	-	(264,145)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>27,936</b>	<b>(192,787)</b>	<b>(578,287)</b>
Cash and cash equivalents at the beginning of the year	9	554,131	554,131	1,132,418
<b>Cash and cash equivalents at the end of the year</b>	<b>9</b>	<b>582,067</b>	<b>361,344</b>	<b>554,131</b>

The statement of cash flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries and the use of land and buildings grant and expense have been excluded.

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





# Lincoln High School

## Notes to the Financial Statements

For the year ended 31 December 2020

### 1. Statement of Accounting Policies

#### 1.1. Reporting Entity

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

#### 1.2. Basis of Preparation

##### **Reporting Period**

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

##### **Basis of Preparation**

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

##### **Financial Reporting Standards Applied**

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

##### **PBE Accounting Standards Reduced Disclosure Regime**

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

##### **Measurement Base**

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

##### **Presentation Currency**

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

##### **Specific Accounting Policies**

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

##### **Critical Accounting Estimates And Assumptions**

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

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

##### **Useful lives of property, plant and equipment**

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 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 carry forward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

### **1.3. Revenue Recognition**

#### **Government Grants**

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

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

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

Use of Land and Buildings Grants are recorded as revenue in the period the School uses the land and buildings. These are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown.

#### **Other Grants**

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

#### **Donations, Gifts and Bequests**

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

#### **Interest Revenue**

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

### **1.4. Use of Land and Buildings Expense**

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Ministry.

### **1.5. Operating Lease Payments**

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

### **1.6. Finance Lease Payments**

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

### **1.7. Cash and Cash Equivalents**

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

### **1.8. Accounts Receivable**

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

**Deloitte.**  
for  
Identification

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

### 1.11. 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.

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	10-20 years
Furniture and equipment	5-10 years
Information and communication technology	3-5 years
Motor vehicles	5 years
Leased assets held under a Finance Lease	Term of Lease
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, and also annual leave earned, by non teaching staff, to but not yet taken at balance date.

#### *Long-term employee entitlements*

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

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

### 1.15. 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.

### 1.16. 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. Shared Funds

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. The cluster of schools operate activities outside of the School's control. These amounts are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

### 1.18. 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).

### 1.19. Financial Instruments

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

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

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



**1.20. Borrowings**

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

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

**1.21. 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.

**1.22. Budget Figures**

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

**1.23. Services received in-kind**

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



## 2. Government Grants

	2020	2020 Budget (Unaudited)	2019
	Actual \$	\$	Actual \$
Operational Grants	2,620,993	2,637,618	2,526,480
Teachers' Salaries Grants	8,336,268	8,075,000	8,010,802
Use of Land and Buildings Grants	2,418,959	2,460,000	1,677,929
Resource Teachers Learning and Behaviour Grants	17,347	16,000	15,773
Other MoE Grants	209,564	55,500	106,981
Other Government Grants	50,348	50,000	41,636
	<b>13,653,479</b>	<b>13,294,118</b>	<b>12,379,601</b>

Other MOE Grants total includes additional COVID-19 funding totalling \$77,129 for the year ended 31 December 2020.

## 3. Locally Raised Funds

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

	2020	2020 Budget (Unaudited)	2019
	Actual \$	\$	Actual \$
<b>Revenue</b>			
Donations	270,725	299,833	256,570
Fundraising	2,000	12,000	12,000
Bequests & Grants	-	1,000	5,000
Other Revenue	32,507	37,800	37,647
Trading	347,463	466,000	467,329
Activities	302,997	509,850	668,986
	<b>955,692</b>	<b>1,326,483</b>	<b>1,447,532</b>
<b>Expenses</b>			
Activities	247,003	475,492	613,093
Trading	354,042	445,600	450,953
	<b>601,045</b>	<b>921,092</b>	<b>1,064,046</b>
	<b>354,647</b>	<b>405,391</b>	<b>383,486</b>

*Surplus for the year Locally raised funds*

## 4. International Student Revenue and Expenses

	2020	2020 Budget (Unaudited)	2019
	Actual Number	Number	Actual Number
International Student Roll	33	42	42
	2020	2020 Budget (Unaudited)	2019
	Actual \$	\$	Actual \$
<b>Revenue</b>			
International Student Fees	468,875	722,550	538,530
<b>Expenses</b>			
Advertising	6,109	45,000	43,932
Commissions	43,142	87,000	58,205
International Student Levy	12,304	15,304	13,736
Employee Benefit - Salaries	207,028	162,000	209,879
Other Expenses	28,856	99,950	55,047
	<b>297,439</b>	<b>409,254</b>	<b>380,799</b>
	<b>171,436</b>	<b>313,296</b>	<b>157,731</b>

*Surplus for the year International Students*



## 5. Learning Resources

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	449,181	585,636	505,801
Equipment Repairs	2,580	3,493	1,723
Information and Communication Technology	239,721	259,980	234,646
Library Resources	5,046	5,950	5,711
Employee Benefits - Salaries	9,528,090	9,358,239	9,182,533
Staff Development	10,692	22,000	18,964
	<u>10,235,310</u>	<u>10,235,298</u>	<u>9,949,378</u>

## 6. Administration

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	9,616	9,200	9,203
Board of Trustees Fees	4,195	6,000	6,084
Board of Trustees Expenses	1,673	3,500	12,483
Communication	11,681	20,600	20,140
Consumables	7,661	9,500	8,495
Operating Lease	3,131	58,944	5,713
Legal Fees	2,195	2,000	500
Other	56,275	88,450	44,961
Employee Benefits - Salaries	380,701	413,600	405,917
Insurance	52,794	51,600	54,177
Service Providers, Contractors and Consultancy	6,531	8,000	5,970
	<u>536,453</u>	<u>671,394</u>	<u>573,643</u>

## 7. Property

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	44,960	45,300	45,368
Consultancy and Contract Services	228,839	220,000	221,896
Grounds	35,963	36,600	45,820
Heat, Light and Water	190,724	230,000	216,326
Rates	9,212	9,500	9,191
Repairs and Maintenance	111,786	210,500	128,947
Use of Land and Buildings	2,418,959	2,460,000	1,677,929
Security	4,258	3,700	4,588
Employee Benefits - Salaries	189,593	175,300	174,084
	<u>3,234,294</u>	<u>3,390,900</u>	<u>2,524,149</u>

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

## 8. Depreciation of Property, Plant and Equipment

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements	56,473	50,000	55,175
Furniture and Equipment	68,908	59,000	65,705
Information and Communication Technology	90,594	78,000	88,745
Motor Vehicles	9,368	1,000	1,089
Leased Assets	94,631	85,000	90,950
Library Resources	7,151	7,000	7,605
	<u>327,125</u>	<u>280,000</u>	<u>309,269</u>



## 9. Cash and Cash Equivalents

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash on Hand	1,291	-	1,291
Bank Current Account	572,864	361,344	391,534
Bank Call Account	7,912	-	11,306
Short-term Bank Deposits	-	-	150,000
Cash and cash equivalents for Statement of Cash Flows	<u>582,067</u>	<u>361,344</u>	<u>554,131</u>

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

Of the \$582,067 Cash and Cash Equivalents, \$131,134 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2021 on Crown owned school buildings under the School's Five Year Property Plan.

Of the \$582,067 Cash and Cash Equivalents, \$13,087 is held by the School on behalf of the ECE Kahui Ako cluster. See note 22 for details of how the funding received for the cluster has been spent in the year.

Of the \$582,067 Cash and Cash Equivalents, \$12,307 is held by the School on behalf of the Lincoln Schools cluster. See note 20 for details of how the funding received for the cluster has been spent in the year.

Of the \$582,067 Cash and Cash Equivalents, \$28,782 is held by the School on behalf of the COL cluster. See note 21 for details of how the funding received for the cluster has been spent in the year.

## 10. Accounts Receivable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Receivables	5,438	7,623	7,623
Receivables from the Ministry of Education	15,878	-	-
Interest Receivable	5,183	7,157	7,157
Teacher Salaries Grant Receivable	<u>656,137</u>	<u>543,247</u>	<u>543,247</u>
	<u>682,636</u>	<u>558,027</u>	<u>558,027</u>
Receivables from Exchange Transactions	10,621	14,780	14,780
Receivables from Non-Exchange Transactions	<u>672,015</u>	<u>543,247</u>	<u>543,247</u>
	<u>682,636</u>	<u>558,027</u>	<u>558,027</u>

## 11. Inventories

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Stationery	1,249	1,250	1,250
School Uniforms	85,723	77,455	77,455
Canteen	-	1,527	1,527
	<u>86,972</u>	<u>80,232</u>	<u>80,232</u>

## 12. Investments

The School's investment activities are classified as follows:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Asset			
Short-term Bank Deposits	3,505,000	3,450,000	3,450,000
Non-current Asset			
Long-term Bank Deposits	16,306	21,306	21,306
Total Investments	<u>3,521,306</u>	<u>3,471,306</u>	<u>3,471,306</u>

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### 13. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2020</b>						
Building Improvements	1,412,693	2,548	-	-	(56,473)	1,358,768
Furniture and Equipment	375,131	60,647	-	-	(68,908)	366,870
Information and Communication Technology	230,862	36,438	-	-	(90,594)	176,706
Motor Vehicles	3,161	59,310	-	-	(9,368)	53,103
Leased Assets	126,689	162,330	-	-	(94,631)	194,388
Library Resources	53,238	5,728	(1,761)	-	(7,151)	50,054
Work in Progress	34,886	(34,886)	-	-	-	-
<b>Balance at 31 December 2020</b>	<b>2,236,660</b>	<b>292,115</b>	<b>(1,761)</b>	<b>-</b>	<b>(327,125)</b>	<b>2,199,889</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2020</b>			
Building Improvements	1,692,771	(334,003)	1,358,768
Furniture and Equipment	1,169,445	(802,575)	366,870
Information and Communication Technology	793,336	(616,630)	176,706
Motor Vehicles	148,369	(95,266)	53,103
Leased Assets	421,952	(227,564)	194,388
Library Resources	210,053	(159,999)	50,054
<b>Balance at 31 December 2020</b>	<b>4,435,926</b>	<b>(2,236,037)</b>	<b>2,199,889</b>

The net carrying value of equipment held under a finance lease is \$194,388 (2019: \$126,689)

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2019</b>						
Building Improvements	1,348,513	119,355	-	-	(55,175)	1,412,693
Furniture and Equipment	334,921	105,915	-	-	(65,705)	375,131
Information and Communication Technology	252,154	67,453	-	-	(88,745)	230,862
Motor Vehicles	4,250	-	-	-	(1,089)	3,161
Leased Assets	111,529	106,110	-	-	(90,950)	126,689
Library Resources	56,723	6,571	(2,451)	-	(7,605)	53,238
Work in Progress	9,283	34,886	(9,283)	-	-	34,886
<b>Balance at 31 December 2019</b>	<b>2,117,373</b>	<b>440,290</b>	<b>(11,734)</b>	<b>-</b>	<b>(309,269)</b>	<b>2,236,660</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2019</b>			
Building Improvements	1,690,223	(277,530)	1,412,693
Furniture and Equipment	1,108,798	(733,667)	375,131
Information and Communication Technology	757,090	(526,228)	230,862
Motor Vehicles	118,790	(115,629)	3,161
Leased Assets	318,384	(191,695)	126,689
Library Resources	211,316	(158,078)	53,238
Work in Progress	34,886	-	34,886
<b>Balance at 31 December 2019</b>	<b>4,239,487</b>	<b>(2,002,827)</b>	<b>2,236,660</b>

### 14. Accounts Payable

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Operating creditors	208,270	212,156	212,156
Accruals	55,747	21,172	21,172
Banking staffing overuse	63,279	40,405	40,405
Employee Entitlements - salaries	672,721	554,670	554,670
Employee Entitlements - leave accrual	54,856	66,861	66,861
	<b>1,054,873</b>	<b>895,264</b>	<b>895,264</b>
Payables for Exchange Transactions	<b>1,054,873</b>	<b>895,264</b>	<b>895,264</b>
	<b>1,054,873</b>	<b>895,264</b>	<b>895,264</b>

The carrying value of payables approximates their fair value.

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#### 15. Revenue Received in Advance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
International Student Fees	272,790	374,531	374,531
Other	69,543	67,860	67,860
	<u>342,333</u>	<u>442,391</u>	<u>442,391</u>

#### 16. Provision for Cyclical Maintenance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Provision at the Start of the Year	450,290	450,290	524,536
Use of the Provision During the Year	(78,265)	-	(74,246)
Provision at the End of the Year	<u>372,025</u>	<u>450,290</u>	<u>450,290</u>
Cyclical Maintenance - Current	60,000	-	-
Cyclical Maintenance - Term	<u>312,025</u>	<u>450,290</u>	<u>450,290</u>
	<u>372,025</u>	<u>450,290</u>	<u>450,290</u>

#### 17. Finance Lease Liability

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
No Later than One Year	87,917	80,888	80,888
Later than One Year and no Later than Five Years	130,907	53,535	53,535
	<u>218,824</u>	<u>134,423</u>	<u>134,423</u>

#### 18. Funds Held in Trust

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	341,611	500,704	500,704
	<u>341,611</u>	<u>500,704</u>	<u>500,704</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.



## 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:

		2020	Opening Balances	Receipts from MoE	Payments	BOT Contributions	Closing Balances
			\$	\$	\$	\$	\$
MOE 5YA Swimming Pool	Completed		(129,989)	130,742	(753)	-	-
MOE 5YA J Block Heat Pump	Completed		(34,191)	35,391	(1,200)	-	-
MOE 5YA Library Heat Pump	Completed		(6,225)	36,225	(30,000)	-	-
MOE 5YA 2018 Heat Pump Project	Completed		(74,323)	64,785	9,538	-	-
MOE 5YA Accessibility Project	Completed		(23,781)	26,994	(3,154)	(59)	-
MOE 5YA Gym Change Rooms Upgrade	Completed		(74,573)	72,128	2,445	-	-
MOE 5YA Pool Fence and Surrounds	In Progress		1,079	-	(4,486)	-	(3,407)
MOE 5YA B5-8 & PA1 Heat Pumps	Completed		(38,500)	38,500	-	-	-
MOE 5YA Gym 1 Wall Repairs	In Progress		(41,557)	366,653	(373,035)	-	(47,939)
MOE 5YA Health Nurse Room Upgrade	Completed		(162)	162	-	-	-
MOE 5YA Pool Relining Project	In Progress		89,504	-	(96,533)	-	(7,029)
MOE 5YA Gym 2 Sewer Pump Upgrade	Completed		33,450	3,983	(37,450)	17	-
MOE 5YA T2 & T3 Upgrade	Completed		1,136	5,449	(11,282)	-	(4,697)
Moe A Block Heat Pumps	Completed		-	79,515	(87,150)	-	(7,635)
MOE - T Block Classroom Upgrade	Completed		-	54,885	(54,885)	-	-
MOE - SIP Asphalt & Seating	Completed		-	14,580	(14,610)	-	(30)
MOE - SIP Gym LED Upgrade	Completed		-	-	(14,103)	-	(14,103)
MOE - SIP E Block	In Progress		-	104,101	(11,165)	-	92,936
MOE - SIP Outdoor Education Shed	In Progress		-	43,790	(5,592)	-	38,198
MOE - SIP Students External Seating	Completed		-	43,739	(43,739)	-	-
MOE - Car Parking	In Progress		-	-	(2,400)	-	(2,400)
MOE - 5YA Infrastructure	Completed		-	25,314	(25,314)	-	-
Totals			(298,132)	1,146,936	(804,868)	(42)	43,894

### Represented by:

Funds Held on Behalf of the Ministry of Education  
Funds Due from the Ministry of Education

131,134  
(87,240)  
43,894

		2019	Opening Balances	Receipts from MoE	Payments	BOT Contributions	Closing Balances
			\$	\$	\$	\$	\$
MOE 5YA Swimming Pool	In Progress		(129,989)	-	-	-	(129,989)
MOE 5YA J Block Heat Pump	In Progress		(34,191)	-	-	-	(34,191)
MOE 5YA Library Heat Pump	In Progress		(5,400)	-	(825)	-	(6,225)
MOE 5YA 2018 Heat Pump Project	In Progress		(9,538)	-	(64,785)	-	(74,323)
MOE 5YA Accessibility Project	In Progress		(14,098)	-	(9,683)	-	(23,781)
MOE 5YA Gym Change Rooms Upgrade	In Progress		96,838	-	(171,411)	-	(74,573)
MOE 5YA Pool Fence and Surrounds	In Progress		87,755	-	(86,676)	-	1,079
MOE 5YA J Block Floor Covering	Completed		-	1,864	(2,400)	536	-
MOE 5YA B5-8 & PA1 Heat Pumps	In Progress		-	-	(38,500)	-	(38,500)
MOE 5YA Student Block Services Block A	Completed		-	45,457	(45,457)	-	-
MOE 5YA Gym 1 Wall Repairs	In Progress		-	-	(41,557)	-	(41,557)
MOE 5YA Health Nurse Room Upgrade	In Progress		-	19,462	(19,624)	-	(162)
MOE 5YA Pool Relining Project	In Progress		-	93,504	(4,000)	-	89,504
MOE 5YA Gym 2 Sewer Pump Upgrade	In Progress		-	35,850	(2,400)	-	33,450
MOE 5YA T2 & T3 Upgrade	In Progress		-	104,533	(103,397)	-	1,136
Totals			(8,623)	300,670	(590,715)	536	(298,132)

### Represented by:

Funds Held on Behalf of the Ministry of Education  
Funds Due from the Ministry of Education

125,169  
(423,301)  
(298,132)



## 20. Funds Held on Behalf of the Lincoln Schools cluster (Ngā Mātāpuna o Ngā Pākihi Ako) Cluster

Lincoln High School is the lead school and holds funds on behalf of the Lincoln Schools cluster (Ngā Mātāpuna o Ngā Pākihi Ako).

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Funds Held at Beginning of the Year	10,916	10,916	26,827
Funds Received from Other sources	1,362	-	15,580
Funds Received from MoE	6,791	-	-
Funds Spent on Behalf of the Cluster	(6,762)	-	(31,491)
Funds Held at Year End	12,307	10,916	10,916

## 21. Funds Held on Behalf of the COL cluster (Kāhui Ako) Cluster

Lincoln High School is the lead school and holds funds on behalf of the COL cluster (Kāhui Ako).

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Funds Held at Beginning of the Year	21,170	21,170	22,871
Funds Received from Cluster Members	8,000	-	2,042
Funds Spent on Behalf of the Cluster	(388)	-	(3,743)
Funds Held at Year End	28,782	21,170	21,170

## 22. Funds Held on Behalf of the ECE Kahui Ako Cluster

Lincoln High School is the lead school and holds funds on behalf of the ECE Kahui Ako cluster.

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Funds Held at Beginning of the Year	13,087	13,087	-
Funds Received from Cluster Members	-	-	14,000
Funds Spent on Behalf of the Cluster	-	-	(913)
Funds Held at Year End	13,087	13,087	13,087

## 23. 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.

## 24. Remuneration

### Key management personnel compensation

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

	2020 Actual \$	2019 Actual \$
<b>Board Members</b>		
Remuneration	4,195	6,084
Full-time equivalent members	0.40	0.37
<b>Leadership Team</b>		
Remuneration	905,633	879,226
Full-time equivalent members	6.33	7.00
Total key management personnel remuneration	909,828	885,310
Total full-time equivalent personnel	6.73	7.37

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

#### Principal

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

	2020 Actual \$000	2019 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	220 - 230	210 - 220
Benefits and Other Emoluments	5 - 10	5 - 6
Termination Benefits	0 - 0	0 - 0

#### Other Employees

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

Remuneration \$000	2020 FTE Number	2019 FTE Number
100 - 110	14.00	1.00
110 - 120	1.00	3.00
120 - 130	4.00	1.00
130 - 140	1.00	-
	<u>20.00</u>	<u>5.00</u>

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

### 25. Compensation and Other Benefits Upon Leaving

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

	2020 Actual	2019 Actual
Total	\$ 10,244	\$ 17,218
Number of People	1	1

### 26. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2020 (Contingent liabilities and assets at 31 December 2019: 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's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. The current phase of this review is to design potential solutions for any compliance breaches discovered in the initial phase of the Programme. Final calculations and potential impact on any specific individual will not be known until further detailed analysis and solutions have been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2020, a contingent liability for the school may exist.

### 27. Commitments

#### (a) Capital Commitments

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

(a) The school has contracted for the Demolition of E Block project. The total cost of the project is estimated to be \$115,667, which the school has contracted into with several contractors as agent for the Ministry of Education. The Project is fully funded by the Ministry. An amount of \$104,101 has been received from the Ministry for this project, of which \$11,165 has been spent on the project to date. This project has been approved by the Ministry.

(b) The school has contracted for the Outdoor Shed Project. The total cost of the project is estimated to be \$48,655, which the school has contracted into with several contractors as agent for the Ministry of Education. The Project is fully funded by the Ministry. An amount of \$41,763 has been received from the Ministry for this project, of which \$3,565 has been spent on the project to date. This project has been approved by the Ministry.

(c) The school has contracted for the Pool Fence Project. The total cost of the project is estimated to be \$100,725, which the school has contracted into with several contractors as agent for the Ministry of Education. The Project is fully funded by the Ministry. An amount of \$99,653 has been received from the Ministry for this project, of which \$108,253 has been spent on the project to date. This project has been approved by the Ministry.

(Capital commitments at 31 December 2019: \$441,143)



**(b) Operating Commitments**

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

(a) operating lease of Eft-pos machines;

No later than One Year

2020 Actual \$	2019 Actual \$
506	-
506	-

**28. 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.

**29. Financial Instruments**

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

**Financial assets measured at amortised cost**

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash and Cash Equivalents	582,067	361,344	554,131
Receivables	682,636	558,027	558,027
Investments - Term Deposits	3,521,306	3,471,306	3,471,306
Total Financial assets measured at amortised cost	4,786,009	4,390,677	4,583,464

**Financial liabilities measured at amortised cost**

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Payables	1,054,873	895,264	895,264
Finance Leases	194,602	123,721	123,721
Total Financial liabilities measured at amortised Cost	1,249,475	1,018,985	1,018,985

**30. Events After Balance Date**

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





## **INDEPENDENT AUDITOR'S REPORT**

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

The Auditor-General is the auditor of Lincoln High School (the School). The Auditor-General has appointed me, Mike Hoshek using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements of the School on his behalf.

#### **Opinion**

We have audited the financial statements of the School on pages 3 to 20, that comprise the statement of financial position as at 31 December 2020, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
  - its financial position as at 31 December 2020; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector - Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 26<sup>th</sup> May 2021. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

#### **Basis for our opinion**

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

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

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

#### **Responsibilities of the Board for the financial statements**

The Board is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

## **Responsibilities of the auditor for the audit of the financial statements**

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

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.



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

Our responsibilities arise from the Public Audit Act 2001.

## **Other information**

The Board is responsible for the other information. The other information comprises the information included on pages 24 to 45, 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.



Mike Hoshek  
Deloitte Limited  
**On behalf of the Auditor-General**  
Christchurch, New Zealand