



Lincoln High School

Te Kura Tuarua o Waihora

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Ministry Number:	347
Principal:	Kathy Paterson
School Address	25 Boundary Road, Lincoln, Canterbury 7608
School Postal Address:	PO Box 69138, Lincoln 7640
School Phone:	03 325 2121
School Email:	office@lincoln.school.nz

LINCOLN HIGH SCHOOL

Annual Report - For the year ended 31 December 2019

Index

Page	Statement
------	-----------

	Financial Statements
--	-----------------------------

1	Statement of Responsibility
2	Board of Trustees
3	Statement of Comprehensive Revenue and Expense
4	Statement of Changes in Net Assets/Equity
5	Statement of Financial Position
6	Statement of Cash Flows
7	Statement of Accounting Policies
12	Notes to the Financial Statements

	Other Information
--	--------------------------

	Analysis of Variance
--	----------------------

	Kiwisport
--	-----------

	Yr 11 + Funding Report
--	------------------------

Lincoln High School

Statement of Responsibility

For the year ended 31 December 2019

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2019 fairly reflect the financial position and operations of the school.

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

Adrian Mark Paterson

Full Name of Board Chairperson

Kathleen Mary Paterson

Full Name of Principal

Date: 29/05/20

Lincoln High School

Members of the Board of Trustees

For the year ended 31 December 2019

Name	Position	How Position Gained	Held Until
Adrian Paterson	Chairperson	Elected	May 2021
Kathy Paterson	Principal	ex Officio	
Andrew Marshall	Parent Rep	Elected	May 2021
Paul Lancaster	Parent Rep	Elected	May 2019
Rob Silcock	Parent Rep	Elected	May 2019
Lisa Voorwinde	Parent Rep	Elected	May 2019
Poppy Cuthbert	Student Rep	Elected	May 2021
Emma Jackson	Student Rep	Elected	Oct 2019
Maria Connolly	Staff 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

Lincoln High School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue				
Government Grants	2	12,379,601	13,494,118	13,104,516
Locally Raised Funds	3	1,447,532	1,189,072	1,331,788
Interest Income		131,161	150,000	171,464
International Students	4	538,530	760,000	738,494
		<u>14,496,824</u>	<u>15,593,190</u>	<u>15,346,262</u>
Expenses				
Locally Raised Funds	3	1,064,046	728,325	881,944
International Students	4	380,799	363,000	479,553
Learning Resources	5	9,949,378	10,468,932	10,208,906
Administration	6	573,643	672,347	643,228
Finance Costs		11,957	-	10,305
Property	7	2,524,149	3,437,059	3,329,657
Depreciation	8	309,269	288,000	261,617
Loss on Disposal of Property, Plant and Equipment		2,452	-	3,585
		<u>14,815,693</u>	<u>15,957,663</u>	<u>15,818,795</u>
Net (Deficit) / Surplus		(318,869)	(364,473)	(472,533)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(318,869)</u>	<u>(364,473)</u>	<u>(472,533)</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 2019

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Balance at 1 January	5,110,897	5,110,897	5,552,225
Total comprehensive revenue and expense for the year	(318,869)	(364,473)	(472,533)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	59,406	-	31,205
Equity at 31 December	4,851,434	4,746,424	5,110,897
Retained Earnings	4,851,434	4,746,424	5,110,897
Equity at 31 December	4,851,434	4,746,424	5,110,897

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 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
Current Assets				
Cash and Cash Equivalents	9	554,131	1,055,945	1,132,418
Accounts Receivable	10	558,027	795,704	795,704
GST Receivable		46,380	10,771	10,771
Prepayments		64,109	64,143	64,143
Inventories	11	80,232	67,941	67,941
Investments	12	3,450,000	3,650,000	3,650,000
Funds owing for Capital Works Projects	19	423,301	193,216	193,216
		<u>5,176,180</u>	<u>5,837,720</u>	<u>5,914,193</u>
Current Liabilities				
Accounts Payable	14	895,264	1,022,210	1,022,210
Revenue Received in Advance	15	442,391	494,864	494,864
Provision for Cyclical Maintenance	16	-	113,957	113,957
Finance Lease Liability - Current Portion	17	73,100	65,528	65,528
Funds held in Trust	18	500,704	557,392	557,392
Funds held for Capital Works Projects	19	125,169	184,593	184,593
Funds Held on Behalf of the Lincoln Schools cluster (Ngā	21	10,916	26,827	26,827
Funds Held on Behalf of the COL cluster (Kāhul Ako)	22	21,170	22,871	22,871
Funds Held on Behalf of the Cluster	23	13,087	-	-
		<u>2,081,801</u>	<u>2,488,242</u>	<u>2,488,242</u>
Working Capital Surplus/(Deficit)		3,094,379	3,349,478	3,425,951
Non-current Assets				
Investments (more than 12 months)	12	21,306	21,306	21,306
Property, Plant and Equipment	13	2,236,660	1,829,373	2,117,373
		<u>2,257,966</u>	<u>1,850,679</u>	<u>2,138,679</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	16	450,290	410,579	410,579
Finance Lease Liability	17	50,621	43,154	43,154
		<u>500,911</u>	<u>453,733</u>	<u>453,733</u>
Net Assets		<u>4,851,434</u>	<u>4,746,424</u>	<u>5,110,897</u>
Equity		<u>4,851,434</u>	<u>4,746,424</u>	<u>5,110,897</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 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		2,615,963	2,572,096	2,789,218
Locally Raised Funds		1,686,619	1,189,072	1,237,892
International Students		487,677	760,000	728,977
Goods and Services Tax (net)		(35,609)	-	20,183
Payments to Employees		(1,945,072)	(1,891,337)	(2,175,800)
Payments to Suppliers		(2,932,238)	(2,856,304)	(2,675,724)
Cyclical Maintenance payments in the Year		(74,246)	-	(109,662)
Interest Received		137,861	150,000	283,272
Net cash from Operating Activities		(59,045)	(76,473)	98,356
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		(2,452)	-	-
Purchase of PPE (and Intangibles)		(391,432)	-	(326,919)
Purchase of Investments		200,000	-	-
Proceeds from Sale of Investments		-	-	800,000
Net cash from Investing Activities		(193,884)	-	473,081
Cash flows from Financing Activities				
Furniture and Equipment Grant		59,406	-	31,205
Finance Lease Payments		(34,042)	-	(63,553)
Funds Administered on Behalf of Third Parties		(61,213)	-	31,029
Funds held for Capital Works Projects		(289,509)	-	202,880
Net cash from Financing Activities		(325,358)	-	201,561
Net increase/(decrease) in cash and cash equivalents		(578,287)	(76,473)	772,998
Cash and cash equivalents at the beginning of the year	9	1,132,418	1,132,418	359,420
Cash and cash equivalents at the end of the year	9	554,131	1,055,945	1,132,418

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

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



Lincoln High School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2019

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 Act 1989. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

1.2. Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2019 to 31 December 2019 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

The Education Act 1989 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as "having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders".

Standard early adopted

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 33.

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

Prior Year Policy

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

1.9. Inventories

Inventories are consumable items held for sale and comprise of stationery, canteen 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.

Prior Year Policy

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

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

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

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

1.11. 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 \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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	4 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



2. Government Grants

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Operational grants	2,526,480	2,525,859	2,591,370
Teachers' salaries grants	8,010,802	8,285,000	7,974,005
Use of Land and Buildings grants	1,677,929	2,556,859	2,401,535
Resource teachers learning and behaviour grants	15,773	18,000	-
Other MoE Grants	106,981	66,400	95,970
Other government grants	41,636	42,000	41,836
	<u>12,379,601</u>	<u>13,494,118</u>	<u>13,104,516</u>

3. Locally Raised Funds

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

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Revenue			
Donations	256,570	353,520	327,405
Fundraising	12,000	12,000	12,000
Bequests & Grants	5,000	1,000	-
Other revenue	37,647	20,200	40,646
Trading	467,329	408,900	403,047
Activities	668,986	393,452	548,690
	<u>1,447,532</u>	<u>1,189,072</u>	<u>1,331,788</u>
Expenses			
Activities	613,093	351,425	479,903
Trading	450,953	376,900	402,041
	<u>1,064,046</u>	<u>728,325</u>	<u>881,944</u>
Surplus for the year Locally raised funds	<u>383,486</u>	<u>460,747</u>	<u>449,844</u>

4. International Student Revenue and Expenses

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	Number	Number	Number
International Student Roll	42	48	48
	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Revenue			
International student fees	538,530	760,000	738,494
Expenses			
Advertising	43,932	32,940	44,002
Commissions	58,205	60,720	73,683
International student levy	13,736	17,217	11,220
Employee Benefit - Salaries	209,879	153,000	264,566
Other Expenses	55,047	99,123	86,082
	<u>380,799</u>	<u>363,000</u>	<u>479,553</u>
Surplus for the year International Students	<u>157,731</u>	<u>397,000</u>	<u>258,941</u>



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 school control. These amounts are not recorded in the Statement of Comprehensive 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 Assets and Liabilities

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

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards.

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

1.20. 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.

1.21. Budget Figures

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

1.22. 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.



5. Learning Resources

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Curricular	505,801	683,267	540,600
Equipment repairs	1,723	3,000	347
Information and communication technology	234,646	290,165	314,711
Library resources	5,711	5,000	5,957
Employee benefits - salaries	9,182,533	9,487,500	9,331,857
Staff development	18,964	20,000	15,434
	<u>9,949,378</u>	<u>10,468,932</u>	<u>10,208,906</u>

6. Administration

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Audit Fee	9,203	9,203	9,160
Board of Trustees Fees	6,084	5,000	5,195
Board of Trustees Expenses	12,483	10,000	2,269
Communication	20,140	25,200	24,279
Consumables	8,495	9,200	9,598
Operating Lease	5,713	55,494	6,319
Legal Fees	500	3,000	15,300
Other	44,961	44,250	53,009
Employee Benefits - Salaries	405,917	453,000	462,231
Insurance	54,177	50,000	47,881
Service Providers, Contractors and Consultancy	5,970	8,000	7,987
	<u>573,643</u>	<u>672,347</u>	<u>643,228</u>

7. Property

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	45,368	40,300	42,794
Consultancy and Contract Services	221,896	212,000	223,672
Cyclical Maintenance Provision	-	-	50,000
Grounds	45,820	38,700	42,387
Heat, Light and Water	216,326	230,000	205,722
Rates	9,191	10,000	9,339
Repairs and Maintenance	128,947	182,500	160,285
Use of Land and Buildings	1,677,929	2,556,859	2,401,535
Security	4,588	3,700	4,597
Employee Benefits - Salaries	174,084	163,000	189,328
	<u>2,524,149</u>	<u>3,437,059</u>	<u>3,329,657</u>

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



8. Depreciation of Property, Plant and Equipment

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Building Improvements	55,175	50,000	47,312
Furniture and Equipment	65,705	55,000	80,117
Information and Communication Technology	88,745	78,000	65,241
Motor Vehicles	1,089	-	1,089
Leased Assets	90,950	100,000	79,755
Library Resources	7,605	5,000	8,103
	<u>309,269</u>	<u>288,000</u>	<u>261,617</u>

9. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	1,291	-	1,437
Bank Current Account	391,534	1,055,945	474,284
Bank Call Account	11,306	-	6,697
Short-term Bank Deposits	150,000	-	650,000
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>554,131</u>	<u>1,055,945</u>	<u>1,132,418</u>

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

Of the \$554,131 Cash and Cash Equivalents, \$125,169 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2020 on Crown owned school buildings under the School's Five Year Property Plan.

Of the \$554,131 Cash and Cash Equivalents, \$13,087 is held by the School on behalf of the ECE Kahui Ako cluster. See note 23 for details of how the funding received for the cluster has been spent in the year.

Of the \$554,131 Cash and Cash Equivalents, \$10,916 is held by the School on behalf of the Lincoln Schools cluster. See note 21 for details of how the funding received for the cluster has been spent in the year.

Of the \$554,131 Cash and Cash Equivalents, \$21,170 is held by the School on behalf of the COL cluster. See note 22 for details of how the funding received for the cluster has been spent in the year.

10. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	7,623	248,330	248,330
Receivables from the Ministry of Education	-	5,256	5,256
Interest Receivable	7,157	13,857	13,857
Teacher Salaries Grant Receivable	543,247	528,261	528,261
	<u>558,027</u>	<u>795,704</u>	<u>795,704</u>
Receivables from Exchange Transactions	14,780	262,187	262,187
Receivables from Non-Exchange Transactions	543,247	533,517	533,517
	<u>558,027</u>	<u>795,704</u>	<u>795,704</u>

11. Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Stationery	1,250	1,569	1,569
School Uniforms	77,455	65,044	65,044
Canteen	1,527	1,328	1,328
	<u>80,232</u>	<u>67,941</u>	<u>67,941</u>



12. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	3,450,000	3,650,000	3,650,000
Non-current Asset			
Long-term Bank Deposits	21,306	21,306	21,306
Total Investments	<u>3,471,306</u>	<u>3,671,306</u>	<u>3,671,306</u>

13. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
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	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
Balance at 31 December 2019	<u>2,117,373</u>	<u>440,290</u>	<u>(11,734)</u>	<u>-</u>	<u>(139,269)</u>	<u>2,236,660</u>

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

The net carrying value of equipment held under a finance lease is \$126,689 (2018: \$111,529)

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2018						
Building Improvements	1,326,657	69,168	-	-	(47,312)	1,348,513
Furniture and Equipment	326,793	68,245	-	-	(60,117)	334,921
Information and Communication	171,958	145,437	-	-	(65,241)	252,154
Motor Vehicles	5,339	-	-	-	(1,089)	4,250
Leased Assets	108,291	84,993	-	-	(79,755)	111,529
Library Resources	61,768	6,643	(3,585)	-	(8,103)	58,723
Work in Progress	2,733	6,650	-	-	-	9,283
Balance at 31 December 2018	<u>2,001,538</u>	<u>381,036</u>	<u>(3,585)</u>	<u>-</u>	<u>(261,617)</u>	<u>2,117,373</u>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2018			
Building Improvements	1,570,868	(222,355)	1,348,513
Furniture and Equipment	1,002,883	(667,962)	334,921
Information and Communication	689,637	(437,483)	252,154
Motor Vehicles	118,790	(114,540)	4,250
Leased Assets	281,260	(169,731)	111,529
Library Resources	213,995	(157,272)	58,723
Work in Progress	9,283	-	9,283
Balance at 31 December 2018	<u>3,886,716</u>	<u>(1,769,343)</u>	<u>2,117,373</u>



14. Accounts Payable

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
	\$	\$	\$
Operating creditors	212,156	287,909	287,909
Accruals	21,172	23,727	23,727
Banking staffing overuse	40,405	80,163	80,163
Employee Entitlements - salaries	554,670	557,595	557,695
Employee Entitlements - leave accrual	66,861	72,818	72,816
	<u>895,264</u>	<u>1,022,210</u>	<u>1,022,210</u>
Payables for Exchange Transactions	895,264	1,022,210	1,022,210
	<u>895,264</u>	<u>1,022,210</u>	<u>1,022,210</u>

The carrying value of payables approximates their fair value.

15. Revenue Received In Advance

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
	\$	\$	\$
International Student Fees	374,531	425,384	425,384
Other	67,860	69,480	69,480
	<u>442,391</u>	<u>494,864</u>	<u>494,864</u>

16. Provision for Cyclical Maintenance

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
	\$	\$	\$
Provision at the Start of the Year	524,536	524,536	584,198
Increase/ (decrease) to the Provision During the Year	-	-	50,000
Use of the Provision During the Year	(74,246)	-	(109,662)
Provision at the End of the Year	<u>450,290</u>	<u>524,536</u>	<u>524,536</u>
Cyclical Maintenance - Current	-	113,957	113,957
Cyclical Maintenance - Term	<u>450,290</u>	<u>410,579</u>	<u>410,579</u>
	<u>450,290</u>	<u>524,536</u>	<u>524,536</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:

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
	\$	\$	\$
No Later than One Year	80,888	71,441	71,441
Later than One Year and no Later than Five Years	<u>53,535</u>	<u>45,692</u>	<u>45,692</u>
	<u>134,423</u>	<u>117,133</u>	<u>117,133</u>



18. Funds Held in Trust

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Funds Held in Trust on Behalf of Third Parties - Current	500,704	557,392	557,392
	<u>500,704</u>	<u>557,392</u>	<u>557,392</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:

	2019	Opening Balances	Receipts from MoE	Payments	BOT Contribution	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	-	88,876	-	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		<u>(8,623)</u>	<u>300,870</u>	<u>590,715</u>	<u>636</u>	<u>(298,132)</u>

Represented by:

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

125,169
<u>(423,301)</u>
<u>(298,132)</u>

	2018	Opening Balances	Receipts from MoE	Payments	BOT Contribution	Closing Balances
		\$	\$	\$		\$
MOE 5YA Block A Refurb	Completed	(44,257)	44,257	-	-	-
MOE 5YA Swimming Pool	In Progress	(127,655)	-	2,334	-	(129,989)
MOE 5YA J Block Heat Pump	In Progress	(34,191)	-	-	-	(34,191)
MOE 5YA Library Heat Pump	In Progress	(5,400)	-	-	-	(5,400)
MOE 5YA 2018 Heat Pump Project	In Progress	-	63,585	73,123	-	(9,538)
MOE 5YA Asbestos Removal	Completed	-	26,680	26,055	625	-
MOE 5YA Accessibility Project	In Progress	-	200,000	214,098	-	(14,098)
MOE 5YA Gym Change Rooms Upgrade	In Progress	-	200,000	103,162	-	96,838
MOE 5YA Pool Fence and Surrounds	In Progress	-	99,653	11,898	-	87,755
Totals		<u>(211,503)</u>	<u>634,175</u>	<u>430,670</u>	<u>625</u>	<u>(8,623)</u>



20. Funds Held on Behalf of the ALLIS Cluster

Lincoln High School is the lead school and holds funds on behalf of the ALLIS cluster, a group of schools funded by the Ministry of Education to increase number of students and communication skills in students learning Mandarin Chinese, Japanese and Korean languages.

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Funds Held at Beginning of the Year		-	17,660
Funds Received from Cluster Members		-	19,149
Funds Spent on Behalf of the Cluster		-	(36,809)
Funds Held at Year End			

21. Funds Held on Behalf of the Lincoln Schools cluster (Ngā Māhāpuna o Ngā Pāhihi Ako) Cluster

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Funds Held at Beginning of the Year	26,827	26,827	13,145
Funds Received from Cluster Members	15,580		5,284
Funds Received from MoE	-		26,305
Funds Spent on Behalf of the Cluster	(31,491)		(17,907)
Funds Held at Year End	10,916	26,827	26,827

22. 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).

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Funds Held at Beginning of the Year	22,871	22,871	6,497
Funds Received from Cluster Members	2,042		16,374
Funds Spent on Behalf of the Cluster	(3,743)		
Funds Held at Year End	21,170	22,871	22,871

23. Funds Held on Behalf of the ECE Cluster

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Funds Received from Cluster Members	14,000		
Funds Spent on Behalf of the Cluster	(913)		
Funds Held at Year End	13,087		

24. 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.



25. 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.

	2019 Actual \$	2018 Actual \$
Board Members		
Remuneration	6,084	5,195
Full-time equivalent members	0.37	0.37
Leadership Team		
Remuneration	879,226	867,001
Full-time equivalent members	7.00	7.00
Total key management personnel remuneration	885,310	872,196
Total full-time equivalent personnel	7.37	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:

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	210 - 220	200 - 210
Benefits and Other Emoluments	5 - 6	4 - 5
Termination Benefits	0 - 0	0 - 0

Other Employees

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
100 - 110	1.00	4.00
110 - 120	3.00	1.00
120 - 130	1.00	-
	5.00	5.00

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

26. Compensation and Other Benefits Upon Leaving

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

	2019 Actual \$	2018 Actual \$
Total	17,218	16,000
Number of People	1	2



27. Contingencies

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

Holidays Act Compliance – schools payroll

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

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

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

28. Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has entered into the following contract agreements for capital works.

(a) a) A commitment towards the Gym 1 Recladding project with a total cost of \$407,393 (GST inclusive). The main contractor is Galletly Builders with the project due to start in 2020.

b) A commitment towards the Library Cooling project with a total cost of \$33,750 (GST inclusive). The main contractor is The Heat Pump People with the project starting in December 2019.

(Capital commitments at 31 December 2018: \$76,110)

(b) Operating Commitments

As at 31 December 2019 the Board has not entered into any contracts.

	2019 Actual \$	2018 Actual \$
No later than One Year	-	1,959
		<u>1,959</u>

29. 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.

30. Financial Instruments

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

Financial assets measured at amortised cost

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	554,131	1,055,945	1,132,418
Receivables	558,027	795,704	795,704
Investments - Term Deposits	3,471,306	3,671,306	3,671,306
Total Financial assets measured at amortised cost	<u>4,583,464</u>	<u>5,522,955</u>	<u>5,599,428</u>

Financial liabilities measured at amortised cost

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Payables	895,264	1,022,210	1,022,210
Finance Leases	123,721	108,682	108,682
Total Financial liabilities measured at amortised cost	<u>1,018,985</u>	<u>1,130,892</u>	<u>1,130,892</u>



31. Events After Balance Date

Impact from COVID-19

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

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

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

32. Comparatives

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

33. Adoption of PBE IFRS 9 Financial Instruments

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

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

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

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





**INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF LINCOLN HIGH SCHOOL'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 21, that comprise the statement of financial position as at 31 December 2019, the statement of comprehensive revenue and expense, statement of changes in 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 2019; 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 29th May 2020. 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 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.

Emphasis of Matter – COVID-19

Without modifying our opinion, we draw attention to the disclosures in note 31 on page 21 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

Responsibilities of the Board of Trustees for the financial statements

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 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.



Mike Hoshek
Deloitte Limited
On behalf of the Auditor-General

Christchurch, New Zealand