Lindisfarne College

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

LINDISFARNE COLLEGE

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

School Directory

Ministry Number:	230
Principal:	Mr Stuart Hakeney
School Address:	600 Pakowhai Road, Hastings
School Postal Address:	PO Box 2341, Hastings 4153
School Phone:	06 873 1136
School Email:	reception@lindisfarne.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Term Expired/ Expires
Mr Andrew Kirkpatrick	Chair Person	Election	12 December 2020
Mr Stuart Hakeney	Principal ex Officio		
Mrs Gretchen Stone	Parent Rep	Election	15 May 2022
Mrs Gretchen Stone	Chair Person	From 13 December 2020	
Dr Tony Diprose	Parent Rep	Election	15 May 2022
Mr Mike Knobloch	Parent Rep	Election	15 May 2022
Mrs Joanna Sloan	Parent Rep	Election	12 December 2020
Mrs Joanne Dowley	Parent Rep	Election	15 December 2023
Mr Karl Goodchild	Parent Rep	Election	15 December 2023
Mr George Rogers	Staff Rep	Election	15 May 2022
Dr John Wakeman	Proprietors Rep	Proprietor	15 May 2022
Mr Jim Syme	Proprietors Rep	Proprietor	15 May 2022
Rev Jill McDonald	Proprietors Rep	Proprietor	15 May 2022
Mrs Jacky Stafford	Proprietors Rep	Proprietor	16 May 2022
Mr Zac Maulder	Student Rep	Election	15/09/2020
Mr Kings Tupuola	Student Rep	Election	15/09/2021

Secretary/Accountant: Mr B Law

LINDISFARNE COLLEGE

Annual Report - For the year ended 31 December 2020

Index

Rector's Report December 2020

As we reflect on 2020 at Lindisfarne College, we must do so in the context of a pandemic that has meant quite different things to people in different parts of the world. New Zealand is one of the few nations that has received a gold star for its Covid-19 response. Of course, we are saddened by the thought that 26 people have lost their lives to this virus in our country and our hearts go out to their families. But nations have experienced and continue to live with the pandemic in quite different ways. We only have to look at my country of birth, the United Kingdom, a country we have close ties with, and consider that the number of deaths due to Covid-19 is currently over 122,000. It is unthinkable for us here in New Zealand.

Whilst most in our country have been spared the grief of losing a loved one through this pandemic, we must acknowledge the hurt that has been caused and will continue to be caused to families whose livelihoods have been affected. Many New Zealanders have seen the industries they work in literally closed down overnight, and we have not seen the full impact of this yet. We need to remember that kiwis who are “doing it tough” at the moment may be closer than we realise – they could be neighbours down our street, the people we brush past in the supermarket, the families of friends in our classes. It is a time to be kind, caring and compassionate.

So, as we reflect on *our* experience of 2020 here at Lindisfarne College, in the beautiful Hawke’s Bay of New Zealand, the word that comes to mind for me is gratitude. German professor, Martin Luther, referred to gratitude as "The basic Christian attitude" and today it is still referred to as "the heart of the gospel.” To be grateful is to be thankful, and I think that whilst 2020 has not been the year we planned, we do indeed have much to be thankful for.

We can feel thankful to our friends. The ensuing lockdown in March was novel and exciting for many of you, but the novelty soon wore off, and it taught you all that our friends at school are much more than just the people we share this space with. They make this place what it is. So, you came to value friendship as something to treasure and not to be taken for granted. I hope that it gave you pause for reflection and made you thankful, now that you know what a world without contact with your friends might be like.

You came to understand the value of your teachers. Not only because of the lengths they went to in order to help you keep learning and achieving at home via online methods, but because you came to realise that when you share a physical classroom with a great teacher, their passion for their subjects and their desire to help you, or encourage you, or remind you when you’re off task cannot be replicated in the virtual world.

At Lindisfarne teachers make a huge contribution to the co-curricular life of the college. When you returned to school in Term 2, teachers were working hard to get your sport and cultural activities off the ground as quickly as possible because they know how much you love those things. I hope you thanked them at the end of the season – I’ll let you into a secret – it is all they require to keep doing it for you. Do not underestimate the power of, “Thank you, Miss, Thanks, Sir. I had a great season.”

So please remember boys that it is students and teachers working together, being together, that makes a school, that gives a school its pulse, its life. It is that which makes buildings and fields come alive, and it is that which we refer to, when we say that Lindisfarne is a “great school”.

As I was preparing to arrive at Lindisfarne, I was so impressed by Mr Dunnett streaming his chapels online to keep our Christian cornerstone going. Instead of the announcement “All chapels are cancelled until further notice”, Reverend Dunnett’s announcement was “All Chapels will now be streamed online”. I think we all know that Mr Dunnett is a glass half full kind of person so we should not be surprised at how he adapted to the new norm.

But I would like to commend *everyone* in the college community for responding to the challenges and the uncertainty of 2020 with an attitude of adaptability and patience and kindness. Boys, you have adapted brilliantly. Physical distancing, hand sanitizing, shifting to on-line learning and the challenges that brought, helping friends out. I have talked about your teachers and how adaptable they had to be at short notice (none of us were trained to teach on-line, remember!) But you have coped just as well and you should feel proud, because it is hard to adapt in uncertain times.

Our ability to be flexible has made us stronger. The Greek philosopher Heraclitus observed that change is the only constant in life. Everything is in a state of flux and you may as well get used to it, because it is hopeless to fight against it. So, our adaptability to change this year has provided us with a healthier mind set and a sense of resilience for the change that will inevitably come in the future. We do not know what 2021 will bring us, but here at Lindisfarne we are optimistic about the future and we will

find the good in every day. We will be ready to adjust and change when required. Let us not forget that here, our respect for the past, our value for tradition, along with our desire to evolve, grow and change is what makes us a strong, resilient and relevant institution.

We give thanks to our parents. Particularly to those parents who had to become parent teachers earlier in the year to assist your children with their remote learning. I am sure you never dreamed you would have to learn how to calculate the area of a right-angled triangle again or explain an aspect of physics that you did not really get the first time round. And for those of you who tried to help your son write an essay during lockdown, at any level, remember, your pain is our pain. But seriously, we thank you for your support, your patience and your many kindnesses this year.

Perhaps this concept of kindness is the most important revision lesson we have had in 2020. It is one of the first things the Prime Minister appealed for back in March. Some years ago, anthropologist Margaret Mead was asked by a student what she considered to be the first sign of civilization in a culture. The student expected Mead to talk about fishhooks or clay pots or grinding stones.

But no. Mead said that the first sign of civilization in an ancient culture was a femur (thighbone) that had been broken and then healed. Mead explained that in the animal kingdom, if you broke your leg, you died. You could not run from danger, get to the river for a drink or hunt for food. You were meat for prowling beasts. No animal survived a broken leg long enough for the bone to heal.

A broken femur that has healed is evidence that someone has taken time to stay with the one who fell, has bound up the wound, has carried the person to safety and has tended the person through recovery. Helping someone else through difficulty is where civilization starts, Mead said."

We are at our best when we serve others. We must be civilized. We must continue to be kind.

To our graduates from Lindisfarne , congratulations on all that you have achieved in your years with us and I hope that, as your time here at Lindisfarne comes to an end, you look back with pride, but also with a sense of gratitude.

I sincerely hope you are grateful for the community you have been part of, for your friends and teachers and all those staff here who have supported you. You represent everything that we stand for here at Lindisfarne and I trust that as you move on to the next chapter of your lives, you do so secure in the knowledge that you played your part. That you picked up the baton and did your bit for your band of brothers, and that as you pass the baton on to those who take your place, you do so as a well-educated young man in the fullest sense. Remember you continue to be part of our community even after you leave us, so please continue to make Lindisfarne a part of your world.

Wherever the next stage of your journey takes you in 2021, embark on that journey confident in the knowledge that as a graduate of Lindisfarne, a place that has been an integral part of your life for so many years, you have created a foundation to become a man of good character, a man who *will* lead a successful and significant life.

I thank my senior leadership team for their care of me this term in my new role, along with the College Council. I am blessed to have your support. I thank all members of the community – staff, students, parents for welcoming Lydia and I into the Lindisfarne family.

I wish to make mention of one special long-serving teacher who leaves us at the end of 2020 . Mr Findlay departs after 28 years' service to the school as an outstanding English teacher. Thank, you Mr Findlay, on behalf of all students and parents. Earlier today, the students honoured Mr Findlay with a stirring haka. The entire school wishes you all the very best for your future.

And Charlie – you have done an incredible job as Head Prefect this year and you have led an outstanding team. Cometh the hour, cometh the man. Perhaps 2020 came for you, Charlie, because everyone tells me you were just the kind of leader, we needed this year. It has been a privilege to know you for this short time, and I hope that in 2021 I am lucky enough to work with a Head Prefect just as capable, humble and kind as you have been.

Stuart Hakeney
Rector

Analysis of Variance

Aspiration	Commitment	When
To inspire and instil in our young men through a curriculum that is responsive: • that meets the needs of the students • that meets the requirements of the Ministry of Education • provides appropriate qualifications opportunities • is aligned with best practice teaching for boys.	1. To complete a curriculum review and plan implementation of approved changes for 2020/21 2. Develop and implement a regular review cycle for the academic cornerstone 3. Extend initial diagnostic assessment to include year 7 and 8 students 4. Review Learning to Learn programs (eg study skills, thinking skills etc)	31 August 2020 Term 4 2019 2023 Completed

Aspiration	Commitment	When
To inspire and instil in our young men the aspiration to be the best athletes they can be through excellent sport programmes.	1.Ensure full engagement in sports at all levels 2. To ensure all stakeholders understand the vision, mission and philosophy of the Sports programme and actively support it 3. A Sports and Health Institute is implemented allowing access to all who desire to improve. 4. Ensure that Director of Sport has an annual plan reflecting key objectives from the Sport strategic plan	31 July 2020 31 December 2020 31 July 2020 31 December 2020

Aspiration	Commitment	When
Develop men of character through The Arts. To inspire and instill in our young men the aspiration to be the best the they can be through the provision of a diverse and excellent Arts programme.	1. Establish and implement a Performing Arts plan in alignment with the College Strategic Plan 2. Finalise a Performing Arts strategic plan 3. Implement a review cycle for the Performing Arts	31 December 2020 31 April 2020 28 February 2020

Aspiration	Commitment	When
As a community to experience worship and the essential elements of the Christian Faith To ensure the wellbeing (physical, emotional, mental	1. Continue the implementation of the College wellbeing programme including incorporating a review cycle 2. Design a Service programme proposal involving all year levels	31 December 2020 31 December 2020

and spiritual) of all students To ensure students display the character of a man of character by living our values	3. Review Global connections policy to ensure alignment with College Values, Vision and Mission	30 June 2020
To ensure students are well prepared to engage in an increasingly global society Chapel/Worship	4. Review trips policy and practices to ensure alignment with College Values, Vision and Mission	30 June 2020
College Council is effective and meets legislative requirements	1.Implement an 18-month BOT election cycle to ensure continuity 2. Develop a framework and implementation program for processes and procedures which reflects good governance practice, mitigates risks and enhances the operations of Council	31 January 2020 31 December 2020

Lindisfarne College

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.

Gretchen Stone	Stuart Hakeney
Full Name of Board Chairperson	Full Name of Principal
Signature of Board Chairperson	Signature of Principal
2 June 2021	2 June 2021
Date:	Date:

Report on Special Funding

Kiwisport

Kiwisport is a Gorvernment funding inititativeto support students' participation in organised sport.
In 2020 the college received $11,099 Of Kiwisport funding.
This funding was spent on sporting equipment.
The number of students participating in organised sport was 100% of the college roll.

Lindisfarne College
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2020

	Notes	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Revenue				
Government Grants	2	4,910,994	4,559,179	4,422,279
Locally Raised Funds	3	2,369,718	2,780,000	2,783,417
Use of Proprietor's Land and Buildings		994,880	875,000	822,000
Interest income		321	1,500	1,324
International Students	4	181,092	240,000	255,696
Other Revenue		10,918	30,000	16,247
		8,467,923	8,485,679	8,300,963
Expenses				
Locally Raised Funds	3	-	-	302,268
International Students	4	259,456	300,000	238,828
Learning Resources	5	5,870,393	6,050,584	5,401,209
Administration	6	464,964	452,450	420,148
Finance		(2,540)	5,000	10,117
Property	7	1,542,518	1,482,800	1,427,299
Depreciation	8	171,067	190,000	187,773
Loss on Disposal of Property, Plant and Equipment		7,842	2,000	3,008
		8,313,700	8,482,834	7,990,650
Net Surplus / (Deficit) for the year		154,223	2,845	310,313
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		154,223	2,845	310,313

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

Lindisfarne College
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2020

	Notes	Actual 2020 $	Budget (Unaudited) 2020 $	Actual 2019 $
Balance at 1 January		470,047	470,047	142,566
Total comprehensive revenue and expense for the year		154,223	2,845	310,313
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		18,834	35,000	17,168
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9				
Equity at 31 December	21	643,104	507,892	470,047
Retained Earnings		643,104	507,892	470,047
Reserves		-	-	-
Equity at 31 December		643,104	507,892	470,047

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.

Lindisfarne College
Statement of Financial Position
As at 31 December 2020

	Notes	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Current Assets				
Cash and Cash Equivalents	9	989,626	700,000	735,666
Accounts Receivable	10	291,403	252,000	259,831
GST Receivable		2,021	-	4,088
Prepayments		12,307	20,733	23,658
		1,295,357	972,733	1,023,243
Current Liabilities				
Accounts Payable	12	690,549	425,883	570,469
Revenue Received in Advance	13	117,174	175,000	158,227
Provision for Cyclical Maintenance	14	223,147	121,406	81,193
Finance Lease Liability - Current Portion	15	45,132	44,000	44,902
		1,076,002	766,289	854,791
Working Capital Surplus/(Deficit)		219,355	206,444	168,452
Non-current Assets				
Property, Plant and Equipment	11	586,406	600,000	636,668
		586,406	600,000	636,668
Non-current Liabilities				
Provision for Cyclical Maintenance	14	148,871	299,958	290,171
Finance Lease Liability	15	13,786	20,000	44,902
		162,657	319,958	335,073
Net Assets		643,104	486,486	470,047
Equity	21	643,104	507,892	470,047

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

Lindisfarne College
Statement of Cash Flows
For the year ended 31 December 2020

	Note	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Cash flows from Operating Activities				
Government Grants		1,297,204	1,512,057	1,079,669
Locally Raised Funds		2,360,458	2,833,000	3,503,325
International Students		161,744	390,000	243,088
Goods and Services Tax (net)		2,067	-	(8,064)
Payments to Employees		(2,373,036)	(2,573,420)	(2,175,315)
Payments to Suppliers		(1,040,912)	(2,251,135)	(2,181,472)
Cyclical Maintenance Payments in the year		(15,727)	371,364	-
Interest Paid		2,540	(5,000)	(10,117)
Interest Received		321	1,500	1,324
Net cash from/(to) Operating Activities		394,659	278,366	452,438
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		(7,842)	(2,000)	
Purchase of Property Plant & Equipment (and Intangibles)		(120,805)	(100,000)	(238,210)
Purchase of Investments		-	-	40,000
Proceeds from Sale of Investments		-	-	
Net cash from/(to) Investing Activities		(128,647)	(102,000)	(198,210)
Cash flows from Financing Activities				
Furniture and Equipment Grant		18,834	35,000	17,168
Finance Lease Payments		(30,886)	64,000	(41,534)
Net cash from/(to) Financing Activities		(12,052)	99,000	(24,366)
Net increase/(decrease) in cash and cash equivalents		253,960	275,366	229,862
Cash and cash equivalents at the beginning of the year	9	735,666	735,666	505,804
Cash and cash equivalents at the end of the year	9	989,626	1,011,032	735,666

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.

Lindisfarne College
Notes to the Financial Statements
For the year ended 31 December 2020

1. Statement of Accounting Policies

a) Reporting Entity
Lindisfarne College (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.

b) 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.

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 14.

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 11.

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.

c) 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.

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.

Grants for the use of land and buildings are also 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 Proprietor. Use of land and building grants are recorded as income in the period the school uses the land and building.

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.

d) Use of Land and Buildings Expense
The property from which the School operates is owned by the Proprietor. The expense is based on an assumed market rental yield on the land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Proprietor.

e) Finance 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.

f) 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.

g) Accounts Receivable
Short-term receivables are recorded at the amount due, less an allowance for credit losses (uncollectable debts). The schools 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.

h) Property, Plant and Equipment
Land and buildings owned by the Proprietor 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 Proprietor 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 to Crown Owned Assets	10–75 years
Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

i) Intangible Assets
Software costs
Computer software acquired by the School are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software that the school receives from the Ministry of Education is normally acquired through a non-exchange transaction and is not of a material amount. Its fair value can be assessed at time of acquisition if no other methods lead to a fair value determination. Computer software purchased directly from suppliers at market rates are considered exchange transactions and the fair value is the amount paid for the software.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

j) 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.

k) 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.

l) Employee 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.

m) Revenue Received in Advance
Revenue received in advance relates to fees received from international students 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.

n) Provision for Cyclical Maintenance
The property from which the school operates is owned by the Proprietor. 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 Proprietor and is based on the Board's ten year property plan (10YPP).

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

p) 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.

q) 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.

r) Budget Figures
The budget figures are extracted from the School budget that was approved by the Board.

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

2. Government Grants

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Operational Grants	1,117,366	1,049,179	1,035,256
Teachers' Salaries Grants	3,613,790	3,500,000	3,342,610
Other MoE Grants	56,135	10,000	44,413
Other Government Grants	123,703	-	-
	4,910,994	4,559,179	4,422,279

The school has not opted in to the donations scheme for this year.

Operational Grants total includes additional COVID-19 funding totalling $52,287 for the year ended 31 December 2020. The College also received $123,703 Covid wage subsidy disclosed as 'Other government grants', above.

3. Locally Raised Funds

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

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Revenue			
Donations	2,320,000	2,680,000	2,355,000
Donations Other	3,408	-	58,135
Activities	17,961	35,000	77,756
Fundraising	-	-	275,272
Other Revenue	28,349	65,000	17,254
	2,369,718	2,780,000	2,783,417
Expenses			
Activities	-	-	26,996
Fundraising (Costs of Raising Funds)	-	-	275,272
	-	-	302,268
Surplus/ (Deficit) for the year Locally raised funds	2,369,718	2,780,000	2,481,149

4. International Student Revenue and Expenses

	2020 Actual Number	2020 Budget (Unaudited) Number	2019 Actual Number
International Student Roll	16	23	23

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Revenue			
International Student Fees	181,092	240,000	255,696
Expenses			
Advertising	4,293	5,000	4,904
Commissions	10,518	20,000	22,760
Recruitment	-	20,000	18,858
International Student Levy	7,108	7,500	8,770
Employee Benefit - Salaries	218,818	220,000	180,063
Other Expenses	18,719	27,500	3,473
	259,456	300,000	238,828
Surplus/ (Deficit) for the year International Students	(78,364)	(60,000)	16,868

5. Learning Resources

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Curricular	404,690	464,436	361,037
Extra-curricular activities	1,772	2,000	1,687
Information and Communication Technology	41,728	56,228	38,949
Library Resources	8,179	11,500	9,515
Employee Benefits - Salaries	5,392,869	5,468,420	4,942,206
Staff Development	21,155	48,000	47,815
	5,870,393	6,050,584	5,401,209

6. Administration

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Audit Fee	9,200	9,200	7,944
Board of Trustees Fees	5,205	6,000	5,480
Board of Trustees Expenses	1,080	4,000	6,193
Communication	45,378	69,000	66,754
Consumables	10,254	12,000	9,260
Legal Fees	4,000	1,500	-
Other	108,167	48,750	36,482
Employee Benefits - Salaries	254,913	260,000	250,379
Insurance	19,179	22,000	18,883
Conference Expenses	7,588	20,000	18,773
	464,964	452,450	420,148

7. Property

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Caretaking and Cleaning Consumables	31,644	32,500	31,908
Consultancy and Contract Services	77,000	77,000	74,000
Cyclical Maintenance Provision	16,381	50,000	53,342
Grounds	26,610	32,500	30,593
Heat, Light and Water	93,831	106,500	106,927
Rates	3,376	4,300	3,043
Repairs and Maintenance	112,513	105,000	130,414
Use of Land and Buildings	994,880	875,000	822,000
Employee Benefits - Salaries	186,283	200,000	175,072
	1,542,518	1,482,800	1,427,299

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

8. Depreciation

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Furniture and Equipment	118,258	120,000	121,316
Information and Communication Technology	42,100	60,000	55,475
Library Resources	10,709	10,000	10,982
	171,067	190,000	187,773

9. Cash and Cash Equivalants

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Cash on Hand	-	-	-
Bank Current Account	989,626	700,000	735,666
Cash and cash equivalents for Statement of Cash Flows	989,626	700,000	735,666

10. Accounts Receivable

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Receivables	-	2,000	1,527
Receivables from the Ministry of Education	10,181	-	10,181
Teacher Salaries Grant Receivable	281,222	250,000	248,123
	291,403	252,000	259,831
Receivables from Exchange Transactions	-	2,000	1,527
Receivables from Non-Exchange Transactions	291,403	250,000	258,304
	291,403	252,000	259,831

11. Property, Plant and Equipment

2020	Opening Balance (NBV) $	Additions $	Disposals $	Impairment $	Depreciation $	**Total (NBV) $**
Furniture and Equipment	493,877	83,546	(1,826)	-	(118,258)	**437,095**
Information and Communication Technology	60,454	38,637	-	-	(42,100)	**70,174**
Library Resources	82,337	10,680	(6,016)	-	(10,709)	**79,137**
Balance at 31 December 2020	636,668	132,863	(7,842)	-	(171,067)	**586,406**

The net carrying value of equipment held under a finance lease is $20,718 (2019: $41,438)

The net carrying value of ICT held under a finance lease is $27,915 (2019: $31,957)

2020	**Cost or Valuation $**	**Accumulated Depreciation $**	**Net Book Value $**
Furniture and Equipment	1,337,537	(900,441)	**437,096**
Information and Communication Technology	366,600	(296,427)	**70,173**
Library Resources	158,740	(79,603)	**79,137**
Balance at 31 December 2020	1,862,877	(1,276,471)	**586,406**

2019	Opening Balance (NBV) $	Additions $	Disposals $	Impairment $	Depreciation $	**Total (NBV) $**
Furniture and Equipment	415,304	199,958	(69)	-	(121,316)	**493,877**
Information and Communication Technology	90,774	25,154	-	-	(55,475)	**60,453**
Library Resources	83,159	13,099	(2,939)	-	(10,982)	**82,338**
Balance at 31 December 2019	589,237	238,211	(3,008)	-	(187,773)	**636,668**

2019	**Cost or Valuation $**	**Accumulated Depreciation $**	**Net Book Value $**
Furniture and Equipment	1,311,545	(817,668)	**493,877**
Information and Communication Technology	377,490	(317,036)	**60,454**
Library Resources	162,705	(80,368)	**82,337**
Balance at 31 December 2019	1,851,740	(1,215,072)	**636,668**

12. Accounts Payable

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Operating Creditors	131,484	90,883	120,843
Accruals	27,241	10,000	16,958
Employee Entitlements - Salaries	455,731	250,000	360,037
Employee Entitlements - Leave Accrual	76,093	75,000	72,631
	690,549	425,883	570,469
Payables for Exchange Transactions	687,174	422,633	567,426
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	3,375	3,250	3,043
Payables for Non-exchange Transactions - Other	-	-	-
	690,549	425,883	570,469

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
International Student Fees	117,174	150,000	136,522
Other	-	25,000	21,705
	117,174	175,000	158,227

14. Provision for Cyclical Maintence

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Provision at the Start of the Year	371,364	371,364	318,022
Increase/ (decrease) to the Provision During the Year	16,381	50,000	53,342
Use of the Provision During the Year	(15,727)	-	-
Provision at the End of the Year	372,018	421,364	371,364
Cyclical Maintenance - Current	223,147	121,406	81,193
Cyclical Maintenance - Term	148,871	299,958	290,171
	372,018	421,364	371,364

15. 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	2020	2019
		Budget	
	Actual	(Unaudited)	Actual
	$	$	$
No Later than One Year	48,635	48,000	48,914
Later than One Year and no Later than Five Years	14,675	15,000	44,483
Later than Five Years	-	-	-
	63,310	63,000	93,397

16. 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.

The Proprietor of the School (Lindisfarne Proprietors Trust) is a related party of the Board because the proprietor appoints representatives to the Board, giving the proprietor significant influence over the Board. Any services or contributions between the Board and Proprietor have been disclosed appropriately, if the proprietor collects fund on behalf of the school (or vice versa) the amounts are disclosed.

The Proprietor provides land and buildings for use by the Board as noted in Note 1(d). The estimated value of this use during the current period is included in the Statement of Comprehensive Revenue and Expense as 'Use of Land and Buildings'. The 2020 value was $994,880 (2019 $822,000) and the Proprietor donated this amount to the Board to cover the cost. The Proprietor also donated $2,320,000 (2019 $2,355,000) to the Board.
Under an agency agreement, if the School collects funds on behalf of the Proprietor $Nil (2019 $Nil) these do not represent revenue in the financial statements of the school. Any balance not transferred at the year end is treated as a liability. The total funds held by the school on behalf of the proprietor are $Nil (2019:Nil). Boarding bursaries totalling $159,175 (2019 $117,522) were received from the Ministry of Education and paid to the Proprietor who then credits the individual students with the amount of their bursary .

In addition the school has entered into a Service Level Agreement with the Proprietor for the provision of services, including painting $15,663 (2019 $21,302), cleaning $77,000 (2019 $74,000) and Reader Writers $36,831 (2019 $35,558).
The provision of religious instruction to pupils of the College is provided free of charge in accordance with the Private Schools Conditional Integration Act 1975.
The Proprietor collects tuition fees from International students on behalf of the Board $181,092 (2019 $259,696). The Proprietor provides hostel services that are used by some of the school's students in accordance with a contract between the Board and Proprietor.

17. Remuneration

Key management personnel compensation

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

	2020 Actual $	2019 Actual $
Board Members		
Remuneration	5,205	5,480
Full-time equivalent members	0.37	0.39
Leadership Team		
Remuneration	1,413,278	1,238,636
Full-time equivalent members	12	12.00
Total key management personnel remuneration	1,418,483	1,244,116
Total full-time equivalent personnel	12.37	12.39

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 1

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	120-130	140-150
Benefits and Other Emoluments	0-5	0-5
Termination Benefits	20-30	-

Principal 2

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

	2020	2019
Salary and Other Payments	40-50	-
Benefits and Other Emoluments	0-5	-
Termination Benefits	-	-

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	7.00	1.00
110-120	4.00	3.00
120-130	2.00	0.00
130-140	1.00	0.00
	14.00	4.00

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

18. 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	20-30	$0
Number of People	1	0

19. 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.

20. Commitments

(a) Capital Commitments

As at 31 December 2020 the Board has no contract agreements for capital works:
(Capital commitments at 31 December 2019: $Nil)

(b) Operating Commitments

As at 31 December 2020 the Board has no operating commitments:
(Operating commitments at 31 December 2019: $Nil)

21. Managing Capital

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

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INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF LINDISFARNE COLLEGE'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The Auditor-General is the auditor of Lindisfarne College (the School). The Auditor-General has appointed me, Philip Pinckney, using the staff and resources of Baker Tilly Staples Rodway Audit 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 9 to 24, 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 2 June 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.

Eligibility criteria for the Covid-19 wage subsidy were not met

Without modifying our opinion, we draw attention to Note 2 of the financial statements, which includes $123,703 that the School received under the Covid-19 wage subsidy scheme.

The eligibility criteria for the wage subsidy are set out on the Ministry of Social Development (MSD)'s website. To be eligible for the wage subsidy, a business must have experienced a minimum 30% decline in total revenue over the period of a month, or 30 days, when compared with the same month, or 30 days, in 2019. From the information provided by the School in support of their claim, we identified that the School did not experience a minimum decline of 30% in total revenue between the respective months in the 2020 and 2019 years. The School therefore did not meet all the eligibility criteria for the wage subsidy.

As per the MSD's website, state sector organisations (including schools) were generally not eligible to receive the wage subsidy, but a state sector organisation, with its monitoring organisation, could ask for an exception to become eligible to apply for the wage subsidy. To date, we have not seen any evidence that the School, with the Ministry of Education, applied for and received an exception.

bakertilly STAPLES RODWAY

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 obtained at the date of our report is the Rector's Report, Analysis of Variance, the Kiwisport statement, list of trustees and Statement of Responsibility, 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.

Philip Pinckney
Baker Tilly Staples Rodway Audit Limited
On behalf of the Auditor-General
Hastings, New Zealand