

KAIKORAI SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

School Directory

Ministry Number: 3753

Principal: Simon Clarke

School Address: 22 Tyne Street, Roslyn, Dunedin 9010

School Postal Address: 22 Tyne Street, Roslyn, Dunedin 9010

School Phone: 03 4640065

School Email: secretary@kaikorai.school.nz

Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Dougal McGowan	Presiding Member	Elected	May-22
Simon Clarke	Principal ex Officio		
Sharon Fitzgerald	Secretary - non voting		
Kate Devereux	Parent Representative	Elected	May-22
Malcolm Couling	Parent Representative	Elected	May-22
Ros Allison	Parent Representative	Elected	May-22
David Cooper	Parent Representative	Elected	May-22
Gene Ollerenshaw	Parent Representative	Co-Opted	May-22
Felicia Ward	Staff Representative	Elected	May-22

Accountant / Service Provider: Moore Markhams Otago

KAIKORAI SCHOOL

Annual Report - For the year ended 31 December 2021

Index

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

Financial Statements

<u>1</u>	Statement of Responsibility
<u>2</u>	Statement of Comprehensive Revenue and Expense
<u>3</u>	Statement of Changes in Net Assets/Equity
<u>4</u>	Statement of Financial Position
<u>5</u>	Statement of Cash Flows
<u>6 - 19</u>	Notes to the Financial Statements

Other Information

Analysis of Variance

Kiwisport

Kaikorai School

Statement of Responsibility

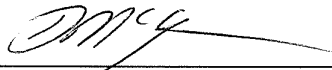
For the year ended 31 December 2021

The Board 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 2021 fairly reflects the financial position and operations of the school.

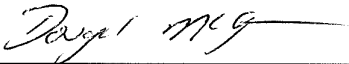
The School's 2021 financial statements are authorised for issue by the Board.



Full Name of Presiding Member



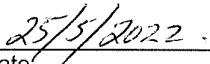
Full Name of Principal



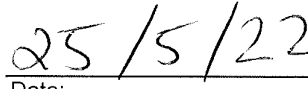
Signature of Presiding Member



Signature of Principal



Date:



Date:

Kaikorai School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Revenue				
Government Grants	2	2,171,444	2,050,500	2,214,294
Locally Raised Funds	3	101,166	139,000	187,214
Interest Income		8,925	10,000	17,012
		2,281,535	2,199,500	2,418,520
Expenses				
Locally Raised Funds	3	57,745	52,000	53,856
Learning Resources	4	1,817,965	1,715,250	1,817,291
Administration	5	89,478	108,450	87,972
Finance		1,827	-	1,411
Property	6	243,295	285,050	264,497
Depreciation	11	68,046	134,000	60,304
Loss on Disposal of Property, Plant and Equipment	11	3,445	-	-
		2,281,801	2,294,750	2,285,331
Net Surplus / (Deficit) for the year		(266)	(95,250)	133,189
Total Comprehensive Revenue and Expense for the Year		(266)	(95,250)	133,189

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

Kaikorai School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Equity at 1 January		1,337,595	1,337,595	1,204,406
Total comprehensive revenue and expense for the year		(266)	(95,250)	133,189
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		46,185	-	-
Equity at 31 December		1,383,514	1,242,345	1,337,595
Retained Earnings		1,383,514	1,242,345	1,337,595
Equity at 31 December		1,383,514	1,242,345	1,337,595

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.

Kaikorai School

Statement of Financial Position

As at 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Assets				
Cash and Cash Equivalents	7	355,602	276,409	371,659
Accounts Receivable	8	121,034	107,348	107,348
GST Receivable		5,297	2,840	2,840
Prepayments		-	4,780	4,780
Inventories	9	2,098	3,509	3,509
Investments	10	590,500	585,703	585,703
		<u>1,074,531</u>	<u>980,589</u>	<u>1,075,839</u>
Current Liabilities				
GST Payable		-	-	-
Accounts Payable	12	125,460	131,473	131,473
Finance Lease Liability	13	10,329	8,888	8,888
Funds held in Trust	14	35,196	34,156	34,156
Funds held for Capital Works Projects	15	17,292	-	-
		<u>188,277</u>	<u>174,517</u>	<u>174,517</u>
Working Capital Surplus/(Deficit)		886,254	806,072	901,322
Non-current Assets				
Property, Plant and Equipment	11	504,041	450,242	450,242
		<u>504,041</u>	<u>450,242</u>	<u>450,242</u>
Non-current Liabilities				
Finance Lease Liability	13	6,781	13,969	13,969
		<u>6,781</u>	<u>13,969</u>	<u>13,969</u>
Net Assets		<u>1,383,514</u>	<u>1,242,345</u>	<u>1,337,595</u>
Equity		<u>1,383,514</u>	<u>1,242,345</u>	<u>1,337,595</u>

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

Kaikorai School

Statement of Cash Flows

For the year ended 31 December 2021

	Note	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash flows from Operating Activities				
Government Grants		529,055	478,500	577,871
Locally Raised Funds		96,441	87,000	190,392
Goods and Services Tax (net)		(2,457)	-	7,376
Payments to Employees		(289,255)	(282,800)	(295,311)
Payments to Suppliers		(283,765)	(253,950)	(293,030)
Interest Paid		(1,827)	-	(1,411)
Interest Received		7,068	10,000	21,403
Net cash from/(to) Operating Activities		55,260	38,750	207,290
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		(3,445)	-	-
Purchase of Property Plant & Equipment (and Intangibles)		(117,784)	(264,000)	(257,913)
Purchase of Investments		(4,797)	-	-
Proceeds from Sale of Investments		-	-	283,931
Net cash from/(to) Investing Activities		(126,026)	(264,000)	26,018
Cash flows from Financing Activities				
Furniture and Equipment Grant		46,185	-	-
Finance Lease Payments		(9,808)	-	38,573
Funds Administered on Behalf of Third Parties		18,332	-	(14,082)
Net cash from/(to) Financing Activities		54,709	-	24,491
Net increase/(decrease) in cash and cash equivalents		(16,057)	(225,250)	257,799
Cash and cash equivalents at the beginning of the year	7	371,659	371,659	113,860
Cash and cash equivalents at the end of the year	7	355,602	146,409	371,659

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.

Kaikorai School

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

a) Reporting Entity

Kaikorai School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. The Board 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 2021 to 31 December 2021 and in accordance with the requirements of the Education and Training Act 2020.

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 13.

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.

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. Grants for the use of land and buildings are not received in cash by the school however they equate to the deemed expense for using the land and buildings which are owned by 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 revenue that is offset by a non-cash expense. The use of land and buildings grants and associated expenditure are recorded in the period the School uses the land and buildings.

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.

d) 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.

e) 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.

f) 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.

g) Inventories

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

h) 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.

i) Property, Plant and Equipment

Land and buildings owned by the Crown are excluded from these financial statements. The Board's use of the land and buildings as 'occupant' is based on a property occupancy document.

Improvements to buildings owned by the Crown are recorded at cost, less accumulated depreciation and impairment losses.

Property, plant and equipment are recorded at cost or, in the case of donated assets, fair value at the date of receipt, less accumulated depreciation and impairment losses. Cost or fair value as the case may be, includes those costs that relate directly to bringing the asset to the location where it will be used and making sure it is in the appropriate condition for its intended use.

Gains and losses on disposals (i.e. sold or given away) are determined by comparing the proceeds received with the carrying amounts (i.e. the book value). The gain or loss arising from the disposal of an item of property, plant and equipment is recognised in the Statement of Comprehensive Revenue and Expense.

Finance Leases

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty whether the school will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Depreciation

Property, plant and equipment except for library resources are depreciated over their estimated useful lives on a straight line basis. Library resources are depreciated on a diminishing value basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	10-50 years
Furniture and equipment	10-25 years
Information and communication technology	5 years
Leased assets held under a Finance Lease	3-6 years
Library resources	10 years

j) 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.

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.

k) 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.

l) 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.

m) Employee Entitlements*Short-term employee entitlements*

Employee entitlements that are expected to be settled within 12 months after the end of the reporting period in which the employees provide 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, by non teaching staff, to but not yet taken at balance date.

Long-term employee entitlements

Employee benefits that are not expected to be settled wholly before twelve months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis.

The calculations are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows

n) 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.

o) 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 is a reasonable estimate, based on an up to date 10 Year Property Plan (10YPP) or another appropriate source of evidence.

p) 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.

q) 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.

r) 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.

s) Budget Figures

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

t) 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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Operational Grants	446,881	440,000	447,938
Teachers' Salaries Grants	1,521,603	1,400,000	1,512,360
Use of Land and Buildings Grants	103,812	172,000	141,037
Other MoE Grants	89,592	-	81,268
Other Government Grants	9,556	38,500	31,691
	2,171,444	2,050,500	2,214,294

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

3. Locally Raised Funds

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Revenue			
Donations & Bequests	44,308	88,000	131,942
Fees for Extra Curricular Activities	52,581	43,000	49,755
Trading	4,277	8,000	5,517
	101,166	139,000	187,214
Expenses			
Extra Curricular Activities Costs	19,429	23,000	17,381
Trading	3,746	4,000	3,551
Other Locally Raised Funds Expenditure	34,570	25,000	32,924
	57,745	52,000	53,856
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	43,421	87,000	133,358

4. Learning Resources

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Curricular	32,397	51,200	34,346
Information and Communication Technology	7,683	14,000	9,428
Library Resources	1,301	-	805
Employee Benefits - Salaries	1,763,467	1,635,800	1,762,814
Staff Development	13,117	14,250	9,898
	<u>1,817,965</u>	<u>1,715,250</u>	<u>1,817,291</u>

5. Administration

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Audit Fee	5,231	5,500	3,137
Board Fees	3,315	6,000	4,620
Board Expenses	6,751	4,000	3,621
Communication	2,117	2,700	2,263
Consumables	6,641	18,000	5,690
Other	9,550	18,950	15,710
Employee Benefits - Salaries	47,391	47,000	44,857
Insurance	5,502	5,500	5,153
Service Providers, Contractors and Consultancy	2,980	800	2,921
	<u>89,478</u>	<u>108,450</u>	<u>87,972</u>

6. Property

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Caretaking and Cleaning Consumables	4,685	5,000	7,802
Grounds	82,272	69,000	76,299
Heat, Light and Water	27,545	22,300	16,904
Rates	10,780	7,250	4,252
Repairs and Maintenance	11,787	8,000	16,937
Use of Land and Buildings	103,812	172,000	141,037
Security	2,414	1,500	1,266
	<u>243,295</u>	<u>285,050</u>	<u>264,497</u>

In 2021, the Ministry of Education revised the notional rent rate from 8% to 5% to align it with the Government Capital Charge rate. This is considered to be a reasonable proxy for the market rental yield on the value of land and buildings used by schools.

Accordingly in 2021, the use of land and buildings figure represents 5% 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.

7. Cash and Cash Equivalents

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Accounts	355,602	276,409	371,659
Short-term Bank Deposits	-	-	-
Cash and cash equivalents for Statement of Cash Flows	<u>355,602</u>	<u>276,409</u>	<u>371,659</u>

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

Of the \$946,102 Cash and Cash Equivalents, \$17,292 is held by the School on behalf of the Ministry of Education. These funds have been provided for the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2022 on Crown owned school buildings.

Of the \$946,102 Cash and Cash Equivalents, \$36,196 is held by the School on behalf of the Hills cluster. See note 14 for details of how the funding received for the cluster has been spent in the year.

8. Accounts Receivable

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	4,725	-	-
Interest Receivable	3,138	1,281	1,281
Teacher Salaries Grant Receivable	113,171	106,067	106,067
	<u>121,034</u>	<u>107,348</u>	<u>107,348</u>
Receivables from Exchange Transactions	7,863	1,281	1,281
Receivables from Non-Exchange Transactions	113,171	106,067	106,067
	<u>121,034</u>	<u>107,348</u>	<u>107,348</u>

9. Inventories

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	422	1,261	1,261
School Uniforms	1,676	2,248	2,248
	<u>2,098</u>	<u>3,509</u>	<u>3,509</u>

10. Investments

The School's investment activities are classified as follows:

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset	-	-	-

Short-term Bank Deposits	590,500	585,703	585,703
Total Investments	<u>590,500</u>	<u>585,703</u>	<u>585,703</u>

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2021	\$	\$	\$	\$	\$	\$
Building Improvements	315,002	-	-	(3,445)	(13,435)	298,122
Furniture and Equipment	38,211	76,847	-	-	(13,286)	101,772
Information and Communication Technology	59,587	41,342	-	-	(28,032)	72,897
Leased Assets	21,832	4,061	-	-	(10,223)	15,670
Library Resources	15,610	3,040	-	-	(3,070)	15,580
Balance at 31 December 2021	450,242	125,290	-	(3,445)	(68,046)	504,041

	2021	2021	2021	2020	2020	2020
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Building Improvements	408,893	(110,771)	298,122	431,739	(116,737)	315,002
Furniture and Equipment	351,622	(249,850)	101,772	375,733	(337,522)	38,211
Information and Communication T	243,429	(170,532)	72,897	213,381	(153,794)	59,587
Leased Assets	35,490	(19,820)	15,670	31,429	(9,597)	21,832
Library Resources	97,525	(81,945)	15,580	96,785	(81,175)	15,610
Balance at 31 December	1,136,959	(632,918)	504,041	1,149,067	(698,825)	450,242

12. Accounts Payable

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Creditors	5,454	3,647	3,647
Accruals	6,835	4,785	4,785
Banking Staffing Overuse	-	16,974	16,974
Employee Entitlements - Salaries	113,171	106,067	106,067
Employee Entitlements - Leave Accrual	-	-	-
	125,460	131,473	131,473
Payables for Exchange Transactions	125,460	131,473	131,473
	125,460	131,473	131,473

The carrying value of payables approximates their fair value.

13. Finance Lease Liability

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
No Later than One Year	11,397		10,475
Later than One Year and no Later than Five Years	7,049		17,564
Future Finance Charges	(1,337)		(5,181)
	<u>17,109</u>	-	<u>22,858</u>
Represented by			
Finance lease liability - Current	10,329		8,888
Finance lease liability - Term	6,780		13,970
	<u>17,109</u>	-	<u>22,858</u>

14. Funds held in Trust

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	35,196	34,156	34,156
	<u>35,196</u>	<u>34,156</u>	<u>34,156</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.

15. Funds Held for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects. The

2021	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Health & Safety Costs new build	-	2,174	(2,585)	-	(411)
Site Landscaping Outdoor Play Area	-	17,703	-	-	17,703
Totals	<u>-</u>	<u>19,877</u>	<u>(2,585)</u>	<u>-</u>	<u>17,292</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	17,703
Funds Due from the Ministry of Education	(411)
	<u>17,292</u>

2020	Opening Balances \$	Receipts from MoE \$	Payments \$	Trans historical bal/write off \$	Closing Balances \$
Classroom Upgrade	26,630			(26,630)	-

Rebuild	(1,818)		1,818	-
				-
Totals	<u>24,812</u>	<u>-</u>	<u>(24,812)</u>	<u>-</u>

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.

17. Remuneration

Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i> Remuneration	3,315	4,620
<i>Leadership Team</i> Remuneration	412,605	431,292
Full-time equivalent members	4	4
Total key management personnel remuneration	415,920	435,912

There are six members of the Board excluding the Principal. The Board had held nine full meetings of the Board in the year. The Board also has two Finance and two Property that meet when required.

Principal

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

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	140 - 150	140 - 150
Benefits and Other Emoluments	4 - 5	0 - 4
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2021 FTE Number	2020 FTE Number
100 - 110	1	1

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 board members, committee members, 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:

	2021 Actual	2020 Actual
Total	-	-
Number of People	-	-

19. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2021 (Contingent liabilities and assets at 31 December 2020: nil).

Holidays Act Compliance – schools payroll

The Ministry of Education performs payroll processing and payments on behalf of boards, 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. 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 2021, a contingent liability for the school may exist.

The School has an obligation to the Ministry of Education to maintain in good order and repair at all times the land, buildings and other facilities on the School site. Construction under the Schools Rebuild Programme is currently in progress. As a result, the School cannot make a reliable estimate of the maintenance required on the School's buildings. Hence, no cyclical maintenance provision has been recognised.

20. Commitments

(a) Capital Commitments

As at 31 December 2021 the Board has entered into contract agreements for capital works as follows:

- (a) An agreement with the Ministry of Education for Health and Safety costs for the School rebuild to be reimbursed. \$2,174 has been received of which \$2,585 has been spent on the project to date; and
- (b) \$224,000 contract for Site Landscaping Outdoor play area to be completed in 2022, which will be fully funded by the Ministry of Education. \$17,203 has been received and no funds have been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments at 31 December 2020: Nil)

21. 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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash and Cash Equivalents	355,602	276,409	371,659
Receivables	121,034	107,348	107,348
Investments - Term Deposits	590,500	585,703	585,703
Total Financial assets measured at amortised cost	<u>1,067,136</u>	<u>969,460</u>	<u>1,064,710</u>

Financial liabilities measured at amortised cost

Payables	125,460	131,473	131,473
Finance Leases	17,110	22,857	22,857
Total Financial Liabilities Measured at Amortised Cost	<u>142,570</u>	<u>154,330</u>	<u>154,330</u>

22. Events After Balance Date

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

23. COVID 19 Pandemic on going implications

Impact of Covid-19

During 2021 the country moved between alert levels. During February and March 2021 Auckland was placed into alert levels 3 and 2 and other parts of the country moved into alert level 2.

Towards the end of June 2021, the Wellington region was placed into alert level 2 for one week.

Towards the end of August 2021, the entire country moved to alert level 4, with a move to alert level 3 and 2 for everyone outside the Auckland region three weeks later. While Auckland has remained in alert level 3 for a prolonged period of time the Northland and Waikato regions have also returned to alert level 3 restrictions during this period.

Impact on operations

Schools have been required to continue adapting to remote and online learning practices when physical attendance is unable to occur in alert level 4 and 3. Schools continue to receive funding from Te Tāhuhu o te Mātauranga | Ministry of Education, even while closed.

However, the ongoing interruptions resulting from the moves in alert levels have impacted schools in various ways which potentially will negatively affect the operations and services of the school. We describe below the possible effects on the school that we have identified, resulting from the ongoing impacts of the COVID-19 alert level changes.

Reduction in locally raised funds

Under alert levels 4,3, and 2 the school's ability to undertake fund raising events in the community and/ or collect donations or other contributions from parents, may have been compromised. Costs already incurred arranging future events may not be recoverable.

Increased Remote learning additional costs

Under alert levels 4 and 3 ensuring that students have the ability to undertake remote or distance learning often incurs additional costs in the supply of materials and devices to students to enable alternative methods of curriculum delivery.

Analysis of Variance – 2021 Kaikorai School Expectations

Each year, the Kaikorai Primary School Board of Trustees set goals through the Charter that affect every aspect of the running of the school. These are reviewed annually in a variety of ways. Student achievement is the priority for the Kaikorai Primary School Board of Trustees and therefore greater importance is placed on its learning goals and these are reported on through the Analysis of Variance.

The Board sets measurable, but aspirational targets, as we wish to see all students achieve. We also recognise that academic achievement looks different for different students.

Situation at start of 2021	Target for 2021	Outcome Achieved	Reason for variations and Evaluation
<p style="text-align: center;">Reading</p> <p>Above = 36%</p> <p>At = 50%</p> <p>Below = 11%</p> <p>Well Below = 3%</p> <p style="text-align: center;">Planned actions taken to improve outcomes.</p> <ol style="list-style-type: none"> 1. The Year 5 and 6 students in the below category will receive support from the parent reading programme. 2. Widen the Quick 60 reading programme to include Middles students 	<p style="text-align: center;">Reading</p> <p>At or Above = 90%</p> <p>Below or Well Below = 10%</p>	<p style="text-align: center;">Reading</p> <p>Above = 37%</p> <p>At = 51%</p> <p>Below = 8%</p> <p>Well Below = 4%</p>	<p>The school did not reach its aspirational goal of 90% in reading. But after one year of a negative response in 2020 the trend is once again heading towards our 90% goal</p> <p>2017= 88% At or Above (2% improvement)</p> <p>2018 = 89% At or Above (1% improvement)</p> <p>2019 = 90% At or Above (1% improvement)</p> <p>2020 = 86% At or Above (4% decline)</p> <p>2021 = 88% At or Above (2% Improvement)</p>

<p>3. 2 Hours per week specialist teacher time for children who have not yet learnt phonetic blends etc</p> <p>4. Explore and start to roll out structured literacy programme.</p>			
<p>Recommendation for 2022 –Parent Reading Programme to continue with regular reporting to the Board on student performance. We recommend two significant changes to our reading programme in 2022. The Junior classes will deliver their reading programme via the structured literacy method of teaching. The Board have also agreed to introduce Reading Recovery in 2022. This will include the training of a teacher and 30 min 1:1 x 5 days a week for 6 students for six months each. National data indicates that 90% of these six students should experience accelerated learning and be achieving at a similar level to their peers at the conclusion of the programme.</p>			
<p style="text-align: center;">Writing</p> <p>Above = 13%</p> <p>At = 67%</p> <p>Below = 17%</p> <p>Well Below = 3%</p>	<p style="text-align: center;">Writing</p> <p>At or Above = 90%</p> <p>Below or Well Below = 10%</p>	<p style="text-align: center;">Writing</p> <p>Above = 16%</p> <p>At = 66%</p> <p>Below = 13%</p> <p>Well Below = 5%</p>	<p>2016 = 76% At or Above</p> <p>2017 = 79% At or Above</p> <p>2018 = 79% At or Above</p> <p>2019 = 84% At or Above</p> <p>2020 = 80% At or Above</p> <p>2021 = 82% At or Above</p> <p>A 2% is a considerable improvement in overall school achievement in writing. It is our second best result in six years. Very pleasing to see a 3% improvement from At to Above</p>
<p>Recommendation for 2022 –</p> <p>The junior teachers have indicated from their Structured Literacy trial that it was having a positive impact on the students writing. SL will be monitored closely on its impact on students writing in the juniors.</p> <p>Syndicate leaders will utilise “Teacher Sprints” to look at issues in their writing programme and make systematic changes based upon needs.</p>			

<p>Mathematics</p> <p>Above = 21%</p> <p>At = 64%</p> <p>Below = 13%</p> <p>Well Below = 2%</p> <p>Planned actions taken to improve outcomes.</p> <ol style="list-style-type: none"> 1. Teacher aide support in senior classroom 2. Specialist teacher intervention for children who need help with basic facts in seniors. 3. Run targeted math groups for children in the middle syndicate. 4. Rewrite the mathematics programme to reflect Prime Mathematics. 5. Provide 4 hours per week of extension mathematics programme 	<p>Mathematics</p> <p>At or Above = 90%</p> <p>Below or Well Below = 10%</p>	<p>Mathematics</p> <p>Above = 22%</p> <p>At = 64%</p> <p>Below = 13%</p> <p>Well Below = 1%</p>	<p>Prime Mathematics continues to be implemented across all senior and middle classrooms and some students in Year 2. EASSTLE results have continued to show an overall improvement over time and the consistency across classes remains the same. Motivation levels have also improved.</p> <p>The specialist teacher programme continues to develop support for families to help their child improve their basic facts knowledge and the teacher aides continue to do a wonderful job both in class support in the senior rooms and also through the running of their targeted math groups for the Year 3/4s.</p>
<p>Recommendation for 2022 – Continue teacher aide support in senior classroom. Consolidate the success of the PRIME Mathematics programme into all middle and senior classes with appropriate PD. Continue the extension programme.</p>			
<p>Maori Achievement Reading</p> <p>2019 – 2020 - 2021</p>	<p>Maori Achievement Writing</p> <p>2019 -2020 – 2021</p>	<p>Maori Achievement Mathematics</p>	<p>At face value, these results are very disappointing and concerning. However closer examination reveals a few positives.</p>

<p>Above = 27%-25% - 16% At = 45%-63% - 58% Below = 23%-6% - 10% Well Below=5%-6% - 16%</p> <p>Planned actions taken to improve outcomes.</p> <p>1. The Principal to work with the small number of Maori students who are underperforming in writing</p>	<p>Above = 18%-12% - 0% At = 41%-44% - 58% Below = 32%-38% - 26% Well Below=9%-6% - 16%</p>	<p>2019 – 2020 - 2021</p> <p>Above =18%-25% - 10% At =59%-50% - 58% Below = 18%- 19% -21% Well Below =5%-6% - 11%</p>	<p>The Maori students who have been in the school since they were 5 and during that time have been in the below category have all made steady progress during their time and have graduated in reading at the same level as their peers. In writing they have made smaller but sustained progress and have made a years' worth of learning every year from their entry point.</p> <p>Due to the small number of Maori students one child coming or going can make a significant change to the percentages. The disappointing percentages are reflected in 5 new students starting the school in the below or well below category.</p>
<p>Recommendation for 2022 – The 3 Year 2/3 Maori students become a focus group for structured literacy intervention.</p>			
<p>Year 4 Mathematics At or Above = 77% Below or Well Below = 23%</p> <p>Planned actions taken to improve outcomes.</p> <p>1. 4 hour per week with a teacher employed by the school to target students needs, set goals, and</p>	<p>Year 4 Mathematics At or Above = 80% Below or Well Below = 20%</p>	<p>Year 5 Mathematics At or Above = 84% Below or Well Below = 16%</p>	<p>Goal Achieved. The extensive support these students received in 2020 and then followed up again with expert teaching from both their class teacher and the support teacher has resulted in an excellent improvement.</p>

<p>support classroom teacher.</p> <p>2. Regular monitoring and reporting to Board.</p>			
<p>Recommendation for 2022 – Continued monitoring but no intervention planned for this cohort.</p>			
<p>Year 3/4 Literacy</p> <p>Reading At or Above = 82% Below or Well Below = 18%</p> <p>Writing At or Above = 77% Below or Well Below = 23%</p> <p>Planned actions taken to improve outcomes.</p> <ol style="list-style-type: none"> 1. Structured Literacy Programme 2. Teacher Aide Support 3. Teacher support for one hour per day 4. Teaching Sprints PD for teachers 	<p>Year 3/4 Reading At or Above = 85% Below or Well Below = 15%</p> <p>Year 3/4 Writing At or Above = 80% Below or Well Below = 20%</p>	<p>Year 3/4 Literacy</p> <p>Reading At or Above = 85% Below or Well Below = 15%</p> <p>Writing At or Above = 76% Below or Well Below = 24%</p>	<p>The structured literacy programme did not extend into the middle syndicate as planned. Small class sizes had little overall impact either on results.</p> <p>We did find a significant difference between the Year 4 and Year 3 results. The Year 4 students ended the year on par with their peers at 90% at or above. This means that the Year 3 students have gone down but this is due to new students entering the data from the start of the year goals.</p>
<p>Recommendation for 2022 – Year 4 Literacy. Provide additional literacy support especially in writing for Year 4 where we have 13 boys who are below or well below.</p>			



Kiwisport Statement

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2021, the school received total Kiwisport funding of \$4,433(excluding GST).

The funding was spent on sports equipment and swimming lessons.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF KAIKORAI SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Auditor-General is the auditor of Kaikorai School (the School). The Auditor-General has appointed me, Philip Sinclair, using the staff and resources of Crowe, 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 2 to 24, that comprise the Statement of Financial Position as at 31 December 2021, the Statement of Comprehensive Revenue and Expense, Statement of Changes in Net Assets/Equity and Cash Flow Statement 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 2021; 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 25 May 2022. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Emphasis of Matter

Without modifying our opinion, we draw your attention to Note 19 of the financial statements, which outlines the fact that construction under the Schools Rebuild Programme is currently in progress. As a result, the School cannot make a reliable estimate of the maintenance required on the School's buildings. Hence, no cyclical maintenance provision has been recognised. We consider the disclosures to be adequate.

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 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 school payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages 25 to 30, 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 Sinclair
Crowe New Zealand Audit Partnership
On behalf of the Auditor-General
Dunedin, New Zealand