

# JAMES HARGEST COLLEGE



JAMES HARGEST COLLEGE **KEEP FAITH**

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

Ministry Number: 552

Principal: Mike Newell

Accountant: Findex NZ Limited

#### Members of the Board:

Name	Position	How Position Gained	Occupation	Term Expires
Chris O'Connor	Presiding Member	Elected	Accountant	May-22
Mike Newell	Principal ex Officio	Non-Elected	Principal	
Jason McKenzie	Parent Rep	Elected	Athlete Advisor	May-22
Toni Green	Parent Rep	Elected	Lawyer	May-22
Rev. Richard Aitken	Parent Rep	Elected	Company Director	May-22
Andrew Boon	Parent Rep	Elected	Social Worker	May-22
Nicholas Raines	Parent Rep	Co-Opted	Investment Advisor	May-22
Caroline Raynes	Staff Rep	Elected	Teacher	May-22
Jeanette Chilton-Smith	Staff Rep	Non-Elected	Deputy Principal	
Jocelyn Auld	Staff Rep	Non-Elected	Associate Principal	
Jacob Mika	Student Rep	Non-Elected	Student	Dec-21

#### JUNIOR CAMPUS

6 Layard Street  
Invercargill, New Zealand  
Telephone 03 217 9250  
Facsimile 03 217 3152

Email: [office@jameshargest.school.nz](mailto:office@jameshargest.school.nz)

#### SENIOR CAMPUS

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Telephone 03 217 6129  
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# James Hargest College

Annual Report - For the year ended 31 December 2021

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# James Hargest College

## Statement of Responsibility

For the year ended 31 December 2021

The Board of Trustees (the Board) has pleasure in presenting the annual report of James Hargest College incorporating the financial statements and the auditor's report, for the year ended 31 December 2021.

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

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

Christopher James O'Connor

\_\_\_\_\_  
Full Name of Board Presiding Member

\_\_\_\_\_  


\_\_\_\_\_  
Signature of Board Presiding Member

31.05.2022

\_\_\_\_\_  
Date:

Michael James Newell

\_\_\_\_\_  
Full Name of Principal

\_\_\_\_\_  


\_\_\_\_\_  
Signature of Principal

31.05.2022

\_\_\_\_\_  
Date:

# James Hargest College

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Revenue</b>				
Government Grants	2	17,038,650	3,920,951	16,895,316
Locally Raised Funds	3	1,152,825	784,725	1,044,281
Interest Income		154,180	156,360	183,743
Invercargill Activity Centre	4	133,355	99,031	125,672
International Students	5	193,415	190,725	437,237
Murihiku Young Parents Learning Centre	21	281,121	240,000	242,134
Gain on Disposal of Property, Plant and Equipment		113	-	11,692
		18,953,658	5,391,792	18,940,076
<b>Expenses</b>				
Locally Raised Funds	3	884,572	584,831	825,122
Invercargill Activity Centre	4	127,102	101,540	100,627
International Students	5	178,376	233,565	347,790
Learning Resources	6	13,611,073	2,110,474	12,630,336
Administration	7	1,209,541	1,212,136	1,101,932
Finance		10,099	8,900	6,538
Property	8	2,419,665	1,123,660	3,143,877
Murihiku Young Parents Learning Centre	21	208,862	240,000	185,257
Depreciation	13	518,566	401,551	472,041
Loss on Disposal of Property, Plant and Equipment		5,272	-	5,439
Loss on Disposal of Investments		14,400	-	-
		19,187,528	6,016,657	18,818,959
<b>Net Surplus / (Deficit) for the year</b>		(233,870)	(624,865)	121,118
<b>Other Comprehensive Revenue and Expenses</b>				
Unrealised Gain on Revaluation of Investments		-	-	32,440
Unrealised Loss on Revaluation of Investments		(93,740)	-	(4,900)
<b>Total Comprehensive Revenue and Expense for the Year</b>		(327,610)	(624,865)	148,658

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

# James Hargest College

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2021

	Notes	Actual 2021 \$	Budget (Unaudited) 2021 \$	Actual 2020 \$
<b>Balance at 1 January</b>		7,202,680	7,202,679	7,034,632
Total comprehensive revenue and expense for the year		(327,610)	(624,865)	148,658
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		75,849	-	19,390
<b>Equity at 31 December</b>		<b>6,950,918</b>	<b>6,577,814</b>	<b>7,202,680</b>
Retained Earnings		6,518,913	6,218,068	6,842,934
Reserve - Teen Parent Unit				
Opening balance		359,746	302,869	302,869
Surplus for the year		72,258	56,877	56,877
Closing balance		432,005	359,746	359,746
<b>Equity at 31 December</b>		<b>6,950,918</b>	<b>6,577,814</b>	<b>7,202,680</b>

The Reserve is designated funds for the Teen Parent Unit. Refer to Note 21.

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.

**James Hargest College**  
**Statement of Financial Position**  
As at 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	9	2,376,542	2,509,711	2,734,025
Accounts Receivable	10	967,033	1,058,593	1,058,592
Prepayments		33,406	31,739	31,739
Inventories	11	8,005	11,393	11,393
Investments	12	2,594,271	1,619,701	1,619,701
		5,979,257	5,231,137	5,455,450
<b>Current Liabilities</b>				
GST Payable		60,902	188,095	188,095
Accounts Payable	14	1,494,192	1,407,010	1,407,010
Revenue Received in Advance	15	245,756	333,116	334,116
Provision for Cyclical Maintenance	16	86,400	53,251	53,251
Painting Contract Liability	17	9,950	9,950	9,950
Finance Lease Liability	18	112,045	36,806	36,805
Funds held in Trust	19	71,439	424,088	424,088
Funds held for Capital Works Projects	20	623,404	848,726	848,726
		2,704,089	3,301,042	3,302,041
<b>Working Capital Surplus / (Deficit)</b>		3,275,167	1,930,095	2,153,408
<b>Non-current Assets</b>				
Investments	12	1,860,545	3,197,747	3,197,747
Property, Plant and Equipment	13	2,223,156	1,786,161	2,187,712
		4,083,702	4,983,908	5,385,459
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	16	287,583	314,304	314,304
Finance Lease Liability	18	120,368	21,883	21,883
		407,951	336,187	336,187
<b>Net Assets</b>		6,950,918	6,577,814	7,202,680
<b>Equity</b>		6,950,918	6,577,814	7,202,680

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

**James Hargest College**  
**Statement of Cash Flows**  
For the year ended 31 December 2021

		<b>2021</b>	<b>2021</b>	<b>2020</b>
	<b>Note</b>	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
		<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
			<b>\$</b>	
<b>Cash flows from Operating Activities</b>				
Government Grants		4,234,185	3,860,482	3,777,753
Locally Raised Funds		1,138,162	703,725	1,010,425
Invercargill Activity Centre		133,355	500	125,672
Murihiku Young Parents Learning Centre		281,121	240,000	242,134
International Students		131,483	190,725	15,085
Goods and Services Tax (net)		(127,193)	-	126,987
Payments to Employees		(3,156,908)	(1,339,091)	(2,792,722)
Payments to Suppliers		(2,442,777)	(3,948,651)	(2,319,792)
Cyclical Maintenance Payments made in Current Year		(33,725)	(46,752)	(24,159)
Interest Paid		(44,758)	(41,612)	(38,759)
Interest Received		159,591	156,360	209,342
<b>Net cash from / (to) the Operating Activities</b>		<b>272,535</b>	<b>(224,315)</b>	<b>331,966</b>
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of PPE (and Intangibles)		-	-	11,144
Purchase of PPE (and Intangibles)		(284,916)	-	(412,439)
Purchase of Investments		-	-	(1,868,340)
Proceeds from Sale of Investments		254,491	-	2,388,767
<b>Net cash from / (to) the Investing Activities</b>		<b>(30,425)</b>	<b>-</b>	<b>119,132</b>
<b>Cash flows from Financing Activities</b>				
Funds Administered on Behalf of Third Parties		(577,970)	-	766,965
Furniture and Equipment Grant		75,849	-	19,390
Finance Lease Payments		(97,472)	-	(21,597)
<b>Net cash from Financing Activities</b>		<b>(599,593)</b>	<b>-</b>	<b>764,758</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(357,483)</b>	<b>(224,315)</b>	<b>1,215,856</b>
Cash and cash equivalents at the beginning of the year	9	2,734,025	2,734,025	1,518,169
<b>Cash and cash equivalents at the end of the year</b>	<b>9</b>	<b>2,376,542</b>	<b>2,509,711</b>	<b>2,734,025</b>

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

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

# James Hargest College

## Notes to the Financial Statements

For the year ended 31 December 2021

### 1. Statement of Accounting Policies

#### a) Reporting Entity

James Hargest 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 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 16.

##### **Useful lives of Property, Plant and Equipment**

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 13.



### **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. Finance leases are disclosed at note 18.

#### **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. These are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown. 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 comprise of stationery and canteen supplies. 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:

Buildings	5 - 50 years
Motor Vehicles	5 - 10 years
Furniture	5 - 20 years
Major Equipment	10 - 20 years
Electronic Equipment	1 - 20 years
Plant	5 - 10 years
Sports Equipment	1 - 20 years
Minor Equipment	5 - 20 years
Library Resources	12.5% per annum
Leased Assets held under a Finance Lease	Term of lease

**j) Impairment of Property, Plant, and Equipment**

James Hargest College 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 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 not expected to be settled wholly before 12 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.

**m) Revenue Received in Advance**

Revenue received in advance relates to fees received from international students and grants received where there are unfulfilled obligations for the School to provide services in the future. The fees are recorded as revenue as the obligations are fulfilled and the fees earned.

The School holds sufficient funds to enable the refund of unearned fees in relation to international students, should the School be unable to provide the services to which they relate.

**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 liabilities, and painting contract liabilities. 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 not limited to finance leases and painting contracts.

**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 at the start of the year

**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	3,703,711	3,443,897	3,497,500
Teachers' Salaries Grants	11,257,942	16,000	10,678,912
Use of Land and Buildings Grants	1,459,647	-	2,126,233
Other MOE Grants	499,486	411,269	485,229
Other Government Grants	117,863	49,785	107,443
	<b>17,038,650</b>	<b>3,920,951</b>	<b>16,895,316</b>

## 3. Locally Raised Funds

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Revenue</b>			
Donations and Bequests	63,217	69,871	60,693
Fundraising and Community Grants	52,361	64,564	58,051
Curriculum Related Activities - Purchase of Goods and Services	244,380	189,546	203,828
Trading Revenue	223,069	213,000	185,456
Fees for Extra Curricular Activities	444,705	163,424	436,856
Other Locally Raised Funds Revenue	50,229	4,000	31,982
Levies	41,274	34,320	30,609
Hargest Centre	33,589	46,000	36,806
	<b>1,152,825</b>	<b>784,725</b>	<b>1,044,281</b>
<b>Expenses</b>			
Trading Expense	194,673	132,446	126,172
Canteen Staff Wages	72,591	73,371	72,386
Extra Curricular Activities Costs	495,889	220,624	518,933
Fundraising and Community Grant Costs	39,502	64,564	37,357
Hargest Centre	19,135	23,400	17,801
Other Locally Raised Funds Expenditure	62,783	70,426	52,472
	<b>884,572</b>	<b>584,831</b>	<b>825,122</b>
<b>Surplus for the year Locally Raised Funds</b>	<b>268,253</b>	<b>199,894</b>	<b>219,159</b>

#### 4. Invercargill Activity Centre Revenue and Expenses

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Revenue</b>			
Activity Centre Income	12,596	500	26,653
Government Operational Grant	101,595	98,531	99,019
Other Grants	19,163	-	-
	133,355	99,031	125,672
<b>Expenses</b>			
Course Costs	6,575	7,850	4,222
Fixed Assets Purchased/Capitalised Expenditure	4,960	5,810	-
Maintenance Costs	41,511	20,999	33,070
Motor Vehicle Expenses	2,189	3,300	951
Other Expenses	20,388	21,679	21,263
Wages	51,479	41,902	41,122
	127,102	101,540	100,627
<i>Surplus / (Deficit) for the year Invercargill Activity Centre</i>	6,253	(2,508)	25,045

#### 5. International Student Revenue and Expenses

	2021 Actual Number	2021 Budget (Unaudited) Number	2020 Actual Number
International Student Roll	14		29
	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Revenue</b>			
International Student Fees	193,415	190,725	437,237
<b>Expenses</b>			
Advertising, Marketing and Promotion	824	3,460	5,378
Commissions	33,924	29,400	54,615
General Expenses	7,832	12,650	11,147
Insurance	4,329	9,106	6,577
International Student Levy	3,310	7,070	15,725
Other Levies	-	-	60
Employee Benefit - Salaries	128,158	171,879	254,288
	178,376	233,565	347,790
<i>Surplus / (Deficit) for the year International Students</i>	15,039	(42,840)	89,446

## 6. Learning Resources

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Curricular	408,437	427,113	347,529
STAR Funding	28,732	30,000	28,456
Equipment Repairs	33,046	37,891	35,879
Employee Benefits - Salaries	13,064,431	1,514,652	12,148,310
Staff Professional Development	53,663	61,500	44,233
Attached Unit - Student Support Centre	5,625	7,650	7,587
Attached Unit - Itinerant Music	17,139	31,668	18,342
	<b>13,611,073</b>	<b>2,110,474</b>	<b>12,630,336</b>

## 7. Administration

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Audit Fee	11,635	11,395	10,232
Board Fees	8,422	9,845	8,221
Board Expenses	41,367	21,000	21,013
Communication	18,143	17,000	17,937
Consumables	41,413	41,850	8,818
Operating Lease	-	25,000	-
Other	216,505	216,891	194,299
Employee Benefits - Salaries	826,646	828,443	806,715
Insurance	34,659	32,712	32,221
Service Providers, Contractors and Consultancy	10,752	8,000	2,477
	<b>1,209,541</b>	<b>1,212,136</b>	<b>1,101,932</b>

## 8. Property

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Caretaking and Cleaning Consumables	47,697	57,318	49,420
Consultancy and Contract Services	249,143	234,128	246,099
Cyclical Maintenance Expense	26,036	40,996	63,948
Grounds	20,693	29,012	16,166
Heat, Light and Water	163,684	202,508	192,271
Rates	14,990	18,996	16,512
Repairs and Maintenance	181,855	275,008	178,511
Use of Land and Buildings	1,459,647	-	2,126,233
Security	23,642	21,975	23,358
Employee Benefits - Salaries	232,278	243,719	231,358
	<b>2,419,665</b>	<b>1,123,660</b>	<b>3,143,877</b>

In 2021, the Ministry of Education revised the notional rent rate from 8% to 5% to align it with 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.

## 9. Cash and Cash Equivalents

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash on Hand	506	500	500
Bank Accounts	1,896,758	2,036,780	2,261,094
Short-term Bank Deposits with a Maturity of 90 Days or Less	479,278	472,431	472,431
Cash equivalents and bank overdraft for Cash Flow Statement	2,376,542	2,509,711	2,734,025

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

Of the \$2,376,542 Cash and Cash Equivalents, \$658,409 is held by the School on behalf of the Ministry of Education (2020: \$848,726). These funds are required to be spent next year on Crown owned school buildings under the School's Five Year Property Plan.

## 10. Accounts Receivable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Receivables	61,799	213,505	66,886
Receivables from the Ministry of Education	5,497	-	146,619
Interest Receivable	5,516	10,927	10,927
Teacher Salaries Grant Receivable	894,220	834,160	834,160
	967,033	1,058,593	1,058,592
Receivables from Exchange Transactions	67,315	224,433	77,814
Receivables from Non-Exchange Transactions	899,717	834,161	980,779
	967,033	1,058,593	1,058,592

## 11. Inventories

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Stationery	7,415	11,393	7,789
Canteen	590	-	860
IT Devices	-	-	2,745
	8,005	11,393	11,393



## 12. Investments

The School's investment activities are classified as follows:

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Current Asset</b>			
Short-term Bank Deposits	2,594,271	1,619,701	1,619,701
<b>Non-Current Asset</b>			
Long-term Bank Deposits	1,860,545	3,197,747	3,197,747
	<b>4,454,815</b>	<b>4,817,447</b>	<b>4,817,447</b>

## 13. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Reclassification \$	Depreciation \$	Total (NBV) \$
<b>2021</b>						
Buildings	459,956	-	-	124,472	(19,504)	<b>564,924</b>
Motor Vehicles	117,379	68,472	(25,344)	21,141	(30,742)	<b>150,906</b>
Furniture	599,229	43,939	-	90,425	(73,490)	<b>660,102</b>
Major Equipment	51,015	-	-	(40,550)	(5,577)	<b>4,888</b>
Electronic Equipment	360,736	87,004	(996)	142,646	(205,418)	<b>383,972</b>
Plant	46,587	17,449	-	20,398	(10,162)	<b>74,272</b>
Sports Equipment	52,795	31,278	-	(578)	(17,146)	<b>66,348</b>
Minor Equipment	122,707	30,279	-	(112,857)	(18,416)	<b>21,713</b>
Gym Social Centre	258,312	-	-	(245,096)	(13,216)	<b>-</b>
Library Resources	63,319	18,555	(5,084)	-	(9,599)	<b>67,191</b>
Leased Assets	55,678	288,458	-	-	(115,296)	<b>228,840</b>
<b>Balance at 31 December 2021</b>	<b>2,187,712</b>	<b>585,434</b>	<b>(31,424)</b>	<b>-</b>	<b>(518,566)</b>	<b>2,223,156</b>

	2021 Cost or Valuation \$	2021 Accumulated Depreciation \$	2021 Net Book Value \$	2020 Cost or Valuation \$	2020 Accumulated Depreciation \$	2020 Net Book Value \$
Buildings	1,328,542	(763,618)	<b>564,924</b>	707,737	(247,781)	<b>459,956</b>
Motor Vehicles	361,808	(210,902)	<b>150,906</b>	293,871	(176,492)	<b>117,379</b>
Furniture	1,962,709	(1,302,607)	<b>660,102</b>	1,635,360	(1,036,132)	<b>599,229</b>
Major Equipment	343,077	(338,189)	<b>4,887</b>	626,446	(575,431)	<b>51,015</b>
Electronic Equipment	3,022,670	(2,638,698)	<b>383,972</b>	2,718,315	(2,357,579)	<b>360,736</b>
Plant	196,988	(122,716)	<b>74,272</b>	121,153	(74,567)	<b>46,587</b>
Sports Equipment	344,725	(278,377)	<b>66,348</b>	273,276	(220,481)	<b>52,795</b>
Minor Equipment	243,841	(222,128)	<b>21,713</b>	370,587	(247,880)	<b>122,707</b>
Gym Social Centre	-	-	<b>-</b>	838,780	(580,468)	<b>258,312</b>
Library Resources	160,958	(93,767)	<b>67,191</b>	154,462	(91,143)	<b>63,319</b>
Leased Assets held under Finance Lease	523,325	(294,484)	<b>228,841</b>	234,866	(179,188)	<b>55,678</b>
<b>Balance at 31 December</b>	<b>8,488,641</b>	<b>(6,265,485)</b>	<b>2,223,156</b>	<b>7,974,854</b>	<b>(5,787,141)</b>	<b>2,187,712</b>

The net carrying value of electronic equipment under a finance lease is \$228,840 (2020: \$55,678).

## 14. Accounts Payable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Creditors	301,079	300,745	300,745
Accruals	33,635	27,694	27,694
Banking Staffing Overuse	13,128	65,076	65,076
Employee Entitlements - Salaries	1,083,695	952,357	952,357
Employee Entitlements - Leave Accrual	62,655	61,138	61,138
	<u>1,494,192</u>	<u>1,407,010</u>	<u>1,407,010</u>
Payables for Exchange Transactions	1,494,192	1,407,010	1,407,010
	<u>1,494,192</u>	<u>1,407,010</u>	<u>1,407,010</u>

The carrying value of payables approximates their fair value.

## 15. Revenue Received in Advance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Grants in Advance - Ministry of Education	83,654	96,504	96,504
International Student Fees in Advance	144,385	206,317	206,317
Sport and Cultural Fundraising	10,000	16,529	17,529
James Hargest PTA	7,717	13,766	13,766
	<u>245,756</u>	<u>333,116</u>	<u>334,116</u>

## 16. Provision for Cyclical Maintenance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Provision at the Start of the Year	367,555	367,555	327,766
Increase to the Provision During the Year	40,153	46,752	63,948
Use of the Provision During the Year	(33,725)	(46,752)	(24,159)
Provision at the End of the Year	<u>373,983</u>	<u>367,555</u>	<u>367,555</u>
Cyclical Maintenance - Current	86,400	53,251	53,251
Cyclical Maintenance - Term	287,583	314,304	314,304
	<u>373,983</u>	<u>367,555</u>	<u>367,555</u>

## 17. Painting Contract Liability

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Due within one year	9,950	9,950	9,950
	<u>9,950</u>	<u>9,950</u>	<u>9,950</u>

In 2018 the Board signed an agreement with Programmed Maintenance Services Ltd (the contractor) for an agreed programme of work covering a four year period for the Junior Campus. The agreement has an annual commitment of \$9,950. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

## 18. Finance Lease Liability

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
No Later than One Year	112,045	36,805	36,805
Later than One Year and no Later than Five Years	120,368	21,883	21,883
	<u>232,413</u>	<u>58,689</u>	<u>58,689</u>
<b>Represented by</b>			
Finance Lease Liability - Current	112,045	36,805	36,805
Finance Lease Liability - Term	120,368	21,883	21,883
	<u>232,413</u>	<u>58,689</u>	<u>58,689</u>

## 19. Funds Held in Trust

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Funds Held on Behalf of Third Parties - Current	71,439	424,088	424,088
	<u>71,439</u>	<u>424,088</u>	<u>424,088</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.

These funds are held in trust for international students.

## 20. 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:

	2021	Opening Balances \$	Receipts from MoE \$	Payments \$	Closing Balances \$
A Block - Roof Replacement	<i>In progress</i>	6,572	-	-	6,572
Snr and Jnr Campus Boiler Replacement	<i>In progress</i>	731,321	915,000	1,653,080	(6,759)
Jnr Campus P1 Relocation	<i>In progress</i>	86,118	-	113,789	(27,671)
Jnr Campus Synthetic Court & Frontage Dev.	<i>In progress</i>	(11,200)	250,000	239,375	(575)
Snr Campus Gymnasium	<i>In progress</i>	(4,450)	135,000	54,740	75,810
Jnr Campus Synthetic Turf	<i>In progress</i>	-	285,000	1,680	283,320
Jnr Campus Hall Roof & Wall Replacement	<i>In progress</i>	-	310,000	146,543	163,457
Jnr Campus Toilet Block & Breakout Space Upgrade	<i>In progress</i>	-	65,000	44,957	20,043
IAC Kitchen & Outdoor Learning	<i>In progress</i>	-	54,315	14,749	39,566
MYPLC Internal & Outdoor Learning Area	<i>In progress</i>	-	90,750	21,107	69,642
MYPLC Asbestos Remediation	<i>Completed</i>	7,396	486	7,882	-
Bus Shelter	<i>Completed</i>	32,969	4,780	37,749	-
Jnr Campus Sewer Pipe Water Damage	<i>Completed</i>	-	5,521	5,521	-
Totals		848,726	2,115,852	2,341,173	623,404

### Represented by:

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

658,409
(35,005)
623,404

	2020	Opening Balances \$	Receipts from MoE \$	Payments \$	Closing Balances \$
A Block - Roof Replacement	<i>In progress</i>	6,572	-	-	6,572
Snr and Jnr Campus Boiler Replacement	<i>In progress</i>	(6,429)	1,183,390	445,640	731,321
Jnr Campus P1 Relocation	<i>In progress</i>	-	127,000	40,882	86,118
MYPLC Asbestos Remediation	<i>In progress</i>	-	111,208	103,812	7,396
Jnr Campus Synthetic Court & Frontage Dev.	<i>In progress</i>	-	-	11,200	(11,200)
Snr Campus Gymnasium	<i>In progress</i>	-	-	4,450	(4,450)
Bus Shelter	<i>In progress</i>	-	50,000	17,031	32,969
MYPLC Kitchen	<i>Completed</i>	1,960	-	1,960	-
Totals		2,103	1,471,597	624,974	848,726

## 21. Funds Held for Teen Parent Unit

James Hargest College Teen Parent Unit, Murihiku Young Parents Learning Centre, is a separate business unit of the school in accordance with the agreement with the Ministry of Education. The revenue and expenditure is included in the school's Statement of Comprehensive Revenue and Expense. During the year the funds were spent as follows:

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Revenue</b>			
Course Fees	75,505	57,000	57,831
Government Operational Grant	178,580	158,000	158,224
Donations	-	15,000	15,643
Conveyance Allowance	16,596	9,000	9,436
Ministry of Education Project Grant/Other Grants	-	1,000	1,000
Other	10,440	-	-
	281,121	240,000	242,134
<b>Expenses</b>			
Course Costs	9,910	12,172	10,005
Motor Vehicle Expenses	4,942	6,814	5,241
Operational Set-up and Maintenance Costs	10,416	2,743	2,110
Other Expenses	67,337	77,117	59,321
Employee Benefit - Professional Development	4,195	2,852	2,194
Employee Benefit - Salaries	112,062	138,301	106,385
	208,862	240,000	185,257
<b>Surplus for the year Teen Parent Unit</b>	<b>72,258</b>	<b>-</b>	<b>56,877</b>

## 22. 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.

Al Pannett (Deputy Principal) is the part owner of F Stop Photographics which supplied goods and services to the School to the value of \$4,805 (2020: \$5,045) during the year.

Chris O'Connor is a trustee of the Board and a Principal at Findex NZ Limited. Findex NZ Limited have provided accounting and software support services to the School to the value of \$14,130 (2020: \$15,063) during the year.

Lachlan Smith is an employee and owner of Back Blocks Building. Back Blocks Building provided maintenance services to the School to the value of \$4,250 (2020: \$2,315) during the year.

Because these amounts are less than \$25,000 for the year for each contract, the contracts do not require Ministry of Education conflict of interest approval under section 103 of the Education and Training Act 2020.

## 23. Remuneration

### Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	8,422	8,221
<i>Leadership Team</i>		
Remuneration	850,183	850,283
Full-time equivalent members	6.00	6.00
Total key management personnel remuneration	858,605	858,504

There are 10 members of the Board excluding the Principal. The Board held 11 full meetings of the Board in the year. The Board also has four Finance committee members that meet monthly. As well as these regular meetings, including preparation time, the Chair and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

### Principal 1

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	-	60 - 70
Benefits and Other Emoluments	-	5 - 10
Termination Benefits	-	-

### Principal 2

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	200 - 210	140 - 150
Benefits and Other Emoluments	5 - 10	4 - 5
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
130 - 140	2.00	2.00
120 - 130	2.00	1.00
110 - 120	5.00	2.00
100 - 110	26.00	10.00
	35.00	15.00

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

## 24. 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 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	-	-

## 25. Contingencies

There are no contingent liabilities 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.

## 26. Commitments

### (a) Capital Commitments

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

- a) \$379,500 contract for Synthetic Turf to be completed in 2022, which will be partly funded by the Ministry of Education to the sum of \$350,000. \$285,000 has already been received of which \$1,680 has been spent on the project to date.
- b) \$365,000 contract for Hall Roof, Wall Replacement and Site Wide Compliance to be completed in 2022, which will be fully funded by the Ministry of Education. \$310,000 has already been received of which \$146,543 has been spent on the project to date.
- c) \$1,515,944 contract for Toilet Block and Breakout Space Upgrade to be completed in 2023/2024, which will be fully funded by the Ministry of Education. \$65,000 has been received of which \$44,957 has been spent on the project to date.
- d) \$344,532 contract for IAC Kitchen and Outdoor Learning Structure to be completed in 2023, which will be fully funded by the Ministry of Education. \$54,315 has been received of which \$14,749 has been spent on the project to date.
- e) \$488,000 contract for MYPLC Internal and Outdoor Learning Area Upgrade to be completed in 2023, which will be fully funded by the Ministry of Education. \$90,750 has been received of which \$21,107 has been spent on the project to date.

(Capital commitments at 31 December 2020: \$848,726).

### (b) Operating Commitments

There are no operating commitments as at 31 December 2021 (capital commitments at 31 December 2020: nil).

## 27. 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.

## 28. Financial Instruments

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Financial assets measured at amortised cost</b>			
Cash and Cash Equivalents	2,376,542	2,509,711	2,734,025
Receivables	967,033	1,058,593	1,058,592
Investments - Term Deposits	4,454,816	4,817,448	4,817,448
Total Financial Assets Measured at Amortised Cost	7,798,391	8,385,752	8,610,065
<b>Financial liabilities measured at amortised cost</b>			
Payables	1,494,192	1,407,010	1,407,010
Finance Leases	232,413	58,689	58,689
Painting Contract Liability	9,950	9,950	9,950
Total Financial Liabilities Measured at Amortised Cost	1,736,555	1,475,649	1,475,649

## 29. Events After Balance Date

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

## 30. 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 the Te Tāhuhu o te Mātauranga | Ministry to 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.

### Reduction in International Students

Under alert levels 4, 3, 2, and 1 International travel is heavily restricted. The school has been unable to welcome and enrol prospective international students which has resulted in a reduction in revenue from student fees & charges from International students and/or Board of Trustee operated boarding facilities.



### 31. Comparatives

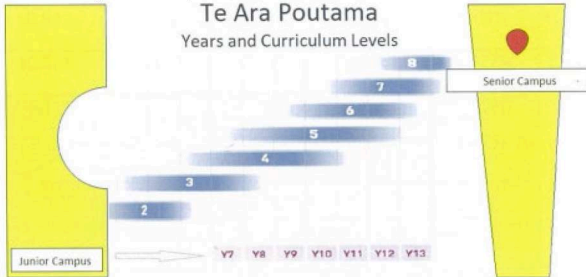
There have been a number of prior period comparatives which have been reclassified to make disclosure consistent with the current year.

# 2021 Annual Report - Summary

## Analysis of Variance

### Executive Summary - Goal 1

The "vital statistics" for achievement in 2021 at JHC are generally very healthy, NCEA passes at L1, 2 and 3, and Literacy/Numeracy all comparable to Decile 8 schools nationally. Scholarships results were disappointing. Maori disparities continue to be statistically insignificant or low except for overall pass rates but are more significant for endorsements and University Entrance. An area of sub-optimal performance was our Merit/Excellence data, at Levels 1 & 2. (Historically, our Endorsement data varies cohort to cohort. On average one of the three senior cohorts reflect Dec 8). On the Junior Campus, data reflects the very significant gains made over the 2 years, with tangible progress in the specific Maths, Writing and Reading focus areas. Accelerated gains for JC Maori students are also evident for Year 8 students when data is unpacked.

Goal 1 – Academic Achievement “Strong academic focus and the pursuit of excellence” (JHC vision)	Report on Whole School Success	Report on Maori Success “To equip <i>all</i> our students to create the best possible future....”																																
<ul style="list-style-type: none"><li>Literacy/Numeracy Goal: should be around 95% at Level 1.</li></ul>	Level 1 Literacy 92.7 (Nat 83.4, Dec 8 92.1) Level 1 Numeracy 89.5 (Nat 82.1, Dec 8 90.5)  <i>Observation: Goal not achieved for both</i>	Level 1, JHC Maori Literacy = 93.2% (Nat Dec 8 Mao = 87.7%) Level 1, JHC Maori Numeracy = 93.3 % (Nat Dec 8 Mao = 81.6%)  <i>Observation: Above JHC all and National Dec 8</i>																																
<ul style="list-style-type: none"><li>Goal: Pass rates and Endorsements should reflect patterns for Dec 8 Nationally</li></ul>	<table><tr><td></td><td>JHC</td><td>NAT</td><td>Dec 8</td></tr><tr><td>L1</td><td>81.1</td><td>68.3</td><td>79.7</td></tr><tr><td>M+E</td><td>56</td><td>53.3</td><td>61.6</td></tr><tr><td>L2</td><td>85.9</td><td>77.2</td><td>86.2</td></tr><tr><td>M+E</td><td>34.2</td><td>41.9</td><td>46.6</td></tr><tr><td>L3</td><td>68.9</td><td>71.4</td><td>77.5</td></tr><tr><td>M+E</td><td>48.7</td><td>43.4</td><td>45.4</td></tr><tr><td>UE</td><td>55.5</td><td>50.3</td><td>59.9</td></tr></table> <i>Observation: Only L3 Endorsements are where we want them to be. L1,2 overall pass rates are on par.</i>		JHC	NAT	Dec 8	L1	81.1	68.3	79.7	M+E	56	53.3	61.6	L2	85.9	77.2	86.2	M+E	34.2	41.9	46.6	L3	68.9	71.4	77.5	M+E	48.7	43.4	45.4	UE	55.5	50.3	59.9	Level 1 Maori pass rate = 81.8% (no disparity) M+E = 31.8% (-24.2% disparity)  Level 2 Maori pass rate = 77.8% (-8% disparity) M+E = 26.6% (-7.6% disparity)  Level 3 Maori pass rate = 61.3% (-8% disparity) M+E = 32.2% (-16.5% disparity)  Maori UE pass rate = 41.9% (-13% disparity)  <i>Observation: Significant disparities in Endorsement levels against JHC all. Small disparities in L2, L3 pass rates and UE.</i>
	JHC	NAT	Dec 8																															
L1	81.1	68.3	79.7																															
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<ul style="list-style-type: none"><li>Scholarships. Goal: &gt; 15</li></ul>	<ul style="list-style-type: none"><li>8 Scholarships, including 2x “Outstanding Scholarships”. This is well below our expectations</li></ul>	1 Scholarship was earned by a Maori student.																																
<p><b>Year 7 and 8 Cohort “Big Picture”:</b></p> <p>Cohorts arriving from Year 6 are expected to be working at Level 3 of the National Curriculum (see graphic). Our target is for them to be working at Level 4 by the end of Year 8. Reporting shows proportion working at the level. Comparisons with previous years are difficult due to National Standards being dropped and reporting now being aligned to curriculum levels only. Therefore, we show overall progress made from mid-year to end of year.</p> 	<p><b>% Achieving at expected Level (3A-L4) EOY</b> <b>Year 7</b> Reading 66% (from 44% mid year) Writing 58% (from 20% mid year) Maths 28% (from 20% mid year) (in L4 EOY)</p> <p><b>% Achieving in Level 4 EOY</b> <b>Year 8</b> Reading 81% (from 63% mid year) Writing 64% (from 34% mid year) Maths 74% (from 57% mid year)</p> <p><b>Specific Reading focus:</b> Students identified as working at level 4P (End of Year 7 2020) will be working at 4A or above by the end of 2021. 62% of the target group achieved the target. <b>Result:</b> A pleasing percentage of students reached the target, especially considering the disrupted year.</p> <p><b>Specific Writing focus:</b> Continue to raise the level of achievement for our ALL cohort. <b>Result:</b> The evidence shows that the ALL cohort made an 8% overall gain from EOY Year 7 to EOY Year 8, close to the goal of 10% (This is a comparison with previous years' overall gains in progress achievement).</p> <p><b>Specific Maths focus:</b> For Year 7 every student to achieve at least one sub level higher by the end of the year in their overall mark. <b>Result:</b> The target of every student achieving at least one sub level or higher was not met. However, 43.19% of the Year 7 students did meet this target. The majority of the year level stayed on the same sub level. This is evenly spread across most classes, (apart from the Extension Class) the result is similar to the 2020 result. For Year 8 increase to 60% the number of students achieving 50% or more in the “Number” section of the year 9 diagnostic test. <b>Result:</b> 52.73% of all students were at or above 50%. This goal was aspirational, and although the ALL cohort did not reach the target of 60%, this percentage is consistent with other years; within one percent of the last three years' results. Again, with a disrupted year the results are acceptable.</p>	<p>Report on Maori Success <b>% Achieving at expected Level (3A-L4) EOY</b> <b>Year 7</b> Reading 57% (from 34 % mid year) Writing 50% (from 21 % mid year) Maths 22% (from 15% mid year) (in L4 EOY)</p> <p><b>% Achieving in Level 4 EOY</b> <b>Year 8</b> Reading 89 % (from 55% mid year) Significant comparative gain. Writing 62 % (from 25 % mid year) Maths 76 % (from 50 % mid year)</p> <p><b>Specific Reading focus:</b> numbers of Maori in the 4P group too small for comparison.</p> <p><b>Specific Writing focus:</b> Continue to raise the level of achievement for our ALL cohort (Maori included in the ALL cohort). <b>Result:</b> 8% overall gain from EOY Year 7 to EOY Year 8.</p> <p><b>Specific Maths focus:</b> For Year 7 every student to achieve at least one sub level higher by the end of the year in their overall mark. <b>Result:</b> 43% of ALL students moved one sub level or more, compared to 35% of Maori students moved one sublevel or more. This is a disparity of 8% compared to years prior to the last two (Covid) years. Note: Maori students below Level 3A regressed during lockdown 2021, in particular Maori females-this was not evident in reading and writing. For Year 8 Maori students was to continue to eliminate disparities, i.e. to increase to 60% the number of students achieving 50% or more in the “Number” section of the year 9 diagnostic test. <b>Result:</b> 53% of ALL students were at or above 50% 49% of Maori students were at or above 50% The Maori target for Year 8 shows an insignificant disparity of 4%.</p> <p><i>Observation: The comparative gains made by Year 8 Maori students in Reading, Writing and Maths is significant.</i></p>																																
<ul style="list-style-type: none"><li>Pasifika Students cf. Appendix</li></ul>	As the number of Pasifika students at JHC is very low. (average of 6 per year level), statistical achievement results are therefore not published in this summary.																																	

## Executive Summary – Goal 2

Both qualitative and quantitative evidence reflect a highly inclusive school culture, in terms of all kinds of needs. The school's appreciation of how success looks different for different students has broadened in scope. Engagement is high, as indicated in a variety of ways such as Peer Support programmes, service, interest in Maori cultural identity, the embracing of cultural diversity, as well as our traditional strengths of Performance Music and drama. Attendance, retention, destination data and the extremely low exclusion data are all evidence of a highly engaged and inclusive school.

Goal 2 – Engagement and Broader Educational Success “ ..... to foster healthy all-round development...” “ .... Encourages participation, connectedness and whanaungatanga”	Report on Whole School Success “.....helping young people build their personal identity and hauora in a context of strong communal values....”	Report on Maori Success “Maori enjoying success as Maori”																																																																		
<b>Narratives of Success</b> “...pursuit of excellence in its broadest sense..” “...helping young people build their personal identity..”  Evidence of a wide spectrum of responsiveness to equity, inclusion, extension, overcoming barriers, etc. <i>(Also reported within each Curriculum Department Report but these have not been submitted at time of constructing this as the National Statistics for NCEA have been delayed by 2-3 weeks)</i>	These narratives were not requested at the end of 2021																																																																			
<b>Participation</b> <ul style="list-style-type: none"><li>• Sport (Covid-19 disrupted)</li><li>• Cultural (Covid-19 disrupted)</li><li>• Service and Leadership (No significant change recorded from 2020)</li></ul>	<ul style="list-style-type: none"><li>• 44 % of all Year 9-13 students participate in 'meaningful sport' (competition that runs for more than 6 weeks) sport. This is well below the 57 % (55% in 2020) participation figure for all of Southland. Girls are at 48% (50% in 2020) and boys at 40% (38% in 2020). Average participation for girls in southland is 56% and 59% for boys.</li><li>• 31% (30% in 2020) of staff involved in sport (mid-range) and 7% involved in coaching (this is the lowest of all the Southland Schools)</li><li>• Successes, participation and quality of opportunity was maintained across a wide range including: Year 7/8 musical productions; Year 9/10 drama production, JHC Major Production and ShowQuest; Rockquest and Jazzfest; range of language, debating and public speaking competitions. Choir festival, Chamber music and Sheila Winn Drama were all affected by Covid-19 to some degree.</li><li>• High level of participation in Junior and Senior Campus Kapa Haka.</li><li>• “Tuakana Teina” peer programmes were documented coherently and supported strongly. Wide range of peer programmes.</li><li>• International Friendship Club initiated a series of regular events supporting integration and social relationships for International Students.</li><li>• LEO (Young Lions) Service Club organised a number of fundraisers and donated over \$10,000 to a range of charities</li><li>• Senior Council, LEO Club, International Friendship Club, House Captains, Sport teams, Sound and Lighting, all provided excellent opportunities for leadership development.</li></ul> <p>Observation: Whilst there is still an excellent culture of service, we are noticing it is getting harder to find students willing to roll sleeves up and commit, reliably, to sustained service. Importance needs to be explained. Our boys are well below the regional average for sports participation.</p>																																																																			
<b>Engagement:</b> (a) Attendance data (Yr 7-13)  (b) Retention at school (2020 to 2021)  (c) Destination data (please note: data here is from the Y13 intentions) MOE data comes later in the year)  (d) Stand Downs  (e) Suspensions  (f) Exclusions	<ul style="list-style-type: none"><li>• Attendance higher than 90% = 68.1% (70.2 % in 2020) (87.7% of students have attendance at 80% or higher)</li><li>• Average attendance Year 7-13 = 90.8% (91.4% in 2020)</li><li>• Into Year 12 = 88.1% (32 students left throughout the year, of which 18 were at the end)</li><li>• Into Year 13 = 67.3% (87 students left throughout the year, of which 55 were at the end)</li><li>• 2021 school leavers (whole cohort) go to: Employment = 24%, University = 46%, Polytech/Other Tertiary = 20% Unsure/other 7% Returning 3%</li></ul> <table><tr><td>2011</td><td>2012</td><td>2013</td><td>2014</td><td>2015</td><td>2016</td><td>2017</td><td>2018</td><td>2019</td><td>2020</td><td>2021</td></tr><tr><td>72</td><td>49</td><td>58</td><td>54</td><td>58</td><td>33</td><td>61</td><td>70</td><td>107</td><td>57</td><td>59</td></tr></table> <table><tr><td>2011</td><td>2012</td><td>2013</td><td>2014</td><td>2015</td><td>2016</td><td>2017</td><td>2018</td><td>2019</td><td>2020</td><td>2021</td></tr><tr><td>9</td><td>11</td><td>4</td><td>10</td><td>6</td><td>5</td><td>0</td><td>4</td><td>5</td><td>1</td><td>1</td></tr></table> <table><tr><td>2011</td><td>2012</td><td>2013</td><td>2014</td><td>2015</td><td>2016</td><td>2017</td><td>2018</td><td>2019</td><td>2020</td><td>2021</td></tr><tr><td>6</td><td>6</td><td>2</td><td>5</td><td>4</td><td>0</td><td>0</td><td>1</td><td>3</td><td>1</td><td>1</td></tr></table> <p>Observation: Noticeable decrease in Stand Downs. Low Suspension/Exclusion rate is excellent and reflects depth of resources being utilised. Attendance rates are very good.</p>		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	72	49	58	54	58	33	61	70	107	57	59	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	9	11	4	10	6	5	0	4	5	1	1	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	6	6	2	5	4	0	0	1	3	1	1
2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021																																																										
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6	6	2	5	4	0	0	1	3	1	1																																																										
	<ul style="list-style-type: none"><li>• 58.2% (62.8 % in 2020) of JHC Maori attend over 90% of the time. (lower than overall JHC) (80.9% of Maori students have attendance at 80% or higher) (small disparity) Average attendance 88.1% (no significant disparity)</li><li>• Into Year 12 = 88.8% - no disparity Into Year 13 = 67.3% - no disparity</li><li>• 2021 Maori school leavers go to: Employment = 33% University = 40% Polytech/Other Tertiary = 21% Unsure/other 6% Returning = 0% (no significant disparity)</li><li>• 27% (38% in 2020) of the stand downs were Maori students who make up 19% of the school roll; disproportionate but an improvement on 2020.</li></ul> <p>Observation: Disproportionate level of Stand Downs for Maori a concern. No disparity for retention and destination data.</p>																																																																			



### Executive Summary – Goal 3

All who work at JHC have a very clear understanding of the strategic foci of our organisation. The evidence below reflects progress on identified, key areas of development.

Goal 3 – Organisational Effectiveness	“We aspire to provide education of superb quality.....” “through responsive, supportive preparations.....” (Mission Statement)
<b>Key Schoolwide Development Foci</b> <ul style="list-style-type: none"> <li>Culturally Responsive Practice</li> </ul>	<ul style="list-style-type: none"> <li>Data collected and analysed through Rongohia Te Hau</li> <li>PLD provided through Poutama Pounamu</li> <li>Action plan developed for 2022</li> </ul>
<ul style="list-style-type: none"> <li>E-learning Environment               <ul style="list-style-type: none"> <li>Students are prepared for their digital future and Pedagogy is enhanced through 1-1 device access</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Second lockdown was much better for students and staff. Devices available for any students that needed them.</li> <li>Staff with high skill set in ICT widely utilised by wider staff.</li> <li>Equity devices are still in high demand on both campuses.</li> <li>Aspirational goal that we stay in a blended environment.</li> </ul>
<b>Strategic Organisational Foci</b> <ul style="list-style-type: none"> <li>Adjust to Principal Leadership changeover.</li> <li>Property Development</li> <li>Wellness Project</li> <li>Qualitative improvement to pastoral care via Form Teachers' structures (all students "known and noticed")</li> <li>Financial sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Senior Leadership promotions and retirements means the SLT will look quite different by the end of 2022.</li> <li>Robust systems and communication even more critical with changes.</li> <li>Master Plan for Capital Works complete. Design for the first new building will be completed in 2022 for construction at the start of 2023.</li> <li>Clear progress was made in terms staff well-being with multiple activities for staff to be involved in.</li> <li>PLD sessions for staff on self-management</li> <li>Wellbeing sessions held for parents.</li> <li>New House Structure implemented in 2021. Will take time for the gains to be realised.</li> <li>Finances are closely scrutinised but a second Covid year has again reduced revenue.</li> <li>Mid to long term effect on family's employment and financial situation still to be realised.</li> <li>Staff are very good at managing their departmental budgets to ensure our students receive a high-quality education.</li> <li>Overstaffing remains a risk but is managed. Ensures a the breadth of curriculum coverage is maintained.</li> </ul>
<b>Organisational Responsiveness</b> <ul style="list-style-type: none"> <li>Emerging self-management/behavioural/dysfunction trends on JC</li> <li>New Digital Technology Curriculum</li> <li>Mobile phone use – distractions in class</li> <li>Decrease in behavioural issues arising from staff inconsistency</li> </ul>	<ul style="list-style-type: none"> <li>Year 7&amp;8 Pastoral systems/response reviewed during 2021. Clarity established after appointments of Deans.</li> <li>This work continues and a member from each department has joint Karen Corbin and Sarah Woods to look at opportunities for integration across the curriculum.</li> <li>Now accepted practice that phones are handed in for the day at Year 7/8. Phones placed in a box period by period in Year 9 &amp; 10. This will be rolled up to Year 11 in 2022.</li> <li>Kamar training for Deans, more analysis of data in the hope of a more proactive approach.</li> <li>Continue clarification of systems and approach to lower level/moderate poor behaviour.</li> </ul>
<b>Special Programmes</b> <ul style="list-style-type: none"> <li>MYPLC – Teen Parent Unit <i>cf Appendix</i></li> <li>ISSN:               <ul style="list-style-type: none"> <li>General</li> <li>Activity Centre <i>cf Appendix</i></li> </ul> </li> <li>Student Support Centre</li> <li>International Programme</li> </ul>	<ul style="list-style-type: none"> <li>JHC is host school. (Located at Surrey Park, Isabella St). A separate Annual Report gives critical data. The Unit caters for approx. 24 girls.</li> <li>JHC continued to play a full part in the programmes provided and funded by all five secondary schools, for students at risk of disengaging.</li> <li>Our usage represented 23% of the total. Our staffing contributions was 29% of total school's contributions. Outcomes reflected by low suspension/exclusion rate.</li> <li>Our proactive use of these facilities and outstanding Best Practice processes managed by key staff are contributing to their effective use.</li> <li>JHC is the host school for the Invercargill Activities Centre managed by the Director of the ISSN as one of the coordinated programmes for all Invercargill secondary schools. The two teaching staff are on the JHC payroll. (separate Annual Report based on Ministry of Education template).</li> <li>This Special Needs Unit (funded solely by JHC, including ORS funding) caters for approx. 20 students, each with varying degrees of mainstream integration. The unit is base for a team of 15 Teacher Aides and 2 key teaching staff, with management oversight by the SENCO.</li> <li>Covid-19 again decimated our programme. All staff retained. Finished with 6 students in 2021.</li> <li>Lara Buchanan appointed as sole Director of the International Department.</li> </ul>



JAMES HARGEST COLLEGE KEEP FAITH

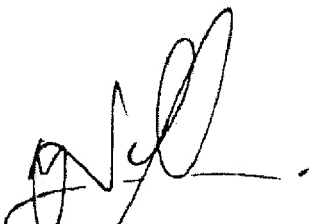
*Principal:*

**Mr M Newell**

BPhed, DipTchg (Secondary)

## **Kiwisport Funding 2021**

During 2021 the school received total Kiwisport funding of \$38,721.44 (excluding GST). The funding contributed to salaries for our two Sports Co-ordinators, along with sport and recreation equipment.



**Michael Newell**  
**Principal**



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## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE READERS OF JAMES HARGEST COLLEGE'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

The Auditor-General is the auditor of James Hargest College (the School). The Auditor-General has appointed me, Aaron Higham, using the staff and resources of BDO Invercargill, 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 23, 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 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 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 31 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.

#### **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.



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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.



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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 Members of the Board, Analysis of Variance and Kiwisport paragraph information included on the title page and on pages 24 to 27, 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.

Aaron Higham  
BDO Invercargill  
On behalf of the Auditor-General  
Invercargill, New Zealand