

# KAIKOHE CHRISTIAN SCHOOL

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### School Directory

**Ministry Number:** 1175

**Principal:** Dave Rogers

**School Address:** 52 Mangakahia Road, Kaikohe

**School Postal Address:** PO Box 235, KAIKOHE, 0400

**School Phone:** 09 401 1873

**School Email:** julieh@kcs.school.nz

#### Members of the Board of Trustees

Name	Position	How Position Gained	Term Expires/ Expired
Mike Norman	Chairperson	Elected	Jun 2019
David Rogers	Principal	ex Officio	
Craig Zielinski	Parent Rep	Elected	Jun 2019
Colin Bradley	Parent Rep	Co-opted	Jun 2019
Hoana Toi	Staff Rep	Elected	Jun 2019
Monte Tito	Proprietors Rep	Co-opted	Jun 2019
Mike Shaw	Proprietors Rep	Appointed	Jun 2019
Sarah Tzikoucos	Student Rep	Elected	Jun 2019

**Accountant / Service Provider:** Education Services Ltd

# KAIKOHE CHRISTIAN SCHOOL

Annual Report - For the year ended 31 December 2018

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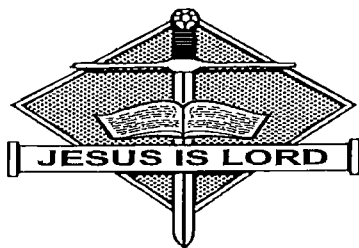
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# Kaikohe Christian School

*To follow the way of Jesus Christ, seek His Truth and excel in life for Him  
Ki te whai i te ara o Ihu Karaiti, ki te rapu I ana pono, ki te ora ora hoki,  
Amen*

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Kaikohe

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Principal: David Rogers  
Email: [davidr@kcs.school.nz](mailto:davidr@kcs.school.nz)

24 May 2019

## Kaikohe Christian School

### Statement of Responsibility

For the year ended 31 December 2018

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 2018 fairly reflects the financial position and operations of the school.

The School's 2018 financial statements are authorised for issue by the Board.

*Michael Denys Norman*

Full Name of Board Chairperson

Signature of Board Chairperson

Date:

*27/05/19*

*David Leslie Rogers*

Full Name of Principal

Signature of Principal

Date:

*28/05/2019*

**Kaikohe Christian School**

**Statement of Comprehensive Revenue and Expense**

For the year ended 31 December 2018

		2018	2018	2017
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Revenue</b>				
Government Grants	2	1,951,762	1,958,041	2,005,243
Locally Raised Funds	3	38,582	20,000	54,716
Use of Land and Buildings Integrated		112,000	112,000	90,400
Interest Earned		3,594	3,000	4,178
Gain on Sale of Property, Plant and Equipment		9,378	-	-
		<u>2,115,316</u>	<u>2,093,041</u>	<u>2,154,537</u>
<b>Expenses</b>				
Locally Raised Funds	3	68,036	38,800	71,285
Learning Resources	4	1,622,568	1,630,071	1,705,062
Administration	5	136,484	142,879	146,173
Finance Costs		6,581	3,897	5,076
Property	6	234,852	249,356	221,586
Depreciation	7	51,303	28,000	38,257
Loss on Uncollectable Accounts Receivable		296	-	-
		<u>2,120,120</u>	<u>2,093,003</u>	<u>2,187,439</u>
<b>Net Surplus / (Deficit)</b>		<b>(4,804)</b>	<b>38</b>	<b>(32,902)</b>
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u><b>(4,804)</b></u>	<u><b>38</b></u>	<u><b>(32,902)</b></u>

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes.



**Kaikohe Christian School****Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2018

	Actual 2018 \$	Budget (Unaudited) 2018 \$	Actual 2017 \$
<b>Balance at 1 January</b>	<u>215,670</u>	<u>270,734</u>	<u>243,028</u>
Total comprehensive revenue and expense for the year	(4,804)	38	(32,902)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	5,544
<b>Equity at 31 December</b>	<u>210,866</u>	<u>270,772</u>	<u>215,670</u>
 Retained Earnings	 210,866	 270,772	 215,670
<b>Equity at 31 December</b>	<u>210,866</u>	<u>270,772</u>	<u>215,670</u>

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes.



**Kaikohe Christian School**  
**Statement of Financial Position**  
As at 31 December 2018

		2018	2018	2017
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	171,715	198,469	178,901
Accounts Receivable	9	91,015	86,318	102,575
GST Receivable		5,991	5,175	9,418
Prepayments		3,385	130	3,247
Inventories	10	-	2,781	3,994
		<u>272,106</u>	<u>292,873</u>	<u>298,135</u>
<b>Current Liabilities</b>				
Accounts Payable	12	100,370	106,498	122,585
Revenue Received in Advance	13	1,205	-	2,740
Provision for Cyclical Maintenance	14	31,922	28,944	37,047
Finance Lease Liability - Current Portion	15	13,405	9,464	14,502
		<u>146,902</u>	<u>144,906</u>	<u>176,874</u>
<b>Working Capital Surplus/(Deficit)</b>		125,204	147,967	121,261
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	118,787	128,222	136,109
		<u>118,787</u>	<u>128,222</u>	<u>136,109</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	14	6,604	-	7,673
Finance Lease Liability	15	26,521	5,417	34,027
		<u>33,125</u>	<u>5,417</u>	<u>41,700</u>
<b>Net Assets</b>		<u>210,866</u>	<u>270,772</u>	<u>215,670</u>
<b>Equity</b>		<u>210,866</u>	<u>270,772</u>	<u>215,670</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.



**Kaikohe Christian School**  
**Statement of Cash Flows**  
For the year ended 31 December 2018

		2018	2018	2017
	Note	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
<b>Cash flows from Operating Activities</b>				
Government Grants		603,460	592,834	670,829
Locally Raised Funds		38,081	37,240	56,766
Goods and Services Tax (net)		3,427	-	(4,243)
Payments to Employees		(300,114)	(287,833)	(365,598)
Payments to Suppliers		(291,758)	(358,646)	(342,723)
Cyclical Maintenance Payments in the year		(27,562)	-	(30,661)
Interest Paid		(6,581)	(3,897)	(5,076)
Interest Received		3,594	3,000	4,178
Net cash from / (to) the Operating Activities		22,547	(17,302)	(16,528)
<b>Cash flows from Investing Activities</b>				
Purchase of PPE (and Intangibles)		(21,016)	(18,850)	(47,332)
Net cash from / (to) the Investing Activities		(21,016)	(18,850)	(47,332)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		-	-	5,544
Finance Lease Payments		(8,717)	(15,877)	(13,281)
Net cash from Financing Activities		(8,717)	(15,877)	(7,737)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(7,186)</b>	<b>(52,029)</b>	<b>(71,597)</b>
Cash and cash equivalents at the beginning of the year	8	178,901	250,498	250,498
Cash and cash equivalents at the end of the year	8	171,715	198,469	178,901

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.



# Kaikohe Christian School

## Notes to the Financial Statements

### 1. Statement of Accounting Policies

For the year ended 31 December 2018

#### **a) Reporting Entity**

Kaikohe Christian School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

#### **b) Basis of Preparation**

##### ***Reporting Period***

The financial reports have been prepared for the period 1 January 2018 to 31 December 2018 and in accordance with the requirements of the Public Finance Act 1989.

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

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

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

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

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

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

##### ***Measurement Base***

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

##### ***Presentation Currency***

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

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

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

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

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

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





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

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 11.

#### ***Critical Judgements in applying accounting policies***

Management has exercised the following critical judgements in applying accounting policies:

##### *Classification of leases*

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 15.

##### *Recognition of grants*

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carryforward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

#### **c) Revenue Recognition**

##### ***Government Grants***

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

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

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

##### ***Other Grants***

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

Grants for the use of land and buildings are also not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Proprietor. Use of land and building grants are recorded as income in the period the school uses the land and building.

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

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

##### ***Interest Revenue***

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

#### **d) Use of Land and Buildings Expense**

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



**e) Operating Lease Payments**

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

**f) 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.

**g) 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.

**h) Accounts Receivable**

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

**i) Inventories**

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

**j) Investments**

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

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

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

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

**k) Property, Plant and Equipment**

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

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

Property, plant and equipment acquired with individual values under \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.



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

#### **Leased Assets**

Leases where the School assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets acquired by way of finance lease are measured at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Leased assets and corresponding liability are recognised in the Statement of Financial Position and leased assets are depreciated over the period the School is expected to benefit from their use or over the term of the lease.

#### **Depreciation**

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

The estimated useful lives of the assets are:

Furniture and Equipment	5-18 years
Information and Communication	4 years
Motor Vehicles	5 years
Leased Assets	5 years
Library Resources	8 years

Leased assets are depreciated over the life of the lease.

#### **l) Intangible Assets**

##### *Software costs*

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

Computer software licences with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

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

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

#### **m) 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.



#### **n) 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.

#### **o) 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, annual leave earned to but not yet taken at balance date.

##### *Long-term employee entitlements*

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

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

#### **p) Revenue Received in Advance**

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

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

#### **q) 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.

#### **r) Shared Funds**

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

#### **s) Provision for Cyclical Maintenance**

The property from which the school operates is owned by the Proprietor. The Board is responsible for maintaining the land, building 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 provisions for cyclical maintenance represents the obligations the Board has to the Proprietor and is based on the Board's ten year property plan (10YPP).

#### **t) Financial Assets and Liabilities**

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

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



The School's financial liabilities comprise accounts payable, 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.

**u) Borrowings**

Borrowings are recognised at the amount borrowed. 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 the balance date.

**v) 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.

**w) Budget Figures**

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

**x) 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

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational grants	535,118	584,834	582,655
Teachers' salaries grants	1,350,127	1,318,207	1,318,284
Gateway Income	40,871	47,000	47,076
Resource teachers learning and behaviour grants	1,620	-	900
Other MoE Grants	22,790	8,000	54,614
Other government grants	1,236	-	1,714
	<u>1,951,762</u>	<u>1,958,041</u>	<u>2,005,243</u>

## 3. Locally Raised Funds

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

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Revenue</b>			
Donations	519	2,000	3,835
Bequests & Grants	1,000	-	7,500
Activities	24,367	2,000	25,048
Trading	12,067	14,000	13,808
Fundraising	629	2,000	4,525
	<u>38,582</u>	<u>20,000</u>	<u>54,716</u>
<b>Expenses</b>			
Activities	47,526	24,800	58,311
Trading	20,404	14,000	12,749
Fundraising costs	106	-	225
	<u>68,036</u>	<u>38,800</u>	<u>71,285</u>
<i>Surplus/(Deficit) for the year Locally raised funds</i>	<u>(29,454)</u>	<u>(18,800)</u>	<u>(16,569)</u>

## 4. Learning Resources

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	40,497	70,700	71,332
Employee benefits - salaries	1,548,183	1,512,271	1,591,222
Staff development	2,964	15,700	9,291
R&m & Purchases <\$500	22,889	15,800	14,474
S T A R	8,035	15,600	18,743
	<u>1,622,568</u>	<u>1,630,071</u>	<u>1,705,062</u>



## 5. Administration

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	3,900	3,670	3,670
Board of Trustees Fees	3,330	3,000	3,550
Board of Trustees Expenses	565	2,250	1,514
Communication	4,120	5,000	4,102
Consumables	20,343	15,500	18,368
Operating Lease	1,846	-	6,218
Other	12,479	12,750	14,008
Employee Benefits - Salaries	78,982	89,509	83,552
Insurance	2,051	2,500	2,491
Service Providers, Contractors and Consultancy	8,868	8,700	8,700
	<u>136,484</u>	<u>142,879</u>	<u>146,173</u>

## 6. Property

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	9,725	11,100	10,437
Cyclical Maintenance Expense	21,368	12,136	13,327
Grounds	3,576	5,500	6,803
Heat, Light and Water	30,177	25,000	31,124
Repairs and Maintenance	13,507	15,000	14,644
Use of Land and Buildings	112,000	112,000	90,400
Security	2,962	-	6,564
Employee Benefits - Salaries	12,368	33,120	12,691
Transport	2,775	3,500	3,757
Consultancy And Contract Services	26,394	32,000	31,839
	<u>234,852</u>	<u>249,356</u>	<u>221,586</u>

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

## 7. Depreciation

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements	50	362	494
Furniture and Equipment	15,143	9,446	12,907
Information and Communication Technology	15,950	8,061	11,014
Leased Assets	20,160	10,131	13,842
	<u>51,303</u>	<u>28,000</u>	<u>38,257</u>



## 8. Cash and Cash Equivalents

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash on Hand	-	-	203
ASB Main Account 00	161,755	188,755	168,861
ASB Account 01	2,255	2,199	2,227
ASB Account 02	1,423	1,388	1,406
ASB Account 03	6,282	6,127	6,204
Cash equivalents and bank overdraft for Cash Flow Statement	171,715	198,469	178,901

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

## 9. Accounts Receivable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Receivables	805	1,343	2,233
Receivables from the Ministry of Education	-	-	8,517
Teacher Salaries Grant Receivable	90,210	84,975	91,825
	91,015	86,318	102,575
Receivables from Exchange Transactions	805	1,343	2,553
Receivables from Non-Exchange Transactions	90,210	84,975	100,022
	91,015	86,318	102,575

## 10. Inventories

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Uniform Sales	-	2,660	3,886
Stationery	-	121	108
	-	2,781	3,994





## 11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2018</b>						
Building Improvements	565	-	-	-	(50)	516
Furniture and Equipment	55,995	4,066	-	-	(15,143)	44,918
Information and Communication Tech	34,034	18,273	-	-	(15,950)	36,357
Leased Assets	45,515	34,512	(22,871)	-	(20,160)	36,996
<b>Balance at 31 December 2018</b>	<b>136,109</b>	<b>56,851</b>	<b>(22,871)</b>	<b>-</b>	<b>(51,303)</b>	<b>118,787</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2018</b>			
Building Improvements	885	(369)	516
Furniture and Equipment	221,391	(176,473)	44,918
Information and Communication	137,865	(101,508)	36,357
Motor Vehicles	7,102	(7,102)	-
Leased Assets	57,101	(20,105)	36,996
Library Resources	10,677	(10,677)	-
<b>Balance at 31 December 2018</b>	<b>435,021</b>	<b>(316,234)</b>	<b>118,787</b>

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2017</b>						
Building Improvements	6,282	-	-	-	(494)	5,788
Furniture and Equipment	40,531	23,149	-	-	(12,907)	50,773
Information and Communication Tech	20,865	24,183	-	-	(11,014)	34,033
Leased Assets	47,208	12,149	-	-	(13,842)	45,515
<b>Balance at 31 December 2017</b>	<b>114,886</b>	<b>59,481</b>	<b>-</b>	<b>-</b>	<b>(38,257)</b>	<b>136,109</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2017</b>			
Building Improvements	8,824	(3,036)	5,788
Furniture and Equipment	209,386	(158,613)	50,773
Information and Communication	119,592	(85,559)	34,033
Motor Vehicles	7,102	(7,102)	-
Leased Assets	61,744	(16,229)	45,515
Library Resources	10,677	(10,677)	-
<b>Balance at 31 December 2017</b>	<b>417,325</b>	<b>(281,216)</b>	<b>136,109</b>



## 12. Accounts Payable

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operating creditors	4,431	8,931	14,548
Accruals	3,900	4,163	3,670
Employee Entitlements - salaries	90,210	84,975	91,825
Employee Entitlements - leave accrual	1,829	8,429	12,542
	<u>100,370</u>	<u>106,498</u>	<u>122,585</u>

Payables for Exchange Transactions	100,370	106,498	122,585
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>100,370</u>	<u>106,498</u>	<u>122,585</u>

The carrying value of payables approximates their fair value.

## 13. Revenue Received in Advance

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue Received In Advance	1,205	-	2,740
	<u>1,205</u>	<u>-</u>	<u>2,740</u>

## 14. Provision for Cyclical Maintenance

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	44,720	16,808	62,704
Increase to the Provision During the Year	21,368	12,136	13,327
Use of the Provision During the Year	(27,562)	-	(31,311)
Provision at the End of the Year	<u>38,526</u>	<u>28,944</u>	<u>44,720</u>
Cyclical Maintenance - Current	31,922	28,944	37,047
Cyclical Maintenance - Term	6,604	-	7,673
	<u>38,526</u>	<u>28,944</u>	<u>44,720</u>

## 15. Finance Lease Liability

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

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
No Later than One Year	16,233	9,464	17,659
Later than One Year and no Later than Five Years	30,728	5,417	37,947
	<u>46,961</u>	<u>14,881</u>	<u>55,606</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.

The Proprietor of the School (Kaikohe Christian Fellowship Trust) is a related party of the Board because the proprietor appoints representatives to the Board, giving the proprietor significant influence over the Board. Any services or contributions between the Board and Proprietor that are material transactions that have occurred has been disclosed appropriately.

The Proprietor provides land and buildings free of charge for use by the Board as noted in Note 1(c). The estimated value of this use during 2018 is included in the Statement of Comprehensive Revenue and Expense as "Use of land and buildings".

## 17. Remuneration

### Key management personnel compensation

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

	2018 Actual \$	2017 Actual \$
<i>Board Members</i>		
Remuneration	3,330	3,550
Full-time equivalent members	0.03	0.05
<i>Leadership Team</i>		
Remuneration	424,936	409,257
Full-time equivalent members	4.00	4.00
Total key management personnel remuneration	428,266	412,807
Total full-time equivalent personnel	4.03	4.05

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

### Principal

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

	2018 Actual \$000	2017 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	140 - 150	130 - 140
Benefits and Other Emoluments	4 - 5	4 - 5
Termination Benefits	-	-

### Other Employees

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

Remuneration \$000	2018 FTE Number	2017 FTE Number
100 - 110	-	-
	0.00	0.00



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

#### 18. Compensation and Other Benefits Upon Leaving

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

	2018 Actual	2017 Actual
Total	-	-
Number of People	-	-

#### 19. Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2018 (Contingent liabilities and assets at 31 December 2017: nil).

#### Holidays Act Compliance – schools payroll

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

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance, however the potential impact on any specific school or individual and any associated historical liability will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2018, a contingent liability for the school may exist.

#### 20. Commitments

##### (a) Capital Commitments

There are no capital commitments as at 31 December 2018 (Capital commitments at 31 December 2017: nil).

##### (b) Operating Commitments

As at 31 December 2018 the Board has entered into the following contracts:

##### (a) operating lease of laptops;

	2018 Actual \$	2017 Actual \$
No later than One Year	14,484	8,007
Later than One Year and No Later than Five Years	46,135	20,315
Later than Five Years	-	-
	<u>60,619</u>	<u>28,322</u>

#### 21. Managing Capital

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



## 22. Financial Instruments

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

### Loans and receivables

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash and Cash Equivalents	171,715	198,469	178,901
Receivables	91,015	86,318	102,575
Investments - Term Deposits	-	-	-
Total Loans and Receivables	262,730	284,787	281,476

### Financial liabilities measured at amortised cost

Payables	100,370	106,498	122,585
Borrowings - Loans	-	-	-
Finance Leases	39,926	14,881	48,529
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	140,296	121,379	171,114

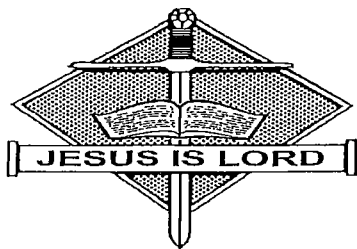
## 23. Events After Balance Date

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

## 24. Comparatives

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





# *Kaikohe Christian School*

*To follow the way of Jesus Christ, seek His Truth and excel in life for Him  
Ki te whai i te ara o Ihu Karaiti, ki te rapu i ana pono, ki te ora ora hoki,  
Amen*

52 Mangakahia Road  
PO Box 235  
Kaikohe

Ph /Fax (09)4011873  
Email – [kcs@xtra.co.nz](mailto:kcs@xtra.co.nz)  
Principal: David Rogers  
Email: [davidr@kcs.school.nz](mailto:davidr@kcs.school.nz)

16 May 2019

## **Kiwisport Statement:**


Money received from Kiwisport for 2018

- \$783.30
- Yrs 1 – 8 \$427.58
- Yrs 9 – 13 \$257.57

Budget Expenditure for 2018:

- PE \$4000.00
- Sports \$2000.00

Kiwisport funds were able to go toward our PE and Sports activities for 2018



David Rogers  
Principal

## Analysis of Variance End of 2018

### Writing

Writing is a key focus area in the Te Arahura Community of Learning.

Our end of 2016 writing achievement data shows 53.1% of our students are at or above expectation in Writing. The CoL target is...

- Increase the number of students who achieve at or above in tuhituhi / writing from 60% (tuhituhi) / 36.4% (writing) to 85% over a three year period.

**Target:** A 25% reduction in the number of students achieving 'below' or 'well below' in Writing.

	<i>Mid year 2018 on track to meeting expectations %</i>	<i>End of 2018 year achievement at expectation or above %</i>	<i>% impact of teaching and learning programmes</i>	<i>End of Year 2017 at expectation %</i>
<i>Reading</i>	70.9	76.3	+ 5.4%	66.4% 2016
<i>Writing DF</i>	66.1	67.5	+ 1.5%	53% Nat Stds
<i>Maths</i>	55.6	70.2	+ 14.6%	53% Nat Stds

### Achievement:

*It is clear that we are beginning to have a measurably larger impact on the achievement outcomes for our students. Our gains are reward for families, students and teachers who are committed to raising achievement in the school. However, there can be no complacency – firstly, there is a long way to go yet and secondly the positive practices that exist today need to be firmly embedded into the teaching and learning to ensure continuing success.*

*This data is inclusive of Years 1 to 10.*

*End of Year writing results show 67.5 or (100) of our students are writing at or above expectation. Adjusting to include Year 9 & 10 data for the end of 2017 there were 78 students achieving at or above expectation in writing. With allowance for some variation we can safely say that a 25% reduction in the number of students achieving 'below' or 'well below' in writing was achieved.*

Achieving L2 is dependent on achieving L1 Literacy and Numeracy. 66.7% of our Year 12 students achieved L2 in 2016.

The CoL target is intended to ensure access to L2 qualification by focussing on L1...

- Increase numbers of students who achieve NCEA Level 1 in Year 11 from 58.3% to 85% over a three yearperiod.

**Target:** All Year 11 students to achieve L1 Numeracy and Literacy by the end of the year.

**Target:** All Year 12 students achieve L2 before they leave school.

qualifications-20

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	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	MoE Year	Gender	Ethnicity 1	Ethnicity 2	Ethnicity 3	Stats Ethn	NCEA L1	NCEA L2	NCEA L3	UE		A	M	E
2	11 F		21111	999	999	Maori	A	N	N	N	Year 10	100% (6/6)	22.2% (2/9)	0%
3	11 M		21111	999	999	Maori	A	N	N	N				
4	11 F		21111	999	999	Maori	M	N	N	N				
5	11 F		21111	999	999	Maori	A	N	N	N				
6	11 F		21111	999	999	Maori	A	N	N	N				
7	11 F		11111	44499	999	Asian	M	N	N	N				
8	11 M		21111	999	999	Maori	A	N	N	N				
9	11 F		21111	999	999	Maori	A	N	N	N				
10	11 F		31111	999	999	Pasifika	A	N	N	N				
11	12 F		999	999	999	New Zealand	N	N	N	N	Year 10	85.7% (6/7)	6.2% (1/16)	14.2% (1/7)
12	12 F		21111	999	999	Maori	A	N	N	N				
13	12 M		21111	999	999	Maori	A	N	N	N				
14	12 M		21111	999	999	Maori	A	A	N	N				
15	12 F		21111	999	999	Maori	A	A	N	N				
16	12 M		11111	999	999	New Zealand	M	N	N	N				
17	12 F		21111	21111	999	Maori	M	A	N	N				
18	12 M		11111	999	999	New Zealand	E	N	N	N				
19	12 M		999	999	11111	New Zealand	A	N	N	N				
20	12 F		21111	999	999	Maori	A	A	N	N	Year 10	100% (6/6)	33.3% (1/3)	0%
21	12 F		11111	999	999	New Zealand	A	N	N	N				
22	12 F		11111	999	999	New Zealand	M	M	N	N				
23	12 M		21111	999	999	Maori	A	A	N	N				
24	12 F		21111	999	999	Maori	M	M	A	N				
25	12 M		21111	999	999	Maori	A	A	A	N				
26	12 F		21111	999	999	Maori	A	A	N	N				

We can take some confidence in the results students have achieved. The above results are 'Participation' based and only include those students who were actually enrolled in the courses at each particular level. This is appropriate, particularly in our context where we enrol students who have been home-schooled for example, and want to finish their compulsory education in a formal setting. It can happen that these students are not able to access the NCEA Level that is appropriate to their Year level because they have not completed pre-requisite learning and therefore enrol in courses relevant to their pathway. This is also the case for students who may have missed large parts of their NCEA learning due to other circumstances.

As can be seen the numbers are quite small which as has been previously discussed, makes percentages somewhat redundant. However in saying that we are extremely pleased with 100% results at Level 1 and Level 3, and 85% for our L2s.

We are well on track to meet the goal to have all school leavers achieving L2 or above. Factors impacting this are retention rates and attendance rates. We are encouraged by the excellent attendance statistics that are emerging and we expect to see even better results for those students.



**INDEPENDENT AUDITOR'S REPORT  
TO THE READERS OF  
KAIKOHE CHRISTIAN SCHOOL'S  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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The Auditor-General is the auditor of Kaikohe Christiana School (the School). The Auditor-General has appointed me, Steve Bennett, using the staff and resources of Bennett & Associates, 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 19 that comprise the statement of financial position as at 31 December 2018, 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 2018; 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 Benefit Entity Standards Reduced Disclosure Regime.

Our audit was completed on 28 May 2019. This is the date at which our opinion is expressed.

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

**Basis for our opinion**

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

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

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

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

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



In preparing the financial statements, the Board of Trustees is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board of Trustees is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

The Board of Trustees' responsibilities arise from the Education Act 1989.

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

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

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

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

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

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

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



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

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

Our responsibilities arise from the Public Audit Act 2001.

### **Other information**

The Board of Trustees is responsible for the other information. The other information comprises the Analysis of Variance, the Kiwi Sport Statement, the List of Trustees and Statement of Responsibility which form part of the Annual Report, but does not include the financial statements, and our auditor's report thereon.

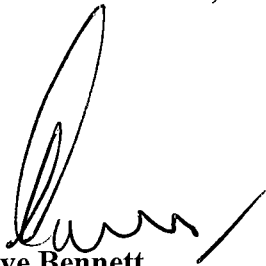
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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 (Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the School.



**Steve Bennett**

**BENNETT & ASSOCIATES**

On behalf of the Auditor-General  
Whangarei, New Zealand

