

NORTHCOTE COLLEGE



ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Ministry Number: 32
Principal: Vicki Barrie
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Members of the Board of Trustees

Name	Position	How Position Gained	Occupation	Term Expired/ Expires
Vicki Barrie	Principal	ex Officio	Principal	
Andrew Fox	Chairperson	Elected August 2019	General Manager	Aug 2022
Lance Hadley	Dep Chair	Elected August 2019	Remuneration Manager	Aug 2022
Sacha Handsaker	Parent Rep	Co-opted Sept 2019	Film & Television Tutor	Aug 2022
Kim Jones	Parent Rep	Elected Aug 2019	Body Corporate Director	Aug 2022
Trina Lincoln	Parent Rep	Elected Aug 2019	Lawyer	Aug 2022
Liam Parker	Student Rep	Elected Sept 2019	Student	Aug 2020
Alex Plummer	Staff Rep	Elected June 2019	Teacher	June 2022
Dominick Stephens	Parent Rep	Elected Aug 2019	Economist	Aug 2022
Todd Bartlett	Parent Rep	Elected June 2016		Aug 2019
Chadd Davis	Staff Rep	Elected June 2016		Aug 2019
Mark Lyndon	Parent Rep	Elected June 2016		Aug 2019
Dorothy Markham Devaux	Parent Rep	Elected June 2016		Aug 2019
Keelin Reedy	Student Rep	Elected Sept 2018		Aug 2019

Accountant / Service Provider: Sheryl McGregor Accounting Services

NORTHCOTE COLLEGE

Annual Report

for the year ending 31 December 2019

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Northcote College

Board Report

For the year ended 31 December 2019

The generation of students currently at Northcote College is the first to have experienced teaching and learning based on the New Zealand Curriculum (NZC) throughout their time at school. The overall aim is for students to be confident, connected, actively involved life-long learners. Achieving confidence, connection, involvement and lifelong learning for all students is not easy; and it is impossible without excellent teachers.

Being a teacher is deeply satisfying, it is flexible, and it provides challenge and reward. We need quality young New Zealanders like those at Northcote College to become teachers in the future. Without them we will struggle to offer to future generations the positive learning opportunities we currently offer. Quality learning requires teachers of the highest calibre.

Much of the professional satisfaction from teaching and leading in a NZ secondary school comes from the freedom we have to make choices about the learning opportunities we offer to best meet the needs of students. Last year we signalled a review of teaching and learning at Northcote College; a curriculum review from which we will build on all that we already do to meet students' needs. The research, discussion and thinking which began in 2018 continued throughout 2019. Flexibility and relevance for students are corner stones of the changes we will make. We are not going off on a flaky tangent. We will ensure that students are well prepared for NCEA assessments but we are equally committed to their wellbeing and making sure they are prepared for the future.

Board Membership

The school continues to benefit from the stewardship of a stable and highly competent Board of Trustees. At the triennial election in August 2019 five parent representatives were elected; Andrew Fox, Lance Hadley, Kim Jones, Trina Lincoln and Dominick Stephens. Sacha Handsaker was co-opted. The Board appointed Andrew Fox as Chairperson and Lance Hadley as Deputy Chairperson. Alex Plummer was elected as the staff representative. We farewelled two long standing Board members, Mark Lyndon and Dot Markham Devaux, who decided not to stand again. We thank Dot and Mark for their considerable contribution to all aspects of school life and in particular to governance. The annual change of student representative occurred in October, Keelin Reedy (2018-2019) handed over to Liam Parker (2019-2020).

Thanks

We thank the Board, parents, whānau and the wider community for their support of the students of this school in 2019. We acknowledge the expertise, knowledge and professionalism of the teaching and support staff of the school and of the senior leadership team.

Ngā mihi nunui rawa atu.

Andrew Fox
Chairperson
Board of Trustees

Vicki Barrie
Principal

Northcote College

Key Performance Indicators

For the year ended 31 December 2019

Indicator/Measure	2014	2015	2016	2017	2018	2019
Student Learning – Engagement, Progress and Achievement and Pathways						
Attendance						
Attendance rate overall %	86.6	85.1	84.4	84.0	83.0%	82.7
Attendance rate % Maori	82.7	79.2	79.4	80.2	79.0%	77.5%
Attendance rate % Tongan	83.4	82.6	80.0	78.5	71.5%	72.1%
Attendance rate % Samoan	82.7	75.5	81.0	78.3	67.0%	79.2%
Unjustified Absence overall %	2.9	4.9%	4.6	4.6	5.5%	5.4%
Unjustified Absence % Maori	4.8	8.2%	7.6	7.2	9.1%	9.5%
Unjustified Absence % Tongan	5.7	8.8%	8.3	9.9	15.4%	13.8%
Unjustified Absence % Samoan	5.9	11.3	6.6	9.3	19.9%	11.3%
Pathways						
Leavers enrolled in tertiary study 1 year after leaving school overall % NB: Strategic Plan target is 70%		65.1%	61.6%	62.8%	Not yet available	Not yet available
Leavers enrolled in tertiary study 1 year after leaving school % Maori		52.5%	50%	42.4%	Not yet available	Not yet available
Leavers enrolled in tertiary study 1 year after leaving school % Pasifika		57.1%	21.7%	50%	Not yet available	Not yet available

Achievement						
NCEA Level 1 enrolment based cumulative overall success %	79.2	85.2	76.1	78.7	80.3	73.0
NCEA Level 1 enrolment based cumulative Maori success %	60.0	59.5	47.4	57.7	76.9	52.5
NCEA Level 1 enrolment based cumulative Maori success % Pasifika	65.2	76.2	38.7	54.5	66.7	39.1
NCEA Level 1 enrolment based cumulative success %Asian	75.0	87.5	72.5	73.0	77.5	83.3
NCEA Level 2 enrolment based cumulative overall success %	82.3	86.3	88.3	81.4	80.4	82.0
NCEA Level 2 enrolment based cumulative Maori success %	60.0	76.3	81.8	64.5	66.7	76.0
NCEA Level 2 enrolment based cumulative success % Pasifika	63.2	81.0	86.4	45.2	59.1	58.3
NCEA Level 2 enrolment based cumulative success % Asian	82.6	87.0	73.3	83.8	82.9	79.1
NCEA Level 3 enrolment based cumulative overall success %	62.0	70.3	76.7	82.5	65.7	70.6

Indicator/Measure	2014	2015	2016	2017	2018	2019
NCEA Level 3 enrolment based cumulative Maori success %	36.7	58.6	64.3	73.1	40.7	81.3
NCEA Level 3 enrolment based cumulative success % Pasifika	24.2	47.1	47.4	68.2	34.6	64.7
NCEA Level 3 enrolment based cumulative success % Asian	72.2	62.2	72.0	86.2	72.2	72.2
NCEA Level 1 merit or excellence endorsement	62.5	65.3	64.7	68.4	71.2	70.0
NCEA Level 2 merit or excellence endorsement	45.9	48.6	58.9	49.7	61.3	51.5
NCEA Level 3 merit or excellence endorsement	46.7	47.5	46.2	44.7	48.8	53.0
University Entrance	51.6	56.9	68.3	72.5	59.6	58.9
Number of Scholarships including Outstanding Scholarships	23	15	16	18	15	12
Outstanding Scholarships	2	-	-	1	-	1

School Leaver Data						
Leavers with NCEA Level 2 or above Total NB: Strategic Plan target is 85%	84.5%	88.8%	88.1%	87%	81.5%	Not yet available
Leavers with NCEA Level 2 or above — Maori	71.9%	75%	70.0%	81.8%	65%	Not yet available
Leavers with NCEA Level 2 or above – Pasifika	66.7%	71.4%	78.3%	84.6%	54.5% (1 student)	Not yet available

Stand downs, Suspensions, Exclusions and Expulsions						
Stand downs per 1000 students	6.6		9	24.5	32.7	Not yet available
Suspensions	2	5	8	2	0	1
Exclusions	0	2	5	2	0	1
Expulsions	1	1	1	0	0	0

Retention						
Retention of students to at least 17 th birthday	91.3%	92.2%	89.4%	92.1%	87.4	Not yet available

Engagement						
Me and My School Survey Result	56.1%	57.4	57.1	52.6	56.9	54.4

Indicator/Measure	2014	2015	2016	2017	2018	2019
Governance and Management						
Operating surplus/(deficit)	\$158,299	(\$206,363)	(\$191,337)	\$277,088	\$84,380	(\$197,682)
Working capital	\$35,541	(\$16,945)	(\$44,337)	\$205,070	\$271,129	\$97,365

Student Numbers						
Total Roll 1 March	1154	1089	1114	1085	1131	1081
Roll 1 March (funded students)	1046	988	1009	968	1006	965
Roll 1 March Foreign Fee Paying Students	108	101	105	117	124	112
Roll 1 March INZ	692	674	692	648	670	628
Roll 1 March OOZ	354	314	317	320	336	337
In zone students as a percentage of total domestic roll	66%	68%	69%	67%	67%	65%

Health and Safety Key Indicators						
1st Aid Injuries requiring on site treatment only – (excluding onsite physio) July 2017-July 2018					72	84
Number of injuries/incidents resulting in Physio, GP or other medical visits/hospital or dental July - July					51	67
Number of serious harm injuries (reported to WorkSafe NZ) July - July					1	1

Average Class Size						
				23	24	23



Northcote College

Variance Report on Annual Plan 2019

as at 25 February 2020

Successful learning for all

The annual plan for 2019 was shaped around our actions and outcomes in 2018; new initiatives and guidelines from the Ministry; ideas, issues and evidence emerging from school wide professional learning groups and self-review, the 2016 ERO review recommendations the 2016 Northcote College strategic review and the Northcote Community of Learners.

We have had a school wide focus on professional learning and self-review to improve outcomes for students with a particular focus on implementing an inquiry based Professional Learning Model to support teaching as inquiry and evidence based decision making. This focus is ongoing.

Vision: Success for all

Every student has both educational success and skills and knowledge for work and life
(Source: *MoE 4 year plan 2015*)

Every student is a confident, connected, actively involved lifelong learner.
(NZ Curriculum and Outcome Indicators pages 18 and 19 of ERO School Evaluation Indicators)

The two achievement challenges, three goals to support the achievement challenges, five improvement strategies and six other actions/areas of work for 2019 are listed and reported on below:

Achievement Challenges (outcomes for students):	What did we achieve?	Where to next?
1. For 85% of all leavers/18 year olds to achieve NCEA Level 2 (85% of Maori, 85% of Pasifika) (<i>Better Public Service Target</i>)	<i>Leavers data for 2019 not available as at 25 February 2020</i>	<i>See Annual Plan 2020</i>
2. Increase participation of leavers in tertiary study by age 19 to 70%	<i>Leavers data for 2020 not available as at 25 February 2019</i>	<i>See Annual Plan 2020</i>

Intermediate Outcomes (goals to support achievement challenges):	What did we achieve?	Where to next?
<p>1. Professional Learning All staff engaged in professional learning and teaching as inquiry To strengthen students' agency and resilience To understand and implement effective pedagogy To build our capacity to personalise learning for, and with, Māori and Pasifika learners, to ensure they enjoy educational success (Tātaiako and Tapasā).</p>	<p>Northcote College performance review approach revised to include evidence of effective pedagogy. Dedicated time (PLGs on Wednesdays and a Flexible Learning Days for inquiry and professional learning focused on effective pedagogies. <i>See also 2019 Professional Learning Report</i></p>	<p>The work of the Curriculum Review Committee (CRC) will continue in 2020. The work on NCOL Case Studies will continue. The work on cultural competencies will continue. <i>See Annual Plan 2020</i></p>
<p>2. Educationally powerful connections All staff developing educationally powerful connections and relationships with parents, families, whānau</p> <p>3. Pathways Build student capability to determine and participate in future-focused education pathways that lead to further education and employment (p19 Education Outcome indicators)</p>	<p>Important strategies in 2019:</p> <ul style="list-style-type: none"> • Curriculum Development • Cultural Responsiveness • Wellbeing • Northcote Community of Learners • Property Development <p><i>See individual reports below.</i></p>	<p><i>See Annual Plan 2020</i></p>

Key Strategies 2019	What did we achieve?	Where to next?
<p>1. Curriculum Development</p>	<p><i>Curriculum Review Committee (CRC)</i></p> <p>CRC meetings continued. Fadel’s work informed the review.</p> <p>Looked at curriculum in the widest sense, including workstreams investigating teaching of key competencies, mindfulness, values. Also looked at timetable structure, cross-curricula, academic mentoring/ako time.</p> <p>Collected student and parent/whānau voice re curriculum – designed our own survey for this.</p> <p>CRC latest findings: Point of reviewing the curriculum at this time is to seek opportunities to increase relevance and flexibility of learning</p> <p>Worked with Digital Technologies cluster on the North Shore (TGS, Birkenhead, Westlake boys, and NC) readiness and implementation of new Digital technologies curriculum.</p> <p>International university application process designed and staff member given responsibility to support students.</p>	<p>Curriculum Review continues to consider future curriculum changes at Northcote College.</p> <p>A significant piece of work will be considering and responding to the Review of Achievement Standards (RAS).</p> <p>See <i>Curriculum Review Plan 2020</i> See <i>Annual Plan 2020</i></p>

<p>2. Cultural Responsiveness</p>	<p>Staff Professional Issues meeting drew attention to the principles of Tapasā and from that meeting identified professional learning needs.</p> <p>One area for development identified was making connections with our local Pasifika community. The Term 1 FLD captured staff understanding of strategies currently in place to support the achievement of Pasifika students and suggestions for future initiatives. Staff then met in groups with members of the local Pasifika Community - including parents, senior students, members of the Tongan church, College Sport Pasifika representatives. From the discussion future areas of focus were identified.</p> <p>FLD 31 May Keynote presentation from Dr Michelle Johannson (Ted Talk 'Young Brown Scholars').</p> <p>Departments met together to consider changes to practice within subject specialities eg: those units where Pasifika and Maori students are not experiencing success.</p> <p>Presentation to CRC from RL's 2018 Sabbatical Report sharing strategies from other schools used to increase achievement of Maori, Pasifika and other students at risk of not achieving their potential.</p> <p>15 Sep FLD keynote on local history (Cultural Locatedness) and opportunity for departments to review units through cultural responsiveness lens with reference to Tapasā. Departments reviewed existing units through a cultural context and pedagogical lens (ref: Tātaiako and Tapasā)</p>	<p>Cultural responsiveness continues to be the focus of professional learning opportunities on Flexible Learning Days 2020.</p> <p>Support teachers to understand and use Tātaiako and Tapasā to inform:</p> <p>knowing our learners curriculum pedagogy</p> <p>Encourage all learners to take advantage of opportunities in Te Reo Māori, tikanga, kapahaka, mentoring and support.</p> <p>Develop greater understanding of teacher expectation of students as successful learners.</p> <p>Strengthen and share understanding of Te Raki Paewhenua history.</p> <p>Respond to questions arising from ERO 2020 visit.</p> <p>See <i>Cultural Responsiveness Action Plan 2020</i> See <i>Professional Learning Plan 2020</i> See <i>Annual Plan 2020</i></p>
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<p>3. Wellbeing</p>	<p>Wellbeing at School survey 2018 resulted in areas for action - The 5 Bs!</p> <ol style="list-style-type: none"> 1. Teachers are interested in my culture or family background 2. Students have a say in what happens at school 3. Teachers treat students fairly 4. At school, I am taught how to manage my feelings (like if I get angry) 5. At school, I am taught what to say or do if students are hassling or bullying me. <p>Took part in the Youth 19 Rangitahi Survey.</p> <p>Subscribed to SchoolTV a Wellbeing platform for parents. Shared with NCOL. Got Lion Foundation Funding for SchoolTV across NCOL for 2020.</p> <p>Offered mental health events for parents and staff.</p> <p>Positive results from analysis of Me and My School Survey- distributed to HOD's</p> <p>Mike King spoke to Years 10-13 with the 'I am hope' message on the 4th of June.</p> <p>Agreed to take part in research by Matt Shepherd, through the University of Auckland: Evaluation of an app to support emotional wellbeing of adolescents.</p> <p>Appointed a Wellbeing Administrator</p> <p>Developed Wellbeing re-integration plans</p> <p>Restorative training courses for new staff: These courses included Circle Training, Mini Conferencing and 1 day Full Conferencing Training for HOD's.</p> <p>Appointed two new Learning Support Coordinators.</p>	<p>Implement new LSC positions.</p> <p>Develop standardised electronic Learning Support Register.</p> <p>Refine student data sharing protocols</p> <p>Wellbeing Conference – April 2020.</p> <p>Share the 2019 Wellbeing at School results with staff to inform decision making.</p> <p>Offer educational forum for parents (including SchoolTV) to support student wellbeing and success.</p> <p>Introduce the He Maara Hou programme.</p> <p>Continue with PB4L</p> <p>Review and revise the role of the form teacher.</p> <p>See <i>Wellbeing Action Plan 2020</i> See <i>Annual Plan 2020</i></p>
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<p>4. Northcote Community of Learners</p>	<p>Case studies projects implemented across the school. 60 NC staff completed case studies.</p> <p>Hosted and attended NCOL Nathan Wallis whole day PD.</p> <p>Creation of mathematics teaching and learning links across Willow Park/Northcote Int/Northcote College.</p> <p>Advertisement of new community allocation WSL with mathematics focus</p> <p>Appointed 2 new LSCs.</p> <p>Reappointed NCOL leaders – Sam McNaughton (Leader) Niki Manoa and David Taylor (ASL)</p> <p>Appointed 5 Within School Leads for NC 2020, reappointments for Chadd David, Jordan Bradly, Emma Grimwood and new appointments Rochelle Gosling, Maria Vorobiever</p>	<p>Continue the NCOL wide case study project.</p> <p>Support community hui</p> <p>Parent evenings in Year 9: Maths, reading, Science</p> <p>Leadership workshop: Aaron Wilson</p> <p>Wellbeing conference 2020</p> <p>Presentations in 2020: Kathryn Berkett. Bill Rogers</p> <p>NCOL subscription to SchoolTV</p> <p>Engage with NCOL MoE case study</p> <p>See <i>NCOL Action Plan 2020</i></p> <p>See <i>Annual Plan 2020</i></p>
<p>5. Property Development</p>		

Other actions/areas of work	What did we achieve?	Where to next?
1. Hold Board of Trustees triennial election	MoE determined our first parent election invalid. New election to be held. New election held 23 August. Election 2019 2.0 completed.	Next election in 2022.
2. Contribute to Tomorrows Schools Review and broader Education Work Programme	NCEA changes have now been published. https://mail.google.com/mail/u/0/#inbox/WhctKJVRJDBHVPCmJPPnBBjCcSSHKWwVszBHHQDgQDcvRTRckmbfDTGLPgsgdSQRJXVnl?compose=new&projector=1&messagePartId=0.1 Results of the Education Conversation have now been published: https://conversation.education.govt.nz/assets/Uploads/Summary-Shaping-a-Stronger-Education-System-with-NZers-Final19.pdf	Contribute to Review of Achievement Standards (RAS)
3. Update school website	New website completed.	
4. Review Child Protection Policy (by July 2019)	Policy re-adopted July 2019.	
5. Leadership development: <ul style="list-style-type: none"> a. Integrate the new Educational Leadership Capability Framework into professional learning b. Support leadership Establish a Northcote College Leadership Development Group 	Established that there is significant interest. Held one meeting.	This now is an NCOL wide goal.
6. Improve attendance	Some improved attendance statistics. See Attendance Report 2019.	Ongoing goal.

Northcote College

Kiwi Sport Funding

For the year ended 31 December 2019

In 2019 Northcote College received \$23,733 (net) in Kiwi Sport funding.

This funding contributes to the employment of a Sports Co-ordinator who manages after school sports activities and competitions as well as organising lunchtime sport.

Northcote College is involved with 28 competitive sports including 604 students. We have 53% of students participating in sport with 56% being male and 50% being female.

Northcote College

Statement of Responsibility

For the year ended 31 December 2019

The Board of Trustees (the Board) has pleasure in presenting the annual report of Northcote College incorporating the financial statements and the auditor's report, for the year ended 31 December 2019.

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

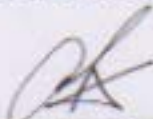
The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

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

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

Andrew Robert FOX

Full Name of Board Chairperson



Signature of Board Chairperson

29 MAY, 2020

Date:

Vicki Ann BARRIE

Full Name of Principal



Signature of Principal

29 May 2020

Date:

Northcote College

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue				
Government Grants	2	11,677,610	11,488,800	11,901,424
Locally Raised Funds	3	1,364,310	341,682	1,000,381
Interest Earned		67,100	86,250	83,561
International Students	4	1,634,814	1,778,645	1,814,498
		<u>14,743,834</u>	<u>13,695,377</u>	<u>14,799,864</u>
Expenses				
Locally Raised Funds	3	690,527	41,565	513,753
International Students	4	528,605	516,345	554,157
Learning Resources	5	8,716,752	8,111,942	8,482,551
Administration	6	555,898	553,186	488,750
Property	7	4,097,639	4,243,705	4,335,355
Depreciation	8	336,263	277,624	326,952
Loss on Disposal of Property, Plant and Equipment		4,324	-	438
Finance Costs		11,508	-	13,528
		<u>14,941,516</u>	<u>13,744,367</u>	<u>14,715,484</u>
Net Surplus / (Deficit)		(197,681)	(48,990)	84,380
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(197,681)</u>	<u>(48,990)</u>	<u>84,380</u>

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

Northcote College
Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January	1,671,876	1,671,916	1,587,786
Total comprehensive revenue and expense for the year	(197,682)	(48,990)	84,380
Movement in Reserved Equity	8,534	-	(290)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	23,980	-	-
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9	-	-	-
Equity at 31 December	1,506,708	1,622,926	1,671,876
Retained Earnings	1,506,708	1,622,926	1,671,876
Equity at 31 December	1,506,708	1,622,926	1,671,876

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.

Northcote College

Statement of Financial Position

As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	9	322,422	489,542	565,829
Accounts Receivable	10	539,627	498,568	498,568
Prepayments		46,621	64,295	64,295
Investments	11	2,263,283	2,151,342	2,151,342
		<u>3,171,953</u>	<u>3,203,747</u>	<u>3,280,034</u>
Current Liabilities				
GST Payable		60,156	70,777	70,777
Accounts Payable	14	912,032	961,684	961,684
Revenue Received in Advance	15	1,053,520	1,062,180	1,098,338
Funds Held on Behalf of Homestay Students	16	764,273	755,115	755,115
Provision for Cyclical Maintenance	17	73,905	288,011	54,144
Funds Held for Capital Works Projects	18	148,738	-	16,329
Finance Lease Liability Current Portion	20	61,963	27,053	52,518
		<u>3,074,587</u>	<u>3,164,820</u>	<u>3,008,905</u>
Working Capital Surplus or (Deficit)		97,366	38,927	271,129
Non-current Assets				
Property, Plant and Equipment	12	1,746,020	1,780,583	1,831,433
		<u>1,746,020</u>	<u>1,780,583</u>	<u>1,831,433</u>
Non-current Liabilities				
Employee Benefits Payable - Long Service Leave		7,768	11,444	11,444
Provision for Cyclical Maintenance	17	237,732	172,567	378,603
Finance Lease Liability	20	91,178	12,573	40,639
		<u>336,678</u>	<u>196,584</u>	<u>430,686</u>
Net Assets		<u>1,506,708</u>	<u>1,622,926</u>	<u>1,671,876</u>
Equity		<u>1,506,708</u>	<u>1,622,926</u>	<u>1,671,876</u>

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

Northcote College
Statement of Cash Flows
For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		2,006,733	1,961,148	2,209,834
Locally Raised Funds		1,285,476	341,682	1,007,754
Homestay		9,157	-	(188,250)
International Students		1,589,047	1,778,645	1,589,853
Goods and Services Tax (net)		(10,621)	-	33,341
Payments to Employees		(2,465,636)	(1,959,899)	(2,044,151)
Payments to Suppliers		(2,572,247)	(1,987,519)	(2,674,527)
Interest Paid		(11,508)	-	(13,528)
Interest Received		68,400	86,250	86,480
Funds Administered on Behalf of Third Parties		132,409	(16,329)	287,986
Net cash from / (to) the Operating Activities		31,210	203,978	294,791
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		2,671	-	1,513
Purchase of PPE (and Intangibles)		(129,595)	(226,774)	(337,928)
Purchase of Investments		(111,941)	-	450,000
Net cash from / (to) the Investing Activities		(238,865)	(226,774)	113,585
Cash flows from Financing Activities				
Contribution from MOE/Movement in Reserved Equity		32,514	40	(290)
Finance Lease Payments		(68,266)	(53,530)	(53,138)
Net cash from Financing Activities		(35,752)	(53,490)	(53,429)
Net increase/(decrease) in cash and cash equivalents		(243,407)	(76,287)	354,948
Cash and cash equivalents at the beginning of the year	9	565,829	565,829	210,881
Cash and cash equivalents at the end of the year	9	322,422	489,542	565,829

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

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

Northcote College

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2019

a) Reporting Entity

Northcote College 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 2019 to 31 December 2019 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

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

Standard early adopted

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

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 12.

Critical Judgements in applying accounting policies

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

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised.

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

Use of land and buildings grants are recorded as revenue in the period the School uses the land and buildings. These are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown.

Other Grants

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

Donations

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 Crown and managed by the Ministry of Education on behalf of the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Ministry.

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.

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

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

Prior Year Policy

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

i) Investments

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

Prior Year Policy

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

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.

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 Consolidated 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.

j) Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

Leased Assets

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.

Building improvements – Crown	50 years
Furniture and equipment	5–20 years
Information and communication technology	5 years
Motor vehicles	12 years
Textbooks	3 years
Library resources	12.5% Diminishing value
Leased Assets held under a Finance Lease	5 years

k) Impairment of property, plant, and equipment and intangible assets

The school does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

Non cash generating assets

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

l) Accounts Payable

Accounts Payable represents liabilities for goods and services provided to the School prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

m) Employee Entitlements

Short-term employee entitlements

Employee 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.

as provided in their respective agreements at current rates of pay.

n) 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.

o) 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.

p) Funds for Teacher-led Innovation Project

The Teacher-led Innovation Project Funds are held on behalf of participating schools within a cluster of schools. The School holds sufficient funds to enable the funds to be used for their intended purpose.

q) Provision for Cyclical Maintenance

The property from which the School operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).

r) 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 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, funds held on behalf of the Ministry of Education and Finance Lease liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

s) 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.

t) Budget Figures

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

u) 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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational grants	1,929,331	1,920,898	1,880,128
Teachers' salaries grants	6,200,206	6,178,626	6,378,870
Use of Land and Buildings grants	3,221,787	3,312,867	3,312,867
Other MOE Grants	323,007	72,883	287,809
Other government grants	3,279	3,526	41,750
	<u>11,677,610</u>	<u>11,488,800</u>	<u>11,901,424</u>

3. Locally Raised Funds

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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<i>Revenue</i>			
Donations	231,469	125,660	240,445
Fundraising	53,267	28,543	62,485
Activities	357,711	10,030	338,300
Other revenue	322,971	94,193	133,859
Trading	93,667	83,256	90,989
Overseas Travel (as below)	305,225	-	134,303
	<u>1,364,310</u>	<u>341,682</u>	<u>1,000,381</u>
<i>Expenses</i>			
Activities	375,670	31,830	369,675
Trading	9,632	9,735	9,525
Fundraising (costs of raising funds)	-	-	250
Overseas Travel (as below)	305,225	-	134,303
	<u>690,527</u>	<u>41,565</u>	<u>513,753</u>
<i>Surplus for the year Locally raised funds</i>	<u>673,783</u>	<u>300,117</u>	<u>486,628</u>

During the year ended 31 December 2019 students from the school travelled to USA (New York) for an art culture trip at a cost of \$120,040, Rarotonga for a culture trip at a cost of \$26,409 and the USA for a culture trip at a cost of \$161,888. The travel was funded by the students.

During the year ended 31 December 2018 students from the school travelled to Argentina for a Spanish language and culture trip at a cost of \$134,303.

All the travel was funded by the students.

4. International Student Revenue and Expenses

	2019	2019	2018
	Actual	Budget	Actual
	Number	(Unaudited)	Number
International Students Roll	108	122	126
	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<i>Revenue</i>			
International Student Fees	1,634,814	1,778,645	1,814,498
<i>Expenses</i>			
Advertising and other costs	74,124	42,126	58,553
Commissions	182,742	208,011	212,775
Recruitment	29,054	43,000	27,767
International Student Levy	39,265	44,344	44,689
Employee Benefit - Salaries	157,453	133,864	140,472
International Student Marketing trips	45,967	45,000	69,901
	<u>528,605</u>	<u>516,345</u>	<u>554,157</u>
<i>Surplus for the year International</i>	<u>1,106,209</u>	<u>1,262,300</u>	<u>1,260,341</u>

During the year ended 31 December 2019 the International Director travelled to India, New Caledonia, Tahiti, Thailand, Hong Kong, Vietnam Japan and an ICEF workshop at a cost of \$45,967 (2018: India, New Caledonia/Tahiti, Thailand/Hong Kong, Vietnam, Japan/Korea and Europe: \$69,901) for marketing and liaison purposes. The travel was funded from International Students fees.

5. Learning Resources

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	417,393	429,419	463,467
Information and Communication Technology	131,535	66,528	56,022
Extra-curricular Activities	31,920	27,964	31,033
Library Resources	18,033	5,310	13,026
Other	7,415	29,250	15,579
Employee Benefits - Salaries	8,068,769	7,512,221	7,855,060
Staff Development	41,687	41,250	48,364
	<u>8,716,752</u>	<u>8,111,942</u>	<u>8,482,551</u>

6. Administration

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	\$
Audit Fees	10,744	9,946	9,946
Board of Trustees Fees	4,555	5,625	3,735
Board of Trustees Expenses	18,738	3,778	2,974
Communication	25,594	29,050	27,434
Consumables	23,662	22,750	23,173
Admin Other	25,346	32,245	(23,805)
Admin Employee Benefits - Salaries	384,348	386,015	383,261
Insurance	19,211	20,077	18,350
Service Providers, Contractors and Consultancy	43,700	43,700	43,682
	<u>555,898</u>	<u>553,186</u>	<u>488,750</u>

7. Property

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	\$
Caretaking and Cleaning Consumables	183,717	184,286	179,996
Consultancy and Contract Services	23,365	39,300	17,430
Cyclical Maintenance Provision	(18,309)	93,844	110,835
Grounds	213,610	216,828	214,522
Heat, Light and Water	121,170	115,758	121,762
Rates	192	176	176
Repairs and Maintenance	288,506	214,420	308,974
Use of Land and Buildings	3,221,787	3,312,867	3,312,867
Security	7,550	5,500	7,705
Property - Employee Benefits - Salaries	56,051	60,726	61,088
	<u>4,097,639</u>	<u>4,243,705</u>	<u>4,335,355</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. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

8. Depreciation of Property, Plant and Equipment

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements - Crown	18,704	18,000	18,704
Furniture and Equipment	95,486	80,000	93,661
Information and Communication Technology	118,636	118,624	124,054
Motor Vehicles	4,008	4,000	4,795
Textbooks	2,883	2,000	1,822
Leased Assets	87,146	45,000	72,622
Library Resources	9,400	10,000	11,294
	<u>336,263</u>	<u>277,624</u>	<u>326,952</u>

9. Cash and Cash Equivalents

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	1,100	-	500
Bank Current Account	321,319	489,542	542,221
Bank Call Account	3	-	23,108
Bank Overdraft	-	-	-
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>322,422</u>	<u>489,542</u>	<u>565,829</u>

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

Of the \$322,422 Cash and Cash Equivalents, \$190,358 (2018 \$55,529) is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2020 on Crown owned school buildings under the School's Five Year Property Plan.

Of the \$322,422 Cash and Cash Equivalents, \$83,304 (2018 \$36,158) of unspent grant funding is held by the School. This funding is subject to restrictions which specify how the grant is required to be spent in providing specified deliverables of the grant.

10. Accounts Receivable

	2019	2019	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
Debtors	101,048	68,411	68,410
Interest Accrued	8,977	10,276	10,277
Teacher Salaries Grant Receivable	429,602	419,881	419,881
	<u>539,627</u>	<u>498,568</u>	<u>498,568</u>
Receivables from Exchange Transactions	110,025	78,687	78,686
Receivables from Non-Exchange Transactions	429,602	419,881	419,881
	<u>539,627</u>	<u>498,568</u>	<u>498,568</u>

11. Investments

The School's investment activities are classified as follows:

	2019 Actual	2019 Budget	2018 Actual
Current Asset	\$	\$	\$
Short-term Bank Deposits with Maturities Greater than Three Months and No Greater than One Year	2,263,283	2,151,342	2,151,342

12. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Artworks	42,450	-	-	-	-	42,450
Building Improvements	646,725	-	-	-	(18,704)	628,020
Furniture and Equipment	646,762	68,690	(2,503)	-	(95,486)	617,463
Information and Communication	276,558	62,474	(5,450)	-	(118,636)	214,946
Motor Vehicles	26,735	-	-	-	(4,008)	22,727
Textbooks	6,420	3,233	-	-	(2,883)	6,770
Leased Assets	106,735	128,252	-	-	(87,146)	147,841
Library Resources	79,048	671	(4,517)	-	(9,400)	65,802
Balance at 31 December 2019	1,831,433	263,320	(12,470)	-	(336,263)	1,746,020

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2019			
Artworks	42,450	-	42,450
Building Improvements	937,119	(309,099)	628,020
Furniture and Equipment	1,735,295	(1,117,833)	617,463
Information and Communication	1,308,810	(1,093,863)	214,947
Motor Vehicles	65,038	(42,311)	22,727
Textbooks	9,162	(2,392)	6,770
Leased Assets	219,763	(71,922)	147,841
Library Resources	230,717	(164,914)	65,803
Balance at 31 December 2019	4,548,354	(2,802,334)	1,746,020

12. Property, Plant and Equipment continued

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2018						
Artworks	42,450	-	-	-	-	42,450
Building Improvements	665,429	-	-	-	(18,704)	646,725
Furniture and Equipment	539,006	203,368	(1,951)	-	(93,661)	646,762
Information and Communication	312,821	87,791	-	-	(124,054)	276,558
Motor Vehicles	31,530	-	-	-	(4,795)	26,735
Textbooks	2,797	5,445	-	-	(1,822)	6,420
Leased Assets	96,838	82,519	-	-	(72,622)	106,735
Library Resources	87,167	11,981	(8,806)	-	(11,294)	79,048
Balance at 31 December 2018	1,778,037	391,104	(10,757)	-	(326,952)	1,831,433

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2018			
Artworks	42,450	-	42,450
Building Improvements	937,119	(290,394)	646,725
Furniture and Equipment	1,673,358	(1,026,596)	646,762
Information and Communication	1,259,415	(982,857)	276,558
Motor Vehicles	65,038	(38,304)	26,735
Textbooks	10,628	(4,208)	6,420
Leased Assets	366,898	(260,162)	106,735
Library Resources	265,461	(186,413)	79,048
Balance at 31 December 2018	4,620,367	(2,788,934)	1,831,433

13. Revaluation of Artworks

The School's artworks were valued by Webb's on 13th October 2008 and brought into the financial statements at that date. On 5th November 2013 Webb's revalued artworks at \$67,800, though they are still held at initial cost in the financial statements.

14. Accounts Payable

	2019 Actual \$	2019 (Unaudited) \$	2018 Actual \$
Operating Creditors	329,381	177,453	96,306
Accruals	34,575	-	35,448
Banking Staffing Overuse	4,545	300,575	300,575
Employee Benefits Payable - Salaries	504,980	419,881	465,580
Employee Benefits Payable - Leave Accrual	38,551	63,775	63,775
	<u>912,032</u>	<u>961,684</u>	<u>961,684</u>
Payables for Non-exchange Transactions - Other	-	-	-
	<u>912,032</u>	<u>961,684</u>	<u>961,684</u>

The carrying value of payables approximates their fair value.

15. Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Grants in Advance - Ministry of Education	83,304	-	36,158
International Student Fees	856,283	902,050	902,050
Other	113,933	160,130	160,130
	<u>1,053,520</u>	<u>1,062,180</u>	<u>1,098,338</u>

16. Funds Held on Behalf of Homestay Students

The college holds funds on behalf of Overseas Students for their Homestay costs.

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Homestay Costs	<u>764,273</u>	<u>755,115</u>	<u>755,115</u>

17. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	432,747	432,747	416,253
Increase to the Provision During the Year	(18,309)	34,432	84,978
Adjustment to the Provision	-	-	-
Use of the Provision During the Year	(102,801)	(6,601)	(68,484)
Provision at the End of the Year	<u>311,637</u>	<u>460,578</u>	<u>432,747</u>
Cyclical Maintenance - Current	73,905	288,011	54,144
Cyclical Maintenance - Term	237,732	172,567	378,603
	<u>311,637</u>	<u>460,578</u>	<u>432,747</u>

The Board has a cash management plan to ensure that sufficient cash is available to meet all maintenance obligations as they fall due over the next 10 years. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligations at 31 December 2019. Present obligations are identified in the school's current 10-year property plan approved by the Ministry of Education in September 2017. The provision has not been adjusted for inflation and the time value of money.

The provision has decreased significantly as 5 buildings have been removed from the calculation as they are due to be demolished as part of the Master Plan for Buildings proposed to the MOE, 6 buildings were painted during the year.

18. 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:

2019	Status	Opening Balances \$	Receipts from MoE \$	Payments \$	Closing Balances \$
MOE A Backstage Heating	<i>in progress</i>	17,125	2,875	(20,000)	-
MOE Bells	<i>in progress</i>	(28,207)	29,000	(5,569)	(4,776)
MOE LSC Roof	<i>in progress</i>	38,404	-	(2,989)	35,415
MOE T Block Leaky Project	<i>in progress</i>	(10,993)	50,000	(49,135)	(10,128)
MOE A Block Bathroom Joinery Replacement	<i>in progress</i>	-	-	(57,081)	(57,081)
MOE D Block Flooring Replacement	<i>in progress</i>	-	30,000	(19,339)	10,661
MOE B Block Window and Cabinetry	<i>in progress</i>	-	31,412	(19,380)	12,032
MOE B Block Electrical EEW Works	<i>completed</i>	-	24,500	(24,500)	-
MOE F Block EEW	<i>in progress</i>	-	-	(440)	(440)
MOE L Block Cabinetry Replacement	<i>in progress</i>	-	36,000	(4,250)	31,750
MOE Pool accessible Bathroom Water Damage	<i>in progress</i>	-	-	(21,931)	(21,931)
MOE S Block Prep Room Fan	<i>in progress</i>	-	-	(3,581)	(3,581)
MOE F&T Block Heat Pumps	<i>in progress</i>	-	29,500	(27,800)	1,700
MOE F Block Replace Wall Linings	<i>in progress</i>	-	26,960	(43,135)	(16,175)
MOE 5YA Maintenance during Redev MOE Project	<i>in progress</i>	-	98,000	(55,737)	42,263
MOE Caretakers House	<i>completed</i>	-	35,000	(35,000)	-
MOE M Block Re-keying	<i>completed</i>	-	3,957	(3,957)	-
MOE Pool Filter Replacement	<i>in progress</i>	-	20,943	(16,350)	4,593
MOE Gym Upgrade Mods	<i>in progress</i>	-	206,136	(75,178)	130,958
MOE Essential Enabling Works Fire Alarm Upgrade	<i>in progress</i>	-	-	(6,520)	(6,520)
Totals		16,329	624,283	(491,874)	148,738

Represented by:

Funds Held on Behalf of the Ministry of Education	190,358
Funds Due from the Ministry of Education	(41,620)
	148,738

2018	Status	Opening Balances \$	Receipts from MoE \$	Payments \$	Closing Balances \$
MOE A Backstage Heating	<i>in progress</i>	-	17,125	-	17,125
MOE Bells	<i>in progress</i>	-	-	(28,207)	(28,207)
MOE C Block Whanau	<i>completed</i>	(19,879)	20,262	(383)	-
MOE Combined Project	<i>completed</i>	(310,194)	377,299	(67,105)	-
MOE Field Drainage	<i>completed</i>	(75,730)	136,368	(60,638)	-
MOE Heating/Electrical	<i>completed</i>	53,824	21,977	(75,801)	-
MOE LSC Roof	<i>in progress</i>	-	40,000	(1,596)	38,404
MOE Roofing	<i>completed</i>	(1,103)	1,103	-	-
MOE T Block Leaky Project	<i>in progress</i>	-	-	(10,993)	(10,993)
Totals		(353,081)	614,134	(244,723)	16,329

19. Funds for Cluster Funds

Northcote College is the lead school and holds funds on behalf of the clusters to support the Teacher-led Innovation Project and the Allis Grant. This note discloses how the Ministry grant was applied to the Project.

Teacher-led Innovation Project

	2019 Actual \$	2019 (Unaudited) \$	2018 Actual \$
Funds Held at Beginning of the Year	-	-	71,295
<i>Revenue</i>			
Funds Received from the Ministry of Education	-	-	55,700
Total funds available	-	-	126,995
<i>Expenses</i>			
Employee Benefit - Salaries	-	-	(120,799)
Learning Support	-	-	(6,196)
Other	-	-	-
Funds Held at Year End	-	-	-

Allis Grant

	2019 Actual \$	2019 (Unaudited) \$	2018 Actual \$
Funds Held at Beginning of the Year	-	-	10,129
<i>Revenue</i>			
Funds Received from the Ministry of Education	-	-	-
Total funds available	-	-	10,129
<i>Expenses</i>			
Employee Benefit - Salaries	-	-	-
Learning Support	-	-	(10,129)
Funds Held at Year End	-	-	-
Total Cluster Funds	-	-	-

20. Finance Lease Liability

The School has entered into a finance lease agreement for photocopiers computers for teachers. Minimum lease payments payable:

	2019	2019	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
Current Liability	61,963	27,053	52,518
Non Current Liability	91,178	12,573	40,639
	<u>153,141</u>	<u>39,626</u>	<u>93,157</u>
Minimum lease payments payable:			
No Later than One Year	61,963	27,053	52,518
Later than One Year and no Later than Five Years	91,178	12,573	40,639
	<u>153,141</u>	<u>39,626</u>	<u>93,157</u>

21. 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.

22. Remuneration

Key management personnel compensation

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

	2019	2018
	Actual	Actual
	\$	\$
<i>Board Members</i>		
Remuneration	4,555	3,735
Full-time equivalent members	0.13	0.12
<i>Leadership Team</i>		
Remuneration	678,635	666,297
Full-time equivalent members	5.00	5.00
Total key management personnel remuneration	<u>683,190</u>	<u>670,032</u>
Total full-time equivalent personnel	<u>5.13</u>	<u>5.12</u>

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

Principal

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

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	190-200	190-200
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	2019 Number	2018 Number
100 - 110	6	3
110 - 120	2	1
130 - 140	-	1
140 - 150	1	-
	<hr/> <hr/>	<hr/> <hr/>
	9	5

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

23. Compensation and Other Benefits Upon Leaving

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

	2019 Actual	2018 Actual
Total	44,290	0
Number of People	1	0

24. Contingencies

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

Holidays Act Compliance – schools payroll

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

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

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

25. Commitments

(a) Capital Commitments

As at **31 December 2019** the Board has entered into contract agreements for capital works as follows:

- (a) \$26,419 A Block Bathroom joinery replacement to be completed in 2020, which will be fully funded by the Ministry of Education. \$83,500 has been received of which \$57,081 has been spent on the project to date; and
- (b) \$12,032 contract to have the B Block Windows and Cabinetry upgraded as agent for the Ministry of Education. This project is fully funded by the Ministry and \$31,412 has been received of which \$19,380 has been spent on the project to balance date. This project has been approved by the Ministry; and
- (c) \$130,958 contract for Gym upgrade modification as agent for the Ministry of Education. The project is fully funded by the Ministry and \$206,136 has been received of which \$75,178 has been spent on the project to balance date. This project has been approved by the Ministry; and
- (d) \$35,415 contract for LSC roof as agent for the Ministry of Education. The project is fully funded by the Ministry and \$40,000 has been received of which \$4,584 has been spent on the project to balance date. The project has been approved by the Ministry; and
- (e) \$31,750 contract for L Block Cabinetry Replacement as agent for the Ministry of Education. The project is fully funded by the Ministry and \$36,000 has been received of which \$4,250 has been spent on the project to balance date. The project has been approved by the Ministry; and
- (f) \$42,263 contract for Maintenance during Redevelopment Project as agent for the Ministry of Education. The project is fully funded by the Ministry and \$98,000 has been received of which \$55,737 has been spent on the project to balance date. The project has been approved by the Ministry.

(b) Operating Commitments

As at 31 December 2019 the Board has entered into the following contracts:

- (a) The board entered a contract with Turtech Ltd for Ground Maintenance for six years commencing 1st December 2016 for \$198,128 per annum. (2018- \$198,128)
- (b) The college has an operating commitment with Ace Care Cleaning Services Limited for \$151,410 per annum (2018 - \$151,410) terminating on 31st December 2021.
- (c) The college has an operating commitment with New Era IT Limited for \$117,900 per annum (2018 - \$0) terminating on 1st January 2021.

26. 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 generate a small surplus from year to year.

27. Financial Instruments

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

Financial Assets measured at amortised cost (2018: Cash and receivables)

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Cash and Cash Equivalents	322,422	489,542	565,829
Accounts Receivable	539,627	498,568	498,568
Investments - Term Deposits	2,263,283	2,151,342	2,151,342
Total Cash and Receivables	<u>3,125,332</u>	<u>3,139,452</u>	<u>3,215,739</u>

Financial liabilities measured at amortised cost

Accounts payable	912,032	961,684	961,684
Finance Leases	153,141	39,626	93,156
Total Financial Liabilities Measured at Amortised Cost	<u>1,065,173</u>	<u>1,001,310</u>	<u>1,054,840</u>

28. Events After Balance Date

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

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

At this time the full financial impact of the COVID-19 pandemic is not able to be determined. The school will continue to receive funding from the Ministry of Education, even while closed. However, economic uncertainties have arisen which are likely to 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 COVID-19 pandemic:

* A reduction in revenue from student fees & charges from International students including the potential loss of current and prospective students due to the disruption and/or pressures created by COVID-19.

Because of the matters noted above, the school anticipates that it may experience a significant reduction in expected revenue and may not be able to reduce its costs as quickly. As a result the school may experience financial difficulties and has obtained a letter of support from the Ministry of Education to ensure it can meet its obligations as they fall due.

29. Adoption of PBE IFRS 9 Financial Instruments

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

• Note 10 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.

• Note 11 Investments:

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

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

INDEPENDENT AUDITOR'S REPORT**TO THE READERS OF NORTHCOTE COLLEGE'S
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

The Auditor-General is the auditor of Northcote College (the School). The Auditor-General has appointed me, Paul Lawrence, using the staff and resources of Crowe New Zealand Audit Partnership, 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 18 to 41, that comprise the statement of financial position as at 31 December 2019, 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 2019; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity Standards, Reduced Disclosure Regime

Our audit was completed on 29 May 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below and we draw your attention to other matters. 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.

Emphasis of Matter – COVID-19

Without modifying our opinion, we draw attention to the disclosures in note 28 on page 41 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

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.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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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 information included on pages 3 to 16, 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.



Paul Lawrence
Crowe New Zealand Audit Partnership
On behalf of the Auditor-General
Auckland New Zealand