

OPIHI COLLEGE



ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

School Directory

Ministry Number:	354
Principal:	Tony Robson
School Address:	Richard Pearse Drive, Temuka
School Postal Address:	Po Box 175, Temuka 7948
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OPIHI COLLEGE

Annual Report - For the year ended 31 December 2022

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Opihi College

Statement of Responsibility

For the year ended 31 December 2022

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2022 fairly reflects the financial position and operations of the School.

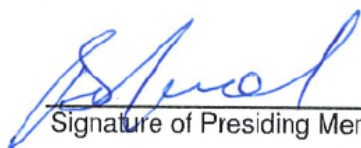
The School's 2022 financial statements are authorised for issue by the Board.

Brendon Herwood

Full Name of Presiding Member

Tony Robson

Full Name of Principal



Signature of Presiding Member



Signature of Principal

30/05/2023

Date:

30/5/23

Date:

Opihi College

Members of the Board

For the year ended 31 December 2022

Name	Position	How Position Gained	Term Expired/ Expires
Brendan Henwood	Presiding Member	Co-opted	Sep 2025
Tony Robson	Principal	ex Officio	
Andrew Williams	Parent Representative	Elected	Sep 2025
Trish Smith	Parent Representative	Elected	Sep 2025
Toni Brazendale	Parent Representative	Elected	Sep 2025
Tania Moir	Parent Representative	Elected	Sep 2023
Vaughan Tarrant	Parent Representative	Elected	Sep 2023
Andrew Russell	Parent Representative	Elected	Sep 2022
Stuart Grace	Staff Representative	Elected	Sep 2022
Raquel Busson	Staff Representative	Elected	Sep 2023
Amelia Holland	Student Representative	Elected	Oct 2022
Jesiah Tinkler	Student Representative	Elected	Oct 2023

In Attendance:-

Sharyn Patrick Minute Secretary

Opihi College

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2022

		2022	2022	2021
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Revenue				
Government Grants	2	4,685,694	4,110,336	4,462,168
Locally Raised Funds	3	180,503	84,270	216,151
Interest Income		8,994	1,500	1,472
Gain on Sale of Property, Plant and Equipment		-	-	2,542
		4,875,191	4,196,106	4,682,333
Expenses				
Locally Raised Funds	3	63,434	38,824	98,873
Learning Resources	4	3,219,091	3,174,111	2,995,572
Administration	5	634,138	228,789	541,165
Finance		3,728	-	1,588
Property	6	841,406	827,739	879,164
Loss on Disposal of Property, Plant and Equipment		21,941	-	-
		4,783,738	4,269,463	4,516,362
Net Surplus / (Deficit) for the year		91,453	(73,357)	165,971
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		91,453	(73,357)	165,971

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



Opihi College

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Equity at 1 January		1,068,604	1,068,604	890,875
Total comprehensive revenue and expense for the year		91,453	(73,357)	165,971
Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	11,758
Equity at 31 December		1,160,057	995,247	1,068,604
Accumulated comprehensive revenue and expense		1,160,057	995,247	1,068,604
Equity at 31 December		1,160,057	995,247	1,068,604

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.



Opihi College

Statement of Financial Position

As at 31 December 2022

		2022	2022	2021
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Current Assets				
Cash and Cash Equivalents	7	646,275	717,251	822,608
Accounts Receivable	8	233,411	289,257	289,257
GST Receivable		13,554	10,099	10,099
Prepayments		20,669	18,467	18,467
Funds Receivable for Capital Works Projects	14	4,772	-	-
		918,681	1,035,074	1,140,431
Current Liabilities				
Accounts Payable	10	294,023	257,880	257,880
Revenue Received in Advance	11	22,807	18,339	18,339
Provision for Cyclical Maintenance	12	64,403	64,403	46,989
Finance Lease Liability	13	15,328	13,814	13,814
Funds held for Capital Works Projects	14	10,398	176,494	176,494
		406,959	530,930	513,516
Working Capital Surplus/(Deficit)		511,722	504,144	626,915
Non-current Assets				
Property, Plant and Equipment	9	783,817	643,669	638,669
		783,817	643,669	638,669
Non-current Liabilities				
Provision for Cyclical Maintenance	12	113,959	138,571	182,985
Finance Lease Liability	13	21,523	13,995	13,995
		135,482	152,566	196,980
Net Assets		1,160,057	995,247	1,068,604
Equity		1,160,057	995,247	1,068,604

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



Opihi College

Statement of Cash Flows

For the year ended 31 December 2022

		2022	2022	2021
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		1,303,365	1,107,322	1,125,050
Locally Raised Funds		193,105	77,570	161,917
International Students		6,782	6,700	31,562
Goods and Services Tax (net)		(3,455)	-	3,565
Payments to Employees		(622,323)	(669,039)	(538,590)
Payments to Suppliers		(622,285)	(569,410)	(541,460)
Interest Paid		-	-	-
Interest Received		8,994	1,500	1,472
Net cash from/(to) Operating Activities		264,183	(45,357)	243,516
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		-	-	2,542
Purchase of Property Plant & Equipment (and Intangibles)		(258,806)	(60,000)	(171,842)
Net cash (to) Investing Activities		(258,806)	(60,000)	(169,300)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	11,758
Finance Lease Payments		(10,842)	-	(9,935)
Funds Administered on Behalf of Third Parties		(170,868)	-	172,062
Net cash from/(to) Financing Activities		(181,710)	-	173,885
Net (decrease)/increase in cash and cash equivalents		(176,333)	(105,357)	248,101
Cash and cash equivalents at the beginning of the year	7	822,608	822,608	574,507
Cash and cash equivalents at the end of the year	7	646,275	717,251	822,608

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

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



Opihi College

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

1.1. Reporting Entity

Opihi College (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. The Board is of the view that the School is a public benefit entity for financial reporting purposes.

1.2. Basis of Preparation

Reporting Period

The financial statements have been prepared for the period 1 January 2022 to 31 December 2022 and in accordance with the requirements of the Education and Training Act 2020.

Basis of Preparation

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

Financial Reporting Standards Applied

The Education and Training Act 2020 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as 'having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders'.

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical Maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition. During the year, the Board assesses the reasonableness of its painting maintenance plan on which the provision is based. Cyclical maintenance is disclosed at note 12.

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 9.



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. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised. Finance lease liability disclosures are contained in note 13. Future operating lease commitments are disclosed in note 19b.

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.

1.3. 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 to which they relate. The grants are not received in cash by the School and are paid directly to teachers by the Ministry of Education.

Other Ministry Grants for directly funded programs are recorded as revenue when the School has the rights to the funding in the period to which they relate. The grants are not received in cash by the School and are paid directly by the Ministry of Education.

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. Grants for the use of land and buildings are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes.

This is a non-cash revenue that is offset by a non-cash expense. The use of land and buildings grants and associated expenditure are recorded in the period the School uses the land and buildings.

Other Grants where conditions exist

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 recognised as revenue as the conditions are fulfilled.

Donations, Gifts and Bequests

Donations, gifts and bequests are recognised as an asset and revenue when the right to receive funding or the asset has been established unless there is an obligation to return funds if conditions are not met. If conditions are not met funding is recognised as revenue in advance and recognised as revenue when conditions are satisfied.

Interest Revenue

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

1.4. 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.

1.5. 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.



1.6. 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.

1.7. Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (uncollectable debts). The school's receivables are largely made up of funding from the Ministry of Education, therefore the level of uncollectable debts is not considered to be material. However, short-term receivables are written off when there is no reasonable expectation of recovery.

1.8. 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.

1.9. 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 funded by the Board to buildings owned by the Crown or directly by the board are recorded at cost, less accumulated depreciation and impairment losses.

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

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Building improvements	20–50 years
Furniture and equipment	5–20 years
Information and communication technology	5 years
Motor vehicles	10 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value



1.10. 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. If such indication exists, the School estimates the asset's recoverable service amount. An impairment loss is recognised as 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.

In determining fair value less costs to sell the school engages an independent valuer to assess market value based on the best available 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 Statement of Comprehensive Revenue and Expense.

The reversal of an impairment loss is recognised in the Statement of Comprehensive Revenue and Expense. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognised.

1.11. 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.

1.12. Employee Entitlements

Short-term employee entitlements

Employee entitlements that are expected to be settled within 12 months after the end of the reporting period in which the employees provide the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned by non teaching staff, but not yet taken at balance date.

Long-term employee entitlements

Employee benefits that are not expected to be settled wholly before 12 months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis.

The calculations are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows. Remeasurements are recognised in Statement of Comprehensive Revenue and Expense in the period in which they arise.

1.13. 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.

1.14. Funds held for Capital Works

The school directly receives funding from the Ministry of Education for capital works projects that are included in the School five year capital works agreement. These funds are held on behalf and for a specified purpose as such these transactions are not recorded in the Statement of Comprehensive Revenue and Expense.

The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.



1.15. 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.

Cyclical maintenance, which involves painting of the School, makes up the most significant part of the Board's responsibilities outside the day-to-day maintenance. The provision is a reasonable estimate, based on the school's best estimate of the cost of painting the school and when the School is required to be painted, based on an assessment of the school's condition.

The School carries out painting maintenance of the whole school over a variety of periods in accordance with the conditional assessment of each area of the school. The economic outflow of this is dependent on the plan established by the School to meet this obligation and is detailed in the notes and disclosures of these accounts.

1.16. Financial Instruments

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

Investments that are shares are categorised as financial assets at fair value through other comprehensive revenue and expense in accordance with financial reporting standards. On initial recognition of an equity investment that is not held for trading, the School may irrevocably elect to present subsequent changes in the investments' fair value in other comprehensive revenue and expense. This election has been made for investments that are shares. Subsequent to initial recognition, these assets are measured at fair value. Dividends are recognised as income in the Statement of Comprehensive Revenue and Expense unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive revenue and expense and are never reclassified to the Statement of Comprehensive Revenue and Expense.

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in the Statement of Comprehensive Revenue and Expense.

1.17. Borrowings

Borrowings, on normal commercial terms, are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the school has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

1.18. 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.

1.19. Budget Figures

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

1.20. 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

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Government Grants - Ministry of Education	1,197,793	971,867	1,145,294
Teachers' Salaries Grants	2,545,451	2,545,450	2,490,772
Use of Land and Buildings Grants	547,539	547,539	514,871
Healthy Lunches Grant	344,651	-	298,247
Other Government Grants	50,260	45,480	12,984
	<u>4,685,694</u>	<u>4,110,336</u>	<u>4,462,168</u>

The School has opted in to the donations scheme for this year. Total amount received was \$41,400 (2021: \$43,650).

3. Locally Raised Funds

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

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations & Bequests	59,056	12,000	60,879
Fees for Extra Curricular Activities	18,737	-	30,291
Trading	2,684	550	4,309
Fundraising & Community Grants	5,877	-	6,418
Other Revenue	72,384	48,520	66,564
Transport Revenue	14,983	16,500	16,128
International Student Fees	6,782	6,700	31,562
	<u>180,503</u>	<u>84,270</u>	<u>216,151</u>
Expenses			
Extra Curricular Activities Costs	27,496	9,824	41,852
Trading	1,301	-	5,435
Fundraising & Community Grant Costs	3,935	-	4,000
Transport (Local)	30,702	29,000	27,238
International Student - Other Expenses	-	-	20,348
	<u>63,434</u>	<u>38,824</u>	<u>98,873</u>
<i>Surplus / (Deficit) for the year Locally raised funds</i>	<u>117,069</u>	<u>45,446</u>	<u>117,278</u>

During the year the School hosted 1 International student (2021:1)

4. Learning Resources

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	134,937	144,661	114,475
Information and Communication Technology	8,702	7,000	8,132
Library Resources	2,220	4,000	829
Employee Benefits - Salaries	2,943,352	2,941,450	2,761,274
Staff Development	11,686	16,000	10,995
Depreciation	118,194	61,000	99,867
	<u>3,219,091</u>	<u>3,174,111</u>	<u>2,995,572</u>



5. Administration

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	7,290	7,080	7,080
Board Fees	3,425	4,000	3,399
Board Expenses	5,159	8,100	5,580
Communication	8,437	8,650	10,325
Consumables	63,574	56,600	63,534
Healthy Lunches Expenses	344,651	-	298,247
Other	14,887	7,700	7,214
Employee Benefits - Salaries	175,000	125,764	135,323
Insurance	7,938	7,100	6,883
Service Providers, Contractors and Consultancy	3,777	3,795	3,580
	<u>634,138</u>	<u>228,789</u>	<u>541,165</u>

6. Property

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	102,146	88,000	83,930
Consultancy and Contract Services	-	1,000	-
Cyclical Maintenance Provision	(16,239)	20,000	132,720
Heat, Light and Water	69,470	62,300	65,315
Rates	5,318	6,600	5,940
Repairs and Maintenance	70,388	44,000	19,954
Use of Land and Buildings	547,539	547,539	514,871
Security	645	1,000	612
Employee Benefits - Salaries	62,139	57,300	55,822
	<u>841,406</u>	<u>827,739</u>	<u>879,164</u>

The Use of Land and Buildings figure represents 5% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

7. Cash and Cash Equivalents

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Accounts	646,275	717,251	822,608
Cash and Cash Equivalents for Statement of Cash Flows	<u>646,275</u>	<u>717,251</u>	<u>822,608</u>

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

8. Accounts Receivable

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	1,551	660	660
Receivables from the Ministry of Education	4,912	-	-
Banking Staffing Underuse	-	89,975	89,975
Teacher Salaries Grant Receivable	226,948	198,622	198,622
	<u>233,411</u>	<u>289,257</u>	<u>289,257</u>
Receivables from Exchange Transactions	1,551	660	660
Receivables from Non-Exchange Transactions	231,860	288,597	288,597
	<u>233,411</u>	<u>289,257</u>	<u>289,257</u>



9. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2022						
Land	30,000	-	-	-	-	30,000
Building Improvements	169,302	140,482	(21,316)	-	(7,838)	280,630
Furniture and Equipment	231,139	61,128	-	-	(31,756)	260,511
Information and Communication Technology	119,912	43,559	-	-	(50,637)	112,834
Motor Vehicles	49,141	16,212	(2,234)	-	(10,370)	52,749
Leased Assets	27,957	27,780	(3,758)	-	(16,005)	35,974
Library Resources	11,218	1,489	-	-	(1,588)	11,119
Balance at 31 December 2022	638,669	290,650	(27,308)	-	(118,194)	783,817

The net carrying value of equipment held under a finance lease is \$35,974 (2021: \$27,957)

Restrictions

With the exception of the contractual restrictions relating to the above noted finance leases, there are no other restrictions over the title of the school's property, plant and equipment, nor are any property, plant and equipment pledged as security for liabilities.

	2022 Cost or Valuation	2022 Accumulated Depreciation	2022 Net Book Value	2021 Cost or Valuation	2021 Accumulated Depreciation	2021 Net Book Value
	\$	\$	\$	\$	\$	\$
Land	30,000	-	30,000	30,000	-	30,000
Building Improvements	393,650	(113,020)	280,630	292,427	(123,125)	169,302
Furniture and Equipment	644,085	(383,574)	260,511	583,917	(352,778)	231,139
Information and Communication Technology	314,405	(201,571)	112,834	468,742	(348,830)	119,912
Motor Vehicles	114,750	(62,001)	52,749	105,491	(56,350)	49,141
Leased Assets	55,506	(19,532)	35,974	63,288	(35,331)	27,957
Library Resources	33,603	(22,484)	11,119	32,114	(20,896)	11,218
Balance at 31 December	1,585,999	(802,182)	783,817	1,575,979	(937,310)	638,669

10. Accounts Payable

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Creditors	18,124	21,902	21,902
Accruals	7,290	7,080	7,080
Employee Entitlements - Salaries	242,570	211,380	211,380
Employee Entitlements - Leave Accrual	26,039	17,518	17,518
	294,023	257,880	257,880
Payables for Exchange Transactions	294,023	257,880	257,880
	294,023	257,880	257,880

The carrying value of payables approximates their fair value.

11. Revenue Received in Advance

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Grants in Advance - Ministry of Education	-	15,807	15,807
Other Revenue in Advance	22,807	2,532	2,532
	22,807	18,339	18,339



12. Provision for Cyclical Maintenance

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	229,974	229,974	145,254
Increase to the Provision During the Year	38,950	20,000	46,356
Other Adjustments	(55,189)	-	86,364
Use of the Provision During the Year	(35,373)	(47,000)	(48,000)
Provision at the End of the Year	178,362	202,974	229,974
Cyclical Maintenance - Current	64,403	64,403	46,989
Cyclical Maintenance - Non current	113,959	138,571	182,985
	178,362	202,974	229,974

The School's cyclical maintenance schedule details annual painting & other significant cyclical maintenance work to be undertaken. The costs associated with this annual work will vary depending on the requirements during the year. This plan is based on the School's most recent 10 Year Property plan, adjusted as identified and confirmed appropriate by the Board, to other reliable sources of evidence.

13. Finance Lease Liability

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

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
No Later than One Year	16,378	15,582	15,582
Later than One Year and no Later than Five Years	21,758	15,031	15,031
Future Finance Charges	(1,285)	(2,804)	(2,804)
	36,851	27,809	27,809
Represented by:			
Finance lease liability - Current	15,328	13,814	13,814
Finance lease liability - Non current	21,523	13,995	13,995
	36,851	27,809	27,809

14. Funds Held for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects. The amount of cash held on behalf of the Ministry for capital works project is included under cash and cash equivalents in note 7.

2022	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
Courts and Gym	176,494	-	(166,096)	-	10,398
Kowhai Locks	-	60,883	(65,655)	-	(4,772)
Totals	176,494	60,883	(231,751)	-	5,626

Represented by:

Funds Held on Behalf of the Ministry of Education	10,398
Funds Receivable from the Ministry of Education	(4,772)

2021	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
Courts and Gym	-	184,697	(8,203)	-	176,494
Totals	-	184,697	(8,203)	-	176,494

Represented by:

Funds Held on Behalf of the Ministry of Education	176,494
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15. 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.

16. Remuneration

Key management personnel compensation

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

	2022 Actual \$	2021 Actual \$
<i>Board Members</i>		
Remuneration	3,425	3,399
<i>Leadership Team</i>		
Remuneration	501,230	472,273
Full-time equivalent members	4.00	4.00
Total key management personnel remuneration	<u>504,655</u>	<u>475,672</u>

There are eight members of the Board excluding the Principal. The Board had held 10 full meetings of the Board in the year. The Board also has Finance and Property (one member) that meet monthly. As well as these regular meetings, including preparation time, the Presiding member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal 1

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

	2022 Actual \$000	2021 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	150 - 160	40 - 50
Benefits and Other Emoluments	1 - 10	1 - 10
Termination Benefits	0 - 0	0 - 0

Principal 2

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

	2022 Actual \$000	2021 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	0 - 0	70 - 80
Benefits and Other Emoluments	0 - 0	1 - 10
Termination Benefits	0 - 0	0 - 0

Other Employees

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

Remuneration \$000	2022 FTE Number	2021 FTE Number
100 - 110	5.00	3.00
110 - 120	2.00	3.00
	<u>7.00</u>	<u>6.00</u>

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



17. Compensation and Other Benefits Upon Leaving

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

	2022 Actual	2021 Actual
Total	\$ -	\$ -
Number of People	-	-

18. Contingencies

There are no contingent liabilities and no contingent assets except as noted below as at 31 December 2022 (Contingent liabilities and assets at 31 December 2021: nil).

Holidays Act Compliance – schools payroll

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

The Ministry's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis and solutions have been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2022, a contingent liability for the school may exist.

Additional funding wash up payment

The Ministry of Education provided additional funding for both the Support Staff in Schools' Collective Agreement (CA) Settlement and the Teacher Aide Pay Equity Settlement. The School has not been notified of the final wash up calculation relating to 31 December 2022. The final calculations impact on the financial statements is unable to be determined at the date of reporting.

19. Commitments

(a) Capital Commitments

As at 31 December 2022 the Board has entered into the following contract agreements for capital works.

(a) A SIP contract for upgrade of the courts and gym which is fully funded by the Ministry of Education. \$184,697 has been received of which \$174,299 has been spent on the project to date.

(b) A contract for property modifications which is fully funded by the Ministry of Education. \$60,886 has been received of which \$65,654 has been spent on the project to date.

(Capital commitments in relation to Ministry projects at 31 December 2021: \$176,494)

(b) Operating Commitments

As at 31 December 2022 the Board has not entered into any operating contracts.

(Operating commitments at 31 December 2021: nil)

20. 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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Cash and Cash Equivalents	646,275	717,251	822,608
Receivables	233,411	289,257	289,257
Total Financial assets measured at amortised cost	879,686	1,006,508	1,111,865

Financial liabilities measured at amortised cost

Payables	294,023	257,880	257,880
Finance Leases	36,851	27,809	27,809
Total Financial liabilities measured at amortised Cost	330,874	285,689	285,689



21. Events After Balance Date

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

22. Comparatives

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



Analysis of Variance Reporting



School Name:	Opihi College	School Number:	354																																																												
Strategic Aim:	Achieving full potential by identifying strengths and overcoming weaknesses																																																														
Annual Aim:	Our students will demonstrate continuing improvement in their learning progress and achievement																																																														
Target:	Target 1A Progress of 3 sub-levels or more (bpa) over 2 years of Year 7/8 in reading, writing, mathematics, science. Target 1B Progress of 3 sub-levels or more (bpa) over 2 years of Year 9/10 in reading, writing, mathematics, science. Target 1C Behavioural instances to show an overall reduction of 15% Target 1D Raise all levels of NCEA achievement to be equal to national achievement for decile 4/5 schools																																																														
Baseline Data:	<p>% Year 7 sublevel progress</p> <table border="1"> <thead> <tr> <th>Year</th> <th>2016</th> <th>2017</th> <th>2018</th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td><1</td> <td>22</td> <td>32</td> <td>21</td> <td>12</td> <td>34</td> </tr> <tr> <td>1</td> <td>14</td> <td>26</td> <td>31</td> <td>50</td> <td>24</td> </tr> <tr> <td>2</td> <td>36</td> <td>33</td> <td>23</td> <td>20</td> <td>26</td> </tr> <tr> <td>>2</td> <td>28</td> <td>9</td> <td>25</td> <td>33</td> <td>15</td> </tr> </tbody> </table> <p>% Year 8 sublevel progress</p> <table border="1"> <thead> <tr> <th>Year</th> <th>2016</th> <th>2017</th> <th>2018</th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td><1</td> <td>10</td> <td>22</td> <td>26</td> <td>12</td> <td>18</td> </tr> <tr> <td>1</td> <td>41</td> <td>48</td> <td>21</td> <td>19</td> <td>49</td> </tr> <tr> <td>2</td> <td>32</td> <td>18</td> <td>38</td> <td>48</td> <td>27</td> </tr> <tr> <td>>2</td> <td>17</td> <td>13</td> <td>14</td> <td>65</td> <td>9</td> </tr> </tbody> </table> <p>% Year 9 Students sublevel progress</p>			Year	2016	2017	2018	2019	2020	<1	22	32	21	12	34	1	14	26	31	50	24	2	36	33	23	20	26	>2	28	9	25	33	15	Year	2016	2017	2018	2019	2020	<1	10	22	26	12	18	1	41	48	21	19	49	2	32	18	38	48	27	>2	17	13	14	65	9
Year	2016	2017	2018	2019	2020																																																										
<1	22	32	21	12	34																																																										
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	Year	2016	2017	2018	2019	2020
	<1	26	31	31	28	30
	1	29	45	28	28	42
	2	32	17	36	17	12
	>2	12	7	5	30	16
	% Year 10 sublevel progress					
	Year	2016	2017	2018	2019	2020
	<1		43.0	29.0	10	22
	1		43.0	32.0	45	48
	2		14.0	34.0	24	18
	>2		0.0	5.0	37	12
	Pastoral incidents 2020 - 3198					

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<p>Integrated (Yr 7/8) is taught in a cross-curricular way with English and Social Studies over 9 hours a week. Structured Writing lessons</p> <p>The 7/8 programme taught and assessed from L1-6 of the curriculum</p> <p>Year 9/10 Choice program</p> <p>Writing assessed using an e-asTTle marking rubric. At Y9/10 summatively assessed using 2 creative and 2 formal writing tasks.</p> <p>Senior tracking.</p> <p>Identify target groups within our classes and plan differentiation</p>	<p>Reading Progress Year 7 66% Year 8 73% Year 9 12% Year 10 69%</p> <p>Writing Progress Year 7 77% Year 8 59% Year 9 58% Year 10 47%</p> <p>Maths Progress Year 7 65% Year 8 71% Year 9 56% Year 10 48%</p> <p>Science Progress Year 7 63% Year 8 39% Year 9 64% Year 10 68%</p> <p>NCEA versus Decile 5 schools Level 1 2% Level 2 +5% Level 3 -36%</p> <p>Māori very cohort dependant due to the size of groups</p>	<p>Significant staff changes and shortages did affect the progress during this year.</p> <p>Overall 9/10 program was introduced well however significant learning has taken place across the entire curriculum.</p> <p>During the year certain faculties struggled with assessing progress in the new 9/10 program with lots of learning taking place. This was especially true in English as we lost the HoF at a critical time.</p> <p>Science found that using the Nature of Science framework highlighted a number of areas of weakness within the student body. Significant work was then applied to addressing this.</p> <p>NCEA results at Level 1 and 2 were solid but having a highly practical Senior class resulted in poor Level 3 results. A large percentage left during the year to paid employment.</p> <p>Only one student didn't achieve to the level expected in the tracking meetings.</p>	<p>Further work to embed the Y9/10 program to make sure learning from 2021 is used. Improvements to course structure to best use assessments. Improved course development to better match students drivers</p> <p>Significant changes in staff and full staffing. Therefore smaller class sizes allowing more focus progression. 7/8 classes to be 22 or below. Increased options at 9/10 in English/Science and PE to reduce class sizes.</p> <p>PB4L level 1 focus to support better behaviours in class and therefore a better learning environment.</p> <p>Continuation of senior tracking to understand where students across all subjects.</p>

	Reported discipline issues – less than 1% different	Due to staff changes and heavy reliance on relievers behaviour didn't improve significantly. However, improvements were seen as the year progressed. Significant uncertainty and disruption to teaching and learning due to Covid and isolation etc.	
Planning for next year:			
PB4L tier 1 to be a major focus for the school – This will require a complete refresh of this program Embedding a significant amount of new staff Increasing resources and knowledge into online/hybrid learning.			

Kiwisport

Kiwisport is a Government funding initiative to support student's participation in organised sport. During 2022, the school received a total of Kiwisport funding of \$6014.84 (excluding GST). The funding was spent on sports equipment and wages for our sports coordinator.

[OPTIONAL TEMPLATE] Compliance with Education and Training Act 2020 requirements to be a good employer for the year ending 31 December 20XX.

The following questions address key aspects of compliance with a good employer policy:

Reporting on the principles of being a Good Employer	
How have you met your obligations to provide good and safe working conditions?	<p>Site hazards are review a couple of time a year, this is combined with a ongoing hazard register. Hazards are addressed asap and this is up to date.</p> <p>Principal is appraised to make sure the school is being lead in good and safe manner.</p> <p>All have the ability to use EPA services or in house councillor for support</p> <p>Complaints and responsibility policies are there if staff do have issues</p>
<p>What is in your equal employment opportunities programme?</p> <p>How have you been fulfilling this programme?</p>	<p>Shows commitment to equal opportunities in all aspects of employment including recruitment, training, promotion, conditions of service, and career development</p> <p>We select the person most suited to the position in terms of skills, experience, qualifications, and aptitude</p> <p>We recognises the value of diversity in staffing (for example, ethnicity, age, gender, disability, tenure, hours of work, etc.) and the employment requirements of diverse individuals/groups</p> <p>We ensure that employment and personnel practices are fair and free of any bias.</p>
How do you practise impartial selection of suitably qualified persons for appointment?	All applicants are reviewed by SLT, the BOT chair and the HoF. Applicants are selected based on their qualifications, experience and availability.
<p>How are you recognising,</p> <p>The aims and aspirations of Maori,</p> <p>The employment requirements of Maori, and</p> <p>Greater involvement of Maori in the Education service?</p>	We work with our Māori staff, community, iwi, and support agencies to develop a greater understanding and use of tikanga, Te Reo Māori and aspirations of Māori into everyday activities within our working practice.
How have you enhanced the abilities of individual employees?	We work with individuals and groups of employees to support both their ongoing and future development needs. This is done by both internal and external professional development and support. We have a budget to cover the costs.
How are you recognising the	We support and value all staff within our employment as

employment requirements of women?	equals, and support is based on needs of the individuals. Where possible we have flexible working arrangements with a number of staff and we support women returning to work after a career break.
How are you recognising the employment requirements of persons with disabilities?	We work with individuals to put in place supports or alternative working arrangements to support staff who have disabilities.

Good employer policies should include provisions for an Equal Employment Opportunities (EEO) programme/policy . The Ministry of Education monitors these policies:

Reporting on Equal Employment Opportunities (EEO) Programme/Policy	YES	NO
Do you operate an EEO programme/policy?	Yes	
Has this policy or programme been made available to staff?	Yes	
Does your EEO programme/policy include training to raise awareness of issues which may impact EEO?	Yes	
Has your EEO programme/policy appointed someone to coordinate compliance with its requirements?	Yes	
Does your EEO programme/policy provide for regular reporting on compliance with the policy and/or achievements under the policy?	Yes	
Does your EEO programme/policy set priorities and objectives?	Yes	

INDEPENDENT AUDITOR'S REPORT**TO THE READERS OF OPIHI COLLEGE'S GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Auditor-General is the auditor of Opihi College and its controlled entities (collectively referred to as 'the Group'). The Auditor-General has appointed me, Jane Jackman, using the staff and resources of Nexia Audit Christchurch, to carry out the audit of the financial statements of the Group on his behalf.

Opinion

We have audited the financial statements of the Group on pages 3 to 18 that comprise statement of financial position as at 31 December 2022, 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 Group:

- present fairly, in all material respects:
 - its financial position as at December 2022; 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 the Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 30 May 2023. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements

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

In preparing the financial statements, the Board is responsible on behalf of the Group for assessing the Group'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 Group, or there is no realistic alternative but to do so.

The Board's responsibilities, in terms of the requirements of the Education and Training Act 2020, arise from section 87 of the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements

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

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

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the Group'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 Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Group 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 obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on Analysis of Variance, Kiwisport Statement and The Good Employer Statement, 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 Group 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 Group.



Jane Jackman

Nexia Audit Christchurch
On behalf of the Auditor-General
Christchurch, New Zealand