

JAMES HARGEST COLLEGE



JAMES HARGEST COLLEGE **KEEP FAITH**

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

School Directory

Ministry Number: 552

Principal: Mike Newell

Accountant/Service Provider: Findex NZ Limited

Members of the Board:

Name	Position	How Position Gained	Term Expired/ Expires
Toni Green	Presiding Member	Elected	Sept-25
Mike Newell	Principal ex Officio	Non-elected	
Nicholas Raines	Parent Representative	Elected	Sept-25
Michelle Greenwood	Parent Representative	Elected	Sept-28
Mary Foley	Parent Representative	Elected	Sept-28
Rev. Richard Aitken	Parent Representative	Elected	Sept-25
Jeremy Rees	Parent Representative	Co-opted	Sept-28
Lara Buchanan	Staff Representative	Non-elected	
Ben Hargest	Student Representative	Non-elected	Sept-26
Michelle Findlater	Parent Representative	Elected	Sept-28
Aaron Kerr	Parent Representative	Elected	Sept-28
Nicholas Raines	Presiding Member	Elected	Sept-28

JUNIOR CAMPUS

6 Layard Street
Invercargill, New Zealand
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Facsimile 03 217 3152

Email: office@jameshargest.school.nz

SENIOR CAMPUS

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JAMES HARGEST COLLEGE

Annual Financial Statements - For the year ended 31 December 2025

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James Hargest College

Statement of Responsibility

For the year ended 31 December 2025

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 2025 fairly reflects the financial position and operations of the School.

The School's 2025 financial statements are authorised for issue by the Board.

Nic Raines

Full Name of Presiding Member

Signed by:
Nic Raines
B84A82A05803A9F4

Signature of Presiding Member

Date: 02/06/2026

Anna McDowall

Full Name of Principal

Signed by:
Anna McDowall
4071C3B7409E8629

Signature of Principal

Date: 02/06/2026

James Hargest College

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2025

	Notes	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Revenue				
Government Grants	2	21,463,079	21,192,773	20,904,733
Locally Raised Funds	3	3,310,481	1,588,615	3,035,626
Interest		301,602	261,210	288,941
Gain on Sale of Property, Plant and Equipment		4,794	8,000	87,679
Invercargill Activity Centre	4	237,745	177,720	218,698
Murihiku Young Parents Learning Centre	20	448,543	520,000	519,623
Total Revenue		25,766,244	23,748,318	25,055,300
Expense				
Locally Raised Funds	3	2,449,521	1,009,749	2,500,541
Invercargill Activity Centre	4	197,806	177,720	199,287
Learning Resources	5	17,353,301	17,420,097	16,406,847
Administration	6	1,713,954	1,841,938	1,637,651
Interest		20,400	17,210	17,474
Property	7	3,540,920	3,427,269	3,959,687
Murihiku Young Parents Learning Centre	20	394,278	543,541	533,529
Total Expense		25,670,179	24,437,524	25,255,016
Net Surplus / (Deficit) for the year		96,065	(689,206)	(199,716)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		96,065	(689,206)	(199,716)

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

James Hargest College

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2025

	Notes	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Equity at 1 January		6,713,307	6,713,307	6,707,928
Total comprehensive revenue and expense for the year		96,065	(689,206)	(199,716)
Distributions to the Ministry of Education	19	(100,287)	(118,578)	(109,496)
Contribution - Furniture and Equipment Grant		456,947	102,933	102,933
Contribution - Te Mana Tuhono		124,254	-	211,658
Equity at 31 December		7,290,286	6,008,456	6,713,307
Accumulated comprehensive revenue and expense		6,633,725	5,438,693	6,120,003
Transfers		(43,383)	-	-
<i><u>Reserve - Teen Parent Unit</u></i>				
Opening balance		593,304	593,304	607,209
Transfers		43,383	-	-
Contribution - Furniture and Equipment Grant		8,992	-	-
Surplus for the year	20	54,265	(23,541)	(13,905)
Closing balance		699,944	569,763	593,304
Equity at 31 December		7,290,286	6,008,456	6,713,307

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes which form part of these financial statements.

James Hargest College

Statement of Financial Position

As at 31 December 2025

	Notes	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Current Assets				
Cash and Cash Equivalents	8	1,372,172	1,247,108	1,247,108
Accounts Receivable	9	1,807,908	1,648,361	1,625,567
GST Receivable		98,767	75,888	75,888
Prepayments		62,449	59,999	59,999
Inventories	10	7,576	8,096	8,096
Investments	11	2,350,559	1,685,908	1,685,908
Funds Receivable for Capital Works Projects	19	110,636	16,099	16,099
		<u>5,810,067</u>	<u>4,741,459</u>	<u>4,718,665</u>
Current Liabilities				
Accounts Payable	13	1,935,219	1,903,923	1,903,923
Revenue Received in Advance	15	473,262	684,809	684,809
Provision for Cyclical Maintenance	16	275,839	188,627	160,625
Finance Lease Liability	17	152,222	110,007	110,007
Funds held in Trust	18	251,693	436,829	436,829
Funds held for Capital Works Projects	19	521,787	355,000	355,000
Borrowings	14	25,380	25,380	25,380
		<u>3,635,402</u>	<u>3,704,575</u>	<u>3,676,573</u>
Working Capital Surplus		2,174,665	1,036,883	1,042,092
Non-current Assets				
Investments	11	3,047,147	3,682,176	3,682,176
Property, Plant and Equipment	12	2,636,152	2,029,729	2,455,374
		<u>5,683,299</u>	<u>5,711,905</u>	<u>6,137,550</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	16	410,186	509,993	357,995
Finance Lease Liability	17	151,344	208,029	86,029
Borrowings	14	6,148	22,315	22,315
		<u>567,678</u>	<u>740,337</u>	<u>466,339</u>
Net Assets		<u><u>7,290,286</u></u>	<u><u>6,008,456</u></u>	<u><u>6,713,307</u></u>
Equity		<u><u>7,290,286</u></u>	<u><u>6,008,456</u></u>	<u><u>6,713,307</u></u>

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

James Hargest College

Statement of Cash Flows

For the year ended 31 December 2025

	Note	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Cash flows from Operating Activities				
Government Grants		5,404,723	6,276,979	5,418,210
Locally Raised Funds		2,771,649	1,035,161	3,445,988
Invercargill Activity Centre		166,736	-	166,356
Murihiku Young Parents Learning Centre		354,836	-	395,235
International Students		367,418	553,454	671,005
Goods and Services Tax (net)		(22,879)	-	7,950
Payments to Employees		(4,024,900)	(4,445,048)	(3,837,956)
Payments to Suppliers		(4,739,340)	(3,172,546)	(6,239,660)
Interest Paid		(20,400)	(17,210)	(17,474)
Interest Received		295,401	261,210	337,751
Net cash from/(to) Operating Activities		553,244	492,000	347,405
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment		4,794	8,000	10,000
Purchase of Property Plant & Equipment		(352,911)	(500,000)	(444,568)
Purchase of Investments		(29,622)	-	-
Proceeds from Sale of Investments		-	-	147,811
Net cash from/(to) Investing Activities		(377,739)	(492,000)	(286,757)
Cash flows from Financing Activities				
Furniture and Equipment Grant		259,128	-	102,933
Finance Lease Payments		(102,644)	-	(69,215)
Repayment of Borrowings		(16,167)	-	(28,465)
Funds Administered on Behalf of Other Parties		(190,758)	-	(98,861)
Net cash from/(to) Financing Activities		(50,441)	-	(93,608)
Net increase/(decrease) in cash and cash equivalents		125,064	-	(32,960)
Cash and cash equivalents at the beginning of the year	8	1,247,108	1,247,108	1,280,068
Cash and cash equivalents at the end of the year	8	1,372,172	1,247,108	1,247,108

The Statement of Cash Flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries, use of land and buildings grant and expense and other notional items 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.

James Hargest College

Notes to the Financial Statements

For the year ended 31 December 2025

1. Statement of Accounting Policies

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

The financial statements have been prepared for the period 1 January 2025 to 31 December 2025 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 with reference to generally accepted accounting practice. The financial statements have been prepared with reference to 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 expense threshold of \$33 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.

The following disclosures are examples of critical accounting estimates:

Cyclical maintenance

The 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 16.

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment, as disclosed in the significant accounting policies, are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 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. 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 17. Future operating lease commitments are disclosed in note 25b.

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.

Other Ministry Grants for directly funded programs are recorded as revenue when the School has the rights to the funding in the period they relate to. 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 released to 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.

d) Finance Lease Payments

Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks. The carrying amount of cash and cash equivalents represent fair value.

f) Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for 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.

g) Inventories

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

h) Investments

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is material.

i) Property, Plant and Equipment

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

Improvements (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 surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty whether the School will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Depreciation

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

The estimated useful lives of the assets are:

Buildings	5 - 50 years
Furniture & Fittings	1 - 20 years
Information and Communication Technology	1 - 50 years
Motor Vehicles	4 - 10 years
Leased Assets	Term of lease
Library Resources	12.5% DV

j) Impairment of property, plant, and equipment

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 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 surplus or deficit.

The reversal of an impairment loss is recognised in surplus or deficit. 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.

k) Accounts Payable

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

l) Employee Entitlements

Short-term employee entitlements

Employee 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 and annual leave earned, by non teaching staff, but not yet taken at balance date.

m) Revenue Received in Advance

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

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

n) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Comprehensive Revenue and Expense.

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

o) 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.

p) Provision for Cyclical Maintenance

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

Cyclical maintenance, which involves painting the interior and exterior of the school, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision is a reasonable estimate, based on 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 7 to 20 year period. 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.

q) Financial Instruments

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

The School's financial liabilities comprise accounts payable, 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 surplus or deficit.

r) 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.

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 statement 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.

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

	2025 Actual	2025 Budget (Unaudited)	2024 Actual
	\$	\$	\$
Government Grants - Ministry of Education	5,345,438	5,400,017	5,280,665
Teachers' Salaries Grants	13,798,103	13,387,148	13,037,686
Use of Land and Buildings Grants	2,168,708	2,246,443	2,422,121
Other Government Grants	150,830	159,165	164,261
	<u>21,463,079</u>	<u>21,192,773</u>	<u>20,904,733</u>

3. Locally Raised Funds

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

	2025 Actual	2025 Budget (Unaudited)	2024 Actual
	\$	\$	\$
Revenue			
Donations and Bequests	71,828	68,389	69,202
Fees for Extra Curricular Activities	2,010,084	553,902	1,933,696
Trading	272,477	273,000	297,318
Fundraising and Community Grants	49,216	45,070	42,714
Other Revenue	325,749	94,800	186,979
International Student Fees	581,127	553,454	505,717
	<u>3,310,481</u>	<u>1,588,615</u>	<u>3,035,626</u>
Expense			
Extra Curricular Activities Costs	1,592,225	285,634	1,706,149
Trading	322,629	300,949	323,894
Fundraising and Community Grant Costs	3,635	42,714	38,695
Other Locally Raised Funds Expenditure	193,928	104,165	127,460
International Student - Employee Benefits - Salaries	294,396	217,913	230,533
International Student - Other Expenses	42,708	58,374	73,810
	<u>2,449,521</u>	<u>1,009,749</u>	<u>2,500,541</u>
<i>Surplus for the year Locally Raised Funds</i>	<u>860,960</u>	<u>578,866</u>	<u>535,085</u>

4. Invercargill Activity Centre Revenue and Expense

	2025 Actual	2025 Budget (Unaudited)	2024 Actual
	\$	\$	\$
Revenue			
Activity Centre Fees	24,909	12,561	32,632
Government Grants - Ministry of Education	127,708	112,335	133,242
Ka Ora, Ka Ako - Healthy School Lunches Programme	32,305	-	-
Use of Land and Buildings Grants	52,824	52,824	52,824
	<u>237,745</u>	<u>177,720</u>	<u>218,698</u>
Expense			
Other Invercargill Centre Expenses	89,110	81,880	79,675
Ka Ora, Ka Ako - Healthy School Lunches Programme	13,543	-	7,336
Employee Benefit - Salaries	42,330	43,016	59,452
Use of Land and Buildings Expense	52,824	52,824	52,824
	<u>197,806</u>	<u>177,720</u>	<u>199,287</u>
<i>Surplus for the year - Invercargill Activity Centre</i>	<u>39,939</u>	<u>-</u>	<u>19,410</u>

5. Learning Resources

	2025 Actual	2025 Budget (Unaudited)	2024 Actual
	\$	\$	\$
Curricular	635,447	765,353	621,597
Employee Benefits - Salaries	16,070,001	16,061,144	15,199,796
Staff Development	91,286	75,000	74,742
Depreciation	548,359	500,000	500,812
Other Learning Resources	8,208	18,600	9,900
	<u>17,353,301</u>	<u>17,420,097</u>	<u>16,406,847</u>

6. Administration

	2025 Actual	2025 Budget (Unaudited)	2024 Actual
	\$	\$	\$
Audit Fees	19,361	19,078	18,350
Board Fees and Expenses	74,235	72,485	40,530
Operating Leases	24,013	153,126	22,478
Other Administration Expenses	404,425	222,981	361,099
Employee Benefits - Salaries	1,121,439	1,310,188	1,138,497
Insurance	60,448	50,080	53,109
Service Providers, Contractors and Consultancy	10,033	14,000	3,588
	<u>1,713,954</u>	<u>1,841,938</u>	<u>1,637,651</u>

7. Property

	2025 Actual	2025 Budget (Unaudited)	2024 Actual
	\$	\$	\$
Consultancy and Contract Services	326,421	300,405	333,751
Cyclical Maintenance	277,288	180,000	276,018
Heat, Light and Water	299,213	295,500	300,969
Rates	19,869	15,000	16,742
Repairs and Maintenance	138,294	149,100	291,127
Use of Land and Buildings	2,168,708	2,246,443	2,422,121
Employee Benefits - Salaries	208,971	182,621	220,643
Other Property Expenses	102,156	58,200	98,316
	<u>3,540,920</u>	<u>3,427,269</u>	<u>3,959,687</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.

8. Cash and Cash Equivalents

	2025 Actual	2025 Budget (Unaudited)	2024 Actual
	\$	\$	\$
Bank Accounts	1,371,422	1,246,398	1,246,398
Cash on hand	750	710	710
	<u>1,372,172</u>	<u>1,247,108</u>	<u>1,247,108</u>

Cash and cash equivalents for Statement of Cash Flows

Of the \$1,372,172 Cash and Cash Equivalents \$1,321,090 is subject to restrictions for the following reasons:

\$596,135 is held by the school on behalf of the Ministry of Education. The funds have been provided as part of the school's 5 Year Agreement Funding and is required to be spent on the school's buildings. See note 19.

\$114,943 of unspent grant funding is subject to conditions which specify how the grant is required to be spent. If these conditions are not met, the funds will need to be returned. This is included in Revenue in Advance in note 15.

\$358,319 of international student fees relating to the 2026 school year have been collected by the school. This is included in Revenue in Advance in note 15.

\$36,720 is held by the school on behalf of Murihiku Young Parents Learning Centre. See note 20 for details of the revenue and expenditure of the Teen Parents Unit.

\$251,693 is held by the school on behalf of International Students. This is included in Funds held in Trust in note 18.

9. Accounts Receivable

	2025 Actual	2025 Budget (Unaudited)	2024 Actual
	\$	\$	\$
Receivables	200,298	258,485	258,485
Receivables from the Ministry of Education	162,725	40,881	40,881
Interest Receivable	42,078	35,877	35,877
Teacher Salaries Grant Receivable	1,402,807	1,313,118	1,290,324
	<u>1,807,908</u>	<u>1,648,361</u>	<u>1,625,567</u>
Receivables from Exchange Transactions	242,376	294,362	294,362
Receivables from Non-Exchange Transactions	1,565,532	1,353,999	1,331,205
	<u>1,807,908</u>	<u>1,648,361</u>	<u>1,625,567</u>

10. Inventories

	2025 Actual	2025 Budget (Unaudited)	2024 Actual
	\$	\$	\$
Stationery	7,008	7,238	7,238
Canteen	568	858	858
	<u>7,576</u>	<u>8,096</u>	<u>8,096</u>

11. Investments

The School's investment activities are classified as follows:

	2025 Actual	2025 Budget (Unaudited)	2024 Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	2,350,559	1,685,908	1,685,908
Non-current Asset			
Long-term Bank Deposits	3,047,147	3,682,176	3,682,176
Total Investments	<u>5,397,706</u>	<u>5,368,084</u>	<u>5,368,084</u>

12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2025	\$	\$	\$	\$	\$	\$
Buildings	481,043	11,766	-	-	(30,972)	461,837
Furniture and Equipment	1,001,317	212,577	-	-	(175,767)	1,038,127
Information and Communication Technology	692,117	244,085	-	-	(153,911)	782,291
Motor Vehicles	78,250	10,557	-	-	(52,905)	35,902
Leased Assets	94,316	251,967	-	-	(124,073)	222,210
Library Resources	75,879	16,839	(6,873)	-	(10,731)	75,114
Work in Progress	32,457	20,671	(32,457)	-	-	20,671
	<u>2,455,379</u>	<u>768,462</u>	<u>(39,330)</u>	<u>-</u>	<u>(548,359)</u>	<u>2,636,152</u>

The net carrying value of Information and Communication Technology held under a finance lease is \$222,210 (2024: \$94,316)

Restrictions

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

	2025 Cost or Valuation \$	2025 Accumulated Depreciation \$	2025 Net Book Value \$	2024 Cost or Valuation \$	2024 Accumulated Depreciation \$	2024 Net Book Value \$
Buildings	1,347,520	(885,683)	461,837	1,335,755	(854,712)	481,043
Furniture and Equipment	3,825,772	(2,787,645)	1,038,127	3,614,961	(2,613,644)	1,001,317
Information and Communication Technology	3,150,634	(2,368,343)	782,291	2,911,028	(2,218,911)	692,117
Motor Vehicles	424,656	(388,754)	35,902	437,056	(358,806)	78,250
Leased Assets	835,736	(613,526)	222,210	739,390	(645,074)	94,316
Library Resources	186,705	(111,591)	75,114	188,820	(112,941)	75,879
Work in Progress	20,671	-	20,671	32,452	-	32,452
	<u>9,791,694</u>	<u>(7,155,542)</u>	<u>2,636,152</u>	<u>9,259,462</u>	<u>(6,804,088)</u>	<u>2,455,374</u>

13. Accounts Payable

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Creditors	310,099	304,752	304,752
Accruals	33,821	35,625	35,625
Employee Entitlements - Salaries	1,532,963	1,501,711	1,501,711
Employee Entitlements - Leave Accrual	58,336	61,835	61,835
	<u>1,935,219</u>	<u>1,903,923</u>	<u>1,903,923</u>
Payables for Exchange Transactions	1,935,219	1,903,923	1,903,923
	<u>1,935,219</u>	<u>1,903,923</u>	<u>1,903,923</u>

The carrying value of payables approximates their fair value.

14. Borrowings

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Painting Contract due within one year	25,380	25,380	25,380
	<u>25,380</u>	<u>25,380</u>	<u>25,380</u>
Painting Contract due after one year	6,148	22,315	22,315
	<u>6,148</u>	<u>22,315</u>	<u>22,315</u>

In 2022, the Board signed an agreement with Programmed Maintenance Services Ltd (the contractor) for an agreed programme of work covering a six year period. The programme provides for an interior and exterior repaint of the Ministry owned buildings in 2022, with regular maintenance in subsequent years. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

15. Revenue Received in Advance

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Grants in Advance - Ministry of Education	114,943	98,825	98,825
International Student Fees in Advance	358,319	572,028	572,028
Other Revenue in Advance	-	13,956	13,956
	<u>473,262</u>	<u>684,809</u>	<u>684,809</u>

16. Provision for Cyclical Maintenance

	2025 Actual	2025 Budget (Unaudited)	2024 Actual
	\$	\$	\$
Provision at the Start of the Year	518,620	518,620	364,428
Increase to the Provision During the Year	277,288	180,000	181,111
Use of the Provision During the Year	(109,883)	-	(26,919)
Provision at the End of the Year	<u>686,025</u>	<u>698,620</u>	<u>518,620</u>
Cyclical Maintenance - Current	275,839	188,627	160,625
Cyclical Maintenance - Non current	410,186	509,993	357,995
	<u>686,025</u>	<u>698,620</u>	<u>518,620</u>

The School's cyclical maintenance schedule details annual painting 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 schools 10 Year Property Plan and current painting contract.

17. Finance Lease Liability

The School has entered into a number of finance lease agreements for Computers and Information and Communication Technology Equipment. Minimum lease payments payable:

	2025 Actual	2025 Budget (Unaudited)	2024 Actual
	\$	\$	\$
No Later than One Year	133,593	97,214	97,214
Later than One Year and no Later than Five Years	138,495	202,110	80,110
Future Finance Charges	31,477	18,712	18,712
	<u>303,566</u>	<u>318,036</u>	<u>196,036</u>
Represented by			
Finance lease liability - Current	152,222	110,007	110,007
Finance lease liability - Non current	151,344	208,029	86,029
	<u>303,566</u>	<u>318,036</u>	<u>196,036</u>

18. Funds held in Trust

	2025 Actual	2025 Budget (Unaudited)	2024 Actual
	\$	\$	\$
Funds Held in Trust on Behalf of Third Parties - Current	251,693	436,829	436,829
	<u>251,693</u>	<u>436,829</u>	<u>436,829</u>

These funds relate to arrangements where the school is acting as an agent. These amounts are not revenue or expense of the school and therefore are not included in the Statement of Comprehensive Revenue and Expense.

19. 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 8 and includes retentions on the projects, if applicable.

2025	Opening Balances	Receipts from MOE	Payments	Board Contributions /Transfers	Closing Balances
	\$	\$	\$	\$	\$
JHC - Essential Infrastructure - #210201 & 230015	74,348	-	(74,348)	-	-
JC New Pastoral Care Offices - (BOT Project)	(6,844)	-	-	6,844	-
Cultural Entrance Way - (BOT Project)	(9,255)	-	(2,311)	-	(11,566)
AV Theatre remodel - (BOT Project)	-	-	(100,287)	100,287	-
Toilet Block & Breakout space upgrade - #226905	82,324	47,202	(129,527)	-	-
Roof Repairs - (B,C,D,F,H,I Snr Blocks) - #235499	58,150	-	(18,028)	-	40,122
A,B&RB: LSPM Toilet Modifications - #249755	18,262	4,959	(23,221)	-	-
Snr A,F Toilet remodel & new fire doors - #235502	26,329	375,000	(103,066)	-	298,263
Snr Toilet Block (quad) - #248110	29,596	26,993	(42,314)	-	14,275
Jnr Visual Support Modification - #245601	31,251	4,087	(35,338)	-	-
MYPLC Roof Replacement toilet upgrade - #242896	34,740	73,154	(104,749)	-	3,145
Block Y Remodel Dance Studio #254467	-	98,000	(179,314)	-	(81,314)
RJ: Student Service Redevelopment #254469	-	102,500	(44,203)	(6,844)	51,453
MYPLC Block A Heating Pipework #251947	-	96,044	(78,865)	-	17,179
MYPLC A,B Replacement Floorcoverings #253588	-	50,000	(21,791)	-	28,209
IAC A: Stage 2 Kitchen remodel #253722	-	35,000	(1,260)	-	33,740
MYPLC Water Main Pipeline Replacement #255909	-	-	(17,756)	-	(17,756)
MYPLC B: Admin Security & LED Lighting #253589	-	25,000	(1,890)	-	23,110
JHC Storm Repair Insurance Claim	-	10,000	(4,210)	-	5,790
JC Replace part residential boundary fences #257375	-	6,500	-	-	6,500
Totals	338,902	954,439	(982,477)	100,287	411,151

Represented by:

Funds Held on Behalf of the Ministry of Education	521,787
Funds Receivable from the Ministry of Education	(110,636)

This contribution was treated as a 'donation' to the Ministry of Education (because it is the owner of the buildings) and has been recognised in the Statement of Changes in Net Assets/Equity.

2024	Opening Balances	Receipts from MOE	Payments	Board Contributions /Transfers	Closing Balances
	\$	\$	\$	\$	\$
JHC - Essential Infrastructure - #210201 & 230015	74,348	-	-	-	74,348
JC New Pastoral Care Offices - (BOT Project)	(3,524)	-	(3,320)	-	(6,844)
Cultural Entrance Way - (BOT Project)	(3,540)	-	(5,715)	-	(9,255)
AV Theatre remodel - (BOT Project)	-	-	(51,843)	51,843	-
Toilet Block & Breakout space upgrade - #226905	467,703	1,176,600	(1,561,979)	-	82,324
MYPLC Learning Area Upgrade - #229481	(31,123)	62,074	(32,038)	1,087	-
IAC Kitchen & Outdoor Learning Structure - #229417	(72,452)	39,723	(24,927)	57,656	-
Roof Repairs - (B,C,D,F,H,I Snr Blocks) - #235499	(22,186)	117,000	(36,664)	-	58,150
Metal & Translucent Roof Replacements - #230014	(27,913)	34,557	(6,644)	-	-
A,B&RB: LSPM Toilet Modifications - #249755	(2,197)	25,000	(4,542)	-	18,262
Snr A,F Toilet remodel & new fire doors - #235502	(4,243)	35,548	(4,976)	-	26,329
Snr Toilet Block (quad) - #248110	(1,913)	405,000	(373,492)	-	29,596
Jnr Visual Support Modification - #245601	-	79,000	(47,749)	-	31,251
MYPLC Roof Replacement toilet upgrade - #242896	-	450,000	(415,260)	-	34,740
MYPLC Reinstate vehicle damaged wall - #246519	-	9,573	(9,573)	-	-
Totals	372,960	2,434,075	(2,578,721)	110,586	338,901

Represented by:

Funds Held on Behalf of the Ministry of Education	355,000
Funds Receivable from the Ministry of Education	(16,099)

This contribution was treated as a 'donation' to the Ministry of Education (because it is the owner of the buildings) and has been recognised in the Statement of Changes in Net Assets/Equity.

20. Funds Held for Teen Parent Unit

The School's Teen Parent Unit is a separate business unit of the school in accordance with the agreement with the Ministry of Education. The revenue and expense is included in the school's Statement of Revenue and Expense. During the year the funds were spent on employee benefit expenses, administration and property management expenses.

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Revenue			
Course Fees	47,458	109,700	109,632
Government Grants - Ministry of Education	153,439	183,600	183,547
Ka Ora, Ka Ako - Healthy School Lunches Programme	62,669	63,700	63,626
Use of Land and Buildings Grants	93,707	106,200	106,113
Other Revenue	91,271	56,800	56,704
	448,543	520,000	519,623
Expenses			
Ka Ora, Ka Ako - Healthy School Lunches Programme	76,766	125,041	125,041
Cyclical Maintenance	36,967	-	-
Other Teen Parent Unit Expenses	121,647	245,600	235,735
Use of Land and Buildings	93,707	106,200	106,113
Employee Benefits - Salaries	65,190	66,700	66,640
	394,278	543,541	533,529
<i>Surplus for the year Teen Parent Unit</i>	54,265	(23,541)	(13,905)

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 Board members, Principal, Deputy Principals, Associate Principals and Assistant Principal.

	2025 Actual \$	2024 Actual \$
<i>Board Members</i>		
Remuneration	7,394	8,683
<i>Leadership Team</i>		
Remuneration	1,100,793	1,060,540
Full-time equivalent members	7	7
Total key management personnel remuneration	1,108,187	1,069,223

There are 8 members of the Board excluding the Principal. The Board has held 9 full meetings of the Board in the year. The Board also has Finance committees 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

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

	2025	2024
	Actual	Actual
	\$000	\$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	250-260	230-240
Benefits and Other Emoluments	5-10	5-10
Termination Benefits	-	-

Other Employees

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

Remuneration	2025	2024
\$000	FTE Number	FTE Number
100-110	42	33
110-120	30	26
120-130	11	4
130-140	2	2
140-150	1	1
150-160	2	1
160-170	-	-
170-180	-	1
	88.00	68.00
	88.00	68.00

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 board members, committee members, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

	2025	2024
	Actual	Actual
Total	-	-
Number of People	-	-

24. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2025 (Contingent liabilities and assets at 31 December 2024: 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 continues to review the Schools Sector Payroll to ensure compliance with the Holidays Act 2003. An initial remediation payment has been made to some current school employees. The Ministry is continuing to perform detailed analysis to finalise calculations and the potential impacts of specific individuals. As such, this is expected to resolve the liability for school boards.

25. Commitments

(a) Capital Commitments

At 31 December 2025, the Board had capital commitments of \$877,231 (2024:\$220,599) as a result of entering the following contracts:

Contract Name	Contract Number	Remaining Capital Commitment \$
B,C,D,F,H,I : Mould Remediation & Roof Repairs	235499	77,578
M: New Toilet Block & A: Replacement Hall Fire Doors	235502	351,174
Snr Toilet Block (quad)	248110	21,719
A: Roof Replacement Toilet Upgrade	242896	18,316
A: Replace heating pipework	251947	32,730
A, B: Floorcovering Replacement	253588	34,959
A: Stage 2 Kitchen upgrade	253722	44,265
Site: Replace Water Main Feed Pipeline	255909	16,116
B: Admin Security & LED Lighting	253589	54,790
Storm Damage Reinstatement	257373	11,695
Replace part residential boundary fences X2	257375	13,734
RJ: Student Service Redevelopment	254469	132,072
Block Y Remodel Dance Studio	254467	68,083
Total		877,231

The Board receives funding from the Ministry of Education for Capital Works which is disclosed in note 19.

(b) Operating Commitments

There are no operating commitments as at 31 December 2025 (operating commitments at 31 December 2024: nil).

26. 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

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Cash and Cash Equivalents	1,372,172	1,247,108	1,247,108
Receivables	1,807,908	1,648,361	1,625,567
Investments - Term Deposits	5,397,706	5,368,084	5,368,084
Total financial assets measured at amortised cost	<u>8,577,786</u>	<u>8,263,553</u>	<u>8,240,759</u>

Financial liabilities measured at amortised cost

Payables	1,935,219	1,903,923	1,903,923
Borrowings - Loans	31,528	47,695	22,315
Finance Leases	303,566	318,036	196,036
Total financial liabilities measured at amortised cost	<u>2,270,313</u>	<u>2,269,654</u>	<u>2,122,274</u>

27. Events After Balance Date

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

28. Comparatives

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

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF JAMES HARGEST COLLEGE'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

The Auditor-General is the auditor of James Hargest College (the School). The Auditor-General has appointed me, Aaron Higham, using the staff and resources of BDO Invercargill, to carry out the audit of the financial statements of the School on pages 2 to 19, that comprise the statement of financial position as at 31 December 2025, 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.

Opinion

In our opinion the financial statements:

- present fairly, in all material respects:
 - the School's financial position as at 31 December 2025; and
 - the 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 2 June 2026. This is the date at which our opinion is expressed.

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 audit opinion.

Responsibilities of the Board for the financial statements

The Board is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

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 for assessing the School's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board intends to close or merge the School, or has no realistic alternative but to do so.

The Board's responsibilities arise from section 134 of the Education and Training Act 2020.

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information included in the Board's annual report

The Board is required to prepare an annual report which includes the annual financial statements and the audit report, as well as a Statement of Variance, an Evaluation of the School's Students' Progress and Achievement, a Statement of Compliance with Employment Policy, and a Statement of KiwiSport funding. The Board is responsible for the other information that it presents alongside its annual financial statements.

The other information obtained at the date of our audit report includes copies of the Statement of Variance, Evaluation of the School's Students' Progress and Achievement, Statement of Compliance with Employment Policy, Members of the Board and Statement of KiwiSport funding.

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 Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in, the School.



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