

# Sacred Heart School

Financial Statements - For the year ended 31 December 2019

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## Sacred Heart School Statement of Responsibility

For the year ended 31 December 2019

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

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

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

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

Carmen Kenton  
Full Name of Board Chairperson

Frank M'Manus  
Full Name of Principal

[Signature]  
Signature of Board Chairperson

[Signature]  
Signature of Principal

31/05/2020  
Date:

31/05/2020  
Date:

**Sacred Heart School**  
**Statement of Comprehensive Revenue and Expense**  
For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Revenue</b>				
Government Grants	2	1,179,635	1,186,542	1,152,593
Locally Raised Funds	2	42,798	36,500	31,455
Use of Land and Buildings grants		211,815	211,815	208,343
Interest Received		15,060	9,375	19,199
		<u>1,449,340</u>	<u>1,443,232</u>	<u>1,411,590</u>
<b>Expenses</b>				
Locally Raised Funds	3	31,781	26,400	16,227
Learning Resources	4	1,028,979	1,038,249	975,635
Administration	5	101,944	90,895	91,273
Finance Costs		730	765	601
Property	6	250,895	267,432	234,636
Depreciation	7	45,778	46,130	43,757
Loss on Disposal of Property, Plant and Equipment		85	-	111
		<u>1,490,192</u>	<u>1,479,860</u>	<u>1,362,640</u>
<b>Net Surplus / (Deficit)</b>		<b>(10,854)</b>	<b>(36,628)</b>	<b>48,950</b>
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u><b>(10,854)</b></u>	<u><b>(36,628)</b></u>	<u><b>48,950</b></u>

**Sacred Heart School**  
**Statement of Changes in Net Assets/Equity**  
For the year ended 31 December 2019

	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January	605,690	605,690	596,741
Total comprehensive revenue and expense for the year	(10,654)	(36,628)	48,950
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	36,718	-	-
Equity at 31 December	631,755	569,062	605,690
Retained Earnings	631,755	569,062	605,690
Reserves			
Equity at 31 December	631,755	569,062	605,690

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

**Sacred Heart School**  
**Statement of Financial Position**  
As at 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Current Assets</b>				
Cash and Cash Equivalents	8	83,473	42,561	100,588
Accounts Receivable	9	51,870	51,870	48,949
GST Receivable		5,235	5,235	2,688
Prepayments		4,123	4,124	3,359
Inventories	10	2,360	500	348
Investments	11	408,052	450,000	450,000
		<u>556,143</u>	<u>554,290</u>	<u>615,912</u>
<b>Current Liabilities</b>				
Accounts Payable	13	86,366	86,366	57,858
Revenue Received in Advance	14	7,582	-	5,871
Provision for Cyclical Maintenance	15	-	-	21,000
Finance Lease Liability - Current Portion	16	9,100	9,100	8,275
Funds held in Trust		2,436	-	3,183
		<u>105,484</u>	<u>95,466</u>	<u>96,277</u>
<b>Working Capital Surplus(Deficit)</b>		<b>450,659</b>	<b>458,824</b>	<b>519,635</b>
<b>Non-current Assets</b>				
Property, Plant and Equipment	12	<u>125,587</u>	<u>131,993</u>	<u>104,637</u>
		<u>125,587</u>	<u>131,993</u>	<u>104,637</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	15	7,885	14,747	9,747
Finance Lease Liability	16	7,007	7,007	8,834
		<u>14,892</u>	<u>21,754</u>	<u>18,581</u>
<b>Net Assets</b>		<u><b>631,555</b></u>	<u><b>589,062</b></u>	<u><b>605,690</b></u>
<b>Equity</b>		<u><b>631,555</b></u>	<u><b>589,062</b></u>	<u><b>605,690</b></u>

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



**Sacred Heart School**  
**Statement of Cash Flows**  
For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		364,174	343,169	353,711
Locally Raised Funds		44,410	36,500	38,133
Goods and Services Tax (net)		(2,566)	(2,566)	2,103
Payments to Employees		(204,396)	(181,471)	(175,850)
Payments to Suppliers		(184,796)	(212,079)	(158,635)
Interest Paid		(730)	-	(807)
Interest Received		17,657	11,940	17,945
<b>Net cash from / (to) the Operating Activities</b>		<b>53,762</b>	<b>(5,507)</b>	<b>78,658</b>
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of PPE (and Intangibles)		(65)	(779)	(111)
Purchase of PPE (and Intangibles)		(137,676)	(73,226)	(23,904)
Purchase of Investments		50,948	-	7,212
<b>Net cash from / (to) the Investing Activities</b>		<b>(86,816)</b>	<b>(74,004)</b>	<b>(16,803)</b>
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		36,718	-	-
Finance Lease Payments		(51)	(8,941)	(11,462)
Funds Administered on Behalf of Third Parties		(728)	-	150
<b>Net cash from Financing Activities</b>		<b>35,939</b>	<b>(8,941)</b>	<b>(11,312)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(17,115)</b>	<b>(88,452)</b>	<b>50,492</b>
Cash and cash equivalents at the beginning of the year	8	100,588	131,013	50,096
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>83,473</b>	<b>42,561</b>	<b>100,588</b>

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

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

## Sacred Heart School Notes to the Financial Statements

### 1 Statement of Accounting Policies

For the year ended 31 December 2019

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

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

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

##### **Reporting Period**

The financial reports have been prepared for the period 1 January 2019 to 31 December 2019 and in accordance with the requirements of the Public Finance Act 1989.

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

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

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

The Education Act 1989 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying 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".

##### **Standard early adopted**

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 25.

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

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

##### **Measurement Base**

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

##### **Presentation Currency**

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

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

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

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

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

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

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 12.

**Critical Judgements in applying accounting policies**

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

**Classification of leases**

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

**Recognition of grants**

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

**c) Revenue Recognition**

**Government Grants**

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

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

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

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

**Other Grants**

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

**Donations, Gifts and Bequests**

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

**Interest Revenue**

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

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

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

**e) Operating Lease Payments**

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

**f) Finance Lease Payments**

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

**g) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of 90 days or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.



#### **h) Accounts Receivable**

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

##### **Prior Year Policy**

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

#### **i) Inventories**

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

#### **j) Investments**

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

##### **Prior Year Policy**

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

*After initial recognition bank term deposits are measured at amortised cost using the effective interest method less impairment.*

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

*The School has met the requirements under section 26 of schedule 6 of the Education Act 1989 in relation to the acquisition of securities.*

#### **k) Property, Plant and Equipment**

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

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

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

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

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

#### **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:

Furniture and equipment	10-15 years
Information and communication technology	3-5 years
Plant and Equipment	5-10 years
Textbooks	10 years
Leased assets held under a Finance Lease	3-4 years
Library resources	12.5% Diminishing value



**l) Intangible Assets**

**Software costs**

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

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

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

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

**m) Impairment of property, plant, and equipment and intangible assets**

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

**Non cash generating assets**

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

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

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

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

**n) Accounts Payable**

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

**o) Employee Entitlements**

**Short-term employee entitlements**

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

**Long-term employee entitlements**

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

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

**p) Revenue Received in Advance**

Revenue received in advance relates to fees received from 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.

**q) Funds Held in Trust**

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

**r) Provision for Cyclical Maintenance**

The property from which the school operates is owned by the Proprietor. The Board is responsible for maintaining the land, building and other facilities on the School site in a state of good order and repair.

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

**s) Financial Assets and Liabilities**

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

**t) 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.

**u) Budget Figures**

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

**v) 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**

Operational grants  
Teachers' salaries grants  
Other MoE Grants

2019	2019	2018
Actual	Budget (Unaudited)	Actual
\$	\$	\$
268,473	268,105	273,100
535,068	535,068	788,430
76,063	82,369	91,054
<u>1,179,635</u>	<u>1,185,542</u>	<u>1,152,593</u>

**3 Locally Raised Funds**

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

**Revenue**  
Donations  
Trading  
Activities

**Expenses**  
Activities  
Trading

*Surplus for the year Locally raised funds*

2019	2019	2018
Actual	Budget (Unaudited)	Actual
\$	\$	\$
23,437	21,000	19,784
9,297	5,000	9,387
10,054	9,500	3,284
<u>42,796</u>	<u>35,500</u>	<u>31,455</u>
28,046	21,500	6,390
3,735	4,900	7,637
<u>31,781</u>	<u>26,400</u>	<u>14,227</u>
<u>11,017</u>	<u>9,100</u>	<u>15,228</u>

**4 Learning Resources**

Library resources  
Employee benefits - salaries  
Resource/attached teacher costs  
Staff development

2019	2019	2018
Actual	Budget (Unaudited)	Actual
\$	\$	\$
1,455	750	835
981,875	982,468	915,892
36,717	38,030	41,399
8,033	16,000	17,509
<u>1,028,079</u>	<u>1,038,248</u>	<u>975,635</u>

**5 Administration**

Audit Fee  
Board of Trustees Fees  
Board of Trustees Expenses  
Communication  
Consumables  
Operating Lease  
Other  
Employee Benefits - Salaries  
Staff Expenses

2019	2019	2018
Actual	Budget (Unaudited)	Actual
\$	\$	\$
3,335	3,336	3,238
3,650	5,000	3,635
6,500	2,650	732
1,931	2,800	2,531
1,831	2,000	1,140
3,129	3,200	3,138
27,779	28,200	22,354
48,400	51,000	48,577
7,389	4,500	7,969
<u>101,944</u>	<u>100,685</u>	<u>91,273</u>

6 Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	3,262	2,500	2,069
Consultancy and Contract Services	16,010	18,000	15,991
Cyclical Maintenance Provision	(11,262)	5,000	(22,016)
Grounds	5,538	5,200	7,408
Heat, Light and Water	7,444	6,417	6,163
Rates	2,009	2,500	1,258
Repairs and Maintenance	4,843	4,000	3,329
Use of Land and Buildings	211,815	211,815	208,343
Employee Benefits - Salaries	11,206	11,000	10,273
	<u>250,895</u>	<u>297,432</u>	<u>234,836</u>

The use of land and buildings figure represents 6% of the school's total property value. This is used as a 'proxy' for the market rental of the property. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

7 Depreciation of Property, Plant and Equipment

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Furniture and Equipment	10,906	6,908	6,552
Information and Communication Technology	19,025	18,551	17,691
Plant and Equipment	4,453	8,060	7,645
Textbooks	1,345	1,783	1,002
Leased Assets	9,605	10,318	9,788
Library Resources	443	410	389
	<u>45,777</u>	<u>46,130</u>	<u>43,767</u>

8 Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	-	-	35
Bank Current Account	83,473	42,561	71,825
Short-term Bank Deposits	-	-	28,828
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>83,473</u>	<u>42,561</u>	<u>100,588</u>

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

9 Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Interest Receivable	3,072	3,072	5,837
Teacher Salaries Grant Receivable	48,758	48,758	43,312
	<u>51,830</u>	<u>51,830</u>	<u>49,149</u>
Receivables from Exchange Transactions	3,072	3,072	5,837
Receivables from Non-Exchange Transactions	48,758	48,758	43,312
	<u>51,830</u>	<u>51,830</u>	<u>49,149</u>

10 Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
School Uniforms	2,390	500	348
	<u>2,390</u>	<u>500</u>	<u>348</u>

11 Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset Short-term Bank Deposits	400,000	400,000	400,000
Non-current Asset Long-term Bank Deposits	-	-	-

The carrying value of long term deposits longer than 12 months approximates their fair value at 31 December 2019.

12 Property, Plant and Equipment

2019	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Land - School	-	48,381				48,381
Furniture and Equipment Information and Communication Technology	22,774	58,348			(10,900)	71,217
Plant and Equipment	44,081	17,815			(10,020)	42,870
Textbooks	53,763	1,674			(4,453)	10,984
Leased Assets	4,587	-			(1,340)	3,242
Library Resources	96,708	8,687			(9,000)	16,790
Balance at 31 December 2019	2,724	908	(86)	-	(443)	3,103
	<u>104,637</u>	<u>136,813</u>	<u>(86)</u>	<u>-</u>	<u>(46,778)</u>	<u>198,687</u>

Accumulated Depreciation

2019	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Land - School	48,381	-	48,381
Furniture and Equipment Information and Communication Technology	170,055	(98,838)	71,217
Plant and Equipment	211,312	(168,443)	42,870
Textbooks	118,435	(107,451)	10,984
Leased Assets	17,151	(13,909)	3,242
Library Resources	32,721	(16,931)	16,790
Balance at 31 December 2019	26,182	(23,079)	3,103
	<u>624,236</u>	<u>(428,651)</u>	<u>198,687</u>

2018	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Furniture and Equipment Information and Communication Tech	26,497	2,829			(5,552)	22,773
Plant and Equipment	43,071	18,702			(17,691)	44,082
Textbooks	20,489	919			(7,645)	13,763
Leased Assets	6,279	-			(1,692)	4,587
Library Resources	24,806	1,690			(9,788)	16,708
Balance at 31 December 2018	1,660	1,564	(111)	(389)		2,724
	<u>122,801</u>	<u>25,704</u>	<u>-</u>	<u>(111)</u>	<u>(43,752)</u>	<u>104,637</u>



Accumulated Depreciation

2019
Furniture and Equipment
Information and Communication Technology
Plant and Equipment
Textbooks
Leased Assets
Library Resources
Balance at 31 December 2018

Cost or Valuation	Accumulated Depreciation	Net Book Value
\$	\$	\$
110,707	(87,933)	22,774
103,497	(145,416)	44,081
116,761	(102,998)	13,763
17,151	(12,064)	4,887
33,671	(16,964)	16,706
26,091	(23,367)	2,724
<u>497,678</u>	<u>(393,241)</u>	<u>104,437</u>

13 Accounts Payable

Operating creditors
Accruals
Banking staffing overuse
Employee Entitlements - salaries
Employee Entitlements - leave accrual
Payables for Exchange Transactions
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)
Payables for Non-exchange Transactions - Other

2019 Actual	2019 Budget (Unaudited)	2018 Actual
\$	\$	\$
4,975	4,975	1,685
3,985	3,985	3,888
27,913	27,913	6,305
48,798	48,798	43,312
695	695	679
<u>86,366</u>	<u>86,366</u>	<u>57,668</u>
86,366	86,366	57,668
-	-	-
<u>86,366</u>	<u>86,366</u>	<u>57,668</u>

The carrying value of payables approximates their fair value.

14 Revenue Received in Advance

Other

2019 Actual	2019 Budget (Unaudited)	2018 Actual
\$	\$	\$
7,582	-	5,971
<u>7,582</u>	<u>-</u>	<u>5,971</u>

15 Provision for Cyclical Maintenance

Provision at the Start of the Year  
Increase to the Provision During the Year  
Adjustment to the Provision  
Use of the Provision During the Year  
Provision at the End of the Year

Cyclical Maintenance - Current  
Cyclical Maintenance - Term

2019 Actual	2019 Budget (Unaudited)	2018 Actual
\$	\$	\$
30,747	30,747	52,706
-	5,000	-
(11,262)	-	(22,019)
(11,800)	(21,000)	-
<u>7,685</u>	<u>14,747</u>	<u>30,747</u>
-	-	21,000
<u>7,685</u>	<u>14,747</u>	<u>51,747</u>
<u>7,685</u>	<u>14,747</u>	<u>30,747</u>

#### 16 Finance Lease Liability

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	9,100	9,100	8,275
Later than One Year and no Later than Five Years	7,007	7,007	8,834
Later than Five Years	-	-	-
	<u>16,107</u>	<u>16,107</u>	<u>17,109</u>

#### 17 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/vendor relationship on terms and condition no more or less favourable than those that it is reasonable to expect the school would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

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

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

#### 18 Remuneration

##### Key management personnel compensation

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

	2019 Actual \$	2018 Actual \$
<b>Board Members</b>		
Remuneration	3,650	3,635
Full-time equivalent members	0.08	0.06
<b>Leadership Team</b>		
Remuneration	233,606	217,236
Full-time equivalent members	2.00	2.00
<b>Total key management personnel remuneration</b>	<u>237,256</u>	<u>220,871</u>
<b>Total full-time equivalent personnel</b>	<u>2.08</u>	<u>2.06</u>

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



**Principal**

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

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	120-130	120-130
Benefits and Other Emoluments	0-10	0-50
Termination Benefits		

**Other Employees**

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
100-110	1.00	0.00
	<u>1.00</u>	<u>0.00</u>

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

**19 Compensation and Other Benefits Upon Leaving**

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

	2019 Actual	2018 Actual
Total	\$0	\$0
Number of People	0	0

**20 Contingencies**

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

**Holidays Act Compliance – schools payroll**

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

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

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

**21 Commitments**

**(a) Capital Commitments**

As at 31 December 2019 the Board has entered into no contract agreements for capital works.

(Capital commitments at 31 December 2018: nil)

**(b) Operating Commitments**

As at 31 December 2019 the Board has entered into no contracts.

## 22 Managing Capital

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

## 23 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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	53,473	42,561	100,588
Receivables	51,870	51,870	48,948
Investments - Term Deposits	408,052	450,000	460,000
<b>Total Cash and Receivables</b>	<b>514,395</b>	<b>544,431</b>	<b>609,536</b>

### Financial liabilities measured at amortised cost

Payables	86,366	86,366	67,668
Finance Leases	16,107	16,107	17,109
<b>Total Financial Liabilities Measured at Amortised Cost</b>	<b>102,473</b>	<b>102,473</b>	<b>84,777</b>

## 24 Events After Balance Date

### Impact from COVID-19

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

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

At this time the full financial impact of the COVID-19 pandemic is not able to be determined, but it is not expected to be significant to the school. The school will continue to receive funding from the Ministry of Education, even while closed.

## 25 Adoption of PBE IFRS 9 Financial Instruments

In accordance with the transitional provisions of PBE IFRS 9, the school has elected not to restate the information for previous years to comply with PBE IFRS 9. Adjustments arising from the adoption of PBE IFRS 9 are recognised in opening equity at 1 January 2018. Accounting policies have been updated to comply with PBE IFRS 9. The main updates are:

- Note 9 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.
- Note 11 Investments:

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

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



<b>School Name:</b>	Sacred Heart School	<b>School Number:</b> 3270
<b>Strategic Aim:</b>	All students are able to access the New Zealand Curriculum as evidenced by achievement information.	
<b>Annual Aim:</b>	To increase the number of students who are making progress	
<b>Target:</b>	<b>Target 1</b> To improve the results of the target group so that we are showing improvements in writing across Learners in Year 4-8. We aim to have these children making progress to move at least one curriculum level. A group of 15 Learners who at the end of 2018 who are working at least 1 curriculum level below their cohort's corresponding curriculum level.	
<b>Baseline Data:</b>	<b>Baseline data from end of 2018—Writing:</b> After an in-depth discussion of data and individual needs of the students concerned, we have decided to have a writing target across the middle and senior school. These target students, for the most part, will be our below NZC students. The well below students have more complex needs and will be catered for within our learning support programme and our classroom programmes.	

# Analysis of Variance Reporting



<b>Actions</b> <i>What did we do?</i>	<b>Outcomes</b> <i>What happened?</i>	<b>Reasons for the variance</b> <i>Why did it happen?</i>	<b>Evaluation</b> <i>Where to next?</i>
<p>Team inquiries focused on writing</p> <p>PD Literacy Progressions</p> <p>Collaborative approach to teaching and analysis of data.</p> <p>Moderated in syndicates</p> <p>Syndicates identifying target students.</p> <p>Focus on providing authentic writing opportunities (inquiry writing)</p> <p>Oral Language was a focus as a prerequisite for writing.</p> <p>ELLs and Literacy learning Progressions are used to define and select appropriate literacy learning tasks.</p> <p>Clear expectations of the target groups and what their next steps are.</p> <p>Teachers use a variety of explicit teaching of the target students. Eg: Group teaching, shared writing, modelling, quality feedback/feed forward.</p> <p>Gather accurate data of the target children and analyse to inform teaching and learning. Eg: writing</p>	<p>Of the 15 children that were included as a target group 7 children made progress of a curriculum level in writing.</p> <p>We can see however positive progress and engagement - just not enough to show accelerated progress</p> <p>One key outcome is that target groups are making more of an effort to write and complete their writing. They are more willing to engage in the feedback process.</p>	<p>Children were assisted in small groups of the ability that provided an environment of high expectations but low stress. They were well supported by adapted programmes delivered by teachers and teacher aides. A variety of strategies were used to assist children with managing their learning difficulties and building confidence.</p> <p>Children had access to individual Choice based writing – increased motivation and engagement.</p> <p>Authentic writing opportunities provided purpose for writing</p>	<ul style="list-style-type: none"> <li>-Professional development for teachers on the marking and moderating of writing using asTTa indicators.</li> <li>-ESOL students to receive regular tuition with more emphasis of assistance within the classroom.</li> <li>-ESOL students focus on vocabulary development within authentic contexts.</li> <li>-Regular writing moderation sessions within team meetings.</li> <li>-Use of Sheena Cameron's Writing resource.</li> <li>-Reading Recovery for selected 6 year olds.</li> <li>-Phonics teaching throughout the school.</li> <li>-All Maori/Pasifika/ESOL children are tracked individually in google doc with identified needs, support given and adapted programmes.</li> <li>-Regular classroom monitoring of progress, updating learning progression docs and plan of action.</li> </ul>

samples, moderation, exemplars

Teaching approaches are varied and based on effective literacy practice. Shared understandings of deliberate acts of teaching

Planning for next year.

School Name:

Sacred Heart School

School Number:

3270

Strategic Aim:

All students are able to access the New Zealand Curriculum as evidenced by achievement information.

Annual Aim:

To increase the number of students who are making progress

Target:

We aim to have all children across the school to move at least one progression against Self-regulation and Using Technology for Learning.

Organised: Managing themselves and showing character.

- Students will show essential character traits of grit, tenacity, perseverance and resilience.
- Students will be resourceful, reliable and enterprising.
- Students will set goals, make plans and have high standards.
- Students will know when to lead and when to follow. Competency objectives in each DRIVE

Baseline Data:

Term 1 self assessment data with teacher moderation. Shown in tables below.

<b>Actions</b> <b>What did we do?</b>	<b>Outcomes</b> <b>What happened?</b>	<b>Reasons for the variance</b> <b>Why did it happen?</b>	<b>Evaluation</b> <b>Where to next?</b>
<p>Assessment of ALL children in regards to the Dimensions of their role and responsibility in learning (self-regulation and Using technology for learning (Leveraging Digital))</p> <p>By Syndicate all teachers use planning formats for creating a DIVE related to Enterprise.</p> <p>Leaders and teachers develop the Tasks and activities related to the DIVE and teaching of Enterprise</p> <p>Assessment and reflection on DIVE for Enterprise.</p> <p>Whole staff Reflection and Planning for second DIVE on the theme Growth</p>	<p><b>What is of interest or significant about this data?</b></p> <p>There was positive progress in all but 3 of the responses in October 2019. 100% of student responses in year 5 said they continued working if the teacher was busy. There was a 47% increase in students responding very often or often to "I like to work toward my next learning steps".</p> <p><b>What is of interest or significant about this data?</b></p> <p>The largest percentage increase at year 7 was children wanting to tell other people about their learning. (35%). There was also a notable increase in response to setting their own goals. (14%), continuing to work if the teacher is busy. (25%), and working towards next learning steps. (7%).</p> <p><b>School Trends</b></p> <p>Year 6 and 8 students showed similar and a smaller amount of progress than the other year groups with the same questions.</p> <p>Year 7 and 8 students both showed a decline in the statement, "I enjoy learning". All year levels apart from</p>	<p><b>What has supported these changes?</b></p> <p>The collaborative inquiry cycle, supported by the deep learning evaluation tool has supported changes, providing a scaffolded tool for teachers to work with. Teachers have also created scaffolded opportunities for students to ensure they are able to take control of their own learning and progress.</p> <p>Professional development has also supported teachers to ensure they can confidently make these changes.</p> <p><b>How has teacher practice changed?</b></p> <p>There have been many positive impacts on teacher practice as a result of being part of the Kahukura Cluster TLF project. There has been a positive increase in teachers identifying themselves in the band that includes 'Very confident' and 'Able to develop others' across 4 of the student agency focused dimensions of practice. It was interesting to note that two dimensions saw a decrease in teacher confidence, 'use student voice as a driver for learning design and improvement' and 'design deep learning tasks that scaffold thinking and levels of complexity. One teacher also felt confident enough that they could support others with the statement 'foster student innovation</p>	<p>What are the overall learnings about 'How can we develop student agency, especially in digital spaces?' in the school context.</p> <p>Staff understanding of agency, especially with students in year 4-8 has changed to be more than just what students do independently to focus on what staff can do to enhance the learning setting.</p> <p>Student agency is clearly enhanced when students have more input into learning design and assessment for learning.</p> <p>Partnerships are an integral part of the learning design of deep learning and support the increase of student agency.</p> <p>Student involvement at all stages of the deep learning process is essential to ensure student agency and to get this right teachers need to have a sound understanding of all parts of the process also.</p>



year 6 had more than 90% of the students respond positively to "When the teacher is busy I still get on with my work".

Detailed results below.

to use digital to deepen learning to create knowledge and apply digital innovative ways. The TLJF project and the stronger focus the teachers have had on making learning deep with the use of the evaluation tool could have resulted in the teachers assessing themselves at the same or a lower level, marking themselves harder after learning more about student agency and how it can be developed in cycle two.

#### Planning for next year.

**How will the inquiry - "How can we develop student agency, especially in digital spaces?" be sustained/extended in the school context?**

In 2020 we will sustain and embed teacher practice by continuing to use and develop the evaluation tool to ensure staff are accountable for creating deep learning opportunities.

In 2020 we will continue to provide professional development opportunities to further build on staff knowledge of student agency and deep learning.

In 2020 we will continue to be deliberate with our learning design to ensure student agency continues to be developed.

In 2020 we will put a deliberate focus on digital, ensuring the use of this is enhanced across the school to support agentic students.

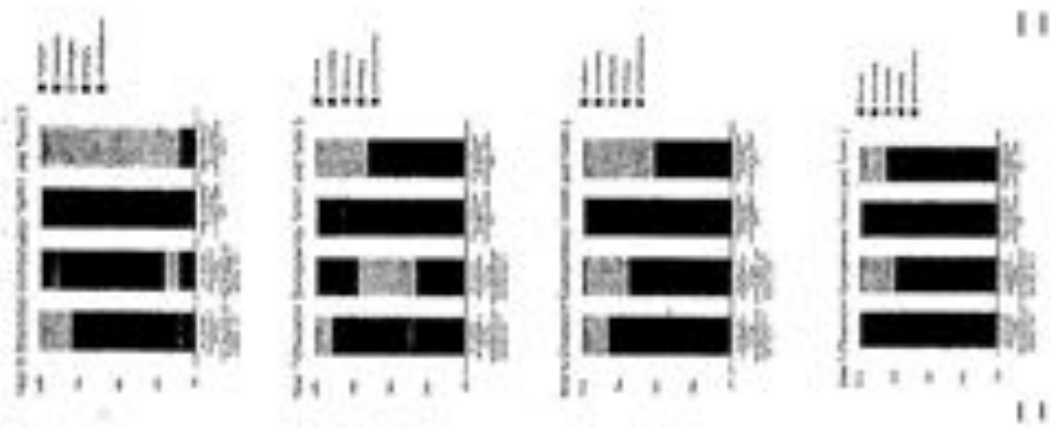
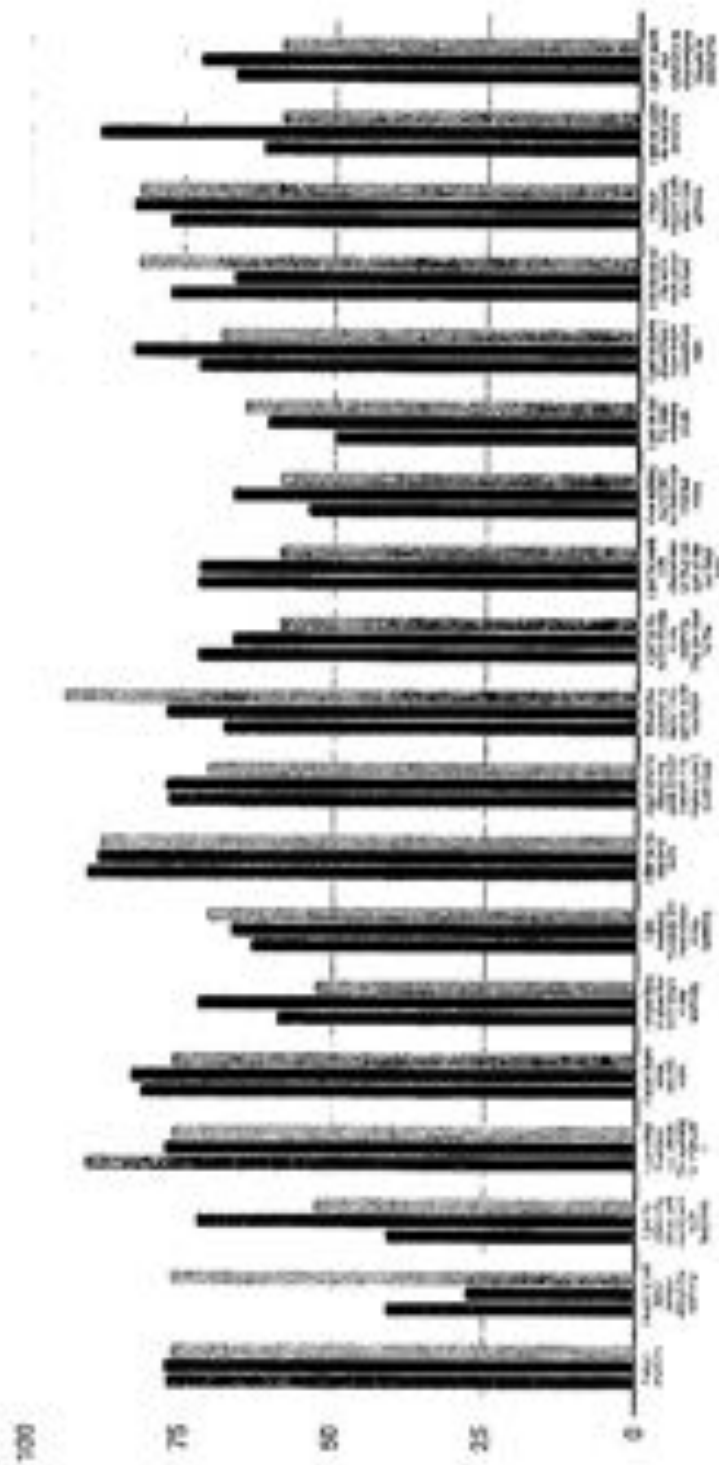
In 2020 we will continue to develop competencies, in particular, collaboration as a school target, that will enhance and increase agency in students.

In 2020 we will continue to develop collaborative practice amongst teachers.



### Sacred Heart School Year 7 Students NZCER Student Agency Survey - % Very Often/Often responses

Oct 18
  June 19
  October 19



### Sacred Heart School Kwisport Funding 2019

Kwisport is a Government funding initiative to support students' participation in organised sport.

In 2019, the school received total Kwisport funding of \$2,524.75 (excluding GST).

The funding was spent on entrance fees for 7 basketball teams to play full seasons at Pioneer Stadium. Entrance subscription to Primary Sports Canterbury for all primary schools sports events. We purchased equipment to set up for school fitness, winter sports, basketball and athletics gear.

As a school, we don't recoup the cost of these entries from parents.

The number of students that participated in organised sport was 115.

Regards  
Frank McManus  
Principal  
Sacred Heart School

**INDEPENDENT AUDIT REPORT TO THE READERS OF  
SACRED HEART CATHOLIC SCHOOL - ADDINGTON  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

The Auditor-General is the auditor of Sacred Heart Catholic School - Addington (the School). The Auditor-General has appointed me, Michael Rondel, using the staff and resources of BDO Christchurch, to carry out the audit of the financial statements of the School on his behalf.

#### **Opinion**

We have audited the financial statements of the School on pages 3 to 18 that comprise the statement of financial position as at 31 December 2019, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
  - financial position as at 31 December 2019; and
  - financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practices in New Zealand and have been prepared in accordance with Public Benefit Entity Standards with disclosure concessions.

Our audit was completed on 31 May 2020. This is the date at which our opinion is expressed.

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

#### **Emphasis of Matter - COVID-19**

Without modifying our opinion, we draw attention to the disclosures in note 24 on page 18 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

#### **Basis of Opinion**

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

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

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

**Responsibilities of the Board of Trustees**

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

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

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

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

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

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty

exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Our responsibilities arise from the Public Audit Act 2001.

#### Other information

The Board of Trustees is responsible for the other information. The other information comprises the Analysis of Variance, Kiwisport notice and Board of Trustees listing, but does not include the financial statements, and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the Independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

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



Michael Rondel  
BDO Christchurch

On behalf of the Auditor-General  
Christchurch, New Zealand