

ST MARY'S SCHOOL (HASTINGS)

Annual Report

FOR THE YEAR ENDED 31 DECEMBER 2018



School Directory

Ministry Number: 2681
Principal: Liz Crowley
School Address: 901 Frederick Street, Hastings
School Postal Address: 901 Frederick Street, Hastings
School Phone: 06 876 6421
School Email: principal@stmaryshastings.school.nz

Members of the Board of Trustees

Name	Position	How position gained	Term expired/expires
Sharon Smith	Chairperson	Elected Jun 2016	May 2019
Elizabeth Crowley	Principal	Appointed Jan 2007	
Damien Fischer	Bishops rep	Appointed Jul 2015	Jun 2018
Mary Dinwiddie	Bishops rep	Appointed May 2016	Apr 2019
Cushla McLaren	Parents rep	Elected Jun 2016	May 2019
Stuart Greville	Parents rep	Elected Jun 2016	May 2019
Seletuta Visiesio-Pita	Parents rep	Elected Jun 2016	May 2019
Tracey Smith	Staff rep	Elected Jun 2016	May 2019

Accountant / Service Provider: Eclipse Solutions 4 Schools Ltd

ST MARY'S SCHOOL (HASTINGS)

Annual Report - For the year ended 31 December 2018

Index

Page Financial Statements

1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expense
3	Statement of Changes in Net Assets/Equity
4	Statement of Financial Position
5	Statement of Cash Flows
6 - 19	Notes to the Financial Statements

Other Information

Kiwisport Report

Analysis of Variance

St Mary's School (Hastings)

Statement of Responsibility

For the year ended 31 December 2018

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2018 fairly reflects the financial position and operations of the school.

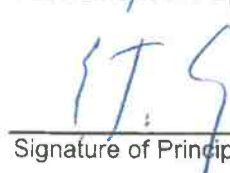
The School's 2018 financial statements are authorised for issue by the Board.

Sheen Dorothy Smith
Full Name of Board Chairperson


Signature of Board Chairperson

28/5/19
Date:

Elizabeth Therese Crowley
Full Name of Principal


Signature of Principal

28/5/19
Date:

St Mary's School (Hastings)

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2018

		2018	2018	2017
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	1,437,879	1,411,086	1,397,191
Locally Raised Funds	3	99,271	90,250	95,160
Use of Land and Buildings Integrated		243,709	243,709	243,709
Interest Earned		7,715	2,300	4,493
Other Revenue		220	-	200
		<hr/>	<hr/>	<hr/>
		1,788,794	1,747,345	1,740,753
Expenses				
Locally Raised Funds	3	48,388	51,975	34,789
Learning Resources	4	1,157,831	1,161,876	1,169,665
Administration	5	116,762	97,720	104,271
Finance		997	1,441	1,581
Property	6	381,146	361,846	354,491
Depreciation	7	61,461	66,925	66,119
Loss on Disposal of Property, Plant and Equipment		2,242	-	1,266
Amortisation of Intangible Assets		300	75	75
		<hr/>	<hr/>	<hr/>
		1,769,127	1,741,858	1,732,257
Net Surplus / (Deficit) for the Year		19,667	5,487	8,496
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		19,667	5,487	8,496

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

St Mary's School (Hastings)
Statement of Changes in Net Assets/Equity

For the year ended 31 December 2018

	Actual 2018 \$	Budget (Unaudited) 2018 \$	Actual 2017 \$
Balance at 1 January	<u>455,855</u>	<u>455,855</u>	<u>447,359</u>
Total Comprehensive Revenue and Expense for the Year	19,667	5,487	8,496
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	-
Equity at 31 December	<u>475,522</u>	<u>461,342</u>	<u>455,855</u>
Retained Earnings	475,522	461,342	455,855
Reserves	-	-	-
Equity at 31 December	<u>475,522</u>	<u>461,342</u>	<u>455,855</u>

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

St Mary's School (Hastings)

Statement of Financial Position

As at 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Assets				
Cash and Cash Equivalents	8	334,702	270,100	239,194
Accounts Receivable	9	69,218	64,400	63,713
GST Receivable		14,708	6,762	5,235
Prepayments		3,578	6,000	5,537
Inventories	10	6,689	7,650	7,486
Investments	11	-	-	10,000
		<hr/>	<hr/>	<hr/>
		428,895	354,912	331,165
Current Liabilities				
Accounts Payable	14	111,499	94,500	92,345
Revenue Received in Advance	15	15,218	10,000	10,326
Provision for Cyclical Maintenance	16	17,377	3,869	-
Finance Lease Liability - Current Portion	17	7,035	7,000	9,721
		<hr/>	<hr/>	<hr/>
		151,129	115,369	112,392
Working Capital Surplus/(Deficit)		<hr/>	<hr/>	<hr/>
		277,766	239,543	218,773
Non-Current Assets				
Property, Plant and Equipment	12	302,996	321,000	325,993
Intangible Assets	13	1,125	1,200	1,425
		<hr/>	<hr/>	<hr/>
		304,121	322,200	327,418
Non-Current Liabilities				
Provision for Cyclical Maintenance	16	103,675	88,401	78,337
Long Service Leave/Retirement Leave Payable - Non Current		-	7,000	6,862
Finance Lease Liability	17	2,690	5,000	5,137
		<hr/>	<hr/>	<hr/>
		106,365	100,401	90,336
Net Assets		<hr/>	<hr/>	<hr/>
		475,522	461,342	455,855
Equity		<hr/>	<hr/>	<hr/>
		475,522	461,342	455,855

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

St Mary's School (Hastings)
Statement of Cash Flows
For the year ended 31 December 2018

		2018	2018	2017
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash Flows from Operating Activities				
Government Grants		398,631	371,838	377,765
Locally Raised Funds		104,138	96,850	104,044
Goods and Services Tax (net)		(23,197)	238	1,520
Payments to Employees		(169,649)	(192,108)	(205,760)
Payments to Suppliers		(185,359)	(215,791)	(173,508)
Cyclical Maintenance Payments in the year		-	-	-
Interest Paid		(997)	(1,441)	(1,581)
Interest Received		7,780	1,300	4,385
Net Cash from/(to) the Operating Activities		131,347	60,886	106,865
Cash Flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	-	-
Purchase of PPE (and Intangibles)		(37,116)	(25,980)	(44,572)
Purchase of Investments		-	-	(10,000)
Proceeds from Sale of Investments		10,000	-	-
Net Cash from/(to) the Investing Activities		(27,116)	(25,980)	(54,572)
Cash Flows from Financing Activities				
Finance Lease Payments		(8,723)	(4,000)	(7,492)
Funds Administered on Behalf of Third Parties		-	-	-
Funds Held for Capital Works Projects		-	-	-
Net Cash from Financing Activities		(8,723)	(4,000)	(7,492)
Net Increase/(Decrease) in Cash and Cash Equivalents		95,508	30,906	44,801
Cash and Cash Equivalents at the Beginning of the Year	8	239,194	239,194	194,393
Cash and Cash Equivalents at the End of the Year	8	334,702	270,100	239,194

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.

St Mary's School (Hastings)

Notes to the Financial Statements

For the year ended 31 December 2018

1. Statement of Accounting Policies

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

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

Critical Judgements in Applying Accounting Policies

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

Classification of leases

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 17.

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

Other Grants

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

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

e) Finance Lease Payments

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

f) 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.

g) Accounts Receivable

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

h) 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.

i) Investments

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

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

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

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

j) 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 may not be capitalised. In which case they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

Leased Assets

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

Depreciation

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

The estimated useful lives of the assets are:

Building Improvements	20 years
Furniture and Equipment	0-20 years
Information and Communication Technology	3–10 years
Motor Vehicles	5 years
Textbooks	3 years
Leased Assets Held Under a Finance Lease	3-4 years
Library resources	12.5-13.0% Diminishing value

k) Intangible Assets

Software costs

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

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

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

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

l) 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.

m) 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.

n) Employee Entitlements

Short-term employee entitlements

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

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

Long-term employee entitlements

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

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

o) Revenue Received in Advance

Revenue received in advance relates to fees 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.

p) 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).

q) Financial Assets and Liabilities

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

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

The School's financial liabilities comprise accounts payable and finance lease liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

r) 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.

s) Budget Figures

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

t) Services received in-kind

From time to time the School receives services in-kind, including the time of volunteers. The School has elected not to recognise services received in kind in the Statement of Comprehensive Revenue and Expense.

2. Government Grants

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operational Grants	358,714	342,427	337,788
Teachers' Salaries Grants	1,039,248	1,039,248	1,024,674
Resource Teachers Learning and Behaviour Grants	522	1,600	3,702
Other MoE Grants	39,395	27,811	31,027
	<u>1,437,879</u>	<u>1,411,086</u>	<u>1,397,191</u>

3. Locally Raised Funds

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue			
Donations	51,444	38,750	51,827
Fundraising	169	600	-
Other Revenue	711	1,000	824
Trading	9,612	9,350	10,927
Activities	37,335	40,550	31,582
	<u>99,271</u>	<u>90,250</u>	<u>95,160</u>
Expenses			
Activities	39,826	43,550	24,764
Trading	8,562	8,425	10,025
	<u>48,388</u>	<u>51,975</u>	<u>34,789</u>
<i>Surplus/ (Deficit) for the year Locally Raised Funds</i>	<u>50,883</u>	<u>38,275</u>	<u>60,371</u>

4. Learning Resources

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Curricular	38,394	26,025	25,314
Equipment Repairs	9,713	550	5,110
Information and Communication Technology	-	499	1,299
Library Resources	1,044	1,170	1,239
Employee Benefits - Salaries	1,097,366	1,124,532	1,117,166
Staff Development	11,314	9,100	19,537
	<u>1,157,831</u>	<u>1,161,876</u>	<u>1,169,665</u>

5. Administration

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	4,549	4,460	4,460
Board of Trustees Fees	3,806	4,140	4,140
Communication	2,988	2,900	2,960
Consumables	12,410	8,160	8,993
Other	19,356	11,250	13,683
Employee Benefits - Salaries	63,037	57,350	60,449
Insurance	3,541	2,700	2,826
Service Providers, Contractors and Consultancy	7,075	6,760	6,760
	<u>116,762</u>	<u>97,720</u>	<u>104,271</u>

6. Property

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	11,472	10,000	12,633
Cyclical Maintenance Expense	42,715	26,000	13,063
Grounds	7,499	9,828	8,624
Heat, Light and Water	10,529	12,575	11,295
Rates	1,306	1,200	1,147
Repairs and Maintenance	13,380	5,000	10,232
Use of Land and Buildings	243,709	243,709	243,709
Security	1,804	2,060	2,551
Employee Benefits - Salaries	48,732	51,474	51,237
	<u>381,146</u>	<u>361,846</u>	<u>354,491</u>

The use of land and buildings figure represents 8% of the school's total property value, as used for rating purposes.

7. Depreciation

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements	6,297	6,713	6,713
Furniture and Equipment	25,139	24,800	24,302
Information and Communication Technology	18,893	24,712	24,339
Leased Assets	8,193	7,500	7,524
Library Resources	2,939	3,200	3,241
	<u>61,461</u>	<u>66,925</u>	<u>66,119</u>

8. Cash and Cash Equivalents

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Cash on Hand	110	100	110
Bank Current Account	298,679	50,000	119,180
Bank Call Account	35,913	50,000	119,904
Short-Term Bank Deposits	-	170,000	-
Cash equivalents and bank overdraft for Cash Flow Statement	<u>334,702</u>	<u>270,100</u>	<u>239,194</u>

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

9. Accounts Receivable

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Receivables	640	400	395
Receivables from the Ministry of Education	-	-	-
Provision for Uncollectibility	-	-	-
Interest Receivable	43	1,000	108
Teacher Salaries Grant Receivable	68,535	63,000	63,210
	<u>69,218</u>	<u>64,400</u>	<u>63,713</u>
Receivables from Exchange Transactions	683	1,400	503
Receivables from Non-Exchange Transactions	68,535	63,000	63,210
	<u>69,218</u>	<u>64,400</u>	<u>63,713</u>

10. Inventories

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Stationery	388	150	144
School Uniforms	6,301	7,500	7,342
	<u>6,689</u>	<u>7,650</u>	<u>7,486</u>

11. Investments

The School's investment activities are classified as follows:

	2018	2018	2017
	Actual	Budget	Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	-	-	10,000
Non-current Asset			
Long-term Bank Deposits	-	-	-

12. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2018						
Building Improvements	52,435	-	(751)	-	(6,297)	45,387
Furniture and Equipment	195,698	28,028	(275)	-	(25,139)	198,312
Information and Communication	36,980	7,000	(1)	-	(18,893)	25,086
Leased Assets	12,983	3,591	-	-	(8,193)	8,381
Library Resources	27,897	2,088	(1,216)	-	(2,939)	25,830
Balance at 31 December 2018	325,993	40,707	(2,243)	-	(61,461)	302,996

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2018			
Building Improvements	129,175	(83,788)	45,387
Furniture and Equipment	580,157	(381,845)	198,312
Information and Communication Technology	177,118	(152,032)	25,086
Leased Assets	29,668	(21,287)	8,381
Library Resources	125,572	(99,742)	25,830
Balance at 31 December 2018	1,041,690	(738,694)	302,996

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2017						
Building Improvements	57,961	1,187	-	-	(6,713)	52,435
Furniture and Equipment	184,583	36,600	(1,183)	-	(24,302)	195,698
Information and Communication	58,140	3,179	-	-	(24,339)	36,980
Leased Assets	17,100	3,407	-	-	(7,524)	12,983
Library Resources	29,115	2,104	(81)	-	(3,241)	27,897
Balance at 31 December 2017	346,899	46,477	(1,264)	-	(66,119)	325,993

	Cost or \$	Accumulated \$	Net Book Value \$
2017			
Building Improvements	138,357	(85,922)	52,435
Furniture and Equipment	571,613	(375,915)	195,698
Information and Communication Technology	170,118	(133,138)	36,980
Leased Assets	26,078	(13,095)	12,983
Library Resources	126,194	(98,297)	27,897
Balance at 31 December 2017	1,032,360	(706,367)	325,993

13. Intangible Assets

The School's Intangible Assets are made up of acquired computer software.

2018	Opening \$	Additions \$	Disposals \$	Impairment \$	Closing \$
Cost					
Intangible Assets (Cost)	1,500	-	-	-	1,500
Balance at 31 December 2018	1,500	-	-	-	1,500
Accumulated Amortisation					
Intangible Assets (Amortisation for the year)	75	300	-	-	375
Balance at 31 December 2018	75	300	-	-	375
Net Book Value at 31 December 2018					1,125
					1,125
2017	Opening \$	Additions \$	Disposals \$	Impairment \$	Closing \$
Cost					
Intangible Assets	-	1,500	-	-	1,500
Balance at 31 December 2017	-	1,500	-	-	1,500
Accumulated Amortisation					
Intangible Assets (Amortisation for the year)	-	75	-	-	75
Balance at 31 December 2017	-	75	-	-	75
Net Book Value at 31 December 2017					1,425
					1,425

14. Accounts Payable

	2018 Actual \$	2018 Budget \$	2017 Actual \$
Operating Creditors	29,626	12,000	9,262
Accruals	4,549	4,500	4,460
Employee Entitlements - Salaries	68,535	63,000	63,210
Employee Entitlements - Leave Accrual	8,789	15,000	15,413
	111,499	94,500	92,345
Payables for Exchange Transactions	111,161	94,500	92,010
Payables for Non-Exchange Transactions - Taxes Payable (PAYE and rates)	338	-	335
Payables for Non-Exchange Transactions - Other	-	-	-
	111,499	94,500	92,345

The carrying value of payables approximates their fair value.

15. Revenue Received in Advance

	2018 Actual \$	2018 Budget \$	2017 Actual \$
Other	15,218	10,000	10,326
	15,218	10,000	10,326

16. Provision for Cyclical Maintenance

	2018 Actual \$	2018 Budget \$	2017 Actual \$
Provision at the Start of the Year	78,337	78,337	65,274
Increase/ (Decrease) to the Provision During the Year	42,715	26,000	13,063
Use of the Provision During the Year	-	(12,067)	-
Provision at the End of the Year	<u>121,052</u>	<u>92,270</u>	<u>78,337</u>
Cyclical Maintenance - Current	17,377	3,869	-
Cyclical Maintenance - Term	103,675	88,401	78,337
	<u>121,052</u>	<u>92,270</u>	<u>78,337</u>

17. Finance Lease Liability

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

	2018 Actual \$	2018 Budget \$	2017 Actual \$
No Later than One Year	7,035	7,000	9,721
Later than One Year and No Later than Five Years	3,386	5,000	6,418
Later than Five Years	-	-	-
	<u>10,421</u>	<u>12,000</u>	<u>16,139</u>

18. Related Party Transactions

The School is a controlled entity of the Crown, and the Crown provides the major source of revenue to the school. The school enters into transactions with other entities also controlled by the Crown, such as government departments, state-owned enterprises and other Crown entities. Transactions with these entities are not disclosed as they occur on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted if dealing with that entity at arm's length.

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

The Proprietor of the School, the Catholic Schools Board 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 have been disclosed appropriately, if the proprietor collects fund on behalf of the school (or vice versa) the amounts are disclosed.

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

19. Remuneration

Key Management Personnel Compensation

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

	2018 Actual \$	2017 Actual \$
<i>Board Members</i>		
Remuneration	3,806	4,140
Full-Time Equivalent Members	0.13	0.13
<i>Leadership Team</i>		
Remuneration	469,312	475,182
Full-Time Equivalent Members	5.00	5.00
Total Key Management Personnel Remuneration	<u>473,118</u>	<u>479,322</u>
Total Full-Time Equivalent Personnel	<u>5.13</u>	<u>5.13</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:

	2018 Actual \$000	2017 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	130 - 140	120 - 130
Benefits and Other Emoluments	16 - 17	15 - 16
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2018 FTE Number	2017 FTE Number
	-	-
	<u>-</u>	<u>-</u>

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

20. Compensation and Other Benefits Upon Leaving

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

	2018 Actual	2017 Actual
Total	\$0	\$0
Number of People	-	-

21. Contingencies

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

There is a contingent asset for repayment from the Ministry of Education for under spending the School's banking staffing entitlement during 2018. The Ministry have confirmed the cash repayment to be \$19,715. We will record the amount we receive as income in the 2019 financial year. (Contingent assets at 31 December 2017: \$4,888).

Holidays Act Compliance – schools payroll

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

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

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

22. Commitments

(a) Capital Commitments

As at 31 December 2018 the Board has not entered into any contract agreements for capital works.

(Capital commitments at 31 December 2017: nil)

(b) Operating Commitments

As at 31 December 2018 the Board has not entered into any contracts.

(Operating commitments at 31 December 2017: nil)

23. Managing Capital

The School's capital is its equity and comprises of 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.

24. Financial Instruments

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

Loans and Receivables

	2018 Actual \$	2018 (Unaudited) \$	2017 Actual \$
Cash and Cash Equivalents	334,702	270,100	239,194
Receivables	69,218	64,400	63,713
Total Loans and Receivables	<u>403,920</u>	<u>334,500</u>	<u>302,907</u>

Financial Liabilities Measured at Amortised Cost

Payables	111,161	94,500	92,010
Finance Leases	9,725	12,000	14,858
Total Financial Liabilities Measured at Amortised Cost	<u>120,886</u>	<u>106,500</u>	<u>106,868</u>

25. Events After Balance Date

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

26. Comparatives

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

St Mary's School (Hastings)

Kiwisport Report

For the year ended 31 December 2018

During the year the Board was the recipient of additional Government funding for specific purposes:

Kiwisport is a Government funded initiative to support students' participation in organised sport. In 2018 the School received total Kiwisport funding of \$3,528 (excluding GST). The funding was put towards a range of sports equipment to resource the school to support and initiate student participation in a range of sports including GJ Training and softball development.

The number of students participating in organised sport continues to be at excellent levels.

Analysis of Variance for 2018

Maths

Historical Position

2017 data analysis showed that 175/221 (79%) of *ALL St Mary's* students achieved at/above Standard.

The Nga Hau E Wha Kahui Achievement Targets are:

By 2020, 82% of Yr 6 and 67% of Yr 8 students will be achieving at/above the Standard.

We will work to achieve a 5% or more gain annually, to achieve or surpass, the above Kahui Ako targets.

(2018 Yr 4)

Analysis of 2017 data showed 20/27 St Mary's students were at/above Standard (74%)

We will work to move 7 students from well below/below, to at/above (3 boys and 4 girls)

<u>Ethnicity</u>	<u>Number</u>
<u>Maori</u>	1
<u>Pasifika</u>	1
<u>Asian</u>	2
<u>MELLA</u>	1
<u>European</u>	2

(2018 Yr 6)

Analysis of 2017 data showed 29//31 St Mary's students were at/above Standard (90%)

We will work to move 2 students from well below/below, to at/above (1 boy and 1 girl)

<u>Ethnicity</u>	<u>Number</u>
<u>Maori</u>	
<u>Pasifika</u>	
<u>MELAA</u>	
<u>European</u>	2

2018 Targets

- a) Yr 4 - We will work to move 7 students from well below/below, to at/above (3 boys and 4 girls)
- b) Yr 6 - We will work to move 2 students from well below/below, to at/above (1 boy and 1 girl)

Actions

- assessment data reviewed and analysed to determine specific teaching strategies
- Lead Mathematics Teacher will provide support to teachers
- these students as Target students are monitored on Team Data Boards
- teachers will go 'right back' to each student level where they achieve success with confidence – this is the starting point
- teaching points will initially be taken from the Knowledge Test to fill 'gaps'
- ensure that students have one or two key strategies that they are secure in, for problem solving
- students will be encouraged to use materials for support if needed
- Basic Facts Knowledge practiced until it is automatic and secure
- teachers to work to ensure that the 'language of maths' is understood so that students can understand what the problem is asking them to do
- students will be encouraged to understand that there is fast, medium and slow maths and that problems take time to work on. Students are encouraged to persist with a task
- Spirals of Inquiry (TAI) will be used by teachers to inquire into their own practise for these students (teach, reflect, modify)

Results:

Maths Yr 4

	<u>Progress</u>	<u>Boys</u>	<u>Girls</u>	<u>Maori</u>	<u>Pasifika</u>	<u>Indian</u>
(total 8)	7	3	4	1	1	

One student, a girl, has made limited progress. 1 student in this group is now '*at Standard*' (Maori boy)

Maths Yr 6

	<u>Progress</u>	<u>Boys</u>	<u>Girls</u>	<u>Maori</u>	<u>Pasifika</u>	<u>Indian</u>
(total 4)	3		3			

One student, male, has made limited progress - this is a Special Needs student.

Reasons for Variance

- students having the opportunity to demonstrate and explain their learning to parents and wider family
- on see-saw
- an ongoing focus on gaining mastery of Basic Facts
- input from Maths Leader (i.e. keeping abreast of changes and learning to use new programmes that will assist teacher pedagogy i.e. Number Talks)
- use of maths language *across* the curriculum (i.e. beeswax food covers/science experiments)

What were barriers to achievement?

- understanding and use of 'maths language' is a barrier for some students
- low oral language capacity and reading capacity of some students
- difficulty in interpreting what a maths problem is asking them to do

Evaluation (where to next?)

- to ensure that what is being done in maths is integrated into the classroom programme/happenings
- maths always needs to be relevant and not taught in isolation

Analysis of Variance for 2018

Writing

Historical Position

2017 data showed that 161/221 (73%) of *ALL St Mary's* students achieved at/above Standard

The Nga Hau E Wha Kahui Achievement Targets are;

a) Writing: By 2020, 78% of Yr 6 and 75% of Yr 8 students will be achieving at/above Standard.

We will work to achieve a 5% or more gain annually, to achieve or surpass, the above Kahui Ako targets.

a) (2018 Yr 4)

Analysis of 2017 data showed 20/27 students were at/above Standard (74%)
7 students were not at Standard

<u>Ethnicity</u>	<u>Number</u>
Maori	1
Pasifika	1
Asian	2
European	3

b) (2018 Yr 6)

Analysis of 2017 data showed 20/31 students were at/above Standard (65%)
11 students were not at Standard

<u>Ethnicity</u>	<u>Number</u>
Maori	2
Pasifika	1
MELAA	1
European	7

2018 Targets

- a) Yr 4 - We will work to move 7 students from well below/below, to at/above (4 boys and 3 girls)
- b) Yr 6 - We will work to move 11 students from well below/below, to at/above (8 boys and 3 girls)

Actions

- assessment data reviewed and analysed to determine specific teaching strategies
- these students as 'Target' students are monitored on Team Data Boards
- teachers will give effective feedback/forward both verbally and in written form
- teacher modelling books/boards will be used to model/scaffold points and to be used as a resource for students
- parents will be encouraged to give their children feedback on 'Seesaw'
- teachers will make sure that they know their students well so that they can prompt students to write about what they know about (promotes engagement)
- writing pieces will be celebrated regularly in class and Team Assemblies
- Spirals of Inquiry (TAI) will be used by teachers to inquire into their own practise for these students (teach, reflect, modify)

Results:

Writing Yr 4

	<u>Progress</u>	<u>Boys</u>	<u>Girls</u>	<u>Maori</u>	<u>Pasifika</u>	<u>Indian</u>
(total 7)	7	5	2	1		

Three students are working to consolidate progress made from term two. Four students in this group are now '*at Standard*' (2 Pasifika girls, 1 Indian boy and one other boy)

Writing Yr 6 (one student, Maori, has left the school)

	<u>Progress</u>	<u>Boys</u>	<u>Girls</u>	<u>Maori</u>	<u>Pasifika</u>	<u>Indian</u>
(total 9)	7	5	2	1		

Two students have remained at the same level throughout the year. One student is a Special Needs student who is unable to write without direction and support. The other student has an attitude that makes engagement in learning challenging. One student in this group is now '*at Standard*'. 1 child is '*at Standard*' (girl)

Reasons for Variance

- clear expectations for what is required
- students have a clear purpose for their writing
- students are clear about what success 'looks like'
- the impact of strategies from the Professional Learning from Murray Gadd
- students are able to critique their own and others work more effectively
- 'small' steps are taken to focus on

What were barriers to achievement?

- some students were only working on their writing development at school (i.e. little practice at home)
- some students have low self-efficacy
- some students have well skilled avoidance strategies

Evaluation (where to next?)

- use students writing to teach from
- focus on the importance of correct use of surface features and have high expectations for this

Analysis of Variance for 2018

Writing

Historical Position

2017 data showed that 161/221 (73%) of *ALL St Mary's* students achieved at/above Standard

The Nga Hau E Wha Kahui Achievement Targets are;

a) Writing: *By 2020, 78% of Yr 6 and 75% of Yr 8 students will be achieving at/above Standard.*

We will work to achieve a 5% or more gain annually, to achieve or surpass, the above Kahui Ako targets.

a) (2018 Yr 4)

Analysis of 2017 data showed 20/27 students were at/above Standard (74%)
7 students were not at Standard

<u>Ethnicity</u>	<u>Number</u>
Maori	1
Pasifika	1
Asian	2
European	3

b) (2018 Yr 6)

Analysis of 2017 data showed 20/31 students were at/above Standard (65%)
11 students were not at Standard

<u>Ethnicity</u>	<u>Number</u>
Maori	2
Pasifika	1
MELAA	1
European	7

2018 Targets

- a) Yr 4 - We will work to move 7 students from well below/below, to at/above (4 boys and 3 girls)
- b) Yr 6 - We will work to move 11 students from well below/below, to at/above (8 boys and 3 girls)

Actions

- assessment data reviewed and analysed to determine specific teaching strategies
- these students as 'Target' students are monitored on Team Data Boards
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- parents will be encouraged to give their children feedback on 'Seesaw'
- teachers will make sure that they know their students well so that they can prompt students to write about what they know about (promotes engagement)
- writing pieces will be celebrated regularly in class and Team Assemblies
- Spirals of Inquiry (TAI) will be used by teachers to inquire into their own practise for these students (teach, reflect, modify)

Results:

Writing Yr 4

	<u>Progress</u>	<u>Boys</u>	<u>Girls</u>	<u>Maori</u>	<u>Pasifika</u>	<u>Indian</u>
(total 7)	7	5	2	1		

Three students are working to consolidate progress made from term two. Four students in this group are now '*at Standard*' (2 Pasifika girls, 1 Indian boy and one other boy)

Writing Yr 6 (one student, Maori, has left the school)

	<u>Progress</u>	<u>Boys</u>	<u>Girls</u>	<u>Maori</u>	<u>Pasifika</u>	<u>Indian</u>
(total 9)	7	5	2	1		

Two students have remained at the same level throughout the year. One student is a Special Needs student who is unable to write without direction and support. The other student has an attitude that makes engagement in learning challenging. One student in this group is now '*at Standard*'. 1 child is '*at Standard*' (girl)

Reasons for Variance

- clear expectations for what is required
- students have a clear purpose for their writing
- students are clear about what success 'looks like'
- the impact of strategies from the Professional Learning from Murray Gadd
- students are able to critique their own and others work more effectively
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What were barriers to achievement?

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- some students have well skilled avoidance strategies

Evaluation (where to next?)

- use students writing to teach from
- focus on the importance of correct use of surface features and have high expectations for this

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF ST MARY'S SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

The Auditor-General is the auditor of St Mary's School (the School). The Auditor-General has appointed me, Philip Pinckney, using the staff and resources of Baker Tilly Staples Rodway Audit Limited, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 19, that comprise the statement of financial position as at 31 December 2018, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2018; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

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

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

Basis for our opinion

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

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

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

Responsibilities of the Board of Trustees for the financial statements

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information obtained at the date of our report is the Analysis of Variance, the Kiwisport statement, list of trustees and Statement of Responsibility which form part of the annual report, but does not include the financial statements, and our auditor's report thereon.

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

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

Independence

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

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



Philip Pinckney
Baker Tilly Staples Rodway Audit Limited
On behalf of the Auditor-General
Hastings, New Zealand