

View Road School

Annual Report for the year ended 31 December 2019

Ministry Number:	1545
Principal:	Christine Hull
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Members Of The Board of Trustees
For the year ended 31st December 2019

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View Road School

Annual Report

For the year ended 31 December 2019

Index

Page	Statement
	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 - 10	Statement of Accounting Policies
11 - 18	Notes to the Financial Statements
	Other Information
19 - 25	Analysis of Variance
26	Kiwisport
27 - 29	Audit Report

View Road 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.

Emma Holmes

Full Name of Board Chairperson

Christine Hull

Full Name of Principal

EH

Signature of Board Chairperson

[Signature]

Signature of Principal

04/06/2020

Date:

04/06/2020

Date:

View Road School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
Revenue				
Government Grants	2	2,089,574	1,831,538	1,877,845
Locally Raised Funds	3	76,581	37,600	84,149
Interest Income		4,290	-	1,528
		<u>2,170,445</u>	<u>1,869,138</u>	<u>1,963,522</u>
Expenses				
Locally Raised Funds	3	43,282	6,100	53,217
Learning Resources	4	1,220,050	1,066,060	1,065,439
Administration	5	87,500	89,242	72,261
Finance		3,485	1,000	4,292
Property	6	675,139	660,455	637,018
Depreciation	7	33,671	42,000	34,319
Amortisation of Equitable Lease		-	-	11,632
Loss on Disposal of Property, Plant and Equipment		178	-	-
		<u>2,063,305</u>	<u>1,864,857</u>	<u>1,878,178</u>
Net Surplus / (Deficit) for the year		107,140	4,281	85,344
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u><u>107,140</u></u>	<u><u>4,281</u></u>	<u><u>85,344</u></u>

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

View Road School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Balance at 1 January		61,184	61,184	(24,160)
Total comprehensive revenue and expense for the year		107,140	4,281	85,344
Equity at 31 December	24	168,324	65,465	61,184
Retained Earnings		168,324	65,465	61,184
Equity at 31 December		168,324	65,465	61,184

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

View Road School

Statement of Financial Position

As at 31 December 2019

		2019	2019	2018
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Current Assets				
Cash and Cash Equivalents	8	356,837	86,841	200,984
Accounts Receivable	9	287,778	77,000	76,092
Prepayments		419	-	-
Inventories	10	4,919	5,000	5,757
Investments	11	150,000	-	-
		<u>799,953</u>	<u>168,841</u>	<u>282,833</u>
Current Liabilities				
GST Payable		56,382	-	1,074
Accounts Payable	13	87,711	81,000	80,120
Revenue Received in Advance	14	72,358	50,000	49,579
Provision for Cyclical Maintenance	15	67,050	-	-
Painting Contract Liability - Current Portion	16	26,185	25,300	25,292
Finance Lease Liability - Current Portion	17	13,514	10,760	12,994
Funds Held for Capital Works Projects	18	423,916	-	117,176
		<u>747,116</u>	<u>167,060</u>	<u>286,235</u>
Working Capital Surplus/(Deficit)		52,837	1,781	(3,402)
Non-current Assets				
Property, Plant and Equipment	12	153,991	159,104	174,904
		<u>153,991</u>	<u>159,104</u>	<u>174,904</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	25,689	86,600	76,726
Painting Contract Liability	16	5,228	5,700	19,704
Finance Lease Liability	17	7,587	3,120	13,888
		<u>38,504</u>	<u>95,420</u>	<u>110,318</u>
Net Assets		<u>168,324</u>	<u>65,465</u>	<u>61,184</u>
Equity	24	<u>168,324</u>	<u>65,465</u>	<u>61,184</u>

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

View Road School

Statement of Cash Flows

For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual \$	Budget (Unaudited) \$	Actual \$
Cash flows from Operating Activities				
Government Grants		251,023	319,538	377,398
Locally Raised Funds		101,374	38,035	84,605
Goods and Services Tax (net)		55,308	(1,074)	2,376
Payments to Employees		(185,516)	(131,642)	(133,820)
Payments to Suppliers		(190,768)	(167,626)	(211,550)
Interest Paid		(3,485)	(1,000)	(4,292)
Interest Received		3,477	-	1,528
Net cash from Operating Activities		31,413	56,231	116,245
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		(178)	-	(11,632)
Purchase of PPE (and Intangibles)		(4,164)	(92,933)	6,157
Purchase of Investments		(150,000)	-	-
Net cash from Investing Activities		(154,342)	(92,933)	(5,475)
Cash flows from Financing Activities				
Finance Lease Payments		(14,375)	53,731	(12,319)
Painting Contract Payments		(13,583)	(13,996)	(14,336)
Funds Held for Capital Works Projects		306,740	(117,176)	117,176
Net cash from Financing Activities		278,782	(77,441)	90,521
Net increase/(decrease) in cash and cash equivalents		155,853	(114,143)	201,291
Cash and cash equivalents at the beginning of the year	8	200,984	200,984	(307)
Cash and cash equivalents at the end of the year	8	356,837	86,841	200,984

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

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

View Road School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

Reporting Entity

View Road 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.

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 27.

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 13.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

Revenue Recognition

Government Grants

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

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

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

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

Other Grants

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

Donations, 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.

Use of Land and Buildings Expense

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

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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

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.

Accounts Receivable

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

Prior Year Policy

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

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.

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.

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 under Schedule 6 Section 28 of the Education Act 1989 in relation to the acquisition of investment securities.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$500 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:

Buildings - School	5 years
Building improvements - Crown	5 years
Furniture and equipment	5 years
Information and communication technology	3-5 years
Leased assets held under a Finance Lease	over the term of the lease
Library resources	12.5% Diminishing value

Impairment of property, plant, and equipment

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

Non cash generating assets

Property, plant, and equipment 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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

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.

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.

Revenue Received in Advance

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

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

Provision for Cyclical Maintenance

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

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

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, finance lease liability and painting contract liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

Goods and Services Tax (GST)

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget Figures

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

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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

2 Government Grants

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational Grants	304,735	309,538	320,584
Teachers' Salaries Grants	1,103,275	978,000	992,499
Use of Land and Buildings Grants	524,149	534,000	507,948
Resource Teachers Learning and Behaviour Grants	4,280	1,000	547
Other MoE Grants	134,543	9,000	52,813
Other Government Grants	18,592	-	3,454
	<u>2,089,574</u>	<u>1,831,538</u>	<u>1,877,845</u>

3 Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
Donations	7,706	5,500	5,694
Activities	49,321	16,300	57,442
Trading	7,201	7,000	7,167
Fundraising	217	2,000	1,963
Other Revenue	12,136	6,800	11,883
	<u>76,581</u>	<u>37,600</u>	<u>84,149</u>
Expenses			
Activities	36,799	600	43,881
Trading	6,244	5,500	7,655
Fundraising (Costs of Raising Funds)	239	-	1,681
	<u>43,282</u>	<u>6,100</u>	<u>53,217</u>
<i>Surplus/ (Deficit) for the year Locally Raised Funds</i>	<u>33,299</u>	<u>31,500</u>	<u>30,932</u>

4 Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	15,956	17,500	14,361
Equipment Repairs	209	1,000	-
Information and Communication Technology	2,259	12,800	4,731
Library Resources	108	710	470
Employee Benefits - Salaries	1,194,115	1,026,800	1,042,635
Staff Development	7,403	7,250	3,242
	<u>1,220,050</u>	<u>1,066,060</u>	<u>1,065,439</u>

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

5 Administration

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Audit Fee	8,549	6,000	6,357
Board of Trustees Fees	3,423	3,555	3,626
Board of Trustees Expenses	4,786	2,000	2,663
Communication	2,520	2,500	2,478
Consumables	6,692	13,000	7,988
Other	11,458	12,240	6,954
Employee Benefits - Salaries	40,420	40,287	34,302
Insurance	1,752	2,100	2,019
Service Providers, Contractors and Consultancy	7,900	7,560	5,874
	<u>87,500</u>	<u>89,242</u>	<u>72,261</u>

6 Property

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Caretaking and Cleaning Consumables	6,761	7,000	6,549
Consultancy and Contract Services	16,594	1,000	13,424
Cyclical Maintenance Expense	16,013	16,000	27,369
Grounds	6,977	6,980	5,699
Heat, Light and Water	20,559	31,500	30,445
Rates	112	-	225
Repairs and Maintenance	29,067	19,655	16,034
Use of Land and Buildings	524,149	534,000	507,948
Security	1,062	2,000	477
Employee Benefits - Salaries	53,845	42,320	28,848
	<u>675,139</u>	<u>660,455</u>	<u>637,018</u>

The use of land and buildings figure represents 8% of the school's total property value. Property values are established as part of the nationwide revaluation exercise that is conducted every 30 June for the Ministry of Education's year end reporting purposes.

7 Depreciation

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Buildings - School	3,308	3,650	4,136
Building Improvements - Crown	2,527	2,780	3,159
Furniture and Equipment	8,132	10,300	9,257
Information and Communication Technology	2,801	3,070	3,339
Leased Assets	15,053	20,200	12,311
Library Resources	1,850	2,000	2,117
	<u>33,671</u>	<u>42,000</u>	<u>34,319</u>

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

8 Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	200	200	200
Bank Current Account	356,637	36,641	200,784
Short-term Bank Deposits	-	50,000	-
Cash and cash equivalents for Cash Flow Statement	<u>356,837</u>	<u>86,841</u>	<u>200,984</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 \$
Receivables	-	2,000	2,014
Receivables from the Ministry of Education	211,127	-	-
Interest Receivable	813	-	-
Teacher Salaries Grant Receivable	<u>75,838</u>	<u>75,000</u>	<u>74,078</u>
	<u>287,778</u>	<u>77,000</u>	<u>76,092</u>
Receivables from Exchange Transactions	813	2,000	2,014
Receivables from Non-Exchange Transactions	<u>286,965</u>	<u>75,000</u>	<u>74,078</u>
	<u>287,778</u>	<u>77,000</u>	<u>76,092</u>

10 Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Stationery	1,357	1,000	984
School Uniforms	<u>3,562</u>	<u>4,000</u>	<u>4,773</u>
	<u>4,919</u>	<u>5,000</u>	<u>5,757</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	150,000	-	-
Total Investments	<u>150,000</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

12 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2019						
Land	55,000	-	-	-	-	55,000
Buildings	16,542	-	-	-	(3,308)	13,234
Building Improvements	12,634	-	-	-	(2,527)	10,107
Furniture and Equipment	38,272	3,582	-	-	(8,132)	33,722
Information and Communication Technology	9,563	600	-	-	(2,801)	7,362
Leased Assets	28,077	8,595	-	-	(15,053)	21,619
Library Resources	14,816	158	(177)	-	(1,850)	12,947
Balance at 31 December 2019	174,904	12,935	(177)	-	(33,671)	153,991

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2019			
Land	55,000	-	55,000
Buildings	116,000	(102,766)	13,234
Building Improvements	96,850	(86,743)	10,107
Furniture and Equipment	274,454	(240,732)	33,722
Information and Communication Technology	111,222	(103,860)	7,362
Leased Assets	75,327	(53,708)	21,619
Library Resources	78,717	(65,770)	12,947
Balance at 31 December 2019	807,570	(653,579)	153,991

The net carrying value of equipment held under a finance lease is \$21,619 (2018: \$28,077).

The net carrying value of motor vehicles held under a finance lease is \$ (2018: \$).

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2018						
Land	55,000	-	-	-	-	55,000
Buildings	20,678	-	-	-	(4,136)	16,542
Building Improvements	23,527	-	(7,734)	-	(3,159)	12,634
Furniture and Equipment	44,167	3,444	(82)	-	(9,257)	38,272
Information and Communication Technology	11,756	2,210	(1,064)	-	(3,339)	9,563
Leased Assets	5,881	34,507	-	-	(12,311)	28,077
Library Resources	19,864	83	(3,014)	-	(2,117)	14,816
Balance at 31 December 2018	180,873	40,244	(11,894)	-	(34,319)	174,904

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2018			
Land	55,000	-	55,000
Buildings	116,000	(99,458)	16,542
Building Improvements	96,850	(84,216)	12,634
Furniture and Equipment	270,872	(232,600)	38,272
Information and Communication Technology	110,622	(101,059)	9,563
Leased Assets	66,733	(38,656)	28,077
Library Resources	79,514	(64,698)	14,816
Balance at 31 December 2018	795,591	(620,687)	174,904

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

13 Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	4,500	-	-
Accruals	6,549	5,000	4,807
Employee Entitlements - Salaries	75,837	75,000	74,488
Employee Entitlements - Leave Accrual	825	1,000	825
	<u>87,711</u>	<u>81,000</u>	<u>80,120</u>
Payables for Exchange Transactions	87,711	81,000	80,120
	<u>87,711</u>	<u>81,000</u>	<u>80,120</u>

The carrying value of payables approximates their fair value.

14 Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Other - Technology and Other Funds held	72,358	50,000	49,579
	<u>72,358</u>	<u>50,000</u>	<u>49,579</u>

15 Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	76,726	76,726	60,313
Increase/(decrease) to the Provision During the Year	16,013	16,000	27,369
Use of the Provision During the Year	-	(6,126)	(10,956)
Provision at the End of the Year	<u>92,739</u>	<u>86,600</u>	<u>76,726</u>
Cyclical Maintenance - Current	67,050	-	-
Cyclical Maintenance - Term	<u>25,689</u>	<u>86,600</u>	<u>76,726</u>
	<u>92,739</u>	<u>86,600</u>	<u>76,726</u>

16 Painting Contract Liability

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Liability	26,185	25,300	25,292
Non Current Liability	<u>5,228</u>	<u>5,700</u>	<u>19,704</u>
	<u>31,413</u>	<u>31,000</u>	<u>44,996</u>

In 2015 the Board signed an agreement with Programmed Maintenance Services Ltd (the contractor) for an agreed programme of work covering an eight year period. The programme provides for an interior and exterior repaint of the Ministry owned buildings in 2016, with regular maintenance in subsequent years. The agreement has an annual commitment of \$23,506. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

17 Finance Lease Liability

The school has entered into a number of finance lease agreements for teacher laptops, ipads and chromebooks.

Minimum lease payments payable (includes interest portion):

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	15,329	-	16,105
Later than One Year and no Later than Five Years	8,035	-	15,311
	<u>23,364</u>	<u>-</u>	<u>31,416</u>

18 Funds Held for Capital Works Projects

During the year the school received and applied funding from the Ministry of Education for the following capital works projects:

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Roofing Project	<i>In progress</i>	116,339	-	95,100	-	21,239
Playground	<i>In progress</i>	837	-	837	-	-
5 Yr Property	<i>In progress</i>	-	40,000	-	-	40,000
Block 4	<i>In progress</i>	-	431,965	69,288	-	362,677
Totals		<u>117,176</u>	<u>471,965</u>	<u>165,225</u>	<u>-</u>	<u>423,916</u>

Represented by:

Funds Held on Behalf of the Ministry of Education

423,916

423,916

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Main Switchboard Replacement	<i>Completed</i>	-	-	-	-	-
Roofing Project	<i>In progress</i>	-	129,990	13,651	-	116,339
Playground	<i>In progress</i>	-	128,320	127,483	-	837
Totals		<u>-</u>	<u>258,310</u>	<u>141,134</u>	<u>-</u>	<u>117,176</u>

19 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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

20 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 \$
<i>Board Members</i>		
Remuneration	3,423	3,626
Full-time equivalent members	0.11	0.13
<i>Leadership Team</i>		
Remuneration	239,085	130,065
Full-time equivalent members	2.00	1.00
Total key management personnel remuneration	242,508	133,691
Total full-time equivalent personnel	2.11	1.13

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	130 -140	130 - 140
Benefits and Other Emoluments	1 - 5	1 - 10
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	-
	1	-

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

21 Compensation and Other Benefits Upon Leaving

There were no compensation or other benefits paid or payable to persons upon leaving.

22 Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2019.

(Contingent liabilities and assets as at 31 December 2018: nil)

Holidays Act Compliance – schools payroll

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

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

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

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

23 Commitments

(a) Capital Commitments

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

(Capital commitments as at 31 December 2018: nil)

24 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.

25 Financial Instruments

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Financial assets measured at amortised cost (2018: Loans and receivables)			
Cash and Cash Equivalents	356,837	86,841	200,984
Receivables	287,778	77,000	76,092
Total Financial assets measured at amortised cost	794,615	163,841	277,076
Financial liabilities measured at amortised cost			
Payables	87,711	81,000	80,120
Finance Leases	21,101	13,880	26,882
Painting Contract Liability	31,413	31,000	44,996
Total Financial Liabilities Measured at Amortised Cost	140,225	125,880	151,998

26 Events After Balance Date

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

At the date of issuing the financial statements, the school has been able to absorb 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.

27 Adoption of PBE IFRS 9 Financial Instruments

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

- Note 11 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.
- 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

28 Borrowing Limit

The Board of Trustees is allowed to borrow funds to the extent that their repayments in any financial year do not exceed 10% of the school's operations grant. This year the school entered into a new lease over and above the TELA leases that were converted into finance leases. This increase in cost combined with the Programmed Maintenance contract meant the Board has exceeded the borrowing limit of 10% of the school's operating grant, breaching section 67 of the Education Act and clause 12 of the Crown Entitles Regulation 2005.



2019 Analysis of Variance

1

Literacy: Reading

Historical Position

Reading "At" or "Above" (2016-2019) 2019 based on NZC level of expectation. School's focus on acceleration of progress made.

	2016		2017		2018		2019	
Student type	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Girls	59	79.8	46	56.1			68	62
Boys	31	57.4	33	48.5			30	49
All Students	90	69.2	79	52.7	68	49.5	66	55
After 1 Year	8	66.6	2	9.5%	0	0	-	-
After 2 Years	16	62.7%	13	72.2	4	44	9	56
After 3 Years	7	70	11	69.8	14	58	11	55
End of Year 4	16	66.7	9	64.2	13	72	8	50
End of Year 5	9	53	17	65.4	9	75	14	78
End of Year 6	15	68.2	6	31.6	12	52	7	50
End of Year 7	11	73.3	10	50	3	25	9	41
End of Year 8	8	100	11	68.8	13	57	8	44

	Progressed Number of children progressed ie. Gain more than 1 sub level of the curriculum during one year based on comparison to 2018 data - child by child.		Accelerated Number of children accelerated ie. Gain more than 2 sub levels of the curriculum during one year based on comparison to 2018 data - child by child.	
	Boys%	Girls%	Boys%	Girls%
Year 2	40	83	30	50
Year 3	44	82	0	55
Year 4	75	63	13	25



2019 Analysis of Variance

2

Year 5	90	63	30	13
Year 6	50	33	0	0
Year 7	57	67	0	7
Year 8	78	89	22	44

2019 READING

Strategic Aim: All students will make progress towards reaching/exceeding their own personal goals aspirations discussed collaboratively with whanau and learner.

Annual goal: To increase the number of students making progress towards achieving at or above the the curriculum expectation in reading.

2019 target That 75% of our learners will be reading at or above the reading expectation for their age, with 75% (or greater) comprehension.

1. That 75% of our learners will be reading at or above the reading expectation for their age, with 75% (or greater) comprehension.
2. That ALL of our Maori learners and whanau will report feeling included and supported in achieving success as Maori (Rongohia Te Hau Survey)
3. That 85% of our students will have whanau participate in academic goal setting, and sharing of aspirations for their child as a learner to support the schools programmes to meet individual learning needs.

Outcome	Analysis	Evaluation
<p>The 2019 reading data shows us that in READING 2019, 48 % of our learners showed accelerated progress in one or more areas of core curriculum in 2019. Acceleration is defined by a child 'gaining more than 1 (2 sub-levels) years expected progress within one year'.</p> <p>64 of our learners were identified as target learners in 2019.</p> <p>31 of these learners showed in the end of year</p>	<p>Boys are not performing as well as girls in Reading.</p> <p>During 2019 teaching staff of View Road School had an Inquiry focus in order to influence change in practice through reflection.</p> <p>Our school staff participated in a collaborative Spiral approach to this inquiry.</p> <p>In 2019 there was increased collaboration in sharing best practice/sharing resources,</p>	<p>Collaborative work by staff to support priority learners were identified through thorough scanning and focusing on the spiral model influences change in achievement.</p> <p>Teacher aide timetables reflecting the children with identified needs on school wide data and SENCO register influences progress.</p> <p>Clear and precise knowledge of who needs support and explicit conversations between teachers and principal and families to support elimination of any possible barriers to learning.</p>



2019 Analysis of Variance

3

<p>data that they had gained more than the expected single sub level gain.</p>	<p>strategies and ideas.</p> <p>Focus and target learners were identified at the start and were tracked across the year.</p> <p>Whanau relationships were integral in the forming and finding of information to support change in the right area.</p> <p>Staff have regular and purposeful professional conversations to support student achievement in reading.</p>	<p>When all staff have a clear idea of contributing factors and barriers to learning. When these are acted upon in a responsive, timely, and supportive manner appropriate interventions.</p> <p>Innovative and inquiry into practice to support target learners.</p> <p>Whanau involvement continues to increase success and understanding for home learning.</p> <p>Goal setting and reporting includes whanau involvement to get maximum success for all learners.</p> <p>Teachers share a widening repertoire of support strategies to use to shift identified learners.</p> <p>Next learning steps stem from research, data, and pedagogical knowledge of the documents supporting progress and achievement.</p>
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2019 Analysis of Variance

4

2019 MATHEMATICS

	Progressed Number of children progressed ie. Gain more than 1 sub level of the curriculum during one year based on comparison to 2018 data - child by child.		Accelerated Number of children accelerated ie. Gain more than 2 sub levels of the curriculum during one year based on comparison to 2018 data - child by child.	
	Boys%	Girls%	Boys%	Girls%
Year 2	90	100	30	20
Year 3	89	82	11	36
Year 4	75	100	38	10
Year 5	90	88	20	38
Year 6	88	25	50	0
Year 7	57	29	50	21
Year 8	78	33	89	44

2019 Mathematics

	Boys		Girls	
	Below	At or above	Below	At or above
End of Year 2	60	40	33	66
End of Year 3	45	55	54	56
End of Year 4	50	50	63	37
End of Year 5	30	70	63	37
End of Year 6	25	75	67	33
End of Year 7	86	14	100	0
End of Year 8	56	44	67	33



2019 Analysis of Variance

5

2019 WRITING

	Progressed Number of children progressed ie. Gain more than 1 sub level of the curriculum during one year based on comparison to 2018 data - child by child.		Accelerated Number of children accelerated ie. Gain more than 2 sub levels of the curriculum during one year based on comparison to 2018 data - child by child.	
	Boys%	Girls%	Boys%	Girls%
Year 2	0	50	0	17
Year 3	22	27	0	9
Year 4	88	75	75	50
Year 5	70	50	40	13
Year 6	38	33	25	17
Year 7	57	60	29	13
Year 8	20	24	5	12

2019 Writing

	Boys		Girls	
	Below	At or above	Below	At or above
End of Year 2	100	0	50	50
End of Year 3	89	11	73	27
End of Year 4	50	50	37	63
End of Year 5	60	40	63	37
End of Year 6	63	37	67	33
End of Year 7	86	14	67	33
End of Year 8	100	0	78	22



2019 Analysis of Variance

6

Whanau ENGAGEMENT				
Historical Position				
Attendance at PTS conferences				
	2019			
Student type	Number	Percent		
Māori	38	54		
Pasifika	5	100		
Euro/Pākehā	19	83		
All Students	62	63		
<p>In 2018 84 PTS appointments were scheduled. Data was not conclusive but anecdotal data tells us that approx only 35% of the school parent population actually attended their meeting time.</p>				
<p style="text-align: center;">Whanau Engagement</p> <p>Strategic Aim: Create a curriculum that strongly reflects the school's vision, aims, aspirations for achievement and success</p> <p>Annual goal: Develop & nurture effective relationships and partnerships with our community</p> <p>Annual Target: That 85% of our students will have whanau participate in academic goal setting, and sharing of aspirations for their child as a learner to support the schools programmes to meet individual learning needs.</p>				
Outcome	Analysis		Evaluation	
<p>At the start of 2019 we identified a need to closely connect with some learners, particularly those whose learning may not be meeting the potential.</p> <p>We had a whanau survey established for parents of focus learners.</p>	<p>2018 saw a school wide inquiry into CR and RP (Culturally Responsive Practice and Pedagogy). This work also saw teaching staff review and develop their programmes to specifically support Maori Learners.</p> <p>Pasifika parents are well represented in the data.</p>		<p>Effective goal setting and reporting includes whanau involvement.</p> <p>Teachers and staff know who priority learners are based on data evidence.</p> <p>Specifically allocating time slots sees an increase in attendance at PTS meetings in most cases.</p>	

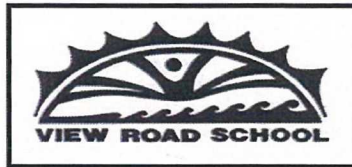


2019 Analysis of Variance

7

		<p>We need to be creative in meeting with parents who may not be otherwise accessible.</p> <p>Forming meaningful relationships early in the year is essential to successful partnerships.</p>
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Signed: Mrs Christine Hull
Principal
27th February 2020



2019 Use of Operations Grant Kiwi Sport funding

2019 View Road School received \$2253.27 (2019 Ops Grant entitlement notice)

\$180 of these funds were spent on FPSSLC Subscriptions to allow our children access to inter zone competitions

\$100 on AIMS for Year 7-8 participation at competition level

\$50 on entrance into tournament days for Rippa Rugby and Soccer competitions,

The school funded the transport and supervision at the event.

Remaining funds were spent on equipment and resources for the programmes (Canterbury Sports Wholesalers, and HART sports)

At no financial cost to the school 'Skill and coaching sessions' were provided by Counties Rugby. The skills gained allowed our children to develop relevant skills, enthusiasm and therefore participate in Rippa tournament days.

It is anticipated that a higher level of children than usual participated in organised events through the Franklin Primary Schools Sports Liaison programmes, and further developed into club based sports offered locally in Waiuku, and further afield in the Franklin and Counties Manukau regions.

Purchase of equipment for appropriate and specialist gear spent the balance related to the developing **Sports Skills** programmes.

In the 2019 financial year View Road School allocated \$1500 to the PE budget (not including the personnel release) and \$1200 (3 days release) for personnel release to support and manage teams.

Cris Hull
Principal

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF VIEW ROAD SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The Auditor-General is the auditor of View Road School (the School). The Auditor-General has appointed me, Chris Neves, using the staff and resources of BDO Auckland, 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 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:
 - its financial position as at 31 December 2019; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity Standards Reduced Disclosure Regime as applicable to entities that qualify as tier 2.

Our audit was completed on 4 June 2020. 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.

Emphasis of Matter - COVID 19

Without modifying our opinion, we draw attention to the disclosures in note 26 on page 18 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

Other Matter - Failure to meet statutory reporting deadline

Without modifying our opinion, we draw attention to the fact that the Board of Trustees did not comply with section 87 of the Education Act 1989, which requires the Board to provide its audited financial statements to the Ministry of Education by 31 May. The disruption caused by the Covid-19 restrictions, including the closure of the school, meant that the audit could not progress as planned. This resulted in the school missing the statutory deadline.

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 arises 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, Board of Trustees Listing and Kiwisport 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.



Chris Neves
BDO Auckland
On behalf of the Auditor-General
Auckland, New Zealand