

# LIMEHILLS SCHOOL

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### School Directory

<b>Ministry Number:</b>	3975
<b>Principal:</b>	Jim Turrell
<b>School Address:</b>	State Highway 6, Limehills
<b>School Postal Address:</b>	State Highway 6, Limehills 9783
<b>School Phone:</b>	03 236 0772
<b>School Email:</b>	<a href="mailto:office@limehills.school.nz">office@limehills.school.nz</a>

#### Members of the Board of Trustees

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Occupation</b>	<b>Term Expired/ Expires</b>
Pete Hammond	Chair Person	Elected		May 2022
Jim Turrell	Principal	ex Officio		
Aaron Gill	Parent Rep	Elected		May 2022
Kara Boys	Parent Rep	Elected		May 2022
Anna Howard	Parent Rep	Elected		May 2022
Amber Mitchell	Parent Rep	Elected		May 2022
Kathy Turnbull	Staff Rep	Elected		May 2022
Kerri Brand	Staff Rep	Elected		May 2022

**Accountant / Service Provider:** Education Finance Ltd

# LIMEHILLS SCHOOL

Annual Report - For the year ended 31 December 2019

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# Limehills 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.

*Peter Hammond*

Full Name of Board Chairperson

*James Turrell*

Full Name of Principal

*Peter Hammond*

Signature of Board Chairperson

*James Turrell*

Signature of Principal

31 May 2020

Date:

31 May 2020

Date:

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

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Revenue</b>				
Government Grants	2	1,379,516	1,193,812	1,381,142
Locally Raised Funds	3	173,094	103,546	125,332
Interest income		9,845	10,000	9,424
		<hr/>	<hr/>	<hr/>
		1,562,455	1,307,358	1,515,898
<b>Expenses</b>				
Locally Raised Funds	3	111,169	46,366	91,379
Learning Resources	4	971,016	871,113	938,285
Administration	5	140,961	105,960	102,230
Finance		680	-	2,937
Property	6	373,607	283,350	343,429
Depreciation	7	51,250	29,000	48,681
		<hr/>	<hr/>	<hr/>
		1,648,683	1,335,789	1,526,941
<b>Net Surplus / (Deficit) for the year</b>		(86,228)	(28,431)	(11,043)
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		(86,228)	(28,431)	(11,043)

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

# Limehills School

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	Notes	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
<b>Balance at 1 January</b>		640,989	640,989	652,032
Total comprehensive revenue and expense for the year		(86,228)	(28,431)	(11,043)
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		3,617	10,000	-
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9		-	-	-
<b>Equity at 31 December</b>	22	558,378	622,558	640,989
Retained Earnings		558,378	622,558	640,989
Reserves		-	-	-
<b>Equity at 31 December</b>		558,378	622,558	640,989

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.

# Limehills School

## Statement of Financial Position

As at 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Current Assets</b>				
Cash and Cash Equivalents	8	10,550	22,352	39,283
Accounts Receivable	9	50,928	168,959	168,959
Prepayments		-	9,216	9,216
Inventories	10	4,317	6,630	6,630
Investments	11	258,480	250,000	250,000
		<u>324,275</u>	<u>457,157</u>	<u>474,088</u>
<b>Current Liabilities</b>				
GST Payable		16,025	2,660	2,660
Accounts Payable	13	90,382	107,642	107,642
Provision for Cyclical Maintenance	14	5,531	-	-
Finance Lease Liability - Current Portion	15	8,481	5,672	5,672
Funds held for Capital Works Projects	16	-	98,395	98,395
		<u>120,419</u>	<u>214,369</u>	<u>214,369</u>
<b>Working Capital Surplus/(Deficit)</b>		203,856	242,788	259,719
<b>Non-current Assets</b>				
Property, Plant and Equipment	12	403,558	404,322	405,822
		<u>403,558</u>	<u>404,322</u>	<u>405,822</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	14	25,831	21,188	21,188
Finance Lease Liability	15	23,205	3,364	3,364
		<u>49,036</u>	<u>24,552</u>	<u>24,552</u>
<b>Net Assets</b>		<u>558,378</u>	<u>622,558</u>	<u>640,989</u>
<b>Equity</b>	22	<u>558,378</u>	<u>622,558</u>	<u>640,989</u>

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

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

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Cash flows from Operating Activities</b>				
Government Grants		277,312	261,812	286,863
Locally Raised Funds		173,094	103,546	125,332
Goods and Services Tax (net)		13,365	-	(10,155)
Payments to Employees		(158,174)	(168,473)	(148,899)
Payments to Suppliers		(324,026)	(206,316)	(235,764)
Cyclical Maintenance Payments in the year		-	-	-
Interest Paid		(680)	-	(2,937)
Interest Received		9,247	10,000	10,516
Net cash from Operating Activities		<u>(9,862)</u>	569	24,956
<b>Cash flows from Investing Activities</b>				
Purchase of PPE (and Intangibles)		(19,200)	(27,500)	(26,743)
Purchase of Investments		(8,480)	-	-
Proceeds from Sale of Investments		-	-	27,461
Net cash from Investing Activities		<u>(27,680)</u>	(27,500)	718
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		3,617	10,000	-
Finance Lease Payments		(6,413)	-	(9,350)
Funds Held for Capital Works Projects		11,605	-	(11,605)
Net cash from Financing Activities		<u>8,809</u>	10,000	(20,955)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u><u>(28,733)</u></u>	<u><u>(16,931)</u></u>	<u><u>4,719</u></u>
Cash and cash equivalents at the beginning of the year	8	39,283	39,283	34,564
<b>Cash and cash equivalents at the end of the year</b>	8	<u><u>10,550</u></u>	<u><u>22,352</u></u>	<u><u>39,283</u></u>

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..

# Limehills School

## Notes to the Financial Statements

### For the year ended 31 December 2019

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

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

##### b) Basis of Preparation

###### *Reporting Period*

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

###### *Basis of Preparation*

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

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

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

###### *Standard early adopted*

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 26.

###### *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*

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

#### *Recognition of grants*

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

## **c) Revenue Recognition**

### **Government Grants**

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

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

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

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

### **Other Grants**

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.

### **d) 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.

### **e) Operating Lease Payments**

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

### **f) Finance Lease Payments**

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

### **g) Cash and Cash Equivalents**

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

### **h) Accounts Receivable**

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

### **Prior Year Policy**

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

### **i) Inventories**

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

## **j) Investments**

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

### **Prior Year Policy**

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

*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.*

## **k) 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 \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

### **Finance Leases**

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

### **Depreciation**

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

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	20-50 years
Furniture and equipment	5–10 years
Information and communication technology	5 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value

## **l) 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.

## **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) 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).

**p) 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, borrowings, 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.

**q) 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.

**r) Budget Figures**

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

**s) 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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	258,532	252,500	262,076
Teachers' Salaries Grants	825,997	720,000	820,723
Use of Land and Buildings Grants	287,990	212,000	290,796
Other MoE Grants	6,997	9,312	3,869
Other Government Grants	-	-	3,679
	<u>1,379,516</u>	<u>1,193,812</u>	<u>1,381,142</u>

## 3. Locally Raised Funds

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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Revenue</b>			
Donations	16,082	20,000	27,527
Activities	61,183	46,080	52,570
Trading	25,847	12,000	19,279
Fundraising	17,520	500	2,349
Other Revenue	52,462	24,966	23,607
	<u>173,094</u>	<u>103,546</u>	<u>125,332</u>
<b>Expenses</b>			
Activities	61,937	33,866	48,231
Trading	17,377	7,000	20,610
Fundraising (Costs of Raising Funds)	13,374	500	487
Transport (Local)	-	-	-
Other Locally Raised Funds Expenditure	18,481	5,000	22,050
	<u>111,169</u>	<u>46,366</u>	<u>91,379</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>61,925</u>	<u>57,180</u>	<u>33,953</u>

#### 4. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	27,418	29,600	30,919
Employee Benefits - Salaries	934,742	832,513	897,361
Staff Development	8,856	9,000	10,005
	971,016	871,113	938,285

#### 5. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	3,896	3,200	3,781
Board of Trustees Fees	2,660	3,000	3,230
Board of Trustees Expenses	2,896	4,000	1,960
Communication	2,753	3,000	2,893
Consumables	11,454	10,800	11,646
Operating Lease	24,344	14,000	8,743
Other	29,619	8,500	8,293
Employee Benefits - Salaries	54,079	53,460	56,627
Insurance	4,960	4,500	4,657
Service Providers, Contractors and Consultancy	4,300	1,500	400
	140,961	105,960	102,230

#### 6. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	2,527	2,500	2,543
Consultancy and Contract Services	16,979	15,000	15,702
Cyclical Maintenance Provision	10,174	5,000	(17,141)
Grounds	7,698	10,000	10,758
Heat, Light and Water	22,701	21,000	22,192
Rates	841	1,200	1,207
Repairs and Maintenance	21,583	13,500	13,590
Use of Land and Buildings	287,990	212,000	290,796
Security	1,156	650	649
Employee Benefits - Salaries	1,958	2,500	3,133
	373,607	283,350	343,429

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

## 7. Depreciation

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements - Crown	19,882	14,000	19,882
Furniture and Equipment	8,486	5,500	7,477
Information and Communication Technology	13,845	7,000	13,249
Leased Assets	7,040	-	5,977
Library Resources	1,997	2,500	2,096
	<u>51,250</u>	<u>29,000</u>	<u>48,681</u>

## 8. Cash and Cash Equivalents

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
ASB Cheque	10,550	22,352	39,273
ASB Saver	-	-	10
Cash and cash equivalents for Cash Flow Statement	<u>10,550</u>	<u>22,352</u>	<u>39,283</u>

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

## 9. Accounts Receivable

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables from the Ministry of Education	-	110,000	110,000
Interest Receivable	598	-	-
Banking Staffing Underuse	-	12,502	12,502
Teacher Salaries Grant Receivable	50,330	46,457	46,457
	<u>50,928</u>	<u>168,959</u>	<u>168,959</u>
Receivables from Exchange Transactions	598	-	-
Receivables from Non-Exchange Transactions	50,330	168,959	168,959
	<u>50,928</u>	<u>168,959</u>	<u>168,959</u>

## 10. Inventories

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	1,357	730	730
School Uniforms	1,710	-	-
Cattle	1,250	5,900	5,900
	<u>4,317</u>	<u>6,630</u>	<u>6,630</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	258,480	250,000	250,000
Non-current Asset			
Long-term Bank Deposits	-	-	-
<b>Total Investments</b>	<b>258,480</b>	<b>250,000</b>	<b>250,000</b>

## 12. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2019</b>						
Building Improvements	304,595	-	-	-	(19,882)	<b>284,713</b>
Furniture and Equipment	36,055	10,689	-	-	(8,486)	<b>38,258</b>
Information and Communication Technology	35,249	8,511	-	-	(13,845)	<b>29,915</b>
Leased Assets	14,010	29,063	-	-	(7,040)	<b>36,033</b>
Library Resources	15,913	723	-	-	(1,997)	<b>14,639</b>
<b>Balance at 31 December 2019</b>	<b>405,822</b>	<b>48,986</b>	<b>-</b>	<b>-</b>	<b>(51,250)</b>	<b>403,558</b>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
<b>2019</b>			
Building Improvements	535,335	(250,622)	<b>284,713</b>
Furniture and Equipment	113,814	(75,556)	<b>38,258</b>
Information and Communication Technology	146,406	(116,491)	<b>29,915</b>
Leased Assets	48,012	(11,979)	<b>36,033</b>
Library Resources	64,740	(50,101)	<b>14,639</b>
<b>Balance at 31 December 2019</b>	<b>908,307</b>	<b>(504,749)</b>	<b>403,558</b>

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2018</b>						
Building Improvements	324,477	-	-	-	(19,882)	<b>304,595</b>
Furniture and Equipment	37,848	5,684	-	-	(7,477)	<b>36,055</b>
Information and Communication Technology	28,795	19,703	-	-	(13,249)	<b>35,249</b>
Leased Assets	11,061	8,926	-	-	(5,977)	<b>14,010</b>
Library Resources	16,653	1,356	-	-	(2,096)	<b>15,913</b>
<b>Balance at 31 December 2018</b>	<b>418,834</b>	<b>35,669</b>	<b>-</b>	<b>-</b>	<b>(48,681)</b>	<b>405,822</b>



<b>2018</b>	<b>Cost or Valuation \$</b>	<b>Accumulated Depreciation \$</b>	<b>Net Book Value \$</b>
Building Improvements	535,335	(230,740)	<b>304,595</b>
Furniture and Equipment	123,377	(87,322)	<b>36,055</b>
Information and Communication Technology	150,674	(115,425)	<b>35,249</b>
Leased Assets	30,540	(16,530)	<b>14,010</b>
Library Resources	64,017	(48,104)	<b>15,913</b>
<b>Balance at 31 December 2018</b>	<u>903,943</u>	<u>(498,121)</u>	<u><b>405,822</b></u>

### 13. Accounts Payable

	<b>2019 Actual \$</b>	<b>2019 Budget (Unaudited) \$</b>	<b>2018 Actual \$</b>
Operating Creditors	26,638	53,793	53,793
Accruals	5,714	6,300	6,300
Banking Staffing Overuse	5,688	-	-
Employee Entitlements - Salaries	50,330	46,457	46,457
Employee Entitlements - Leave Accrual	2,012	1,092	1,092
	<u>90,382</u>	<u>107,642</u>	<u>107,642</u>
Payables for Exchange Transactions	90,382	107,642	107,642
	<u>90,382</u>	<u>107,642</u>	<u>107,642</u>

The carrying value of payables approximates their fair value.

### 14. Provision for Cyclical Maintenance

	<b>2019 Actual \$</b>	<b>2019 Budget (Unaudited) \$</b>	<b>2018 Actual \$</b>
Provision at the Start of the Year	21,188	21,188	38,330
Increase/ (decrease) to the Provision During the Year	10,174	5,000	(17,141)
Provision at the End of the Year	<u>31,362</u>	<u>26,188</u>	<u>21,189</u>
Cyclical Maintenance - Current	5,531	-	-
Cyclical Maintenance - Term	25,831	21,188	21,188
	<u>31,362</u>	<u>21,188</u>	<u>21,188</u>

## 15. Finance Lease Liability

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	8,481	5,672	5,672
Later than One Year and no Later than Five Years	23,205	3,364	3,364
Later than Five Years	-	-	-
	<u>31,686</u>	<u>9,036</u>	<u>9,036</u>

## 16. 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 Contributions	Closing Balances \$
Water Bore Replacement	<i>completed</i>	98,395	-	98,395	-	-
Totals		<u>98,395</u>	<u>-</u>	<u>98,395</u>	<u>-</u>	<u>-</u>

### Represented by:

	0	-
Funds Due from the Ministry of Education		<u>-</u>

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	Closing Balances \$
Water Bore Replacement	<i>in progress</i>	-	110,000	11,605	98,395
Totals		<u>-</u>	<u>110,000</u>	<u>11,605</u>	<u>98,395</u>

## 17. Related Party Transactions

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

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/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.

## 18. Remuneration

### Key management personnel compensation

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

	<b>2019 Actual \$</b>	<b>2018 Actual \$</b>
<i>Board Members</i>		
Remuneration	2,660	3,230
Full-time equivalent members	0.18	0.19
<i>Leadership Team</i>		
Remuneration	133,181	129,785
Full-time equivalent members	1.00	1.00
Total key management personnel remuneration	<u>135,841</u>	<u>133,015</u>
Total full-time equivalent personnel	<u>1.18</u>	<u>1.19</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:

	<b>2019 Actual \$000</b>	<b>2018 Actual \$000</b>
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	120-130	120-130
Benefits and Other Emoluments	3-4	3-4
Termination Benefits	-	-

### Other Employees

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

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

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

## 19. Compensation and Other Benefits Upon Leaving

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

	<b>2019 Actual</b>	<b>2018 Actual</b>
Total	-	-
Number of People	-	-

## 20. Contingencies

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

### **Holidays Act Compliance – schools payroll**

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

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance. 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.

## 21. Commitments

### **(a) Capital Commitments**

Nil

(Capital commitments at 31 December 2018: \$124,231)

### **(b) Operating Commitments**

As at 31 December 2019 the Board has not entered into any operating lease contracts

## 22. Managing Capital

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

## 23. Financial Instruments

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

### Financial assets measured at amortised cost (2018: Loans and receivables)

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Cash and Cash Equivalents	10,550	22,352	39,283
Receivables	50,928	168,959	168,959
Investments - Term Deposits	258,480	250,000	250,000
Total Financial assets measured at amortised cost	<u>319,958</u>	<u>441,311</u>	<u>458,242</u>

### Financial liabilities measured at amortised cost

Payables	90,382	107,642	107,642
Finance Leases	31,686	9,036	9,036
Total Financial Liabilities Measured at Amortised Cost	<u>122,068</u>	<u>116,678</u>	<u>116,678</u>

## 24. 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 was physically closed but open for tuition, the school switched to alternative methods of delivering the curriculum, so students can learn remotely.

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

## 25. Comparatives

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

## 26. 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 8 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.

- Note 9 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

## 2019 Limehills School Analysis of Variance

Report given to BoT February 2020

<b>Focus</b>	'Wave 3' learners - Literacy
<b>Annual target</b>	Using an integrated reading, writing and spelling programme that is phonologically based, teachers will be able to demonstrate sufficient or accelerated progress in literacy achievement for 100% of identified priority learners.
<b>Baseline data</b>	43 priority 'wave 3' learners were identified across Rooms 2 - 8.
<b>Results 2019</b>	<p>Overall, 71% of identified priority learners made sufficient or accelerated progress in Literacy. However:</p> <ul style="list-style-type: none"> <li>• Of the 43 students initially identified, only 16 completed the Home Reading Programme. These students made an average of 1.3 years reading progress. The remaining 27 students made an average of 10 months reading progress.</li> </ul> <p>In addition:</p> <ul style="list-style-type: none"> <li>• 8 students receiving 1:1 Toe by Toe intervention have made an average of 1.6 years reading progress in 2019</li> <li>• 16 students receiving visual therapy have made an average of 1 year reading progress in 2019 (although nearly all students have yet to complete the programme.)</li> <li>• 23 students with Ocula glasses have made an average of 1.6 years reading progress in 2019</li> <li>• 34 students completing Icept programme have made an average of 1.5 years reading progress in 2019</li> </ul> <p>NB: Some of these students are 'wave 3' students and have therefore been included in the target group. Others are 'wave 2' and are therefore not included in the target group data.</p>

Action (What we did)	Outcome (What happened)	Reason for variance (Why it happened)	Evaluation (Where to next?)
<p>1. Analysis of numeracy and literacy assessments used to identify underpinning cognitive weaknesses in priority learner groups.</p>	<p>Data analysis shaped targeted interventions and student 'accommodations.' Pre and post intervention data is summarised on our 'Student Achievement Map'.</p>	<p>Whilst we did not meet our very ambitious target, we are very pleased with what has been achieved.</p>	<p>Parent involvement - Home support has a significant impact on our success rates at school. Our data suggests an average of 5 months per year. Over 8 years of instruction, this equates to 3 years of 'reading age' by the time students enter high school.</p>
<p>2. Extensive school wide PLD in differentiated teaching and learning with a focus on improving student outcomes delivered by Educational Consultant, Jenny Tebbutt.</p>	<p>Jenny Tebbutt's PLD continues to raise the capability of teachers. New knowledge and skills were acquired that allow teachers to better understand learning differences and adapt their programmes accordingly. Coherent and consistent pedagogy has been developed across syndicates.</p>	<p>We are targeting the most challenging learners from a teaching perspective.  The majority have made sufficient or accelerated progress.</p>	<p>We will continue to endeavour to work more closely with the parents of targeted students.  We will continue to use a home reading programme in 2020 despite mixed results in 2019.  Training will be provided for the parents involved and each family will receive a set of A to O letter tiles. However, students who do not receive regular ongoing support at home, will not be included as 'targeted students' in our achievement targets for 2020.</p>
<p>3. Set student achievement targets and targeted interventions - linked to appraisal presentations. Our key questions are:</p> <ul style="list-style-type: none"> <li>• Describe the programmes and strategies you have used for your priority learner group.</li> <li>• Explain how you have differentiated your classroom programme to cater for them.</li> <li>• Evaluate the effectiveness of your modified programmes.</li> </ul>	<p>These questions formed the basis of professional discussions between colleagues. Reflections were recorded as part of a revised format for collegial or 'sideways' lesson observations. Appraisal systems were aligned with evolving teacher practice and data gathering.  Staff members received multiple sources of feedback in relation to their developing practice - collegial observation, Principal walkthroughs, syndicate meetings and as part of the appraisal presentations.  Highly effective and innovative practice is being developed and adapted to better suit the needs of all learners.</p>		<p>We have increasingly recognised the need for repetition and overlearning - especially for our targeted students. It is not possible to provide all the necessary opportunities for this to happen at school (hence the home reading programmes) but we are looking to further adapt classroom programmes to ensure this takes place for those students who need it most.</p>
<p>4. Identify and remediate all students who have vision problems which are impacting their learning.</p>	<p>The 16 students receiving visual therapy have made an average of 1 year reading progress in 2019.</p>		<p>We will continue to work towards achieving accelerated progress for our 'wave 3' learners through accommodations and innovative</p>



	<p>The 23 students with Ocula glasses have made an average of 1.6 years reading progress in 2019.</p> <p>The 34 students completing the Icept programme have made an average of 1.5 years reading progress in 2019.</p>	<p>teaching practice, although we will look to our Maths curriculum in 2020, after focusing on reading for a number of years.</p>
<p>5. Embed and continue to build on current assessment practice to ensure diagnostic, formative and summative assessment information is used effectively to accelerate progress of priority learners.</p>	<p>Growth in our collective professional capacity has seen teachers beginning to use data in new and exciting ways to improve learning outcomes for students.</p> <p>We have refined our own 'digital markbooks' - which evidence the scrutiny that teachers now routinely apply to progress and achievement data - emphasis on <i>progress</i>.</p> <p>We have revised our formal assessment schedule again for 2020 to better reflect our programmes - eg vision screening for whole school and Literacy Screening for whole school.</p> <p>Syndicate systems and shared ownership continue to ensure that our learnings are shared amongst colleagues so that the maximum positive impact for student outcomes can be realised across the whole school.</p>	
<p>6. Use the diagnostic testing of Alpha to Omega to meet class needs, using an integrated reading, writing and spelling programme that is phonologically based, Teachers will show measurable gains in achievement through pre and post testing data.</p>	<p>Consistent pedagogy across teams continues to develop. Students are benefitting from increasingly multi sensory learning opportunities.</p> <p>Provision has been made to increase opportunities for repetition and 'overlearning' for our wave 3 students. This needs to be further developed in 2020 - with closer links to home support programmes.</p>	

## **Kiwi Sport**

Kiwi Sport is a Government funding initiative to support students' participation in organised sport. In 2019, the school received total Kiwi Sport funding of \$2,456.88 (excluding GST).

Central Southland Schools, including Limehills combined their Kiwisport funding and employed a 'Sports Coordinator'. Her position was funded partly by our Kiwisport funding. The main purpose of her role was to coordinate sports team, co-organise local cluster events, holiday programmes and tournaments, coordinate visits from RSOs, and providing a sports calendar for schools.

The remaining Kiwi sport funding was used to purchase sporting equipment and fund transport to the Central Zone Winter Tournament.

## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF LIMEHILLS SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The Auditor-General is the auditor of Limehills School (the School). The Auditor-General has appointed me, Aaron Higham, using the staff and resources of BDO Invercargill, to carry out the audit of the financial statements of the School on his behalf.

#### Opinion

We have audited the financial statements of the School on pages 2 to 20, 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.

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

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

#### Emphasis of Matter - COVID-19

Without modifying our opinion, we draw attention to the disclosures in note 24 on page 20 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

#### 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, kiwisport paragraph and BOT listing included on pages 21 to 24 and the title page, 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.



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