

WESTPORT SOUTH SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

School Directory

Ministry Number: 3236
Principal: Jo Duston
School Address: Derby St, Westport 7825
School Postal Address: Derby St, Westport 7825
School Phone: (03) 789 7132
School Email: office@westportsouth.school.nz

Members of the Board of Trustees

Name	Position
Stephen Dorey	Chair Person
Jo Duston	Principal
Emma Collins	Board Member
Nicola Cunneen	Board Member
Lucus Hateley	Board Member
Nathan Thompson	Treasurer
Deb Forsyth	Staff Rep

Accountant / Service Provider: WK Strawbridge Limited

WESTPORT SOUTH SCHOOL

Annual Report - For the year ended 31 December 2019

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Westport South 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.

Stephen Dorey
Full Name of Board Chairperson

[Signature]
Signature of Board Chairperson

29/03/2021
Date:

Joanne Dutton
Full Name of Principal

[Signature]
Signature of Principal

29-03-2021
Date:

Westport South School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue				
Government Grants	2	2,309,638	891,044	2,155,976
Locally Raised Funds	3	69,210	53,178	63,154
Interest income		17,645	-	21,626
		<u>2,396,493</u>	<u>944,222</u>	<u>2,240,756</u>
Expenses				
Locally Raised Funds	3	35,405	25,989	38,926
Learning Resources	4	1,721,907	347,167	1,588,846
Administration	5	115,821	118,840	107,635
Property	6	422,302	471,826	381,978
Depreciation	7	50,644	20,870	45,632
Loss on Disposal of Property, Plant and Equipment		1,439	-	-
		<u>2,347,518</u>	<u>984,692</u>	<u>2,163,018</u>
Net Surplus / (Deficit) for the year		48,975	(40,470)	77,739
Total Comprehensive Revenue and Expense for the Year		48,975	(40,470)	77,739

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

Westport South School
Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	Notes	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January		<u>691,138</u>	<u>691,138</u>	<u>600,052</u>
Total comprehensive revenue and expense for the year		48,975	(40,470)	77,739
Capital Contributions from the Ministry of Education		-		13,347
Equity at 31 December	22	<u>740,113</u>	<u>650,668</u>	<u>691,138</u>
Retained Earnings		740,113	650,668	691,138
Equity at 31 December		<u>740,113</u>	<u>650,668</u>	<u>691,138</u>

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.

Westport South School Statement of Financial Position

As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	8	916,532	822,775	757,789
Accounts Receivable	9	198,882	198,882	105,897
GST Receivable		15,074	15,074	4,492
Prepayments		876	876	-
		<u>1,131,365</u>	<u>1,037,608</u>	<u>868,177</u>
Current Liabilities				
Accounts Payable	11	126,092	121,780	112,615
Revenue Received in Advance	12	47,366	47,366	47,539
Provision for Cyclical Maintenance	13	-	-	107,529
Finance Lease Liability - Current Portion	14	25,717	25,717	18,237
Funds held for Capital Works Projects	15	181,377	181,377	(18,150)
Funds for RTLB services	16	3,551	3,551	13,804
		<u>384,104</u>	<u>379,792</u>	<u>281,575</u>
Working Capital Surplus/(Deficit)		747,261	657,816	586,602
Non-current Assets				
Property, Plant and Equipment	10	160,106	160,106	168,670
		<u>160,106</u>	<u>160,106</u>	<u>168,670</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	13	105,504	105,504	14,750
Finance Lease Liability	14	61,750	61,750	49,384
		<u>167,254</u>	<u>167,254</u>	<u>64,134</u>
Net Assets		<u>740,113</u>	<u>650,668</u>	<u>691,138</u>
Equity	22	<u>740,113</u>	<u>650,668</u>	<u>691,138</u>

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

Westport South School
Statement of Cash Flows
For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		639,781	40,565	532,428
Locally Raised Funds		66,831	87,893	73,205
Goods and Services Tax (net)		(10,583)	(15,074)	(3,530)
Payments to Employees		(531,566)	(35,476)	(263,698)
Payments to Suppliers		(188,965)	(192,845)	(255,778)
Cyclical Maintenance Payments in the year		-	88,504	(70,996)
Interest Received		17,645	-	(2,963)
Net cash from Operating Activities		(6,858)	(26,433)	8,668
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		(1,439)	-	-
Purchase of PPE (and Intangibles)		(14,973)	(61,415)	(33,925)
Net cash from Investing Activities		(16,412)	(61,415)	(33,925)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	13,347
Finance Lease Payments		(7,261)	(32,094)	3,480
Funds Administered on Behalf of Third Parties		(10,253)	3,551	35,430
Funds Held for Capital Works Projects		199,527	181,377	(18,150)
Net cash from Financing Activities		182,013	152,834	34,107
Net increase/(decrease) in cash and cash equivalents		158,742	64,986	8,850
Cash and cash equivalents at the beginning of the year	8	757,789	757,790	748,939
Cash and cash equivalents at the end of the year	8	916,532	822,775	757,789

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..

Westport South School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

Standard early adopted

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 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 10.

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;

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.

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.

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	10–75 years
Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	4 years
Library resources	12.5% Diminishing value

1) Intangible Assets

Software costs

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

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

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

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

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

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

Non cash generating assets

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

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

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

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

n) Accounts Payable

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

o) Employee Entitlements

Short-term employee entitlements

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

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.

p) Provision for Cyclical Maintenance

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

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

q) Financial Assets and Liabilities

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

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

The School's financial liabilities comprise accounts payable, 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.

r) Borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the school has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Grants determined by the Minister of Education for operational activities includes all items (core components) included in the Operational Funding notice.

Borrowings include but not limited to bank overdrafts, operating leases, finance leases, painting contracts and term loans.

s) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

t) Budget Figures

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

u) Services received in-kind

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

2. Government Grants

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational Grants	517,458	95,020	457,245
Teachers' Salaries Grants	1,370,592	477,252	1,311,300
Use of Land and Buildings Grants	318,772	318,772	312,248
Resource Teachers Learning and Behaviour Grants	15,401	-	-
Other Government Grants	87,418	-	75,183
	2,309,638	891,044	2,155,976

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	7,274	9,700	16,873
Activities	44,635	34,782	29,109
Trading	10,617	-	8,477
Fundraising	6,683	8,696	8,695
	69,210	53,178	63,154
Expenses			
Activities	23,361	25,989	27,308
Trading	9,821	-	9,010
Fundraising (Costs of Raising Funds)	2,222	-	2,608
	35,405	25,989	38,926
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	33,805	27,189	24,228

4. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	21,685	40,283	24,515
Teaching Resources	364	957	1,256
Library Resources	427	870	791
Employee Benefits - Salaries	1,691,695	294,622	1,544,297
Staff Development	7,736	10,435	17,986
	1,721,907	347,167	1,588,846

5. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	4,312	3,478	3,262
Board of Trustees Fees	2,910	6,000	3,270
Board of Trustees Expenses	13,570	4,939	6,251
Communication	5,176	6,521	6,793
Consumables	4,986	4,435	8,775
Operating Lease	13,748	16,966	2,915
Other	7,613	10,011	8,122
Employee Benefits - Salaries	50,528	54,500	49,343
Insurance	7,998	6,522	15,003
Service Providers, Contractors and Consultancy	4,980	5,478	3,900
	115,821	118,840	107,635

6. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	4,614	13,044	3,913
Consultancy and Contract Services	651	-	3,430
Cyclical Maintenance Provision	(16,775)	17,000	(44,370)
Grounds	2,325	3,913	7,379
Heat, Light and Water	11,075	15,756	13,262
Rates	1,504	1,304	1,678
Repairs and Maintenance	40,966	24,703	12,291
Use of Land and Buildings	318,772	318,772	312,248
Security	3,037	-	4,319
Employee Benefits - Salaries	56,133	77,334	67,828
	422,302	471,826	381,978

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 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Buildings - School	1,459	575	1,311
Furniture and Equipment	12,676	5,341	12,185
Information and Communication Technology	11,497	6,438	14,689
Leased Assets	23,316	7,647	14,019
Library Resources	1,696	870	3,428
	50,644	20,870	45,632

8. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	-	-	-
Bank Current Account	598,958	505,201	457,156
Short-term Bank Deposits	317,574	317,574	300,632
Cash and cash equivalents for Cash Flow Statement	916,532	822,775	757,789

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	455	455	386
Banking Staffing Underuse	106,048	106,048	17,369
Teacher Salaries Grant Receivable	92,379	92,379	88,142
	198,882	198,882	105,897
Receivables from Exchange Transactions	455	455	386
Receivables from Non-Exchange Transactions	198,427	198,427	105,511
	198,882	198,882	105,897

10. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Buildings	4,670	5,565	-	-	(1,459)	8,776
Furniture and Equipment	54,273	8,684	(1,439)	-	(12,676)	48,842
Information and Communication	30,383	-	-	-	(11,497)	18,886
Leased Assets	66,861	27,107	-	-	(23,316)	70,652
Library Resources	12,483	2,163	-	-	(1,696)	12,950
Balance at 31 December 2019	168,670	43,519	(1,439)	-	(50,644)	160,106

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Buildings	51,545	(42,769)	8,776
Furniture and Equipment	198,955	(150,113)	48,842
Information and Communication	110,933	(92,047)	18,886
Leased Assets	119,561	(48,909)	70,652
Library Resources	44,561	(31,611)	12,950
Balance at 31 December 2019	525,555	(365,449)	160,106

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Buildings	3,355	2,626	-	-	(1,311)	4,670
Furniture and Equipment	60,109	6,348	-	-	(12,185)	54,272
Information and Communication Technology	41,983	3,090	-	-	(14,689)	30,383
Leased Assets	29,966	74,219	(23,325)	-	(14,019)	66,861
Library Resources	12,265	3,646	-	-	(3,428)	12,483
Balance at 31 December 2018	147,698	89,929	(23,325)	-	(45,632)	168,670

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Buildings	45,980	(41,310)	4,670
Furniture and Equipment	194,289	(140,017)	54,272
Information and Communication Technology	129,286	(98,903)	30,383
Leased Assets	92,454	(25,593)	66,861
Library Resources	42,398	(29,915)	12,483
Balance at 31 December 2018	504,408	(335,738)	168,670

11. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	9,625	9,625	3,757
Accruals	4,312	-	3,187
Employee Entitlements - Salaries	92,379	92,379	88,142
Employee Entitlements - Leave Accrual	19,776	19,776	17,530
	<u>126,092</u>	<u>121,780</u>	<u>112,615</u>
 Payables for Exchange Transactions	 126,092	 121,780	 112,615
	<u>126,092</u>	<u>121,780</u>	<u>112,615</u>

The carrying value of payables approximates their fair value.

12. Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Grants in Advance - Ministry of Education	12,196	12,196	10,059
Other	35,170	35,170	37,480
	<u>47,366</u>	<u>47,366</u>	<u>47,539</u>

13. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	122,279	122,279	166,649
Increase/ (decrease) to the Provision During the Year	(16,775)	(16,775)	(44,370)
Use of the Provision During the Year	-	-	-
 Provision at the End of the Year	 <u>105,504</u>	 <u>105,504</u>	 <u>122,279</u>
 Cyclical Maintenance - Current	 -	 -	 107,529
Cyclical Maintenance - Term	105,504	105,504	14,750
	<u>105,504</u>	<u>105,504</u>	<u>122,279</u>

14. Finance Lease Liability

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	25,717	25,717	18,237
Later than One Year and no Later than Five Years	61,750	61,750	49,384
	<u>87,467</u>	<u>87,467</u>	<u>67,621</u>

15. 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 \$
Room 14 Upgrade	<i>in progress</i>	-	-	(30,167)	-	(30,167)
Room 13 Upgrade	<i>completed</i>	(18,150)	36,301	-	-	18,150
Toilet Block Flooring Upgrade	<i>in progress</i>	-	283,224	(108,127)	-	175,097
Insulation Upgrade	<i>in progress</i>	-	18,297	-	-	18,297
Totals		<u>(18,150)</u>	<u>337,822</u>	<u>(138,295)</u>	<u>-</u>	<u>181,377</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	211,544
Funds Due from the Ministry of Education	(30,167)
	<u>181,377</u>

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	Closing Balances \$
Room 13 Upgrade	<i>in progress</i>	-	163,079	(181,229)	(18,150)
Totals		<u>-</u>	<u>163,079</u>	<u>(181,229)</u>	<u>(18,150)</u>

16. Funds for RTLB Services

Westport South School is the lead school funded by the Ministry of Education to provide the services of Resource Teachers of Learning and Behaviour to its cluster of schools.

	2019 Actual \$	2019 Budgeted (Unaudited) \$	2018 Actual \$
Funds held at beginning of the year	13,804	13,804	19,664
<i>Revenue</i>			
Teachers' Salary Grant	-	-	15,119
	-	-	15,119
Total funds available	13,804	13,804	34,783
<i>Expenses</i>			
Employee Benefit - Salaries	10,253	10,253	20,979
	10,253	10,253	20,979
Funds Held at Year End	3,551	3,551	13,804

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.

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	2,580	3,410
Full-time equivalent members	0.04	0.46
<i>Leadership Team</i>		
Remuneration	315,197	314,949
Full-time equivalent members	3	3
Total key management personnel remuneration	317,777	318,359
Total full-time equivalent personnel	3.04	3.46

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	140 - 150	130 - 140
Benefits and Other Emoluments	-	-
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
100 - 110	1.00	0.00
	1.00	0.00

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

19. Compensation and Other Benefits Upon Leaving

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

	2019 Actual	2018 Actual
Total	-	-
Number of People	-	-

20. Contingencies

There are no contingent liabilities (except as noted below) 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

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

(Capital commitments at 31 December 2018: \$nil)

(b) Operating Commitments

As at 31 December 2019 the Board has entered into the following contracts:

	2019 Actual \$	2018 Actual \$
No later than One Year	-	-
Later than One Year and No Later than Five Years	-	-
Later than Five Years	-	-
	-	-

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 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	916,532	822,775	757,789
Receivables	198,882	198,882	105,897
Total Financial assets measured at amortised cost	1,115,414	1,021,657	863,686

Financial liabilities measured at amortised cost

Payables	126,092	121,780	112,615
Finance Leases	87,467	87,467	67,621
Total Financial Liabilities Measured at Amortised Cost	213,559	209,247	180,237

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. While the disruption is currently expected to be temporary, there is a level of uncertainty around the duration of the closure.

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

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

25. Comparatives

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

26. Breach of Law - Failure to meet Statutory Reporting Deadline

The Board of Trustees did not comply with Section 87A of the Education Act, in that it did not submit its Annual Financial Statements for audit by 31 March 2020. The Board of Trustees did not comply with Section 87C of the Education Act, in that it did not submit its Annual Financial Statements to the Secretary by 31 May 2020

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

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



WESTPORT SOUTH SCHOOL

Annual Report 2019 Student Achievement Target A

Ensure high levels of Literacy and Mathematics across the school

75% of children tested for their 6yr net will be performing at Stainine 5 or above for writing vocabulary and hearing sounds in words After consideration of what we were wanting to achieve and after advise from Ministry Speech/ language Therapist we changed the target to the following

90% of children tested at their six year net will improve by 12% from their initial school entry data using the McCarthy & Kirk test.

Why this target?

Data has shown that oral language levels have dropped over the past three years. Professional development in this area has heightened staff awareness of the problem but also given actions to be taken.

What did we do?

Regular teaching of Yolanda Sorel phonics. Staff in the Junior are of the school who didn't get to attend the Yolanda Sorrell course in 2018 had the opportunity to do so. The talk to learn programme was instigated. Regular practise to reinforce basic words and alphabet skills and games provided to assist with this. Junior SAP group have met 3 times per term to discuss targeted children and share ideas for improvement. Each room had 2 hours per week teacher assistance to help with over learning and discussion around books to extend vocabulary.

How did we resource it?

Money was budgeted for professional development, games and Teacher Aide time.

What did we achieve? Analysis of variance.

Summary

26 children initially tested.

3 children could be classed as 'special needs' at that time.

3 children scored lower than chronological age on McCarthy and Kirk (two of these were 'special needs').

On the retest of McCarthy and Kirk, one child only (special needs) scored lower than chronological age although there was an increase in score from initial testing.

Three children had left.

The remaining children all had improved their scores and were all achieving well-above their chronological age.

With the exception of the 'special needs' score of 4yrs3mths, the scores ranged between 6yrs10mths and 10+ years.

The Record of Oral Language (R.O.L.) test by Marie Clay gives a score out of 42. All 26 children were initially tested. Three children were not re-tested due to leaving the school. Initial scores ranged from 0 to scores in the late 30's. There was one initial score of 39 which could not be validated (inexperienced scorer). At least 8 of these children had speech issues. Scores of 20 + would be considered 'good' on this test. For the retest, the most significant gain was a score that went from 5 to 18. With the exception of one child who remained the same, all others made gains. This included the children who had 'special needs'/speech difficulties. The highest final score was 39. Nine children had scores lower than 20, six of these were in the identified group of 'special needs'/speech issues.

Where to next?

These results clearly show that after one year at school in a rich-language environment, the children at Westport South School are making gains in oral language. However, identified children at entry would benefit from oral language programmes such as 'Talk to Learn' run in small groups with a Teacher Aide. This could be looked at in future years. Oral language is an emphasis in the junior classrooms.

Annual Report Student Achievement Target C

Ensure high levels of Literacy and Mathematics across the school

Target: By the end of November 2019 identified Year 4 and 5 students will have 80% recall of multiplication / division basic facts at the Advanced Additive Stage. (ie multiplication basic facts up to the 10X tables and some corresponding division facts).

Why this target?

Data has shown that children do not have instant recall of basic facts. While we trial the use of Prime maths in the middle school, which will have changes in requirements and testing if adopted, we will target basic facts which are necessary at all levels and no matter what programme we decide to follow in the future. A target group will be identified from 2018 data collection

What did we do?

Base line data was collected from the whole school in March 2019 and was repeated in October (see the tables below).

8 Year 4 students were identified at the end of 2018 to be targeted as needing to improve their recall of these basic facts.

Classes supplied with equipment and materials to enhance basic facts.

SAP teams to met 3 times a term to discuss targeted children and share ideas for improvement

Parents were advised of programmes being used to address the target. School news letters gave advise of games etc that can be used to assist at home.

Mult / Div Basic Facts Spread as @ October 2019.

The highlighted grids indicate expectation for the end of the year.

Year Group	Room	<5 Level 1	E5 Level 2	A5 Level 2	E6 Level 3	A6 Level 3	A7 Level 4	Students At / Ab
8	4		1		4	3	6	47%
	3		2		5	1	8	
7	4					1	9	56%
	3	1				1	12	
	14		1	4	6	5	2	
6	14	1		1	4	1	1	52%
	2			4	5	7	7	
5	2			1		1	3	52%
	11	1	5	6	11	3	1	
	13		2		1			
4	13		2	8	5	6	2	82%
	12	1	2	3				
3	12	2	4	2	2			80%

Congratulations to all! Significant gains were made with Multiplication and Division Basic Facts across the school.

Where to next?

Basic facts will continue to be an emphasis however no targets for numeracy will be in place in 2020 as we aim to introduce Prime maths and gather data for areas needing to be targeted.

Annual Report Student Achievement Target B

Ensure high levels of Literacy and Mathematics across the school

Annual Target: Identified Year 8 & 5 girls will make accelerated progress to meet expected levels

Why this target?

Data has shown that the year 8 and year 5 girls are below what is expected level for their age groups. For the year 8's this is not what was evident in their data at year 5.

What did we do?

All teachers identified a group of girls working below expectation as a target group. Regular staff meetings and professional reading discussions around writing were held. Regular discussions at SAP meetings to monitor target students. Classroom observations, teacher mentoring. Continued with ALL intervention/strategies in all classes. Robust moderation in SAP groups. TA supplied for 2 hours per week per room to assist with children's follow up or to cover class while teacher worked with ALL group.

How did we resource it?

Money was budgeted for equipment. TA time was assigned where staff felt necessary. A walk for books fundraising event gave extra funds for equipment

What did we achieve? Analysis of variance.

Base line data was collected from the whole school in March 2019 and was repeated in October (see the tables below).

8 Year 4 students were identified at the end of 2018 to be targeted as needing to improve their recall of these basic facts.

5 Year 5 students were selected.

The Year 4 target group showed significant improvement with 4 out of 7 students making gains that exceeded the target.

The Year 5 target group showed significant progress with 3 out of 5 students also achieving above expectation.

Of the students who did not achieve the target, all but one made pleasing gains.

The following grids indicate the spread of multiplication / division basic facts recall across the school. Initial data was gathered at the start of the year and it was evident that classes, across the school were not achieving at expectation. Teachers focussed upon this as the year progressed and the October data showed accelerated improvement across the school.

However, we need to keep the intensive teaching and learning happening in 2020 because in most cohorts we are still achieving at only 50%. We need to get that figure to 75%! Particularly in the upper part of the school. I recommend that this target is repeated for 2020. At the start of every maths lesson there needs to continue to be a basic fact / knowledge teaching component.

Mult / Div Basic Facts Spread as @ March 2019.

The highlighted grids indicate expectation for the end of the year.								
Year Group	Room	<5 Level 1	E5 Level 2	A5 Level 2	E6 Level 3	A6 Level 3	A7 Level 4	Students At / Ab
8	4			1	6	3	6	29%
	3		2	-	6	4	3	
7	4		1		1	5	6	30%
	3				1	5	7	
	14		5	7	6			
6	14	2	-	3	3			10%
	2		5	3	10	3		
5								14%
	1	7	12	6	4	1		
	13	2	3					
4	13	10	13					0%
	12	5	4					
3	12	7	4					36%

There is a significant movement across Levels in the October data.

How did we resource it?

Money was budgeted for TA's. Resources were bought as necessary.

What did we achieve? Analysis of variance.

Year 8 Girls

Year 8 Girls Writing Target Data (Surface Features)									
Achievement Level	March Number of Students	March Percentage		June Number of Students	June Percentage		November Number of Students	November Percentage	
Early 5	0	Above	0%		Above	0%	1	Above	6%
At 4	0			1			4		
Early 4	1	At	6%	6	At	44%	4	Below	69%
At 3	7			7			7		
Early 3	7	Below	82%	2	Below	56%	0	Well Below	
At 2	1			0			0		
Early 2	1	Well Below	12%	0	Well Below		0	Well Below	
> Early 2	0			0			0		
TOTAL	17			16	<i>None left school</i>		16		

There was a total of 17 Girls in this cohort in March. One student left taking the total number to 16. Year 8 girls *Surface Features* data identified:

6% of girls are achieving *Above* expectation – up from 0% in March.

25% of girls are achieving *At* expectation. This is an increase from 6% in March.

69% of girls are achieving *Below* expectation. This number has reduced from 82% in March.

There are no girls are achieving *Well Below* expectation. This is an improvement from 12% in March.

Year 8 Girls Writing Target Data (Deeper Features)									
Achievement Level	March Number of Students	March Percentage		June Number of Students	June Percentage		November Number of Students	November Percentage	
Early 5		Above		0	Above		0	Above	
At 4				1			6		
Early 4		At		5	At		3	Below	62%
At 3				5			7		
Early 3		Below		4	Below	56%	0	Well Below	
At 2				1			0		
Early 2		Well Below		0	Well Below	6%	0	Well Below	
> Early 2				0			0		
TOTAL				16			16		

There was a total of 17 Girls in this cohort in March. One student left taking the total number to 16. Year 8 girls *Deeper Features* data identified:

There are no girls are achieving *Above* expectation.

The number of girls achieving *At* expectation remains the same at 38%.

62% of girls are achieving *Below* expectation. This number has increased from 56% in June however there are now no girls working *Well Below* expectation which is an improvement from 6% in June.

Where to next?

I would suggest that we continue using the rubrics as a form of ongoing monitoring and assessment school-wide for at least one more year. The rubrics give Levels of Achievement which match the information shared with parents on Mid-year and End-of-year school reports. Unfortunately, the information gathered from an Asttle assessment does not correlate with Curriculum Levels so it is time consuming and difficult to determine an accurate Level to share with parents on school reports. Marking writing is a huge task for teachers and in my opinion, completing three full asttle assessments in one year is too much. If we must use asttle, then it should be as an end of year summative assessment to be compared with the previous years results.

My next recommendation would be to follow the same Target group over a period of two years as opposed to choosing a new target group each year. For example, follow the same cohort of Year 3 and 7 students for two years as they become a Year 4 and Year 8 group. This would give a broader picture of achievement and ability within the specified group.

Finally, I would support a review of the spelling/language programme. A sound spelling programme is a key aspect in developing skills essential for writing. Our teachers are using a number of good resources, and it would be timely to share what is being used and to develop a clearer idea of how spelling is developed across the school.

KIWISPORT

KIWI SPORTS FUNDING—\$4112

Funding was used to give the children an extra week swimming in the town pool. The school continues to be a member of the Canterbury sports Assn and gave 3 students opportunity to do cross country at a higher level. The school subsidized sports fees this year in an effort to keep children involved in sport out of school.

Equipment	\$ 300.00
Swimming	\$1750.00
Membership Subsidies	\$ 350.00
Tasman Golf in schools	\$ 124.00
Top Team	\$ 800.00
Transportation to swimming	\$ 550.00 subsidized parents
CHCH transport, accom	\$ 200.00 subsidized parents

The school took advantage of the Rugby, Cricket, Basketball, Hockey Development Officers to take skills with all classes.

Miniball, Basketball, Netball, Hockey teams were organized through the school and several membership fees were subsidized by the school to enable children to participate. Equipment and uniforms were provided by the school for these sports.

**INDEPENDENT AUDIT REPORT TO THE READERS OF
WESTPORT SOUTH SCHOOL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

The Auditor-General is the auditor of Westport South School (the School). The Auditor-General has appointed me, Warren Johnstone, using the staff and resources of BDO Christchurch, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 4 to 24 that comprise the statement of financial position as at 31 December 2019, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

Our audit was completed on 29 March 2021. This is the date at which our opinion is expressed.

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

Emphasis of Matter - COVID-19

Without modifying our opinion, we draw attention to the disclosures in note 24 on page 23 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

Basis of Opinion

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

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

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

Responsibilities of the Board of Trustees

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

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

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

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

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

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

Independence

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

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



BDO Christchurch

On behalf of the Auditor-General
Christchurch, New Zealand