

# **Viscount School**

## **Annual Report for the year ended 31 December 2019**

<b>Ministry Number:</b>	1546
<b>Principal:</b>	Shirley Hardcastle
<b>School Address:</b>	65 Viscount Street, Mangere, Auckland 2022
<b>School Postal Address:</b>	65 Viscount Street, Mangere, Auckland 2022
<b>School Phone:</b>	09 275 4699
<b>School Email:</b>	admin@viscount.school.nz
<b>Service Provider:</b>	Edtech Financial Services Ltd

**Members of the Board of Trustees**

For the year ended 31 December 2019

BOARD MEMBER	POSITION	HOW POSITION ON BOARD GAINED	OCCUPATION	TERM EXPIRED/EXPIRES
Tinei Tagaloa-Leniu	Chairperson	Elected	IT – Test systems	3 years, Exp. Sept 2022
Tuloto Tinah Fatitaula-Amituanai		Elected	ECE teacher	3 years, Exp. Sept 2022
Marino Rapata		Elected	Debt Collector for IRD	3 years, Exp. Sept 2022
Olivine Lealiifano		Elected	Customs officer	3 years, Exp. Sept 2022
Joshua Tomuli		Elected	Supply Manager – Progressive Enterprises	Resigned 9 Dec 2019
Justine Montague	Staff Rep	Elected	Teacher	3 years, Exp. Sept 2022
Madeleine East	LSM		Independent Contractor	
Shirley Hardcastle	Principal		Teacher	

# **Viscount School**

## **Annual Report**

For the year ended 31 December 2019

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Viscount 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.

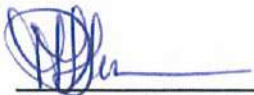
The School's 2019 financial statements are authorised for issue by the Board.

TINEI TAGALOA-LENIU

Full Name of Board Chairperson

Shirley Lowaine Hardcastle

Full Name of Principal



Signature of Board Chairperson



Signature of Principal

12/6/20

Date:

12/6/2020

Date:

# Viscount 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	5,426,333	5,196,056	5,214,007
Locally Raised Funds	3	123,870	79,450	32,706
Interest Income		8,663	7,500	8,274
Gain on Sale of Property, Plant and Equipment		-	-	261
		<b>5,558,866</b>	<b>5,283,006</b>	<b>5,255,248</b>
<b>Expenses</b>				
Locally Raised Funds	3	31,154	21,000	11,097
Learning Resources	4	3,143,665	3,044,180	3,032,938
Administration	5	289,634	263,050	213,816
Finance		3,968	3,838	4,214
Property	6	1,718,952	1,752,975	1,678,435
Depreciation	7	112,791	100,000	100,096
Loss on Disposal of Property, Plant and Equipment		967	-	3,991
		<b>5,301,131</b>	<b>5,185,043</b>	<b>5,044,587</b>
<b>Net Surplus for the year</b>		<b>257,735</b>	<b>97,963</b>	<b>210,661</b>
<b>Other Comprehensive Revenue and Expenses</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b>257,735</b>	<b>97,963</b>	<b>210,661</b>

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

Viscount School

# Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

		2019	2019	2018
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Balance at 1 January		605,174	605,174	394,513
Total comprehensive revenue and expense for the year		257,735	97,963	210,661
Equity at 31 December	23	862,909	703,137	605,174
Retained Earnings		862,909	703,137	605,174
Equity at 31 December		862,909	703,137	605,174

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.

# Viscount School

## Statement of Financial Position

As at 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	177,141	172,174	115,670
Accounts Receivable	9	197,867	180,000	263,698
GST Receivable		33,349	15,000	59,275
Prepayments		22,346	15,000	15,020
Inventories	10	6,435	900	872
Investments	11	104,407	105,000	101,790
		<b>541,545</b>	<b>488,074</b>	<b>556,325</b>
<b>Current Liabilities</b>				
Accounts Payable	13	234,886	230,600	234,094
Revenue Received in Advance	14	20,000	-	-
Provision for Cyclical Maintenance	15	4,050	197,623	10,473
Finance Lease Liability - Current Portion	16	19,010	18,657	18,782
Funds Held for Capital Works Projects	17	9,311	-	-
		<b>287,257</b>	<b>446,880</b>	<b>263,349</b>
<b>Working Capital Surplus/(Deficit)</b>		<b>254,288</b>	<b>41,194</b>	<b>292,976</b>
<b>Non-current Assets</b>				
Property, Plant and Equipment	12	793,372	683,673	506,173
		<b>793,372</b>	<b>683,673</b>	<b>506,173</b>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	15	171,177	8,850	163,824
Finance Lease Liability	16	13,574	12,880	30,151
		<b>184,751</b>	<b>21,730</b>	<b>193,975</b>
<b>Net Assets</b>		<b>862,909</b>	<b>703,137</b>	<b>605,174</b>
<b>Equity</b>	23	<b>862,909</b>	<b>703,137</b>	<b>605,174</b>

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

# Viscount School

## Statement of Cash Flows

For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
<b>Cash flows from Operating Activities</b>				
Government Grants		1,602,717	1,610,859	1,504,113
Locally Raised Funds		143,870	79,450	33,306
Goods and Services Tax (net)		25,926	44,275	(44,024)
Payments to Employees		(568,093)	(590,524)	(690,103)
Payments to Suppliers		(685,602)	(793,112)	(595,120)
Cyclical Maintenance Payments in the year		(50,100)	-	-
Interest Paid		(3,968)	(3,838)	(4,214)
Interest Received		7,333	7,500	8,463
<b>Net cash from Operating Activities</b>		<b>472,083</b>	<b>354,610</b>	<b>211,421</b>
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of PPE (and Intangibles)		-	(33,189)	(3,730)
Purchase of PPE (and Intangibles)		(398,032)	(365,217)	(95,314)
Purchase of Investments		(2,617)	-	(21,296)
Proceeds from Sale of Investments		-	(3,210)	-
<b>Net cash from Investing Activities</b>		<b>(400,649)</b>	<b>(401,616)</b>	<b>(120,340)</b>
<b>Cash flows from Financing Activities</b>				
Finance Lease Payments		(19,274)	103,510	(20,219)
Painting Contract Payments		-	-	(35,423)
Funds Held for Capital Works Projects		9,311	-	-
<b>Net cash from Financing Activities</b>		<b>(9,963)</b>	<b>103,510</b>	<b>(55,642)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>61,471</b>	<b>56,504</b>	<b>35,439</b>
<b>Cash and cash equivalents at the beginning of the year</b>	8	<b>115,670</b>	<b>115,670</b>	<b>80,231</b>
<b>Cash and cash equivalents at the end of the year</b>	8	<b>177,141</b>	<b>172,174</b>	<b>115,670</b>

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

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

# Notes to the Financial Statements

For the year ended 31 December 2019

## 1. Statement of Accounting Policies

### Reporting Entity

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

### Basis of Preparation

#### Reporting Period

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

#### Basis of Preparation

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

#### Financial Reporting Standards Applied

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

#### Standard Early Adopted

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

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

### *Critical Judgements in applying accounting policies*

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

#### *Classification of leases*

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

#### *Recognition of grants*

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

### **Revenue Recognition**

#### *Government Grants*

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

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

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

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

#### *Other Grants*

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

#### *Donations, Gifts and Bequests*

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

#### *Interest Revenue*

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

#### *Use of Land and Buildings Expense*

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

#### *Finance Lease Payments*

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

#### *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.

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

### Accounts Receivable

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

#### *Prior Year Policy*

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

### Inventories

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

### Investments

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

#### *Prior Year Policy*

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

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

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

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

### 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 \$250 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.

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

### *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 - School	40 years
Furniture and equipment	3-10 years
Information and communication technology	2-5 years
Motor vehicles	10 years
Leased assets held under a Finance Lease	3-5 years
Library resources	12.5% Diminishing value

### *Impairment of property, plant, and equipment*

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

### *Non cash generating assets*

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

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

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

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

### *Accounts Payable*

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

### *Employee Entitlements*

#### *Short-term employee entitlements*

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

### Revenue Received in Advance

Revenue received in advance relates to fees received from donation for 2020 playground costs where there are unfulfilled obligations for the School to provide services in the future. The fees are recorded as revenue as the obligations are fulfilled and the fees earned.

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

### Provision for Cyclical Maintenance

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

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

### Financial Assets and Liabilities

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

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

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

### Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

### Budget Figures

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

### Services Received In-Kind

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

**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2019

**2 Government Grants**

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Operational Grants	1,326,668	1,368,296	1,381,353
Teachers' Salaries Grants	2,681,127	2,500,000	2,416,263
Use of Land and Buildings Grants	1,223,767	1,166,475	1,216,756
Resource Teachers Learning and Behaviour Grants	5,930	3,000	5,181
Other MoE Grants	176,572	150,785	176,346
Other Government Grants	12,269	7,500	18,108
	<b>5,426,333</b>	<b>5,196,056</b>	<b>5,214,007</b>

**3 Locally Raised Funds**

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

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
<b>Revenue</b>			
Donations	3,621	49,950	11,966
Activities	31,073	3,500	5,643
Trading	16,684	21,000	11,136
Fundraising	66,064	-	-
Other Revenue	6,428	5,000	3,961
	<b>123,870</b>	<b>79,450</b>	<b>32,706</b>
<b>Expenses</b>			
Activities	22,045	-	-
Trading	9,109	21,000	11,097
	<b>31,154</b>	<b>21,000</b>	<b>11,097</b>
	<b>92,716</b>	<b>58,450</b>	<b>21,609</b>

*Surplus/ (Deficit) for the year Locally Raised Funds*

The school would like to acknowledge the receipt of \$49,940 from Rano Community Trust to be spent on the shade canopy. The school

**4 Learning Resources**

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Curricular	95,131	108,000	77,992
Equipment Repairs	-	-	149
Information and Communication Technology	71,691	51,680	106,618
Extra-Curricular Activities	6,502	2,000	3,055
Library Resources	3,976	7,500	6,720
Employee Benefits - Salaries	2,936,498	2,825,000	2,791,765
Staff Development	29,867	50,000	47,239
	<b>3,143,665</b>	<b>3,044,180</b>	<b>3,032,938</b>

**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2019

**5 Administration**

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Audit Fee	6,939	7,000	5,777
Board of Trustees Fees	350	500	-
Board of Trustees Expenses	13,161	14,000	15,344
Communication	7,052	8,300	8,479
Consumables	22,240	18,000	13,329
Operating Lease	31,336	18,000	27,299
Other	18,195	22,950	13,717
Employee Benefits - Salaries	166,757	149,500	104,969
Insurance	16,176	16,300	15,643
Service Providers, Contractors and Consultancy	7,428	8,500	8,259
	<u>289,634</u>	<u>263,050</u>	<u>213,816</u>

**6 Property**

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Caretaking and Cleaning Consumables	38,694	43,500	37,549
Consultancy and Contract Services	80,367	91,000	2,657
Cyclical Maintenance Expense	51,030	108,000	58,894
Grounds	7,549	5,000	1,612
Heat, Light and Water	53,083	51,000	55,665
Repairs and Maintenance	104,553	148,000	50,851
Use of Land and Buildings	1,223,767	1,166,475	1,216,756
Security	17,819	25,000	41,223
Employee Benefits - Salaries	142,090	115,000	213,228
	<u>1,718,952</u>	<u>1,752,975</u>	<u>1,678,435</u>

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

**7 Depreciation**

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Buildings - School	7,637	6,371	8,238
Furniture and Equipment	50,162	44,533	31,035
Information and Communication Technology	27,667	26,109	25,400
Motor Vehicles	865	722	865
Leased Assets	19,565	15,911	26,924
Library Resources	6,895	6,354	7,634
	<u>112,791</u>	<u>100,000</u>	<u>100,096</u>

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

## 8 Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Bank Current Account	177,141	172,174	115,670
Cash and cash equivalents for Cash Flow Statement	<u>177,141</u>	<u>172,174</u>	<u>115,670</u>

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

Of the \$177,141 Cash and Cash Equivalents, \$9,311 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2020 on Crown owned school buildings under the School's Five Year Property Plan.

## 9 Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables from the Ministry of Education	-	-	81,278
Interest Receivable	1,330	-	-
Teacher Salaries Grant Receivable	196,537	180,000	182,420
	<u>197,867</u>	<u>180,000</u>	<u>263,698</u>
Receivables from Exchange Transactions	1,330	-	-
Receivables from Non-Exchange Transactions	196,537	180,000	263,698
	<u>197,867</u>	<u>180,000</u>	<u>263,698</u>

## 10 Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Stationery	6,435	900	872
	<u>6,435</u>	<u>900</u>	<u>872</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	104,407	105,000	101,790
Total Investments	<u>104,407</u>	<u>105,000</u>	<u>101,790</u>

**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2019

**12 Property, Plant and Equipment**

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Buildings	155,180	-	-	-	(7,637)	147,543
Furniture and Equipment	212,394	294,821	-	-	(50,162)	457,053
Information and Communication Technology	32,256	100,523	-	-	(27,667)	105,112
Motor Vehicles	7,662	-	-	-	(865)	6,797
Leased Assets	45,246	2,925	-	-	(19,565)	28,606
Library Resources	53,435	2,688	(967)	-	(6,855)	48,261
Balance at 31 December 2019	506,173	400,957	(967)	-	(112,791)	793,372

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Buildings	457,240	(309,697)	147,543
Furniture and Equipment	1,361,560	(904,507)	457,053
Information and Communication Technology	897,215	(792,103)	105,112
Motor Vehicles	40,129	(33,332)	6,797
Leased Assets	123,831	(95,225)	28,606
Library Resources	117,737	(69,476)	48,261
Balance at 31 December 2019	2,997,712	(2,204,340)	793,372

The net carrying value of equipment held under a finance lease is \$28,606 (2018: \$45,246).

The net carrying value of motor vehicles held under a finance lease is \$6,797 (2018: \$7,662).

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Buildings	163,418	-	-	-	(8,238)	155,180
Furniture and Equipment	158,321	85,108	-	-	(31,035)	212,394
Information and Communication Technology	43,905	13,751	-	-	(25,400)	32,256
Motor Vehicles	8,527	-	-	-	(865)	7,662
Leased Assets	38,767	33,403	-	-	(26,924)	45,246
Library Resources	64,614	446	(3,991)	-	(7,634)	53,435
Balance at 31 December 2018	477,552	132,708	(3,991)	-	(100,096)	506,173

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Buildings	457,240	(302,060)	155,180
Furniture and Equipment	1,066,739	(854,345)	212,394
Information and Communication Technology	796,692	(764,436)	32,256
Motor Vehicles	40,129	(32,467)	7,662
Leased Assets	120,906	(75,660)	45,246
Library Resources	117,169	(63,734)	53,435
Balance at 31 December 2018	2,598,875	(2,092,702)	506,173

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

## 13 Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	26,200	35,600	35,650
Employee Entitlements - Salaries	198,395	180,000	184,662
Employee Entitlements - Leave Accrual	10,291	15,000	13,782
	<u>234,886</u>	<u>230,600</u>	<u>234,094</u>
Payables for Exchange Transactions	234,886	230,600	234,094
	<u>234,886</u>	<u>230,600</u>	<u>234,094</u>

The carrying value of payables approximates their fair value.

## 14 Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Other	20,000	-	-
	<u>20,000</u>	<u>-</u>	<u>-</u>

## 15 Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	174,297	174,297	157,089
Increase/(decrease) to the Provision During the Year	51,030	108,000	58,894
Use of the Provision During the Year	(50,100)	(75,824)	(41,686)
Provision at the End of the Year	<u>175,227</u>	<u>206,473</u>	<u>174,297</u>
Cyclical Maintenance - Current	4,050	197,623	10,473
Cyclical Maintenance - Term	<u>171,177</u>	<u>8,850</u>	<u>163,824</u>
	<u>175,227</u>	<u>206,473</u>	<u>174,297</u>

## 16 Finance Lease Liability

The school has entered into a number of finance lease agreements for teachers laptops and Active Panels.  
Minimum lease payments payable (includes interest portion):

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	21,269	18,557	22,620
Later than One Year and no Later than Five Years	<u>14,171</u>	<u>12,880</u>	<u>32,777</u>
	<u>35,441</u>	<u>31,537</u>	<u>55,397</u>

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

## 17 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:

					BOT Contribution/ (Write-off to R&M)	
2019		Opening Balances \$	Receipts from MoE \$	Payments \$		Closing Balances \$
SYPP/Fencing Project	<i>In progress</i>	(12,824)	2,365	-	-	(10,459)
Soffit Project	<i>Completed</i>	1,292	-	-	-	1,292
Distribution Board	<i>Completed</i>	(816)	1,478	-	-	662
Blk 3 Toilet Refurb	<i>Completed</i>	(64,643)	61,442	-	-	(3,201)
Blk 3 Carpet Replacem	<i>Completed</i>	(16,833)	15,534	-	-	(1,299)
Blk 3 Ceiling Tiles	-	(2,688)	292	756	-	(3,152)
Blk 1 & 3 Roof Repl	<i>completed</i>	15,234	24,851	26,036	-	14,049
Water Main	<i>in progress</i>	-	36,000	-	-	36,000
Blk 3 Water Tightness	<i>in progress</i>	-	-	12,112	-	(12,112)
Lighting Project	<i>completed</i>	-	32,918	33,151	-	(233)
Asbestos Project	<i>in progress</i>	-	-	2,676	-	(2,676)
Wall Refurbishment	<i>completed</i>	-	103,455	113,015	-	(9,560)
Totals		(81,278)	278,335	187,746	-	9,311

## Represented by:

Funds Held on Behalf of the Ministry of Education

52,003

Funds Due from the Ministry of Education

(42,692)

9,311

					BOT Contribution/ (Write-off to R&M)	
2018		Opening Balances \$	Receipts from MoE \$	Payments \$		Closing Balances \$
SYPP/Fencing Project	<i>completed</i>	-	42,932	55,756	-	(12,824)
Soffit Project	<i>completed</i>	-	23,156	21,864	-	1,292
Distribution Board	<i>completed</i>	-	30,996	31,812	-	(816)
Blk 3 Toilet Refurb	<i>completed</i>	-	54,000	118,643	-	(64,643)
Blk 3 Carpet Replacem	<i>completed</i>	-	94,050	110,883	-	(16,833)
Blk 3 Ceiling Tiles	<i>completed</i>	-	14,850	17,538	-	(2,688)
Blk 1 & 3 Roof Repl	<i>in progress</i>	-	239,080	223,846	-	15,234
Totals		-	499,064	580,342	-	(81,278)

## 18 Related Party Transactions

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

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

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

## 19 Remuneration

*Key management personnel compensation*

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	350	-
Full-time equivalent members	-	-
<i>Leadership Team</i>		
Remuneration	413,641	452,418
Full-time equivalent members	4.00	4.00
Total key management personnel remuneration	413,991	452,418
Total full-time equivalent personnel	4.00	4.00

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	160 - 170	140 - 150
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	2	2
	2	2

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

## 20 Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be 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	-	\$60,083
Number of People	-	9

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

### 21. Contingencies

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

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

#### Holidays Act Compliance – schools payroll

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

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

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

### 22. Commitments

#### (a) Capital Commitments

The Board is committed to the installation of a new playground in 2020 at a cost of \$98,829.

(Capital commitments as at 31 December 2018: nil)

#### (b) Operating Commitments

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

- operating lease for 4 touch screens.

No later than One Year

Later than One Year and No Later than Five Years

2019 Actual \$	2018 Actual \$
11,610	15,480
-	11,610
<u>11,610</u>	<u>27,090</u>

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

### 23 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.

### 24 Financial Instruments

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Financial assets measured at amortised cost (2018: Loans and receivables)</b>			
Cash and Cash Equivalents	177,141	172,174	115,670
Receivables	197,867	180,000	263,698
Investments - Term Deposits	104,407	105,000	101,790
<b>Total Financial assets measured at amortised cost</b>	<b>479,415</b>	<b>457,174</b>	<b>481,158</b>
<b>Financial liabilities measured at amortised cost</b>			
Payables	234,886	230,600	234,094
Finance Leases	32,584	31,537	48,933
<b>Total Financial Liabilities Measured at Amortised Cost</b>	<b>267,470</b>	<b>262,137</b>	<b>283,027</b>

### 25 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.

### 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:

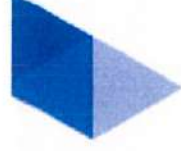
- Note 9 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.
- Note 11 Investments: Term deposits: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

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

### 27 Failure to comply with section 87C of the Education Act 1989

The Board of Trustees has failed to comply with Section 87C of the Education Act 1989, as the Board were unable to provide their audited financial statements to the Ministry of Education by 31 May 2020. The disruption caused by the COVID-19 restrictions, including the closure of the School, meant that the audit could not progress as planned. This resulted in the School missing the statutory deadline.

# Analysis of Variance Reporting



School Name:	Viscount School	School Number:	1546																																																	
Strategic Aim:	We will deliver high quality and well balanced teaching and learning programmes based on the New Zealand Curriculum.																																																			
Annual Aim:	Our students' numeracy and literacy levels will compare favourably with the national averages for students at schools similar to Viscount.																																																			
Target:	To increase the % of students so that 60% of students at each year level are at or above the expected curriculum level by the end of 2020 as measured by GLOSS.																																																			
Baseline Data:	<table><tr><th>2018</th><th colspan="2">ADD-SUB</th><th colspan="2">MULT - DIV</th><th colspan="2">RATIOS - PROP</th></tr><tr><th>Expected curriculum level</th><th>At/above 2018</th><th>At/ Above 2019</th><th>At/above 2018</th><th>At/ Above 2019</th><th>At/above 2018</th><th>At/ Above 2019</th></tr><tr><td>Y4</td><td>57%</td><td>73%</td><td>32%</td><td>64%</td><td>14.4%</td><td>65%</td></tr><tr><td>Y5</td><td>68%</td><td>60%</td><td>63%</td><td>54%</td><td>57%</td><td>52%</td></tr><tr><td>Y6</td><td>54%</td><td>60%</td><td>50.5%</td><td>52%</td><td>32%</td><td>39%</td></tr><tr><td>Y7</td><td>35%</td><td>35%</td><td>35%</td><td>35%</td><td>26%</td><td>31%</td></tr><tr><td>Y8</td><td>39%</td><td>43%</td><td>48%</td><td>60%</td><td>39%</td><td>49%</td></tr></table> <p>The 2018/ 2019 data was based on GLOSS</p> <p>Y5 have decreased. Y4, 6 and 8 have improved. Y7 have remained steady except for RP where</p>			2018	ADD-SUB		MULT - DIV		RATIOS - PROP		Expected curriculum level	At/above 2018	At/ Above 2019	At/above 2018	At/ Above 2019	At/above 2018	At/ Above 2019	Y4	57%	73%	32%	64%	14.4%	65%	Y5	68%	60%	63%	54%	57%	52%	Y6	54%	60%	50.5%	52%	32%	39%	Y7	35%	35%	35%	35%	26%	31%	Y8	39%	43%	48%	60%	39%	49%
2018	ADD-SUB		MULT - DIV		RATIOS - PROP																																															
Expected curriculum level	At/above 2018	At/ Above 2019	At/above 2018	At/ Above 2019	At/above 2018	At/ Above 2019																																														
Y4	57%	73%	32%	64%	14.4%	65%																																														
Y5	68%	60%	63%	54%	57%	52%																																														
Y6	54%	60%	50.5%	52%	32%	39%																																														
Y7	35%	35%	35%	35%	26%	31%																																														
Y8	39%	43%	48%	60%	39%	49%																																														

<b>Analysis of the data</b>	<p>they have improved and Y8 has improved = 10/15 (2/3rds) categories improved. 6/15 at 60%</p> <p>It was revealed during the data analysis that in two classes the Y5/6, teachers had not followed the agreed procedures for GLOSS. This makes the data for Year 5/6 unreliable and showing a lower outcome than might actually have been achieved. This is especially the case for Ratios and Proportions. <u>Despite this</u></p> <p>In add/ sub 3/5 levels have 50% or more of students at or above the relevant curriculum level.</p> <p>In mult/ div 4/5 levels have 50% or more of students at or above the relevant curriculum level.</p> <p>In ratios and prop 2/5 levels have 50% or more of students at or above the relevant curriculum level.</p>
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<b>Actions</b> <i>What did we do?</i>	<b>Outcomes</b> <i>What happened?</i>	<b>Reasons for the variance</b> <i>Why did it happen?</i>	<b>Evaluation</b> <i>Where to next?</i>
<p>PLD plan in place for the school – 2-3 year programme of development focused on growing math leaders and supporting new staff as well as attending to staff who are struggling to get this new approach on board.</p> <p>Use of cultural contexts to ground math in everyday contexts</p> <p>Increase staff knowledge of Math progressions and assessment tools and their use in informing planning and self-assessment for students</p> <p>Teacher identification of target students and the development of a Teacher as Inquiry plan for these students in their class or group</p>	<p>The target was achieved in 6/15 categories. There were improvements in 10/15 categories with the remaining staying the same in 2 and declining in 3 (all at Y5 level).</p> <p>One interesting aspect was that in almost every year level the bulk of below students were only one level below.</p> <p>If these students made 1 more level of progress then in 12/15 categories students would be achieving at 60% plus.</p>	<p>It was found that two teachers in Y5/6 did not use the correct procedures for GLOSS and the records are therefore unreliable. We will be re-testing these students t the start of 2020 and going over protocols for assessment</p> <p>The team leaders are still working on developing their confidence in working with their teams on programmes as well as on planning and assessment.</p> <p>We did not gain sufficient PLD hours to fully embed Maths and have needed to cut back on support and seek to manage that internally.</p> <p>SLT in this programme in that they are happy to follow along but have not shown initiative in taking the programme forward and have some difficulty articulating the pedagogy underpinning the approach. This will be an essential component to achieve to ensure the programme is sustained.</p> <p>Increased focus on priority students has been helpful especially at Y7/8 level</p>	<p>Math's PLD will require more hours during the year to fully embed math. The estimates of time at the start of 2018 and in 2019 have been found to have been inadequate to meet the staff needs for capacity building. This is in part because of the size of the staff – 35 teachers and because of the depth of change required.</p> <p>The math leaders need further coaching support so they can support their teams with confidence.</p> <p>Some issues with planning at Y7/8 have shown a need for further support for this group.</p> <p>The staff will review assessment protocols to ensure all staff are using GLOSS and JAM consistently across the school.</p> <p>Staff will explore using the Learning Progressions framework for assessing strand work.</p>

Planning for next year.

As attached



## *VISCOUNT SCHOOL*

*65 Viscount Street, Mangere, Auckland 2022*

*Ph 275-4699 office@viscount.school.nz*

12th March, 2020

### **Kiwisport Statement**

Viscount School received \$ for Kiwisport in 2019. Sport is a vital component of Viscount School to provide a broad curriculum and promote healthy lifestyles. This funding was supplemented by the school and was spent on Sports equipment, travel to and from venues and uniforms for students.

Total spend \$ for Kiwisport in 2019.

Yours sincerely

Shirley Hardcastle

Principal

## INDEPENDENT AUDITOR'S REPORT

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

The Auditor-General is the auditor of Viscount School (the School). The Auditor-General has appointed me, Chris Neves, using the staff and resources of BDO Auckland, to carry out the audit of the financial statements of the School on his behalf.

#### Opinion

We have audited the financial statements of the School on pages 2 to 19, that comprise the statement of financial position as at 31 December 2019, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
  - its financial position as at 31 December 2019; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity Standards Reduced Disclosure Regime as applicable to entities that qualify as tier 2.

Our audit was completed on 15 June 2020. This is the date at which our opinion is expressed.

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

#### Emphasis of Matter - COVID-19

Without modifying our opinion we draw attention to the disclosures in note 25 on page 19 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 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, Board of Trustees Listing and Kiwisport Report, but does not include the financial statements, and our auditor's report thereon.

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

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

#### Independence

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

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



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