

# ST HILDA'S COLLEGIATE SCHOOL

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### School Directory

**Ministry Number:** 380

**Principal:** Jackie Barron

**School Address:** 2 Cobden Street, Dunedin 9016

**School Postal Address:** 2 Cobden Street, Dunedin 9016

**School Phone:** 03 477 0989

**School Email:** [jesssutherland@shcs.school.nz](mailto:jesssutherland@shcs.school.nz)

#### Members of the Board of Trustees

Name	Position	How Position Gained	Term Expired/Expires
Lauren Semple	Chair Person	Election	
Jackie Barron	Principal		
Scott Mason	Parent Rep	Election	Apr-19
Mike Christie	Parent Rep	Election	
Peter McIntyre	Parent Rep	Election	
Lynda Davison	Parent Rep	Election	Apr-19
Roseanne Price	Parent Rep	Co-opt	
Joc Kinney	BOP Rep	Board of Proprietors Rep	
Richard Hutchens	BOP Rep	Board of Proprietors Rep	
Kate Anderson	BOP Rep	Board of Proprietors Rep	
Carla Joint	Staff Rep	Election	
Vicky Brown	Parent Rep	Election	
Meg Anderson	Student Rep	Election	Oct-19
Sarah Langsbury	Student Rep		

**Accountant / Service Provider:** Jessica Sutherland - Business Manager

# ST HILDA'S COLLEGIATE SCHOOL

Annual Report - For the year ended 31 December 2019

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# St Hilda's Collegiate 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.

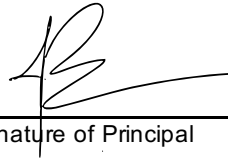
Lauren Semple  
Full Name of Board Chairperson



\_\_\_\_\_  
Signature of Board Chairperson

14 May 2020  
Date:

Jackie Barron  
Full Name of Principal



\_\_\_\_\_  
Signature of Principal

14 May 2020  
Date:

# St Hilda's Collegiate School

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Revenue</b>				
Government Grants	2	4,087,146	4,146,873	3,923,161
Locally Raised Funds	3	1,012,743	936,857	1,009,652
Use of Land and Buildings Integrated		1,220,000	1,154,000	1,120,000
Interest income		48,787	57,000	55,324
International Students	5	347,997	369,321	352,545
Other Revenue		-	-	-
		<u>6,716,672</u>	<u>6,664,051</u>	<u>6,460,682</u>
<b>Expenses</b>				
Locally Raised Funds	3	202,860	191,425	233,229
International Students	5	270,717	318,147	287,567
Learning Resources	6	4,058,185	4,253,625	3,844,531
Administration	7	489,738	471,986	444,061
Property	8	1,662,252	1,627,122	1,383,907
Depreciation	9	133,414	138,000	133,646
Loss on Disposal of Property, Plant and Equipment		8	-	980
		<u>6,817,174</u>	<u>7,000,305</u>	<u>6,327,921</u>
<b>Net Surplus / (Deficit) for the year</b>		(100,502)	(336,254)	132,761
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>(100,502)</u>	<u>(336,254)</u>	<u>132,761</u>

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

## St Hilda's Collegiate School

# Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	Notes	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
<b>Balance at 1 January</b>		<u>1,879,325</u>	<u>1,688,014</u>	<u>1,746,564</u>
Total comprehensive revenue and expense for the year		(100,502)	(336,254)	132,761
Furniture and Equipment Grant		16,145	-	-
<b>Equity at 31 December</b>	32	<u>1,794,969</u>	<u>1,351,760</u>	<u>1,879,325</u>
Retained Earnings		1,727,935	1,351,760	1,812,291
Reserves		67,034	-	67,034
<b>Equity at 31 December</b>		<u>1,794,969</u>	<u>1,351,760</u>	<u>1,879,325</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.

**St Hilda's Collegiate 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	10	631,168	349,516	349,516
Accounts Receivable	11	465,501	384,244	384,244
GST Receivable		23,652	-	18,558
Prepayments		28,309	-	25,135
Inventories	12	43,836	54,733	54,733
Investments	13	1,505,587	1,671,203	1,671,203
		<u>2,698,054</u>	<u>2,459,696</u>	<u>2,503,389</u>
<b>Current Liabilities</b>				
Accounts Payable	16	449,912	394,824	394,824
Revenue Received in Advance	18	517,214	380,551	380,551
Provision for Cyclical Maintenance	19	20,444	15,500	15,500
Painting Contract Liability - Current Portion	20	27,684	-	-
Finance Lease Liability - Current Portion	21	35,961	-	35,127
Funds held in Trust	22	356,697	250,898	250,898
		<u>1,407,911</u>	<u>1,041,773</u>	<u>1,076,900</u>
<b>Working Capital Surplus/(Deficit)</b>		1,290,143	1,417,923	1,426,489
<b>Non-current Assets</b>				
Property, Plant and Equipment	14	672,135	-	601,939
		<u>672,135</u>	<u>-</u>	<u>601,939</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	19	54,854	66,163	66,163
Painting Contract Liability	20	27,684	-	-
Finance Lease Liability	21	49,668	-	82,940
Funds held in Trust	22	35,104	-	-
		<u>167,310</u>	<u>66,163</u>	<u>149,103</u>
<b>Net Assets</b>		<u>1,794,969</u>	<u>1,351,760</u>	<u>1,879,325</u>
<b>Equity</b>	32	<u>1,794,969</u>	<u>1,351,760</u>	<u>1,879,325</u>

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

# St Hilda's Collegiate 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		981,208	908,097	908,097
Locally Raised Funds		922,373	901,555	901,555
International Students		468,980	352,545	352,545
Goods and Services Tax (net)		(5,095)	(1,966)	(1,966)
Payments to Employees		(799,923)	(475,431)	(475,431)
Payments to Suppliers		(1,478,963)	(1,592,287)	(1,592,287)
Interest Received		51,095	61,551	61,551
Net cash from Operating Activities		139,675	154,064	154,064
<b>Cash flows from Investing Activities</b>				
Purchase of PPE (and Intangibles)		(200,680)	(246,880)	(246,880)
Purchase of Investments		165,615	(61,217)	(61,217)
Net cash from Investing Activities		(35,065)	(308,097)	(308,097)
<b>Cash flows from Financing Activities</b>				
Finance Lease Payments		(35,373)	100,766	100,766
Painting contract payments		55,368	(11,903)	(11,903)
Funds Administered on Behalf of Third Parties		140,903	-	-
Furniture and Equipment Grant		16,145	-	-
Net cash from Financing Activities		177,042	88,863	88,863
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>281,652</b>	<b>(65,170)</b>	<b>(65,170)</b>
Cash and cash equivalents at the beginning of the year	10	349,516	349,516	414,686
<b>Cash and cash equivalents at the end of the year</b>	10	<b>631,168</b>	<b>284,346</b>	<b>349,516</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..

# St Hilda's Collegiate School

## Notes to the Financial Statements

### For the year ended 31 December 2019

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

St Hilda's Collegiate 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 36.

###### **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 14.

### **Critical Judgements in applying accounting policies**

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

#### *Classification of leases*

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

#### *Recognition of grants*

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

### **c) Revenue Recognition**

#### **Government Grants**

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

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

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

#### **Other Grants**

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

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

**Donations, Gifts and Bequests**

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

**Interest Revenue**

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

**d) Use of Land and Buildings Expense**

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

**e) Operating Lease Payments**

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

**f) Finance Lease Payments**

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

**g) Cash and Cash Equivalents**

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

**h) Accounts Receivable**

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

**Prior Year Policy**

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

**i) Inventories**

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

## **j) Investments**

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

### **Prior Year Policy**

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

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

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

## **k) Property, Plant and Equipment**

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

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

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

Property, plant and equipment acquired with individual values under \$1,000 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 Proprietor 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

## **l) 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. Its 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.

**p) Revenue Received in Advance**

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

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

**q) Funds Held in Trust**

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

**r) Shared Funds**

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. The cluster of schools operate activities outside of school control. These amounts are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

**s) Provision for Cyclical Maintenance**

The property from which the school operates is owned by the Proprietor. The Board is responsible for maintaining the land, building and other facilities on the School site in a state of good order and repair.

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

**t) 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.

**u) 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.

**v) 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.

**w) Budget Figures**

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

**x) 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	876,106	859,550	869,645
Teachers' Salaries Grants	3,105,938	3,200,000	2,969,116
Resource Teachers Learning and Behaviour Grants	61,956	31,258	61,451
Other MoE Grants	43,146	56,065	22,950
	<u>4,087,146</u>	<u>4,146,873</u>	<u>3,923,161</u>

## 3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Revenue</b>			
Donations	429,952	361,226	335,984
Activities	92,410	191,975	190,327
Trading	35,058	33,000	40,176
Other Revenue	455,323	350,656	443,164
	<u>1,012,743</u>	<u>936,857</u>	<u>1,009,652</u>
<b>Expenses</b>			
Activities	167,567	161,725	194,133
Trading	35,293	29,700	39,096
	<u>202,860</u>	<u>191,425</u>	<u>233,229</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>809,883</u>	<u>745,432</u>	<u>776,423</u>

## 5. International Student Revenue and Expenses

	2019 Actual Number	2019 Budget (Unaudited) Number	2018 Actual Number
International Student Roll	20	19	20
	<b>2019 Actual \$</b>	<b>2019 Budget (Unaudited) \$</b>	<b>2018 Actual \$</b>
<b>Revenue</b>			
International Student Fees	347,997	369,321	352,545
<b>Expenses</b>			
Advertising	-	800	277
Commissions	20,574	45,000	38,352
Recruitment	37,808	38,000	24,304
International Student Levy	29,030	26,000	28,343
Employee Benefit - Salaries	162,293	162,397	154,734
Other Expenses	21,013	45,950	41,557
	<u>270,717</u>	<u>318,147</u>	<u>287,567</u>
<i>Surplus/ (Deficit) for the year International Students'</i>	<u>77,280</u>	<u>51,174</u>	<u>64,978</u>

## 6. Learning Resources

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	531,577	609,139	500,067
Equipment Repairs	1,812	2,500	1,227
Information and Communication Technology	37,974	46,000	27,354
Library Resources	3,747	7,000	58
Employee Benefits - Salaries	3,429,332	3,539,986	3,266,693
Staff Development	53,743	49,000	49,134
	<u>4,058,185</u>	<u>4,253,625</u>	<u>3,844,531</u>

During the year ended December 2019, the Principal and 2 members of the senior leadership team travelled to Singapore at a cost of \$16,822 to attend an annual conference for professional development in relation to the International Association for Scholastic Excellence. The costs associated with this trip were funded by the board.

## 7. Administration

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	5,383	5,000	4,700
Board of Trustees Fees	5,425	5,500	8,635
Board of Trustees Expenses	48,555	54,380	43,375
Communication	40,587	52,000	39,216
Operating Lease	10,373	12,000	12,676
Legal Fees	2,742	5,000	5,512
Other	80,300	60,150	53,678
Employee Benefits - Salaries	279,584	260,456	259,939
Insurance	16,789	17,500	16,330
	<u>489,738</u>	<u>471,986</u>	<u>444,061</u>

## 8. Property

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	106,183	99,350	97,405
Consultancy and Contract Services	2,362	-	1,981
Cyclical Maintenance Provision	(6,365)	(60)	10,922
Grounds	2,019	3,000	1,440
Heat, Light and Water	79,650	65,000	66,581
Repairs and Maintenance	200,622	249,832	27,896
Use of Land and Buildings	1,220,000	1,154,000	1,120,000
Security	5,801	4,000	5,027
Employee Benefits - Salaries	51,980	52,000	52,655
	<u>1,662,252</u>	<u>1,627,122</u>	<u>1,383,907</u>

The use of land and buildings figure represents 8% of the school's total property value. This is used as a 'proxy' for the market rental of the property. 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.



## 9. Depreciation

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Rowing	12,952	18,000	19,419
Furniture and Equipment	59,050	59,000	52,478
Information and Communication Technology	18,006	18,000	17,729
Leased Assets	37,668	38,000	38,401
Library Resources	5,738	5,000	5,619
	<u>133,414</u>	<u>138,000</u>	<u>133,646</u>

## 10. Cash and Cash Equivalents

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	231	225	225
Bank Current Account	607,385	165,870	165,870
Bank Call Account	23,552	183,421	183,421
Cash and cash equivalents for Cash Flow Statement	<u>631,168</u>	<u>349,516</u>	<u>349,516</u>

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

Of the **\$631,168** Cash and Cash Equivalents, **\$391,801** is held by the School on behalf of the International Students. These funds are required to be spent in 2020 onwards.

Of the **\$631,168** Cash and Cash Equivalents, **\$42,274** of unspent grant funding is held by the School. This funding is subject to restrictions which specify how the grant is required to be spent in providing specified deliverables of the grant arrangement.

## 11. Accounts Receivable

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	227,757	111,386	121,708
Interest Receivable	13,078	15,387	15,387
Teacher Salaries Grant Receivable	224,666	257,471	247,149
	<u>465,501</u>	<u>384,244</u>	<u>384,244</u>
Receivables from Exchange Transactions	240,835	126,773	137,095
Receivables from Non-Exchange Transactions	224,666	257,471	247,149
	<u>465,501</u>	<u>384,244</u>	<u>384,244</u>

## 12. Inventories

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	43,836	54,733	54,733
	<u>43,836</u>	<u>54,733</u>	<u>54,733</u>



### 13. Investments

The School's investment activities are classified as follows:

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	1,505,587	1,671,203	1,671,203
Non-current Asset			
Long-term Bank Deposits	-	-	-
<b>Total Investments</b>	<u>1,505,587</u>	<u>1,671,203</u>	<u>1,671,203</u>

### 14. Property, Plant and Equipment

	Opening					
	Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Rowing	60,322	-	-	-	(12,952)	47,370
Furniture and Equipment	350,249	168,867	(442)	-	(59,050)	459,624
Information and Communication	31,141	29,589	-	-	(18,006)	42,724
Leased Assets	114,546	2,935	-	-	(37,668)	79,813
Library Resources	45,682	2,660	-	-	(5,738)	42,604
<b>Balance at 31 December 2019</b>	<u>601,939</u>	<u>204,051</u>	<u>(442)</u>	<u>-</u>	<u>(133,414)</u>	<u>672,135</u>

Net Carrying Value of equipment held under finance lease is \$79,813 (2018: \$114,546)

	Cost or	Accumulated	Net Book Value
	Valuation	Depreciation	
2019	\$	\$	\$
Rowing	235,984	(188,614)	47,370
Furniture and Equipment	1,496,898	(1,037,273)	459,624
Information and Communication	626,503	(583,779)	42,724
Leased Assets	175,320	(95,507)	79,813
Library Resources	216,306	(173,702)	42,604
<b>Balance at 31 December 2019</b>	<u>2,751,012</u>	<u>(2,078,875)</u>	<u>672,135</u>

	Opening					
	Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Rowing	41,328	38,413	-	-	(19,419)	60,322
Furniture and Equipment	356,182	46,543	-	-	(52,478)	350,249
Information and Communication	34,052	14,818	-	-	(17,729)	31,141
Leased Assets	16,179	136,768	-	-	(38,401)	114,546
Library Resources	41,944	10,337	(980)	-	(5,619)	45,682
<b>Balance at 31 December 2018</b>	<u>489,685</u>	<u>246,879</u>	<u>(980)</u>	<u>-</u>	<u>(133,646)</u>	<u>601,939</u>

<b>2018</b>	<b>Cost or Valuation \$</b>	<b>Accumulated Depreciation \$</b>	<b>Net Book Value \$</b>
Rowing	235,984	(175,662)	<b>60,322</b>
Furniture and Equipment	1,334,339	(984,090)	<b>350,249</b>
Information and Communication	596,915	(565,774)	<b>31,141</b>
Leased Assets	172,386	(57,840)	<b>114,546</b>
Library Resources	213,647	(167,965)	<b>45,682</b>
<b>Balance at 31 December 2018</b>	<b>2,553,271</b>	<b>(1,951,331)</b>	<b>601,939</b>

#### 16. Accounts Payable

	<b>2019 Actual \$</b>	<b>2019 Budget (Unaudited) \$</b>	<b>2018 Actual \$</b>
Operating Creditors	150,757	140,718	95,875
Accruals	50,203	-	44,843
Employee Entitlements - Salaries	224,716	247,149	247,149
Employee Entitlements - Leave Accrual	24,236	6,957	6,957
	<b>449,912</b>	<b>394,824</b>	<b>394,824</b>
Payables for Exchange Transactions	449,912	394,824	394,824
	<b>449,912</b>	<b>394,824</b>	<b>394,824</b>

The carrying value of payables approximates their fair value.

#### 18. Revenue Received in Advance

	<b>2019 Actual \$</b>	<b>2019 Budget (Unaudited) \$</b>	<b>2018 Actual \$</b>
Grants in Advance - Ministry of Education	42,274	-	-
International Student Fees	421,540	300,557	300,557
Other	53,400	79,994	79,994
	<b>517,214</b>	<b>380,551</b>	<b>380,551</b>

#### 19. Provision for Cyclical Maintenance

	<b>2019 Actual \$</b>	<b>2019 Budget (Unaudited) \$</b>	<b>2018 Actual \$</b>
Provision at the Start of the Year	81,663	81,663	70,741
Increase/ (decrease) to the Provision During the Year	9,635	(60)	(60)
Use of the Provision During the Year	(16,000)	10,982	10,982
Provision at the End of the Year	<b>75,298</b>	<b>92,585</b>	<b>81,663</b>
Cyclical Maintenance - Current	20,444	15,500	15,500
Cyclical Maintenance - Term	54,854	66,163	66,163
	<b>75,298</b>	<b>81,663</b>	<b>81,663</b>



## 20. Painting Contract Liability

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Current Liability	27,684	-	-
Non Current Liability	27,684	-	-
	<u>55,368</u>	<u>-</u>	<u>-</u>

In 2018 the Board signed an agreement with Scheduled Maintenance Services Ltd (the contractor) for an agreed programme of work covering an five year period. The programme provides for an interior and exterior repaint of the Proprietor owned buildings in **2019**, with regular maintenance in subsequent years. The agreement has an annual commitment of **\$27,684**. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

## 21. 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	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
No Later than One Year	35,961	35,127	35,127
Later than One Year and no Later than Five Years	49,668	82,940	82,940
	<u>85,629</u>	<u>118,067</u>	<u>118,067</u>

## 22. Funds held in Trust

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Funds Held in Trust on Behalf of Third Parties - Current	356,697	250,898	250,898
Funds Held in Trust on Behalf of Third Parties - Non-current	35,104	-	-
	<u>391,801</u>	<u>250,898</u>	<u>250,898</u>

These funds relate to arrangements where the school is acting as an agent. These amounts are not revenue or expenditure of the school and therefore are not included in the Statement of Comprehensive Revenue and Expense.

## 27. Related Party Transactions

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

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

The Proprietor of the School, St Hilda's Collegiate Incorporated, is a related party of the Board because the proprietor appoints representatives to the Board, giving the proprietor significant influence over the Board. Any services or contributions between the Board and Proprietor have been disclosed appropriately, if the proprietor collects fund on behalf of the school (or vice versa) the amounts are disclosed.

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

Under an agreement, the Proprietor collects funds on behalf of the school. These include a Digital Learning Donation and a School Donation payable to the School. The amounts collected in total were \$359,919 (2018: \$330,914). Any balance not transferred at the year end is treated as a liability. The total funds held by the school on behalf of the proprietor at year end are \$0 (2018: \$0).

The Proprietor provides hostel services that are used by some of the school's students in accordance with a contract between the Board and Proprietor.

## 28. Remuneration

### *Key management personnel compensation*

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

	<b>2019 Actual \$</b>	<b>2018 Actual \$</b>
<i>Board Members</i>		
Remuneration	5,425	8,635
Full-time equivalent members	0.17	0.10
<i>Leadership Team</i>		
Remuneration	1,195,541	997,653
Full-time equivalent members	12	11
Total key management personnel remuneration	<u>1,200,966</u>	<u>1,006,288</u>
Total full-time equivalent personnel	<u>12.17</u>	<u>11.10</u>

The full time equivalent for Board members has been determined based on attendance at Board meetings, Committee meetings and for other obligations of the Board, such as stand downs and suspensions, plus the estimated time for Board members to prepare for meetings.

### Principal

The total value of remuneration paid or payable to the Principal was in the following bands:

	<b>2019</b>	<b>2018</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$000</b>	<b>\$000</b>
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	145-155	135-145
Benefits and Other Emoluments	4	5
Termination Benefits	-	-

### Other Employees

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

<b>Remuneration</b>	<b>2019</b>	<b>2018</b>
<b>\$000</b>	<b>FTE Number</b>	<b>FTE Number</b>
100-110	3.00	1.00
	<hr/>	<hr/>
	3.00	1.00
	<hr/>	<hr/>

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

## 30. Contingencies

### 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.

## 31. Commitments

### (a) Capital Commitments

As at 31 December 2019 the Board has not entered into contract agreements for capital works.

(Capital commitments at 31 December 2018: \$0)

## 32. 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.

### 33. Financial Instruments

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

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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash and Cash Equivalents	631,168	349,516	349,516
Receivables	465,501	384,244	384,244
Investments - Term Deposits	1,505,587	1,671,203	1,671,203
Total Financial assets measured at amortised cost	<u>2,602,256</u>	<u>2,404,963</u>	<u>2,404,962</u>

#### Financial liabilities measured at amortised cost

Payables	449,912	394,814	394,814
Finance Leases	85,629	118,067	118,067
Painting Contract Liability	55,368	-	-
Total Financial Liabilities Measured at Amortised Cost	<u>590,909</u>	<u>512,881</u>	<u>512,881</u>

### 34. 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. However, economic uncertainties have arisen which are likely to negatively affect the operations and services of the school. We describe below the possible effects on the school that we have identified, resulting from the COVID-19 pandemic:

- A reduction in locally raised funds revenue because the schools ability to undertake fund raising events in the community and/ or collect donations or other contributions from parents, may be compromised. Costs already incurred arranging future events may not be recoverable.
- Additional costs incurred developing alternative methods of delivering curriculum to students, so that they can learn remotely.
- A reduction in revenue from student fees & charges from International students, including the potential loss of current and prospective students due to the disruption and/or pressures created by COVID-19.

### 35. Comparatives

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

### 36. Adoption of PBE IFRS 9 Financial Instruments

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

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

- Note 9 Investments:

Term deposits: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

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



## INDEPENDENT AUDITOR'S REPORT

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

The Auditor-General is the auditor of St Hildas Collegiate School (the School). The Auditor-General has appointed me, Mike Hawken, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements of the School on his behalf.

#### Opinion

We have audited the financial statements of the School on pages 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:
  - its financial position as at 31 December 2019; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 14 May 2020. This is the date at which our opinion is expressed.

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

#### Emphasis of Matter – COVID-19

Without modifying our opinion, we draw attention to the disclosures in note 34 on page 23 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

#### Basis for our opinion

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

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

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

#### Responsibilities of the Board of Trustees for the financial statements

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

In preparing the financial statements, the Board of Trustees is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board of Trustees is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of

accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

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

## **Responsibilities of the auditor for the audit of the financial statements**

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

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

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

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

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

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

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

Our responsibilities arises from the Public Audit Act 2001.

## **Other information**

The Board of Trustees is responsible for the other information. The other information comprises the information included on pages accompanying 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.



Mike Hawken  
Deloitte Limited  
On behalf of the Auditor-General  
Dunedin, New Zealand