

MANGERE CENTRAL SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

School Directory

Ministry Number: 1347

Principal: Jacqualene Maindonald

School Address: 244 Kirkbride Road, Mangere, Auckland

Postal Address: 244 Kirkbride Road, Mangere, Auckland 2022

School Phone: 09 2756773

School Email: office@mangerecentral.school.nz

Members of the Board of Trustees

| Name | Position | How Position Gained | Term Expires |
|-----------------------|-----------------------|-----------------------|--------------------|
| Toni Helleur | Chairperson | Elected May 2016 | May 2019 |
| Jacqualene Maindonald | Principal | ex Officio | |
| Sosaia Tuita | Parent Representative | Re-elected May 2016 | May 2019 |
| Seini Smith | Parent Representative | Elected May 2016 | May 2019 |
| Betty Tukimata | Parent Representative | Co-opted August 2017 | May 2019 |
| Paula Robert-Adams | Parent Representative | Re-elected May 2016 | Resigned Sept 2018 |
| Justin Latif | Parent Representative | Co-opted October 2018 | May 2019 |
| Lafaele Leaupepe | Parent Representative | Co-opted October 2018 | May 2019 |
| Tevita Talakai | Parent Representative | Co-opted October 2018 | May 2019 |
| Vasati Vaoiva | Staff Representative | Elected May 2016 | May 2019 |



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MANGERE CENTRAL SCHOOL

Financial Statements - For the year ended 31 December 2018

Index

| Page | Statement |
|-------------|--|
| | Financial Statements |
| 2 | Statement of Responsibility |
| 3 | Statement of Comprehensive Revenue and Expense |
| 4 | Statement of Changes in Net Assets/Equity |
| 5 | Statement of Financial Position |
| 6 | Statement of Cash Flows |
| 7 - 10 | Statement of Accounting Policies |
| 11 - 18 | Notes to the Financial Statements |
| | Other information |
| | Analysis of Variance |
| | Kiwisport |

Mangere Central School Statement of Responsibility For the year ended 31 December 2018

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.

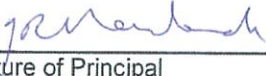
It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2018 fairly reflects the financial position and operations of the school.

The School's 2018 financial statements are authorised for issue by the Board.

Toni Helleur
Full Name of Board Chairperson

Jacqueline Maindonald
Full Name of Principal


Signature of Board Chairperson


Signature of Principal

30 May 2019
Date:

30 May 2019
Date:

Mangere Central School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2018

| | Notes | 2018 Actual \$ | 2018 Budget (Unaudited) \$ | 2017 Actual \$ |
|---|-------|----------------------|-------------------------------------|----------------------|
| Revenue | | | | |
| Government Grants | 2 | 4,182,104 | 3,855,881 | 3,848,341 |
| Locally Raised Funds | 3 | 89,217 | 52,360 | 198,330 |
| Interest Earned | | 18,601 | 19,000 | 21,802 |
| | | <u>4,289,922</u> | <u>3,927,241</u> | <u>4,068,473</u> |
| Expenses | | | | |
| Locally Raised Funds | 3 | 17,943 | 52,220 | 89,910 |
| Learning Resources | 4 | 2,490,485 | 2,555,915 | 2,435,866 |
| Administration | 5 | 177,842 | 187,917 | 165,390 |
| Finance Costs | | 7,515 | 5,043 | 5,863 |
| Property | 6 | 1,215,659 | 1,184,799 | 1,166,443 |
| Depreciation | 7 | 213,047 | 160,622 | 160,622 |
| Loss on Disposal of Property, Plant and Equipment | | 8,543 | - | 4,552 |
| | | <u>4,131,034</u> | <u>4,146,516</u> | <u>4,028,656</u> |
| Net Surplus / (Deficit) | | 158,888 | (219,275) | 39,807 |
| Other Comprehensive Revenue and Expenses | | - | - | - |
| Total Comprehensive Revenue and Expense for the Year | | <u>158,888</u> | <u>(219,275)</u> | <u>39,807</u> |

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes.

Mangere Central School
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2018

| | 2018 Actual \$ | 2018 Budget (Unaudited) \$ | 2017 Actual \$ |
|--|----------------------|-------------------------------------|----------------------|
| Balance at 1 January | <u>2,336,140</u> | <u>2,336,140</u> | <u>2,296,333</u> |
| Total comprehensive revenue and expense for the year | 158,888 | (219,275) | 39,807 |
| Capital Contributions from the Ministry of Education | | | |
| Contribution - Furniture and Equipment Grant | 9,359 | - | - |
| Equity at 31 December | <u>2,504,387</u> | <u>2,116,865</u> | <u>2,336,140</u> |
| Retained Earnings | 2,504,387 | 2,116,865 | 2,336,140 |
| Reserves | | | |
| Equity at 31 December | <u>2,504,387</u> | <u>2,116,865</u> | <u>2,336,140</u> |

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes.

Mangere Central School
Statement of Financial Position
As at 31 December 2018

| | Notes | 2018 Actual \$ | 2018 Budget (Unaudited) \$ | 2017 Actual \$ |
|---|-------|----------------------|-------------------------------------|----------------------|
| Current Assets | | | | |
| Cash and Cash Equivalents | 8 | 190,098 | 22,173 | 144,580 |
| Accounts Receivable | 9 | 140,413 | 112,541 | 112,541 |
| GST Receivable | | 15,629 | 22,175 | 22,175 |
| Prepayments | | 14,663 | 11,944 | 11,944 |
| Inventories | 10 | 816 | 800 | 800 |
| Investments | 11 | 513,591 | 114,038 | 314,038 |
| Funds due for Capital Work Projects | 17 | - | - | 34,600 |
| | | <u>875,210</u> | <u>283,671</u> | <u>640,678</u> |
| Current Liabilities | | | | |
| Accounts Payable | 13 | 193,210 | 157,633 | 157,633 |
| Revenue Received in Advance | 14 | 9,422 | - | 8,153 |
| Provision for Cyclical Maintenance | 15 | 180,563 | - | 178,195 |
| Finance Lease Liability - Current Portion | 16 | 44,161 | 27,400 | 32,411 |
| | | <u>427,356</u> | <u>185,033</u> | <u>376,392</u> |
| Working Capital Surplus | | 447,854 | 98,638 | 264,286 |
| Non-current Assets | | | | |
| Property, Plant and Equipment | 12 | 2,139,973 | 2,111,307 | 2,163,929 |
| | | <u>2,139,973</u> | <u>2,111,307</u> | <u>2,163,929</u> |
| Non-current Liabilities | | | | |
| Provision for Cyclical Maintenance | 15 | 37,000 | 59,805 | 31,400 |
| Finance Lease Liability | 16 | 46,440 | 33,275 | 60,675 |
| | | <u>83,440</u> | <u>93,080</u> | <u>92,075</u> |
| Net Assets | | <u>2,504,387</u> | <u>2,116,865</u> | <u>2,336,140</u> |
| Equity | | <u>2,504,387</u> | <u>2,116,865</u> | <u>2,336,140</u> |

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Mangere Central School
Statement of Cash Flows
For the year ended 31 December 2018

| | | 2018 | 2018 | 2017 |
|---|----------|------------------|------------------|------------------|
| | Notes | Actual | Budget | Actual |
| | | \$ | (Unaudited) | \$ |
| | | \$ | \$ | \$ |
| Cash flows from Operating Activities | | | | |
| Government Grants | | 1,140,305 | 1,033,124 | 1,025,584 |
| Locally Raised Funds | | 90,926 | 53,366 | 198,009 |
| Goods and Services Tax (net) | | 6,546 | 17,335 | 17,335 |
| Payments to Employees | | (377,045) | (637,418) | (528,239) |
| Payments to Suppliers | | (468,865) | (785,344) | (633,519) |
| Interest Paid | | (7,515) | (5,043) | (5,863) |
| Interest Received | | 16,879 | 23,238 | 26,480 |
| Net cash from / (to) the Operating Activities | | 401,231 | (300,742) | 99,787 |
| Cash flows from Investing Activities | | | | |
| Proceeds from Sale of PPE (and Intangibles) | | - | - | - |
| Purchase of PPE (and Intangibles) | | (164,121) | (245,908) | (711,040) |
| Purchase of Investments | | (199,553) | - | - |
| Proceeds from Sale of Investments | | - | 262,621 | 562,621 |
| Net cash from / (to) the Investing Activities | | (363,674) | 16,713 | (148,419) |
| Cash flows from Financing Activities | | | | |
| Furniture and Equipment Grant | | 9,359 | - | - |
| Finance Lease Payments | | (35,998) | 1,835 | (23,381) |
| Funds Administered on Behalf of Third Parties | | 34,600 | - | (79,543) |
| Net cash from Financing Activities | | 7,961 | 1,835 | (102,924) |
| Net increase/(decrease) in cash and cash equivalents | | 45,518 | (282,194) | (151,556) |
| Cash and cash equivalents at the beginning of the year | 8 | 144,580 | 304,367 | 296,136 |
| Cash and cash equivalents at the end of the year | 8 | 190,098 | 22,173 | 144,580 |

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 omitted.

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Mangere Central

Notes to the Financial Statements

1 Statement of Accounting Policies

For the year ended 31 December 2018

a) Reporting Entity

Mangere Central 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 2018 to 31 December 2018 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".

PBE Accounting Standards Reduced Disclosure Regime

The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the expenditure threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

Measurement Base

The financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

Presentation Currency

These financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

Specific Accounting Policies

The accounting policies used in the preparation of these financial statements are set out below.

Critical Accounting Estimates And Assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 12.

Critical Judgements in applying accounting policies

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

Classification of leases

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 16.

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.

c) Revenue Recognition***Government Grants***

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

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 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.

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

k) Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

Leased Assets

Leases where the School assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets acquired by way of finance lease are measured at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Leased assets and corresponding liability are recognised in the Statement of Financial Position and leased assets are depreciated over the period the School is expected to benefit from their use or over the term of the lease.

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 – Crown | 40 years |
| Furniture and equipment | 10 years |
| Information and communication technology | 5 years |
| Leased assets held under a Finance Lease | 3 years |
| Library resources | 12.5% Diminishing value |

l) Impairment of property, plant, and equipment

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

Non cash generating assets

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

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

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

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

m) Accounts Payable

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

n) Employee Entitlements*Short-term employee entitlements*

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

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

o) Revenue Received in Advance

Revenue received in advance relates to fees received from Massey University for a summer holiday programme 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.

p) Provision for Cyclical Maintenance

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

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

q) Financial Assets and Liabilities

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

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.

r) 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.

s) Budget Figures

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

t) 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

| | 2018 Actual \$ | 2018 Budget (Unaudited) \$ | 2017 Actual \$ |
|----------------------------------|----------------------|-------------------------------------|----------------------|
| Operational grants | 1,025,665 | 954,105 | 942,704 |
| Teachers' salaries grants | 2,092,592 | 1,899,893 | 1,899,893 |
| Use of Land and Buildings grants | 949,207 | 922,864 | 922,864 |
| Other MoE Grants | 114,640 | 79,019 | 82,880 |
| | <u>4,182,104</u> | <u>3,855,881</u> | <u>3,848,341</u> |

3 Locally Raised Funds

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

| | 2018 Actual \$ | 2018 Budget (Unaudited) \$ | 2017 Actual \$ |
|--|----------------------|-------------------------------------|----------------------|
| Revenue | | | |
| Donations | 41,658 | 10,000 | 34,982 |
| Fundraising | 15,514 | 5,000 | 83,774 |
| Trading | 28,986 | 26,000 | 52,380 |
| Activities | 3,059 | 11,360 | 27,194 |
| | <u>89,217</u> | <u>52,360</u> | <u>198,330</u> |
| Expenses | | | |
| Activities | 3,975 | 22,120 | 42,362 |
| Trading | 9,144 | 17,600 | 37,353 |
| Fundraising (costs of raising funds) | 4,824 | 12,500 | 10,195 |
| | <u>17,943</u> | <u>52,220</u> | <u>89,910</u> |
| Surplus for the year Locally raised funds | <u>71,274</u> | <u>140</u> | <u>108,420</u> |

4 Learning Resources

| | 2018 Actual \$ | 2018 Budget (Unaudited) \$ | 2017 Actual \$ |
|--|----------------------|-------------------------------------|----------------------|
| Curricular | 51,940 | 76,068 | 55,896 |
| Equipment repairs | - | 500 | - |
| Information and communication technology | 29,190 | 30,000 | 37,737 |
| Extra-curricular activities | 9,282 | 14,000 | 7,466 |
| Library resources | 9,294 | 1,750 | 2,928 |
| Employee benefits - salaries | 2,345,317 | 2,366,797 | 2,276,381 |
| Staff development | 45,462 | 66,800 | 55,478 |
| | <u>2,490,485</u> | <u>2,555,915</u> | <u>2,435,886</u> |

5 Administration

| | 2018 Actual \$ | 2018 Budget (Unaudited) \$ | 2017 Actual \$ |
|--|----------------------|-------------------------------------|----------------------|
| Audit Fee | 6,180 | 6,250 | 5,790 |
| Board of Trustees Fees | 4,225 | 4,400 | 2,800 |
| Board of Trustees Expenses | 8,543 | 13,300 | 6,872 |
| Communication | 11,373 | 9,400 | 9,052 |
| Consumables | 9,490 | 12,800 | 12,411 |
| Operating Lease | 6,187 | 6,188 | 6,187 |
| Other | 11,107 | 15,700 | 9,675 |
| Employee Benefits - Salaries | 96,312 | 91,800 | 85,081 |
| Insurance | 10,628 | 14,282 | 14,062 |
| Service Providers, Contractors and Consultancy | 13,797 | 13,797 | 13,460 |
| | <u>177,842</u> | <u>187,917</u> | <u>165,390</u> |

6 Property

| | 2018 Actual \$ | 2018 Budget (Unaudited) \$ | 2017 Actual \$ |
|--|----------------------|-------------------------------------|----------------------|
| Caretaking and Cleaning Consumables | 9,176 | 10,050 | 8,890 |
| Consultancy and Contract Services | 61,157 | 50,000 | 53,543 |
| Cyclical Maintenance Provision | 7,968 | 28,405 | 24,916 |
| Grounds | 11,938 | 11,783 | 9,562 |
| Heat, Light and Water | 40,939 | 37,819 | 37,819 |
| Repairs and Maintenance | 96,939 | 54,378 | 45,405 |
| Use of Land and Buildings - Non Integrated | 949,207 | 922,864 | 922,864 |
| Employee Benefits - Salaries | 38,335 | 69,500 | 63,444 |
| | <u>1,215,659</u> | <u>1,184,799</u> | <u>1,166,443</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.

7 Depreciation of Property, Plant and Equipment

| | 2018 Actual \$ | 2018 Budget (Unaudited) \$ | 2017 Actual \$ |
|--|----------------------|-------------------------------------|----------------------|
| Building Improvements - Crown | 42,831 | 36,305 | 36,305 |
| Furniture and Equipment | 81,991 | 74,838 | 74,838 |
| Information and Communication Technology | 38,831 | 20,143 | 20,143 |
| Leased Assets | 43,120 | 23,335 | 23,335 |
| Library Resources | 6,274 | 6,001 | 6,001 |
| | <u>213,047</u> | <u>160,622</u> | <u>160,622</u> |

8 Cash and Cash Equivalents

| | 2018 Actual \$ | 2018 Budget (Unaudited) \$ | 2017 Actual \$ |
|--|----------------------|-------------------------------------|----------------------|
| Cash on Hand | 210 | - | 210 |
| Bank Current Account | 180,534 | 22,173 | 135,034 |
| Bank Call Account | 9,354 | - | 9,336 |
| Net cash and cash equivalents and bank overdraft for Cash Flow Statement | <u>190,098</u> | <u>22,173</u> | <u>144,580</u> |

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

9 Accounts Receivable

| | 2018 Actual \$ | 2018 Budget (Unaudited) \$ | 2017 Actual \$ |
|--|----------------------|-------------------------------------|----------------------|
| Receivables | - | - | 440 |
| Interest Receivable | 4,262 | 2,980 | 2,540 |
| Teacher Salaries Grant Receivable | 136,151 | 109,561 | 109,561 |
| | <u>140,413</u> | <u>112,541</u> | <u>112,541</u> |
| Receivables from Exchange Transactions | 4,262 | 2,980 | 2,980 |
| Receivables from Non-Exchange Transactions | 136,151 | 109,561 | 109,561 |
| | <u>140,413</u> | <u>112,541</u> | <u>112,541</u> |

10 Inventories

| | 2018 Actual \$ | 2018 Budget (Unaudited) \$ | 2017 Actual \$ |
|------------|----------------------|-------------------------------------|----------------------|
| Stationery | 816 | 800 | 800 |
| | <u>816</u> | <u>800</u> | <u>800</u> |

11 Investments

The School's investment activities are classified as follows:

| | 2018 Actual \$ | 2018 Budget (Unaudited) \$ | 2017 Actual \$ |
|--------------------------|----------------------|-------------------------------------|----------------------|
| Current Asset | 513,591 | 114,038 | 314,038 |
| Short-term Bank Deposits | | | |

12 Property, Plant and Equipment

| | Opening Balance (NBV) 2018 | Additions | Disposals | Impairment | Depreciation | Total (NBV) |
|---|----------------------------------|----------------|----------------|------------|------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Building Improvements | 1,489,920 | 33,237 | - | - | (42,831) | 1,480,326 |
| Furniture and Equipment | 430,253 | 37,882 | - | - | (81,991) | 386,144 |
| Information and Communication Technology | 107,840 | 70,694 | - | - | (38,831) | 139,703 |
| Leased Assets | 93,907 | 44,596 | (5,504) | - | (43,120) | 89,879 |
| Library Resources | 42,009 | 11,683 | (3,497) | - | (6,274) | 43,921 |
| Balance at 31 December 2018 | 2,163,929 | 198,092 | (9,001) | - | (213,047) | 2,139,973 |

| Accumulated Depreciation 2018 | Cost or Valuation | Accumulated Depreciation | Net Book Value |
|--|----------------------|-----------------------------|-------------------|
| | \$ | \$ | \$ |
| Building Improvements | 1,715,728 | (235,402) | 1,480,326 |
| Furniture and Equipment | 1,068,349 | (682,205) | 386,144 |
| Information and Communication Technology | 249,068 | (109,365) | 139,703 |
| Leased Assets | 166,279 | (76,400) | 89,879 |
| Library Resources | 112,159 | (68,238) | 43,921 |
| Balance at 31 December 2018 | 3,311,583 | (1,171,610) | 2,139,973 |

The net carrying value of equipment held under a finance lease is \$89,879

| | Opening Balance (NBV) 2017 | Additions | Disposals | Impairment | Depreciation | Total (NBV) |
|---|----------------------------------|----------------|----------------|------------|------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Building Improvements | 977,763 | 548,462 | - | - | (36,305) | 1,489,920 |
| Furniture and Equipment | 434,468 | 70,623 | - | - | (74,838) | 430,253 |
| Information and Communication Technology | 46,631 | 85,415 | (4,063) | - | (20,143) | 107,840 |
| Leased Assets | 78,089 | 41,919 | (2,766) | - | (23,335) | 93,907 |
| Library Resources | 42,882 | 6,390 | (1,262) | - | (6,001) | 42,009 |
| Balance at 31 December 2017 | 1,579,833 | 752,809 | (8,091) | - | (160,622) | 2,163,929 |

| Accumulated Depreciation 2017 | Cost or Valuation | Accumulated Depreciation | Net Book Value |
|--|----------------------|-----------------------------|-------------------|
| | \$ | \$ | \$ |
| Building Improvements | 1,682,491 | (192,571) | 1,489,920 |
| Furniture and Equipment | 1,034,102 | (603,849) | 430,253 |
| Information and Communication Technology | 204,249 | (96,409) | 107,840 |
| Leased Assets | 132,766 | (38,859) | 93,907 |
| Library Resources | 109,599 | (67,590) | 42,009 |
| Balance at 31 December 2017 | 3,163,207 | (999,278) | 2,163,929 |

The net carrying value of equipment held under a finance lease is \$93,907

13 Accounts Payable

| | 2018 Actual \$ | 2018 Budget (Unaudited) \$ | 2017 Actual \$ |
|---------------------------------------|----------------------|-------------------------------------|----------------------|
| Operating creditors | 30,608 | 45,448 | 32,150 |
| Accruals | 7,512 | - | 7,310 |
| Banking staffing overuse | 16,638 | - | - |
| Employee Entitlements - salaries | 137,688 | 109,561 | 117,484 |
| Employee Entitlements - leave accrual | 764 | 2,624 | 689 |
| | <u>193,210</u> | <u>157,633</u> | <u>157,633</u> |
| Payables for Exchange Transactions | 193,210 | 157,633 | 157,633 |
| | <u>193,210</u> | <u>157,633</u> | <u>157,633</u> |

The carrying value of payables approximates their fair value.

14 Revenue Received in Advance

| | 2018 Actual \$ | 2018 Budget (Unaudited) \$ | 2017 Actual \$ |
|-------------------------|----------------------|-------------------------------------|----------------------|
| Other - Reading Project | 9,422 | - | 8,153 |
| | <u>9,422</u> | <u>-</u> | <u>8,153</u> |

15 Provision for Cyclical Maintenance

| | 2018 Actual \$ | 2018 Budget (Unaudited) \$ | 2017 Actual \$ |
|---|----------------------|-------------------------------------|----------------------|
| Provision at the Start of the Year | 209,595 | 209,595 | 184,679 |
| Increase to the Provision During the Year | 7,968 | 28,405 | 24,916 |
| Adjustment to the Provision | - | (178,195) | - |
| Provision at the End of the Year | <u>217,563</u> | <u>59,805</u> | <u>209,595</u> |
| Cyclical Maintenance - Current | 180,563 | - | 178,195 |
| Cyclical Maintenance - Term | 37,000 | 59,805 | 31,400 |
| | <u>217,563</u> | <u>59,805</u> | <u>209,595</u> |

16 Finance Lease Liability

The School has entered into a number of finance lease agreements as listed. Minimum lease payments payable:

- (a) 7 leases with TRL Leasing under the MOE TELA scheme
- (b) 1 lease with Fuji Xerox for 7 copiers
- (c) 1 lease with Flexigroup for Ruckus Wifi Access points
- (d) 1 lease with Flexigroup for 35 Acer C731 chromebooks
- (e) 1 lease with Hewlett Packard for 30 iPads and 50 chromebooks

| | 2018 Actual \$ | 2018 Budget (Unaudited) \$ | 2017 Actual \$ |
|--|----------------------|-------------------------------------|----------------------|
| No Later than One Year | 48,815 | 27,400 | 19,397 |
| Later than One Year and no Later than Five Years | 48,355 | 33,275 | 58,840 |
| | <u>97,170</u> | <u>60,675</u> | <u>78,237</u> |

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:

| | 2018 | Opening Balances | Receipts from MoE | Payments | BOT Contribution/ (Write-off to R&M) | Closing Balances |
|---|------|------------------|-------------------|----------|--------------------------------------|------------------|
| | | \$ | \$ | \$ | \$ | \$ |
| Block 6 Upgrade (Intermediate) <i>completed</i> | | (13,600) | 13,600 | - | - | - |
| Block 2 Rms15&16 Redevelopment <i>completed</i> | | (21,000) | 21,000 | - | - | - |
| Totals | | (34,600) | 34,600 | - | - | - |

Represented by:

Funds Held on Behalf of the Ministry of Education
Funds Due from the Ministry of Education

-
-
-

| | 2017 | Opening Balances | Receipts from MoE | Payments | BOT Contribution/ (Write-off to R&M) | Closing Balances |
|---|------|------------------|-------------------|-----------|--------------------------------------|------------------|
| | | \$ | \$ | \$ | \$ | \$ |
| 5YA Carpet Classrm Block3 <i>completed</i> | | (15,821) | 15,821 | - | - | - |
| Block 6 Upgrade (Intermediate) <i>in progress</i> | | 85,318 | - | (476,643) | 377,725 | (13,600) |
| Block 2 Rms15&16 Redevelopment <i>in progress</i> | | (24,554) | - | (151,885) | 155,439 | (21,000) |
| Totals | | 44,943 | 15,821 | (628,528) | 533,164 | (34,600) |

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.

22 Commitments**(a) Capital Commitments**

As at 31 December 2018 the Board has no capital commitments.

(Capital commitments at 31 December 2017: (Nil))

(b) Operating Commitments

As at 31 December 2018 the Board has entered into the following contract:

(a) 1 operating lease with Toyota Finance NZ Ltd for a 2015 Toyota Hiace Van

| | 2018 Actual \$ | 2017 Actual \$ |
|--|----------------------|----------------------|
| No later than One Year | 6,187 | 6,187 |
| Later than One Year and No Later than Five Years | 6,704 | 12,891 |
| | <u>12,891</u> | <u>19,078</u> |

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:

Loans and receivables

| | 2018 Actual \$ | 2018 Budget (Unaudited) \$ | 2017 Actual \$ |
|-----------------------------|----------------------|-------------------------------------|----------------------|
| Cash and Cash Equivalents | 190,098 | 22,173 | 144,580 |
| Receivables | 140,413 | 112,541 | 112,541 |
| Investments - Term Deposits | 513,591 | 114,038 | 314,038 |
| Total Cash and Receivables | <u>844,102</u> | <u>248,752</u> | <u>571,159</u> |

Financial liabilities measured at amortised cost

| | | | |
|--|----------------|----------------|----------------|
| Payables | 193,210 | 157,633 | 157,633 |
| Finance Leases | 90,601 | 60,675 | 93,086 |
| Total Financial Liabilities Measured at Amortised Cost | <u>283,811</u> | <u>218,308</u> | <u>250,719</u> |

25 Events After Balance Date

There were no significant events after the balance date that impact these financial statements.

Mangere Central School Analysis of Variance 2018



Analysis of Variance 2018

Mangere Central School Analysis of Variance 2018

| | | Writing | | | | | | |
|----------|------|--------------|------|------|--------------------|------|------|------|
| | | At and Above | | | Well below & below | | | |
| | 2016 | 2017 | 2018 | Year | 2016 | 2017 | 2018 | Year |
| All | 70 | 68.1 | 77.6 | 9.5 | 30 | 31.9 | 22.4 | 9.5 |
| Maori | 67.8 | 56.6 | 82.5 | 25.9 | 32.2 | 43.4 | 17.5 | 25.9 |
| Pacifica | 71.2 | 71.2 | 76.4 | 5.2 | 28.8 | 28.8 | 23.6 | 5.2 |
| Asian | 73.2 | 73.3 | | | 26.9 | 26.7 | | |
| Male | 60.7 | 60.6 | 72.7 | 12.1 | 39.3 | 39.4 | 27.3 | 12.1 |
| Female | 78.2 | 74.8 | 82.6 | 7.8 | 21.8 | 25.2 | 17.4 | 7.8 |

| | | Reading | | | | | | |
|----------|------|--------------|------|------|--------------------|------|------|------|
| | | At and Above | | | Well below & below | | | |
| | 2016 | 2017 | 2018 | Year | 2016 | 2017 | 2018 | Year |
| All | 79 | 80.9 | 54 | 26.9 | 20.4 | 19.1 | 46 | 26.9 |
| Maori | 82.2 | 79.5 | 54 | 25.5 | 17.8 | 20.5 | 46 | 25.5 |
| Pacifica | 79.7 | 82.2 | 56 | 26.2 | 20.3 | 17.2 | 44 | 26.8 |
| Asian | 84.6 | 76.7 | | 76.7 | 15.4 | 23.3 | | 23.3 |
| Male | 74.4 | 75.9 | 45 | 30.9 | 25.6 | 24.1 | 55 | 30.9 |
| Female | 84.1 | 85.4 | 63 | 22.4 | 15.9 | 14.6 | 37 | 22.4 |

| | | Maths | | | | | | |
|----------|------|--------------|------|------|--------------------|------|------|------|
| | | At and Above | | | Well below & below | | | |
| | 2016 | 2017 | 2018 | Year | 2016 | 2017 | 2018 | Year |
| All | 74.7 | 70.2 | 77.6 | 7.4 | 25.3 | 29.8 | 22.4 | 7.4 |
| Maori | 68.9 | 69.9 | 82.5 | 12.6 | 31.1 | 30.1 | 17.5 | 12.6 |
| Pacifica | 76.3 | 70.5 | 76.4 | 5.9 | 23.7 | 29.5 | 23.6 | 5.9 |
| Asian | 80.8 | 76.7 | | | 19.2 | 23.3 | | |
| Male | 73 | 69 | 72.7 | 3.7 | 27 | 31 | 27.3 | 3.7 |
| Female | 76.2 | 71.2 | 82.6 | 11.4 | 23.8 | 28.8 | 17.4 | 11.4 |

| | |
|--|---|
| Mangere Central School - Analysis of variance | |
| Strategic Aim: | Empowering learners to take flight - Motivated - Caring - Successful |
| Annual Aim: | <p>Goal 1: 100% of our students to make at least one year's progress.</p> <p>Goal 2: Preparing our learners for living, learning and working in an ever-changing world, connected to their own cultures and our global environment.</p> <p>Goal 3: Leadership skills developed at all levels of our school community so that our relentless focus on continuous improvement and innovation is maintained.</p> |
| Target: | Goal 1: 100% of our students to make at least one year's progress. |
| Baseline Data: | <p>The progression through Language and Literacy is that children write after they learn to read and talk after they have experiences to talk about. In my experience it is unusual for there to be a notable disparity between achievement in reading and writing - particularly if weighted in favour of writing. The data I have been given indicates a disparity weighted considerably in favour of writing.</p> <p>Analysing data from the past several years shows a variety of trends, most of them positive, until we come to last year's reading data. My experience tells me there are rarely dramatic changes up or down in overall learning achievement data - unless either of two factors applies.</p> <ol style="list-style-type: none"> 1. A dramatic change in personnel with new personnel being incompetent. This can lead to a drop-off in results but would require a considerable number of teachers to be failing to show a big impact. 2. A dramatic change in curriculum resourcing, professional development and focus. This can lead to improvement, but usually takes more than a year to show dramatic changes. 3. There is a third possibility - teacher or data error in terms of our new student management system. <p>Over my time here we have sharpened our focus on quality teaching and learning practices. We have sharpened our focus on Teaching As Inquiry, as per page 36 in the New Zealand Curriculum document and we have sharpened our focus on positive learning relationships and engagement to empower our learners and improve their learning outcomes.</p> <p>Therefore we will revisit this data with staff. We will engage first with Team Leaders.</p> <p>We will review our assessment practices - Reading Running Records, PAT STAR (Standardised Test of Achievement in Reading) and interpretation and recording of this data.</p> <p>Based on regular visits to classrooms, appraisal information and feedback from Team Leaders, I know we have robust and positive programmes in place. I know our professional development is targeted and appropriate and has led to improved classroom relationships and practice.</p> <p>The data presented is clearly an anomaly and will be investigated to ensure we have accurate data in future.</p> <p>Final Point: In migrating our assessment to Linc-Ed we follow a series of progressions for each child. This will allow us to pinpoint specific children not achieving or at risk of not achieving and ensure every support measure possible is targeted towards meeting their needs and addressing their learning progress.</p> <p>This will ensure consistency of recording and analysis of achievement data - both the individual and by a plethora of cohorts.</p> |

I look forward to sharing this Link-Ed data with you from next year onwards.

Mangere Central School - Analysis of variance

| Actions What did we do | Outcome What happened? | Reasons for the variance Why did it happen? | Evaluation Where to next? |
|--|---|---|---|
| <p>In 2018 our school hosted the MindLab post graduate course and we had 19 teachers enrol and participate in the course. This required a huge mindset change as we moved from an odd/even year set curriculum to an integrated inquiry approach to teaching and learning and moving from a compliance model to a collaborative model.</p> <p>Alongside the Mindlab course staff were also participating in our in-school professional development of Student Led Inquiry. This supported teachers in the above where they learnt how to integrate curriculum topics through reading, writing and maths in order to make learning more authentic and relevant for our children.</p> <p>Our focus was identifying quality 'teaching practices' and embedding these practices across the curriculum to engage children. By focusing on quality teaching practices teachers develop skills that carry across all curriculum areas.</p> <p>Throughout this process we have identified that our next focus is growing student agency because we want lasting attitudinal change rather than short term narrow curriculum gains.</p> <p>We moved from a student management system which recorded data to a system that allows us to track student progress and report to our parents in real time through a parent portal.</p> | <p>A change from direct instruction that focused on a narrow curriculum to an integrated inquiry that focuses on learner agency lead to an initial drop off in one core curriculum area.</p> <p>We believe this will be a short term effect and in the long term the results in this area will improve, but more importantly the attitude to life long learning and learner lead learning will have a lasting impact far beyond that one curriculum area.</p> | <p>A change from direct instruction that focused on a narrow curriculum to an integrated inquiry that focuses on learner agency lead to an initial drop off in one core curriculum area.</p> <p>We believe this will be a short term effect and in the long term the results in this area will improve, but more importantly the attitude to life long learning and learner lead learning will have a lasting impact far beyond that one curriculum area.</p> | <p>Over the next 12 months we will continue our focus on integrated inquiry that focuses on learner agency through school wide professional development on:</p> <ul style="list-style-type: none"> ● Visible Learning with Shaun Hawthorne (Cognition Education) ● Choice Theory with Bette Blance (Glasser Institution NZ) ● Student Led Inquiry with Trudy Francis (21st Learning) ● Grow Smart - our in-school appraisal process ● Linc-Ed - our student management system <p>We will continue to look at the way we can:</p> <ul style="list-style-type: none"> ● Track learning progressing following in the wake of the removal of National Standards reporting. ● To support parents to engage with their child's learning through Live Reporting <p>To build on children engagement with earning and offer them the opportunity to develop their skills and passions through:</p> <ul style="list-style-type: none"> ● Discovery - Science, Technology, Engineering, the Arts, Media ● Whanau - Learning Languages ● Music and choir ● Sport |

MANGERE CENTRAL SCHOOL

244 Kirkbride Road, Mangere, Auckland 2022
principal@mangerecentral.school.nz - 021 47 8887



Monday 20 May 2019

RE: Kiwi Sport Funding

Our school is based in a decile 1 community. Most of our families are beneficiaries, the majority of the remainder tend to be in low-income employment. A considerable number are also single-parent families. Obviously this makes it difficult for our parents as there is simply not spare disposable income to commit to extra school activities.

In 2018 Mangere Central School received \$6,268.29 in Kiwi Sport funding. These funds were used to support a variety of initiatives to increase participation in physical wellbeing.

- Tennis coaching and facility use
- Increase in sport tournaments and travel

The remainder of the funds were spent replenishing sports trolleys and whole school physical education equipment to ensure that our students were able to access equipment and partake of sports during their breaks as well as instructional lessons.

Kind regards

J Maindonald principal

**INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF MANGERE CENTRAL SCHOOL'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

The Auditor-General is the auditor of Mangere Central School (the School). The Auditor-General has appointed me, Blair Stanley, 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 3 to 18, that comprise the statement of financial position as at 31 December 2018, 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 2018; 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 (PBE) Standards Reduced Disclosure Regime.

Our audit was completed on 30 May 2019. 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.

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 information included on pages 19 to 49, 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.



Blair Stanley
BDO Auckland
On behalf of the Auditor-General
Auckland, New Zealand