

BIRKDALE NORTH SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

School Directory

Ministry Number: 1229

Principal: Janette McDonald

School Address: 213 Birkdale Road
Birkdale
Auckland 0626

School Phone: (09) 483 8674

School Email: office@birkdalenorth.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Occupation	Term Expired/Expires
Greg Ratcliffe	Chair Person	Elected	Student	May 2022
Janette McDonald	Principal ex Officio			
Guillaume Corgnat	Parent Rep	Elected	Software Development Manager	May 2022
Matt Elliott	Parent Rep	Elected	Author	May 2022
Mikael Boulic	Parent Rep	Elected	Lecturer, Massey University	May 2022
Soazik Shearer	Parent Rep	Elected	Marketing & Strategy Consultant	May 2022
Yvonne Kirkwood	Parent Rep	Co opted	Social Service Accreditation Assessor	May 2022
Tui Tawhai	Staff Rep	Elected		May 2022
Sarah Hartley	Chair Person	Elected		May 2019
Alex Eddington	Parent Rep	Elected		May 2019
Chris Leigh	Parent Rep	Elected		May 2019
Anne Marie Wrightson	Staff Rep	Elected		May 2019

Accountant / Service Provider:
Top Class Financial Management Services

BIRKDALE NORTH SCHOOL

Annual Report - For the year ended 31 December 2019

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Birkdale North 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.

Greg Ratcliffe

Full Name of Board Chairperson


Signature of Board Chairperson

19th August 2020

Date:

Janette McDonald

Full Name of Principal


Signature of Principal

19th August 2020

Date:

Birkdale North School
Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue				
Government Grants	2	1,792,638	1,715,094	1,717,683
Locally Raised Funds	3	170,447	96,800	88,131
Interest income		6,208	6,000	6,471
International Students	4	19,512	8,989	11,796
		<hr/>	<hr/>	<hr/>
		1,988,805	1,826,883	1,824,081
Expenses				
Locally Raised Funds	3	45,965	57,100	45,734
International Students	4	767	300	299
Learning Resources	5	941,830	871,891	839,311
Administration	6	97,494	87,693	90,748
Finance		1,410	1,500	1,561
Property	7	788,997	782,601	823,334
Depreciation	8	59,750	40,000	46,970
Loss on Disposal of Property, Plant and Equipment		1,120	-	263
		<hr/>	<hr/>	<hr/>
		1,937,333	1,841,085	1,848,220
Net Surplus / (Deficit) for the year		51,472	(14,202)	(24,139)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		51,472	(14,202)	(24,139)

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

Birkdale North School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	Notes	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January		<u>350,347</u>	<u>350,347</u>	<u>366,012</u>
Total comprehensive revenue and expense for the year		51,472	(14,202)	(24,139)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		2,027	-	8,474
Equity at 31 December	23	<u>403,846</u>	<u>336,145</u>	<u>350,347</u>
Retained Earnings		403,846	336,145	350,347
Equity at 31 December		<u>403,846</u>	<u>336,145</u>	<u>350,347</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.

Birkdale North School

Statement of Financial Position

As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	9	240,309	150,019	130,596
Accounts Receivable	10	60,025	55,000	55,304
GST Receivable		6,160	4,000	5,369
Prepayments		1,874	3,000	3,171
Inventories	11	255	300	322
Investments	12	100,000	120,000	130,245
		<hr/>	<hr/>	<hr/>
		408,623	332,319	325,007
Current Liabilities				
Accounts Payable	14	79,076	70,343	80,595
Revenue Received in Advance	15	2,949	-	8,990
Provision for Cyclical Maintenance	16	17,833	11,000	9,459
Finance Lease Liability - Current Portion	17	5,616	5,000	5,621
Funds held for Capital Works Projects	18	41,697	-	(1,495)
		<hr/>	<hr/>	<hr/>
		147,171	86,343	103,170
Working Capital Surplus/(Deficit)		261,452	245,976	221,837
Non-current Assets				
Property, Plant and Equipment	13	181,186	126,023	163,023
		<hr/>	<hr/>	<hr/>
		181,186	126,023	163,023
Non-current Liabilities				
Provision for Cyclical Maintenance	16	30,714	27,854	24,854
Finance Lease Liability	17	8,078	8,000	9,659
		<hr/>	<hr/>	<hr/>
		38,792	35,854	34,513
Net Assets		<hr/>	<hr/>	<hr/>
		403,846	336,145	350,347
Equity	23	<hr/>	<hr/>	<hr/>
		403,846	336,145	350,347

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

Birkdale North School
Statement of Cash Flows
For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		340,463	369,754	327,568
Locally Raised Funds		170,534	99,300	90,035
International Students		13,471	8,989	20,786
Goods and Services Tax (net)		(791)	-	223
Payments to Employees		(208,364)	(176,698)	(171,841)
Payments to Suppliers		(205,624)	(207,441)	(272,979)
Cyclical Maintenance Payments in the year		-	(9,459)	(81,970)
Interest Paid		(1,410)	(1,500)	(1,561)
Interest Received		6,589	6,500	7,213
Net cash from/to Operating Activities		<u>114,868</u>	<u>89,445</u>	<u>(82,526)</u>
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		217	-	-
Purchase of PPE (and Intangibles)		(77,520)	(12,995)	(44,331)
Purchase of Investments		-	(20,000)	-
Proceeds from Sale of Investments		30,245	-	29,755
Net cash from/to Investing Activities		<u>(47,058)</u>	<u>(32,995)</u>	<u>(14,576)</u>
Cash flows from Financing Activities				
Furniture and Equipment Grant		2,027	-	8,474
Finance Lease Payments		(3,316)	1,000	(2,432)
Funds Held for Capital Works Projects		43,192	-	(1,495)
Net cash from Financing Activities		<u>41,903</u>	<u>1,000</u>	<u>4,547</u>
Net increase/(decrease) in cash and cash equivalents		<u>109,713</u>	<u>57,450</u>	<u>(92,555)</u>
Cash and cash equivalents at the beginning of the year	9	130,596	92,569	223,151
Cash and cash equivalents at the end of the year	9	<u>240,309</u>	<u>150,019</u>	<u>130,596</u>

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

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

Birkdale North School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

Birkdale North 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 26.

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies

are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 13.

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

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

Prior Year Policy

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

i) Inventories

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

j) Investments

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

Prior Year Policy

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

k) Property, Plant and Equipment

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

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

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

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

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	10–40 years
Furniture and equipment	3–10 years
Information and communication technology	2–5 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value

l) 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.

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 international students 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.

p) Provision for Cyclical Maintenance

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

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

q) Financial Assets and Liabilities

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

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

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

r) 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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational Grants	336,474	331,096	339,091
Teachers' Salaries Grants	790,473	730,000	713,209
Use of Land and Buildings Grants	650,399	653,998	653,998
Other MoE Grants	15,292	-	7,092
Other Government Grants	-	-	4,293
	<u>1,792,638</u>	<u>1,715,094</u>	<u>1,717,683</u>

3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
Donations	19,474	13,500	13,849
Bequests & Grants	60,155	-	-
Activities	27,368	35,100	29,938
Trading	803	-	180
Fundraising	25,231	8,200	4,548
Other Revenue	37,416	40,000	39,616
	<u>170,447</u>	<u>96,800</u>	<u>88,131</u>
Expenses			
Activities	6,079	16,100	5,466
Trading	810	-	337
Fundraising (Costs of Raising Funds)	1,660	1,000	315
Other Locally Raised Funds Expenditure	37,416	40,000	39,616
	<u>45,965</u>	<u>57,100</u>	<u>45,734</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>124,482</u>	<u>39,700</u>	<u>42,397</u>

4. International Student Revenue and Expenses

	2019 Actual Number	2019 Budget (Unaudited) Number	2018 Actual Number
International Student Roll (FTE)	2	1	1
	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
International Student Fees	19,512	8,989	11,796
Expenses			
International Student Levy	767	300	299
	<u>767</u>	<u>300</u>	<u>299</u>
<i>Surplus/ (Deficit) for the year International Students'</i>	<u>18,745</u>	<u>8,689</u>	<u>11,497</u>

5. Learning Resources

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	14,694	19,443	14,348
Information and Communication Technology	11,468	18,000	12,649
Extra-Curricular Activities	1,127	700	145
Library Resources	855	850	273
Employee Benefits - Salaries	897,801	815,898	806,546
Staff Development	15,885	17,000	5,350
	<u>941,830</u>	<u>871,891</u>	<u>839,311</u>

6. Administration

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	6,343	6,343	6,158
Board of Trustees Fees	4,070	4,500	4,245
Board of Trustees Expenses	3,228	3,300	12,314
Communication	1,794	2,400	2,081
Consumables	7,249	6,600	6,086
Operating Lease	-	-	160
Other	6,719	5,150	1,230
Employee Benefits - Salaries	57,507	48,800	48,773
Insurance	3,084	3,100	3,101
Service Providers, Contractors and Consultancy	7,500	7,500	6,600
	<u>97,494</u>	<u>87,693</u>	<u>90,748</u>

7. Property

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	9,002	7,120	8,116
Consultancy and Contract Services	22,200	22,200	22,478
Cyclical Maintenance Provision	14,234	14,000	24,689
Grounds	14,018	6,500	12,892
Heat, Light and Water	19,097	19,200	18,360
Rates	96	100	88
Repairs and Maintenance	7,242	10,483	31,831
Use of Land and Buildings	650,399	653,998	653,998
Security	8,866	7,000	8,827
Employee Benefits - Salaries	43,843	42,000	42,055
	<u>788,997</u>	<u>782,601</u>	<u>823,334</u>

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

8. Depreciation

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements - Crown	30,713	30,000	30,713
Furniture and Equipment	4,707	2,500	5,030
Information and Communication Technology	21,694	6,500	9,230
Leased Assets	816	-	-
Library Resources	1,820	1,000	1,997
	<u>59,750</u>	<u>40,000</u>	<u>46,970</u>

9. Cash and Cash Equivalents

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Current Account	236,559	146,269	126,850
Bank Call Account	3,750	3,750	3,746
Cash and cash equivalents for Cash Flow Statement	<u>240,309</u>	<u>150,019</u>	<u>130,596</u>

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

10. Accounts Receivable

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	3,815	2,500	3,902
Interest Receivable	654	500	1,035
Teacher Salaries Grant Receivable	55,556	52,000	50,367
	<u>60,025</u>	<u>55,000</u>	<u>55,304</u>
Receivables from Exchange Transactions	4,469	3,000	4,937
Receivables from Non-Exchange Transactions	55,556	52,000	50,367
	<u>60,025</u>	<u>55,000</u>	<u>55,304</u>

11. Inventories

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	255	300	322
	<u>255</u>	<u>300</u>	<u>322</u>

12. Investments

The School's investment activities are classified as follows:

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	100,000	120,000	130,245
Total Investments	<u>100,000</u>	<u>120,000</u>	<u>130,245</u>

13. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Building Improvements	93,828	-	-	-	(30,713)	63,115
Furniture and Equipment	14,207	5,481	(119)	-	(4,707)	14,862
Information and Communication Technology	40,946	68,063	(1,209)	-	(21,694)	86,106
Leased Assets	-	4,657	-	-	(816)	3,841
Library Resources	14,042	1,050	(10)	-	(1,820)	13,262
Balance at 31 December 2019	163,023	79,251	(1,338)	-	(59,750)	181,186

The net carrying value of IT equipment held under a finance lease is \$3,335 (2018: \$7,184)

The net carrying value of Furniture and equipment held under a finance lease is \$5,387 (2018: \$7,520)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Building Improvements	349,353	(286,238)	63,115
Furniture and Equipment	170,715	(155,853)	14,862
Information and Communication Technology	138,718	(52,612)	86,106
Leased Assets	4,657	(816)	3,841
Library Resources	57,430	(44,168)	13,262
Balance at 31 December 2019	720,873	(539,687)	181,186

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Building Improvements	124,541	-	-	-	(30,713)	93,828
Furniture and Equipment	19,264	-	(27)	-	(5,030)	14,207
Information and Communication Technology	5,965	44,211	-	-	(9,230)	40,946
Leased Assets	-	-	-	-	-	-
Library Resources	16,155	120	(236)	-	(1,997)	14,042
Balance at 31 December 2018	165,925	44,331	(263)	-	(46,970)	163,023

The net carrying value of IT equipment held under a finance lease is \$7,184 (2017: \$4,222)

The net carrying value of Furniture and equipment held under a finance lease is \$7,520 (2017: \$9,654)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Building Improvements	349,353	(255,525)	93,828
Furniture and Equipment	186,641	(172,434)	14,207
Information and Communication Technology	97,902	(56,956)	40,946
Leased Assets	-	-	-
Library Resources	56,550	(42,508)	14,042
Balance at 31 December 2018	690,446	(527,423)	163,023

14. Accounts Payable

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operating Creditors	15,103	10,000	10,907
Accruals	4,743	6,343	4,658
Banking Staffing Overuse	-	-	11,303
Employee Entitlements - Salaries	55,556	52,000	50,367
Employee Entitlements - Leave Accrual	3,674	2,000	3,360
	<u>79,076</u>	<u>70,343</u>	<u>80,595</u>
Payables for Exchange Transactions	79,076	70,343	80,595
	<u>79,076</u>	<u>70,343</u>	<u>80,595</u>

The carrying value of payables approximates their fair value.

15. Revenue Received in Advance

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
International Student Fees	2,949	-	8,990
	<u>2,949</u>	<u>-</u>	<u>8,990</u>

16. Provision for Cyclical Maintenance

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	34,313	34,313	91,594
Increase/ (decrease) to the Provision During the Year	14,234	14,000	24,689
Use of the Provision During the Year	-	(9,459)	(81,970)
Provision at the End of the Year	<u>48,547</u>	<u>38,854</u>	<u>34,313</u>
Cyclical Maintenance - Current	17,833	11,000	9,459
Cyclical Maintenance - Term	30,714	27,854	24,854
	<u>48,547</u>	<u>38,854</u>	<u>34,313</u>

17. 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	Actual
	\$	(Unaudited)	\$
No Later than One Year	4,264	11,000	4,577
Later than One Year and no Later than Five Years	5,806	8,000	8,611
	<u>10,070</u>	<u>19,000</u>	<u>13,188</u>

18. Funds Held for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects:

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
Roof Refurbishment	<i>in progress</i>	(1,495)	70,925	(60,533)	-	8,897
Toilet Upgrade	<i>in progress</i>	-	32,800	-	-	32,800
Totals		(1,495)	103,725	(60,533)	-	41,697

Represented by:

Funds Held on Behalf of the Ministry of Education	41,697
Funds Due from the Ministry of Education	-
	<u>41,697</u>

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$		Closing Balances \$
Roof Refurbishment	<i>in progress</i>	-	-	(1,495)	-	(1,495)
Totals		-	-	(1,495)	-	(1,495)

19. 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.

20. Remuneration

Key management personnel compensation

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	4,070	4,245
Full-time equivalent members	0.19	0.60
<i>Leadership Team</i>		
Remuneration	216,977	210,533
Full-time equivalent members	2	2
Total key management personnel remuneration	<u>221,047</u>	<u>214,778</u>
Total full-time equivalent personnel	<u>2.19</u>	<u>2.60</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:

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	120-130	30-40
Salary and Other Payments	-	80-90
Benefits and Other Emoluments	0-10	0-10

Other Employees

There were no other employees with remuneration greater than \$100,000 (2018: nil)

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

21. Contingencies

The contingent liabilities are as follows:

The school owns 40% of the School's Hall. A number of years ago the school identified the Hall had a leaky roof which required repair. The building was still usable and therefore the repairs were deferred to a future period. The depreciation rate for the Hall was accelerated to reflect the repairs required and the carrying value of the Hall at 31 December 2019 is minimal. An additional report has been commissioned by the School to ascertain the cost of the repairs, however the report was not finalised at the date of approval of the financial statements. (Contingent liabilities 31 December 2018: nil)

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

Holidays Act Compliance – schools payroll

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

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

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

22. Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has entered into contract agreements for capital works as follows:

- (a) \$78,805 contract for Roof Refurbishment to be completed in 2020, which will be fully funded by the Ministry of Education. \$70,925 has been received of which \$62,028 has been spent on the project to date; and
- (b) \$32,800 contract for Toilet Upgrade to be completed in 2020, which will be fully funded by the Ministry of Education. \$32,800 has been received of which \$nil has been spent on the project to date.

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

(b) Operating Commitments

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

(a) operating lease of a Vistab Machine;

No later than One Year

	2019 Actual	2018 Actual
	\$	\$
	540	-
	<u>540</u>	<u>-</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:

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

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
	\$	\$	\$
Cash and Cash Equivalents	240,309	150,019	130,596
Receivables	60,025	55,000	55,304
Investments - Term Deposits	100,000	120,000	130,245
Total Financial assets measured at amortised cost	<u>400,334</u>	<u>325,019</u>	<u>316,145</u>

Financial liabilities measured at amortised cost

Payables	79,076	70,343	80,595
Finance Leases	13,694	13,000	15,280
Total Financial Liabilities Measured at Amortised Cost	<u>92,770</u>	<u>83,343</u>	<u>95,875</u>

25. Events After Balance Date

On March 11, 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26 March, New Zealand increased its' COVID-19 alert level to level 4 and a nationwide lockdown commenced. As part of this lockdown all schools were closed. Subsequently all schools and kura reopened on the 18th of May 2020.

At the date of issuing the financial statements, the school has been able to absorb the majority of the impact from the nationwide lockdown as it was decided to start the annual Easter School holidays early. In the periods the school 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.

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

26. Adoption of PBE IFRS 9 Financial Instruments

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

- Note 10 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 12 Investments:

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

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

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

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

Analysis of Variance Reporting



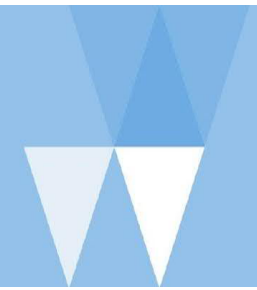
School Name:	Birkdale North	School Number:	1229
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Strategic Aim:	To deliver a responsive curriculum that meets the needs of all learners and drives achievement.																											
Annual Aim:	<p><u>The Annual Aims for 2019</u> <i>Develop equity and excellence through integration and inclusion. Students will belong and achieve and be culturally competent and capable.</i></p> <p><i>Support greater consistency of teaching practice across the school so that learning experiences for students are progressive and aligned.</i></p>																											
Target:	<p><u>Annual Learning Target for 2019</u> By the end of 2019 we will have narrowed the gap by 10% between our Māori male and female achievement results. We expect our Māori and Pasifika students sitting below to be at the expected level and those well below to have moved to below the expected level. An increase in the overall achievement to 88% working at or above the expected level would be pleasing. <i>It should be noted that a change in Maths practice with the introduction of problem based teaching and learning approach may impact on achievement levels.</i></p>																											
Baseline Data:	<p><u>MOE Targeted Students</u></p> <table border="1"> <thead> <tr> <th rowspan="2">Maori Students</th> <th colspan="2">Well below</th> <th colspan="2">Below</th> </tr> <tr> <th>2018</th> <th>2019</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Year 1 (N 7)</td> <td>na</td> <td>na</td> <td>1</td> <td>Left during the year</td> </tr> <tr> <td>Year 2 (N 7)</td> <td>na</td> <td>na</td> <td>2</td> <td>1 left 1 at</td> </tr> <tr> <td>Year 3 (N 7)</td> <td>na</td> <td>na</td> <td>3</td> <td>1 left</td> </tr> </tbody> </table>				Maori Students	Well below		Below		2018	2019	2018	2019	Year 1 (N 7)	na	na	1	Left during the year	Year 2 (N 7)	na	na	2	1 left 1 at	Year 3 (N 7)	na	na	3	1 left
Maori Students	Well below		Below																									
	2018	2019	2018	2019																								
Year 1 (N 7)	na	na	1	Left during the year																								
Year 2 (N 7)	na	na	2	1 left 1 at																								
Year 3 (N 7)	na	na	3	1 left																								



Tātaritanga raraunga

				2 below
Year 4 (N10)	2	1 left 1 well below	3	1 left 1 below 1 well below
Year 5 (N 7)	Na	na	1	1 below
Year 6 (N13)	1	1 left -Intermediate	2	2 left -Intermediate
Girls	2	2 left	4	2 left 1 at 1 below
Boys	1	1 well below	8	4 left 2 below 2 well below
MOE Targeted Students				
Pasifika Students	Well below		Below	
	2018	2019	2018	2019
Year 1 (N 4)	2	2 below	na	na
Year 2 (N 4)	na	na	2	2 below



Tātaritanga raraunga

Year 3 (N 1)	na	na	na	na
Year 4 (N 3)	na	na	na	na
Year 5 (N 3)	na	na	1	1 below
Year 6 (N 2)	na	na	1	na
Girls	1	1 below	1	1 below
Boys	1	1 below	2	2 below

<p>Actions <i>What did we do?</i></p>	<p>Throughout 2019 as a whole school we have supported staff in developing changes to our teaching practise. The changes included understanding how to use a problem-solving approach with students in mixed ability groups to help students engage more deeply with mathematical ideas. We have been using “talk moves to develop the language of maths in the classroom and to allow opportunities for the students to voice their mathematical thinking.</p> <p>Within the classes we have had:</p> <ul style="list-style-type: none"> • Our facilitator modelling the mixed ability teaching • Teachers co working with the facilitator within the class • Release for teachers to observe in other classes during these times • Staff meetings to build on professional readings and research and a time to reflect on professional practise and pedagogy • Team collaborative inquiries for priority learners.
<p>Outcomes <i>What happened?</i></p>	<p>Out of 15 Maori students 8 students have left. (3 through transition to intermediate, others due to the transient nature of some of our families) 1 student has moved from below to at. 5 students have stayed within the below band but in all cases have moved within the maths level with some significant gains especially within maths knowledge. 1 student has gone from below to well below. (there is justification for this)</p> <p>Within our group of 5 Pasifika students tracked two have moved from well below to below. The other three students although are still within the below band have all made movement within the maths stages.</p>
<p>Reasons for the variance <i>Why did it happen?</i></p>	<p>Working with small cohorts has been beneficial and has enabled us to keep a close track on the children. All our Maori target children who are still enrolled with us have made gains within the levels they are at. Their knowledge and understanding of maths language has improved and making links within mathematical problems is the next stage of their learning. Some of the students are developing more confidence when learning maths through the Maori medium and now need to make connections within English.</p> <p>Taking time to develop talk moves with the students is essential and giving them the opportunities to build up their confidence. This must be established through inclusive practice within the classroom. Students need</p>

Tātaritanga raraunga



to feel valued and develop a belief in themselves. The staff are working along side our facilitator to continue to develop this culture within the classes and across the school. We are continuing to build strong relationships.

By attending to the different needs from home environments, languages, capabilities and perspectives, teachers allow students to develop a positive attitude to mathematics. A positive attitude raises comfort levels and gives students greater confidence in their capacity to learn and make sense of mathematics.

(Effective pedagogy in mathematics. G. Anthony and M Walshaw. Page 8)

The gains the students have made do not reflect on the outcomes we initially set. The outcomes are set against measurable hard data, which does not necessarily reflect the other learning taking place:

- building of maths language
- ability to make links to their culture and experience
- developing the ability and confidence to speak in small groups
- developing the skills to critically assess within mathematics

Collaborative enquiry within the syndicate teams has been beneficial. Teachers have had opportunities to question and reflect on others' practice – what has worked for them, or suggestions to engage a child in the learning. Professional development has been challenging but movement in teacher capability and a shift in thinking is becoming more apparent. The pedagogical thinking and the new teaching approach has been a massive change as the main maths teaching approach has been based on the numeracy project for many years.

Evaluation
Where to next?

We are aware that shifts in thinking take at least three years to positively impact the results. We are already seeing initial changes in teaching practice, and in some of our students' thinking and in their own practice, where they are challenging their own thinking. Continued Professional development will help to establish a

Tātaritanga raraunga



greater understanding and knowledge of the skills our teachers need support with. Professional development will help the teachers become more effective in their teaching by deepening their knowledge of effective pedagogy and culturally responsive practices, enabling them to become more confident through:

- A stronger dialogue when questioning and listening to responses,
- An ability to observe the students and actively gauge their understanding,
- Listening to the language being used and reacting to provoke more discussion, or to intervene when explicit teaching is needed,
- Having a clear understanding of supporting learners through effective feedback and feed forward.
- Developing opportunities for students to provide their own learning through self and peer assessment.

The outcomes reflect the enormity of the shift we are making and that is to be expected. One concern would be the number of hours delivered within our professional development. To a large extent this is outside the school's control as it is a government funded PD allocation. Although our school has contributed additional funding to the PD, the overall hours are still at a lower level than we would like to see. Having fewer hours means priorities need to be made and some teachers will get less support than others. We will be utilising our Kahui Ako ASL (Across School Leader) to support us this year.

Planning for next year:

We will continue to track all our Maori and Pasifika students who are below the curriculum level. Alongside the data collected to deliver curriculum levels we will be looking at other ways to track expected outcomes including our ability to continue to make maths at Birkdale North school inclusive for all our students.



BIRKDALE NORTH SCHOOL

Principal Jan McDonald
213 Birkdale Rd, Birkdale, Auckland phone: 483-8674
office@birkdalenorth.school.nz

ANNUAL REPORT FOR THE YEAR NEDED 31ST DECEMBER 2019

KIWISPORT

Kiwisport is a government funding initiative to support student participation in organized sport. In 2019 the school received total Kiwisport funding of \$2469.00 (excluding GST).

The funding was spent on coaching and inter school sport competitions such as Touch, Rippa, Netball Cricket and Soccer.

One hundred percent of students took part in Zumba and organized teams for the year included Cricket, Touch, Rippa, Netball, and Soccer.

Signed:

Jan McDonald
Principal

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF BIRKDALE NORTH PRIMARY SCHOOL'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

The Auditor-General is the auditor of Birkdale North Primary School. The Auditor-General has appointed me, Matthew Coulter, using the staff and resources of BDO Auckland, to carry out the audit of the financial statements of the School on his behalf.

Opinion

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

In our opinion the financial statements of the School:

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

Our audit was completed on the 19 August 2020. This is the date at which our opinion is expressed.

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

Emphasis of Matter - COVID-19

Without modifying our opinion, we draw attention to the disclosures in note 25 to the financial statements which outline the impact of the COVID-19 pandemic.

Basis for our opinion

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

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

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

Responsibilities of the Board of Trustees for the financial statements

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

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

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

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

Independence

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

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



Matthew Coulter
BDO Auckland
On behalf of the Auditor-General
Auckland, New Zealand