



## ANNUAL REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2018**

Ministry Number:	3307
Principal:	Deane Power
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# CANNINGTON SCHOOL

Annual Report - For the year ended 31 December 2018

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# Cannington 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 reflect the financial position and operations of the school.

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

Andrew Scott  
Full Name of Board Chairperson

  
Signature of Board Chairperson

7.8.19  
Date:

Deane Power  
Full Name of Principal

  
Signature of Principal

7/8/19  
Date:

# Cannington School

## Members of the Board of Trustees

For the year ended 31 December 2018

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Held Until</b>
Kiri George	Chairperson	Elected	May 2019
Deane Power	Principal		
Kath Campbell	Parent Rep	Elected	May 2019
Sam Jamieson	Parent Rep	Elected	May 2019
Donna Batt	Parent Rep	Elected	May 2019
Leana Walker	Staff Rep	Elected	May 2019
Rachel Searle	BOT Secretary		



**Cannington School**  
**Statement of Comprehensive Revenue and Expense**  
For the year ended 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
<b>Revenue</b>				
Government Grants	2	342,788	459,748	361,664
Locally Raised Funds	3	20,974	16,520	16,856
Interest Earned		4,453	3,250	4,031
		<u>368,215</u>	<u>479,518</u>	<u>382,551</u>
<b>Expenses</b>				
Locally Raised Funds	3	845	1,400	1,410
Learning Resources	4	211,694	258,090	205,862
Administration	5	30,679	32,085	30,880
Finance Costs		951	-	196
Property	6	108,290	193,854	119,526
Depreciation	7	12,507	12,000	13,188
Loss on Disposal of Property, Plant and Equipment		-	-	3,056
		<u>364,966</u>	<u>497,429</u>	<u>374,118</u>
<b>Net Surplus / (Deficit)</b>		3,249	(17,911)	8,433
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>3,249</u>	<u>(17,911)</u>	<u>8,433</u>

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



**Cannington School**  
**Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2018

	Actual 2018 \$	Budget (Unaudited) 2018 \$	Actual 2017 \$
<b>Balance at 1 January</b>	254,403	254,403	245,970
Total comprehensive revenue and expense for the year	3,249	(17,911)	8,433
<b>Equity at 31 December</b>	257,652	236,492	254,403
Retained Earnings	257,652	236,492	254,403
<b>Equity at 31 December</b>	257,652	236,492	254,403

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



**Cannington School**  
**Statement of Financial Position**  
As at 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	121,318	33,241	39,152
Accounts Receivable	9	12,255	21,728	21,728
Prepayments		920	1,100	1,100
Investments	10	112,010	108,433	108,433
Funds owing for Capital Works Projects	16	348	4,045	4,045
		<u>246,851</u>	<u>168,547</u>	<u>174,458</u>
<b>Current Liabilities</b>				
GST Payable		10,056	1,005	1,005
Accounts Payable	12	16,480	19,751	19,751
Revenue Received in Advance	13	815	2,063	2,063
Provision for Cyclical Maintenance	14	10,000	8,875	8,875
Finance Lease Liability - Current Portion	15	2,913	4,102	4,102
Funds held for Capital Works Projects	16	53,214	-	
		<u>93,478</u>	<u>35,796</u>	<u>35,796</u>
<b>Working Capital Surplus/(Deficit)</b>		<b>153,373</b>	<b>132,751</b>	<b>138,662</b>
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	127,154	120,027	132,027
		<u>127,154</u>	<u>120,027</u>	<u>132,027</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	14	15,000	12,500	12,500
Finance Lease Liability	15	7,875	3,786	3,786
		<u>22,875</u>	<u>16,286</u>	<u>16,286</u>
<b>Net Assets</b>		<u><u>257,652</u></u>	<u><u>236,492</u></u>	<u><u>254,403</u></u>
<b>Equity</b>		<u><u>257,652</u></u>	<u><u>236,492</u></u>	<u><u>254,403</u></u>

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

**Cannington School**  
**Statement of Cash Flows**  
For the year ended 31 December 2018

		2018	2018	2017
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Cash flows from Operating Activities</b>				
Government Grants		85,313	69,748	76,856
Locally Raised Funds		19,726	16,520	16,884
Goods and Services Tax (net)		9,051	-	3,998
Payments to Employees		(22,281)	(32,840)	(24,296)
Payments to Suppliers		(61,655)	(62,589)	(50,162)
Cyclical Maintenance Payments in the Year		-	-	(12,445)
Interest Received		4,363	3,250	4,292
Net cash from / (to) the Operating Activities		34,517	(5,911)	15,127
<b>Cash flows from Investing Activities</b>				
Purchase of PPE (and Intangibles)		(4,516)	-	(468)
Purchase of Investments		(3,577)	-	(3,831)
Net cash from / (to) the Investing Activities		(8,093)	-	(4,299)
<b>Cash flows from Financing Activities</b>				
Finance Lease Payments		(1,169)	-	(4,815)
Funds Held for Capital Works Projects		56,911	-	(199)
Net cash from Financing Activities		55,742	-	(5,014)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>82,166</b>	<b>(5,911)</b>	<b>5,814</b>
Cash and cash equivalents at the beginning of the year	8	39,152	39,152	33,338
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>121,318</b>	<b>33,241</b>	<b>39,152</b>

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

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





# Cannington School

## Notes to the Financial Statements

### 1. Statement of Accounting Policies

For the year ended 31 December 2018

#### 1.1. Reporting Entity

Cannington 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.

#### 1.2. 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 11.

### ***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 15.

#### ***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.

### **1.3. 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.

### **1.4. 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.

### **1.5. 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.

### **1.6. 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.

### **1.7. 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.

### **1.8. 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.

### **1.9. 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.

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

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

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

### **1.10. 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	40 years
Furniture and Equipment	5-10 years
Information and Communication Technology	4-5 years
Leased assets	3 years
Library resources	12.5% Diminishing value

### **1.11. 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.

### **1.12. 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.

### **1.13. Employment Entitlements**

#### *Short-term employee entitlements*

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

#### *Long-term employee entitlements*

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows

### **1.14. Revenue Received in Advance**

Revenue received in advance relates to fees received from 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.



### **1.15. 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).

### **1.16. Financial Assets and Liabilities**

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

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

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

### **1.17. 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.

### **1.18. Budget Figures**

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

### **1.19. 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	75,464	69,748	82,205
Teachers' salaries grants	191,231	225,000	191,234
Use of Land and Buildings grants	74,804	165,000	77,200
Other MoE Grants	1,289	-	11,025
	<u>342,788</u>	<u>459,748</u>	<u>361,664</u>

## 3. Locally Raised Funds

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
<b>Revenue</b>			
Donations	3,032	2,520	2,678
Fundraising	4,321	-	-
Other revenue	10,581	7,800	10,033
Trading	457	1,200	1,643
Activities	2,583	5,000	2,502
	<u>20,974</u>	<u>16,520</u>	<u>16,856</u>
<b>Expenses</b>			
Trading	482	1,400	1,410
Fundraising (costs of raising funds)	363	-	-
	<u>845</u>	<u>1,400</u>	<u>1,410</u>
<i>Surplus for the year Locally raised funds</i>	<u>20,129</u>	<u>15,120</u>	<u>15,447</u>

## 4. Learning Resources

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Curricular	11,160	13,490	7,756
Information and communication technology	165	-	-
Extra-curricular activities	6,829	5,300	2,300
Library resources	-	100	-
Employee benefits - salaries	191,233	235,800	193,707
Staff development	2,307	3,400	2,099
	<u>211,694</u>	<u>258,090</u>	<u>205,862</u>

## 5. Administration

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Audit Fee	3,184	3,100	3,091
Board of Trustees Fees	3,540	4,140	2,255
Board of Trustees Expenses	3,406	1,200	1,703
Communication	1,368	1,450	1,836
Consumables	209	300	195
Operating Lease	748	4,020	1,109
Other	182	430	3,776
Employee Benefits - Salaries	15,597	15,000	14,633
Service Providers, Contractors and Consultancy	2,445	2,445	2,282
	<u>30,679</u>	<u>32,085</u>	<u>30,880</u>



## 6. Property

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Caretaking and Cleaning Consumables	1,517	1,500	948
Consultancy and Contract Services	3,461	3,500	8,459
Cyclical Maintenance Provision	3,625	2,000	3,625
Adjustment to the Provision	-	-	8,820
Grounds	5,852	4,214	1,670
Heat, Light and Water	5,730	4,700	4,835
Rates	1,068	3,200	767
Repairs and Maintenance	5,499	2,700	6,180
Use of Land and Buildings	74,804	165,000	77,200
Employee Benefits - Salaries	6,734	7,040	7,022
	<u>108,290</u>	<u>193,854</u>	<u>119,526</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	2,599	2,500	2,598
Furniture and Equipment	3,257	2,500	4,353
Information and Communication Technology	2,294	2,000	2,331
Leased Assets	4,014	4,000	3,575
Library Resources	343	1,000	331
	<u>12,507</u>	<u>12,000</u>	<u>13,188</u>

## 8. Cash and Cash Equivalents

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Bank Current Account	109,224	33,241	27,070
Bank Call Account	12,094	-	12,082
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>121,318</u>	<u>33,241</u>	<u>39,152</u>

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

Of the \$121,318 Cash and Cash Equivalents, \$53215 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2019 on Crown owned school buildings under the School's Five Year Property Plan.

## 9. Accounts Receivable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Receivables from the Ministry of Education	-	8,560	8,560
Interest Receivable	599	510	510
Teacher Salaries Grant Receivable	11,656	12,658	12,658
	<u>12,255</u>	<u>21,728</u>	<u>21,728</u>
Receivables from Exchange Transactions	599	510	510
Receivables from Non-Exchange Transactions	11,656	21,218	21,218
	<u>12,255</u>	<u>21,728</u>	<u>21,728</u>



## 10. Investments

The School's investment activities are classified as follows:

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Asset			
Short-term Bank Deposits	112,010	108,433	108,433

## 11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2018</b>						
Land	25,000	-	-	-	-	25,000
Building Improvements	75,690	-	-	-	(2,599)	73,091
Furniture and Equipment	14,160	-	-	-	(3,257)	10,903
Information and Communication	6,828	1,035	-	-	(2,294)	5,569
Leased Assets	8,033	11,343	(5,170)	-	(4,014)	10,192
Library Resources	2,316	426	-	-	(343)	2,399
<b>Balance at 31 December 2018</b>	<b>132,027</b>	<b>12,804</b>	<b>(5,170)</b>	<b>-</b>	<b>(12,507)</b>	<b>127,154</b>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
<b>2018</b>			
Land	25,000	-	25,000
Building Improvements	103,926	(30,835)	73,091
Furniture and Equipment	98,434	(87,531)	10,903
Information and Communication	43,261	(37,692)	5,569
Leased Assets	15,142	(4,950)	10,192
Library Resources	12,642	(10,243)	2,399
<b>Balance at 31 December 2018</b>	<b>298,405</b>	<b>(171,251)</b>	<b>127,154</b>

The net carrying value of equipment held under a finance lease is \$10,192 (2017: \$8,033)

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2017</b>						
Land	25,000	-	-	-	-	25,000
Building Improvements	78,288	-	-	-	(2,598)	75,690
Furniture and Equipment	18,513	-	-	-	(4,353)	14,160
Information and Communication	12,078	1,039	(3,958)	-	(2,331)	6,828
Leased Assets	1,457	10,151	-	-	(3,575)	8,033
Library Resources	2,316	331	-	-	(331)	2,316
<b>Balance at 31 December 2017</b>	<b>137,652</b>	<b>11,521</b>	<b>(3,958)</b>	<b>-</b>	<b>(13,188)</b>	<b>132,027</b>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
<b>2017</b>			
Land	25,000	-	25,000
Building Improvements	103,927	(28,237)	75,690
Furniture and Equipment	98,432	(84,272)	14,160
Information and Communication	42,226	(35,398)	6,828
Leased Assets	12,024	(3,991)	8,033
Library Resources	12,216	(9,900)	2,316
<b>Balance at 31 December 2017</b>	<b>293,825</b>	<b>(161,798)</b>	<b>132,027</b>





## 12. Accounts Payable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	927	3,355	3,355
Accruals	3,662	3,555	3,555
Employee Entitlements - salaries	11,656	12,658	12,658
Employee Entitlements - leave accrual	235	183	183
	<u>16,480</u>	<u>19,751</u>	<u>19,751</u>
Payables for Exchange Transactions	16,480	19,751	19,751
	<u>16,480</u>	<u>19,751</u>	<u>19,751</u>

The carrying value of payables approximates their fair value.

## 13. Revenue Received in Advance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Other	815	2,063	2,063
	<u>815</u>	<u>2,063</u>	<u>2,063</u>

## 14. Provision for Cyclical Maintenance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Provision at the Start of the Year	21,375	21,375	8,930
Increase to the Provision During the Year	3,625	-	3,625
Adjustment to the Provision	-	-	8,820
Use of the Provision During the Year	-	-	-
Provision at the End of the Year	<u>25,000</u>	<u>21,375</u>	<u>21,375</u>
Cyclical Maintenance - Current	10,000	8,875	8,875
Cyclical Maintenance - Term	15,000	12,500	12,500
	<u>25,000</u>	<u>21,375</u>	<u>21,375</u>

## 15. Finance Lease Liability

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	3,675	4,278	4,278
Later than One Year and no Later than Five Years	8,877	3,867	3,867
Later than Five Years	-	-	-
	<u>12,552</u>	<u>8,145</u>	<u>8,145</u>



## 16. Funds Held for Capital Works

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	Closing Balances \$
					Contribution/ (Write-off to R&M)	
5 YA Upgrade to Windows	Completed	(4,045)	3,905		(140)	-
Stage 2 - Upgrade to Windows	In progress	-	18,440	18,788	-	(348)
Septic Tanks	In progress	-	61,169	7,955	-	53,214
<b>Totals</b>		<b>(4,045)</b>	<b>83,514</b>	<b>26,743</b>	<b>(140)</b>	<b>52,866</b>

### Represented by:

Funds Held on Behalf of the Ministry of Education	53,214
Funds Due from the Ministry of Education	348
	<u>52,866</u>

	2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT	Closing Balances \$
					Contribution/ (Write-off to R&M)	
5 YA Upgrade to Windows	In progress	(3,846)	17,963	18,162	-	(4,045)
<b>Totals</b>		<b>(3,846)</b>	<b>17,963</b>	<b>18,162</b>	<b>-</b>	<b>(4,045)</b>

## 17. Related Party Transactions

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

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



## 18. Remuneration

### Key management personnel compensation

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

	2018 Actual \$	2017 Actual \$
<i>Board Members</i>		
Remuneration	3,540	2,255
Full-time equivalent members	0.10	-
<i>Leadership Team</i>		
Remuneration	91,475	87,886
Full-time equivalent members	1.00	1.00
Total key management personnel remuneration	95,015	90,141
Total full-time equivalent personnel	1.10	1.00

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

### Principal

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

	2018 Actual \$000	2017 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	90-100	80 - 90
Benefits and Other Emoluments	2-3	0 - 0
Termination Benefits	0 - 0	0 - 0

### Other Employees

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

Remuneration \$000	2018 FTE Number	2017 FTE Number
110 - 120	-	-
100 - 110	-	-
	-	-

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

## 19. Compensation and Other Benefits Upon Leaving

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

	2018 Actual	2017 Actual
Total	-	-
Number of People	-	-



## 20. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2018 (Contingent liabilities and assets at 31 December 2017: 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, however the potential impact on any specific school or individual and any associated historical liability will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2018, a contingent liability for the school may exist.

## 21. Commitments

### (a) Capital Commitments

As at 31 December 2018 the Board has not entered into any contract agreements for capital works.

(Capital commitments at 31 December 2017: nil)

### (b) Operating Commitments

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

(a) operating lease of Laptops;

	2018 Actual \$	2017 Actual \$
No later than One Year	-	652
Later than One Year and No Later than Five Years	-	-
	-	652

## 22. Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but attempts to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.



### 23. Financial Instruments

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

#### Loans and Receivables

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash and Cash Equivalents	121,318	33,241	39,152
Receivables	12,255	21,728	21,728
Investments - Term Deposits	112,010	108,433	108,433
Total Cash and Receivables	<u>245,583</u>	<u>163,402</u>	<u>169,313</u>

#### Financial liabilities measured at amortised cost

Payables	16,480	19,751	19,751
Finance Leases	10,788	7,888	7,888
Total Financial Liabilities Measured at Amortised Cost	<u>27,268</u>	<u>27,639</u>	<u>27,639</u>

### 24. Events After Balance Date

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



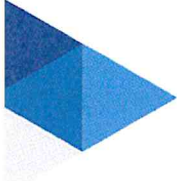
Cannington School  
R.D. 14  
Cave 7984  
South Canterbury  
Ph: 03 614 3723  
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## **KIWISPORT 2018**

Kiwisport is a Government funding initiative to support students "participation in organised sport. In 2018, the school received total Kiwisport funding of \$280 (excluding GST). The funding was spent on the Rural Schools Kiwisport programme. This funding enabled 20 students to participate in organised sport.

# Analysis of Variance Reporting



<b>School Name:</b>	Cannington School	<b>School Number:</b> 3307
<b>Strategic Aim:</b>	To educate and develop confident, connected and committed learners who positively contribute to society.	
<b>Annual Aim:</b>	To educate and develop confident, connected and committed learners who positively contribute to society through authentic learning experiences.	
<b>Target:</b>	To have all children make progress in relation to the NZC each year and accelerated where possible.	
<b>Baseline Data:</b>	<p><b>Writing</b></p> <p>Working towards (4/16)</p> <p>Working within expectations (12/16)</p>	

<b>Actions</b> <i>What did we do?</i>	<b>Outcomes</b> <i>What happened?</i>	<b>Reasons for the variance</b> <i>Why did it happen?</i>	<b>Evaluation</b> <i>Where to next?</i>
<p>We have been using an Internal Evaluation Tool. This has caused us to closely look at each area of the curriculum and also our Priority Learners each term. Every time we have data it is entered into the correct area. What we have learned through this was that our students were not including enough detail in their stories or supporting the writing with facts depending on the genre. We were part of the ALL programme. We developed and expanded our Cannington Curriculum in the area of writing. This included how we would specifically teach language features, spelling, punctuation and grammar and parts of speech. This became a weekly programme. We would set the targets for this each term and then teach these components that we could see were missing. We also made an effort to give genuine experiences to students that they could then discuss. Such as trips to Waitangi or the local river. We encouraged our boys to take on building projects. To teach about planning and to go back and</p>	<p>Exceeding Expectations: (1/16) 6% Working within Expectations: (14/16) 88% Working Towards Expectations: (1/16) 6%</p> <p>We were able to move three students from Working towards to working within Expectations. We also moved one student into Exceeding Expectations.</p>	<p>Since we have moved to using the NZ curriculum to make our judgements the scope for has widened. As such it is much harder to be Above and also Below. So for our results this means that we cannot directly compare to previous years. As exceeding is working over one level above consistently we have very low numbers in this area.</p> <p>Since the beginning of the year we have moved three of our students from working towards to working within expectations. We also moved one to Exceeding.</p> <p>We believe that our use of the internal review documents has directly contributed to our results. We created a Priority Learners section and through this collected the data in one pace and then made intervention decisions from this data. We involved outside agencies with some of these students and have been able to get support through the RTL B Lit for one of our priority students.</p> <p>Our writing review document also showed trends that we targeted. This was around one cohort. This</p>	<p>Going forward, we are happy with the way we are teaching Writing at Cannington and we are looking to make small changes to practise rather than developing a new plan.</p> <p>We will continue with the Internal Evaluations that support his area, Priority and Writing.</p> <p>The use of easTTle Writing will continue, the use of the Writing Matrix will continue. Punctuation and Grammar PAT will be used.</p> <p>We are not wanting to continue with ALL as the level of PD associated with this MOE programme has been non-existent and we cannot say that it has any relevance to the outcomes we achieved this year.</p> <p>The use of the targeted learners section in our weekly planning will be continued with our planning having more specific achievable goals than larger generic terms.</p> <p>We want to continue to fund the technology construction that many of our students are a part of. We can see the results that this has brought into our classes.</p>



<p>do things again until you are happy. We had some of our priority learners tested to see if they had hearing, sight issues and also for Irlens.</p>	<p>cohort has made significant progress and we can link this back to data in the writing review. ALL was undertaken last year as a school. Because of the Internal Review Documents we have been able to look at what interventions we have trialled and then make changes or expand them. We have supported our male students into building projects. These projects range from directed ones such as a school shed to students directed building of a helicopter and boat. These have made a difference to our students writing.</p>	<p>Student needs that will need to be addressed in the next year are around the construction of texts. Paragraphing and the planning that develops use of them need to be reinforced. This will become part of our starting point in the Writing Internal Review document.</p>
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**Planning for next year:**

We believe that as a staff we have met the targets set out at the beginning of the year. Where in specific cases where we have not been able to support students to make expected progress we have sought external knowledge and skills and these are ready to be applied in the 2019 year.

<p><b>Target:</b></p>	<p>To have all children make progress in relation to the NZC each year and accelerated where possible.</p>
<p><b>Baseline Data:</b></p>	<p><b>Reading</b> Working towards (2/16) 13%</p>

Working within Expectations (12 /16) 74%

Exceeding Expectations (2/16) 13%

<b>Actions</b> <i>What did we do?</i>	<b>Outcomes</b> <i>What happened?</i>	<b>Reasons for the variance</b> <i>Why did it happen?</i>	<b>Evaluation</b> <i>Where to next?</i>
<p>Literacy Pro, SRA, performing plays and National Library high interest books have supported these excellent results. The SRA helped us to teach extract information from texts, Literacy Pro gave students access to more books and helped with comprehension. We also saw a level of motivation to out score/read their peers.</p> <p>Online reading programmes have been used to support extraction of information from texts. Literacy Pro. We utilised the National Library Service. Under their guidance we accessed more graphic novels and also high interest books for boys. SRA was used to teach reading for understanding especially around vocabulary and how to work out meanings.</p> <p>Term three has a production, this was set around Shakespeare's works. This encouraged students to read simplified versions of his work and then make sense of them.</p> <p>We have been using an Internal Evaluation Tool. This has caused us to closely look at each area of the curriculum and also our Priority Learners each term. Every time we</p>	<p>Exceeding Expectations: (5/16) Working within Expectations: (10/16) Working toward expectations: (1/16) We have moved one of our students from Working towards to within expectations. Three students have been moved into Exceeding expectations from within expectations. One of these students has shown accelerated learning.</p>	<p>The data from earlier in the year showed us that our students were not extracting information from graphs or text boxes. We taught to this data.</p> <p>Our priority students' review showed us what was, next step learning for these students. This was used to move one of these students.</p> <p>The online reading Literacy Pro was used to support extracting information out of texts, this also gave us the ability to see what students has answered. As such we could teach specific skills to identified students. Same for the SRA system.</p> <p>National Library made us target boys' engagement with high interest books. This also made us value the place of graphic novels in the class. This was followed up each term and also had us buying specific books to support this. Engagement with boys reading can be linked to this.</p> <p>The external support from the National Library was directly linked to an improvement in our results.</p> <p>Our use of the Internal Review for Reading helped to raise results. All data that was entered in this section had to be narrated. This would force us to ask are we making a difference. As such, we continued to make tweaks to out weekly teaching but remain within our long term ideals.</p>	<p>Going forward, we are happy with the way we are teaching Reading at Cannington and we are looking to make small changes to practise rather than developing a new plan.</p> <p>We will continue with the Internal Evaluations that support this area, Priority and Reading and also science.</p> <p>Testing will continue to be easTTle reading, Running records for our junior students and the Probe2 for those above level 28-30. We will also look to introduce the PACT tool for Reading as this has a system of marking wall displays that students produce. This will help to strengthen our OTJ's for this curriculum area. STAR reading will be used.</p> <p>We will use the online marking for these PAT tests as they give valuable feedback around teaching gaps.</p> <p>The online reading will be supported again.</p> <p>Continuing with advice and guidance from National Library will be continued.</p>

have data it is entered into the correct area.

We have support from RT Lit for our priority learners. This will continue into 2019.

**Planning for next year:**

The board will continue to support the engagement of outside agencies to support our priority learners. Next year sees some new entrants to the school. We want to create strong home school trust with these parents. Where in specific cases where we have not been able to support students to make expected progress we have sought external knowledge and skills and these are ready to be applied in the 2019 year.

**Baseline Data:**

**Maths**

Working towards: nil

Working within Expectations (14/16)

Exceeding Expectations (2/16)

<b>Actions</b> <i>What did we do?</i>	<b>Outcomes</b> <i>What happened?</i>	<b>Reasons for the variance</b> <i>Why did it happen?</i>	<b>Evaluation</b> <i>Where to next?</i>
<p>Over the year we have continued to follow what we learned as part of ALIM.</p> <p>Materials are used at all times and available to the students at all times.</p> <p>We follow the progressions in the Numeracy Programme and teach to these.</p> <p>We make sure that questions are asked in different orders so that students are able to see problems from multiple paths.</p> <p>Local content has been put into lessons and planning especially into strand maths. Relevant to our context of farming.</p> <p>Targeted learners have next step learning placed into weekly planning. This is reviewed bi-weekly.</p> <p>We have used the Internal Review Document for Mathematics and also Priority Learners to support of teaching.</p> <p>Online sites i.e. Kahn Academy and Maths is fun web site are used to extend students learning and engage them in more complex mathematics.</p>	<p>Exceeding Expectations: (4/16) 25%</p> <p>Working within Expectations: (12/16) 75%</p> <p>Working towards Expectations: nil</p> <p>We moved two of our students' from where we would expect them to be into Exceeding our expectations. While they have made significant progress they have not made what is defined as accelerated progress. They have made almost two year's progress in each case but not an entire level.</p>	<p>We have continued to build upon earlier professional development that we gained during ALIM.</p> <p>As you can see we did not have problem in this area to start with. We purchased year 10 maths books for the class. These books are used to extend students work. We teach the introduction and then the book shows where it leads to. This also makes the students felt as though they are working well above expectations.</p> <p>We have been able to move two students into the area of exceeding expectations. This year because we have moved from the National Standards to NZC it is harder to be above and below. The two students who moved from Within to Exceeding were already working close to exceeding.</p> <p>Of the students that we monitor for this they have all made at least one year's progress in relation to the NZC.</p> <p>Term 3 &amp; 4 had us combining the classes when number was being taught. This was undertaken to help the junior students to see where their learning is going. It also gives the chance for the</p>	<p>Going forward, we are happy with the way we are teaching Mathematics at Cannington and we are looking to make small changes to practise rather than developing a new plan.</p> <p>We will continue with the Internal Evaluations that support his area, Priority and Mathematics.</p> <p>We are looking to use Onenote more in 2019. This is where we plan on sending work to the students and then seeing the completed work on-line. This would be used to support the in class teaching. We will also put the extension work here linked to Kahn Academy and Maths is Fun sites.</p> <p>We will continue with our practise of introducing units at staff meetings to ensure that we are teaching the same message in each class.</p>

students to hear the message from a different person, albeit the same message.

The use of our Internal Review Document for mathematics and the Priority Learners Review helped us to meet the needs for our identified students.



## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF CANNINGTON SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

The Auditor-General is the auditor of Cannington School (the School). The Auditor-General has appointed me, Derily MacLean, using the staff and resources of Martin Wakefield, 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 19, 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 Standards, Reduced Disclosure Regime.

Our audit was completed on 9 August 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 following page 19, but does not include the financial statements, and our auditor's report thereon.

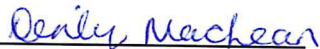
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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.



Derily MacLean  
Martin Wakefield  
On behalf of the Auditor-General  
Timaru, New Zealand