

DONOVAN PRIMARY SCHOOL



ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Ministry Number:	2119
Principal:	Peter Hopwood
School Address	200 Drury Lane, Waikiwi, Invercargill
School Postal Address:	200 Drury Lane, Grasmere, Invercargill, 9810
School Phone:	03 215 9664
School Email:	office@donovanprimary.ac.nz

DONOVAN PRIMARY SCHOOL

Annual Report - For the year ended 31 December 2019

Index

Page	Statement
	Financial Statements
1	Statement of Responsibility
2	Board of Trustees
3	Statement of Comprehensive Revenue and Expense
4	Statement of Changes in Net Assets/Equity
5	Statement of Financial Position
6	Statement of Cash Flows
7	Statement of Accounting Policies
12	Notes to the Financial Statements
	Other Information
20	Kiwisport
21	Analysis of Variance
	Independent Auditors Report

Donovan Primary 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 reflect the financial position and operations of the school.

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

Jill Wilkinson

Full Name of Board Chairperson

Peter Joseph Hopwood

Full Name of Principal

JW Wilkinson

Signature of Board Chairperson

P Hopwood

Signature of Principal

21/05/20

Date:

21/05/20

Date:

Donovan Primary School

Members of the Board of Trustees

For the year ended 31 December 2019

Name	Position	How Position Gained	Held Until
Jill Wilkinson	Chairperson	Elected	Jun 2022
Peter Hopwood	Principal	ex Officio	
Aaron Kerr	Parent Rep	Elected	Jun 2022
Scott Forbes	Parent Rep	Elected	Jun 2022
Tristan Duffell	Parent Rep	Elected	Jun 2022
Karen Hargest	Parent Rep	Elected	Jun 2022
Karen Leadley	Staff Rep	Elected	Jun 2022
Daniel Middlemiss	Parent Rep	Elected	May 2019
Catherine O'Connor	Parent Rep	Elected	May 2019
Kate Minehan	Parent Rep	Elected	May 2019
Kirsty Davies	Parent Rep	Elected	May 2019
In Attendance: Liz Balloch	Secretary		

Donovan Primary 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	3,290,224	2,751,858	3,111,878
Locally Raised Funds	3	93,507	78,500	100,899
Interest Income		24,543	20,000	23,623
		<u>3,408,274</u>	<u>2,850,358</u>	<u>3,236,400</u>
Expenses				
Locally Raised Funds	3	38,864	46,500	35,867
Learning Resources	4	2,204,928	1,585,926	2,121,525
Administration	5	158,822	163,187	152,896
Finance Costs		2,137	-	2,040
Property	6	900,670	863,217	839,013
Depreciation	7	91,061	60,000	84,017
Loss on Disposal of Property, Plant and Equipment		3,054	-	-
		<u>3,399,536</u>	<u>2,718,830</u>	<u>3,235,358</u>
Net Surplus		8,738	131,528	1,042
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u><u>8,738</u></u>	<u><u>131,528</u></u>	<u><u>1,042</u></u>

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

Donovan Primary School
Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Balance at 1 January	1,430,394	1,430,394	1,450,300
Total comprehensive revenue and expense for the year	8,738	131,528	1,042
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	28,045
Contribution From Board	(82,884)	-	(48,993)
Equity at 31 December	1,356,248	1,561,922	1,430,394
Retained Earnings	1,356,248	1,561,922	1,430,394
Equity at 31 December	1,356,248	1,561,922	1,430,394

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.

Donovan Primary School

Statement of Financial Position

As at 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	8	376,683	361,977	170,449
Accounts Receivable	9	144,567	139,003	139,003
GST Receivable		12,892	5,920	5,920
Prepayments		5,533	8,563	8,563
Investments	10	620,351	620,351	620,351
Funds owing for Capital Works Projects	16	6,370	-	-
		<u>1,166,396</u>	<u>1,135,814</u>	<u>944,286</u>
Current Liabilities				
Accounts Payable	12	209,760	176,667	176,667
Revenue Received in Advance	13	4,192	2,997	2,997
Provision for Cyclical Maintenance	14	25,536	-	-
Finance Lease Liability - Current Portion	15	18,220	10,030	10,030
Funds held for Capital Works Projects	16	194,388	-	-
		<u>452,096</u>	<u>189,694</u>	<u>189,694</u>
Working Capital Surplus/(Deficit)		714,300	946,120	754,592
Non-current Assets				
Property, Plant and Equipment	11	694,891	659,395	719,395
		<u>694,891</u>	<u>659,395</u>	<u>719,395</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	27,480	31,932	31,932
Finance Lease Liability	15	25,463	11,661	11,661
		<u>52,943</u>	<u>43,593</u>	<u>43,593</u>
Net Assets		<u>1,356,248</u>	<u>1,561,922</u>	<u>1,430,394</u>
Equity		<u>1,356,248</u>	<u>1,561,922</u>	<u>1,430,394</u>

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

Donovan Primary 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		723,953	651,116	710,731
Locally Raised Funds		105,444	78,500	92,287
Goods and Services Tax (net)		(6,972)	-	(3,080)
Payments to Employees		(434,336)	(253,622)	(401,395)
Payments to Suppliers		(182,099)	(304,466)	(346,241)
Cyclical Maintenance payments in the Year		-	-	(39,493)
Interest Received		27,749	20,000	21,852
Net cash from Operating Activities		<u>233,739</u>	<u>191,528</u>	<u>34,661</u>
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(35,211)	-	(111,374)
Net cash from Investing Activities		<u>(35,211)</u>	<u>-</u>	<u>(111,374)</u>
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	28,045
Capital Works - Contribution from Board		(82,884)	-	-
Finance Lease Payments		(14,545)	-	(10,805)
Funds held for Capital Works Projects		105,135	-	(120,158)
Net cash from Financing Activities		<u>7,706</u>	<u>-</u>	<u>(102,918)</u>
Net increase/(decrease) in cash and cash equivalents		<u><u>206,234</u></u>	<u><u>191,528</u></u>	<u><u>(179,631)</u></u>
Cash and cash equivalents at the beginning of the year	8	170,449	170,449	350,080
Cash and cash equivalents at the end of the year	8	<u><u>376,683</u></u>	<u><u>361,977</u></u>	<u><u>170,449</u></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 omitted.

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

Donovan Primary School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2019

1.1. Reporting Entity

Donovan Primary 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 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 25.

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.

Cyclical Maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 14.

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

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

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.

1.9. 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.

1.10. Investments

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

Prior Year Policy

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

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

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

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

1.11. 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	10–20 years
Furniture and equipment	2–50 years
Information and communication technology	4–5 years
Leased assets held under a Finance Lease	3-4 years
Library resources	12.5% Diminishing value

1.12. 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.

1.13. 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.

1.14. 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



1.15. Revenue Received in Advance

Revenue received in advance relates to fees received from 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.

1.16. Funds Held in Trust

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

1.17. 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).

1.18. 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.

1.19. 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.

1.20. Budget Figures

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

1.21. 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	2019 Budget	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
Operational grants	587,827	605,694	587,332
Teachers' salaries grants	1,887,864	1,400,000	1,797,273
Use of Land and Buildings grants	688,064	688,064	599,632
Other MoE Grants	123,050	58,100	127,641
Other government grants	3,419	-	-
	<u>3,290,224</u>	<u>2,751,858</u>	<u>3,111,878</u>

3. Locally Raised Funds

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

	2019	2019 Budget	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
Revenue			
Donations	21,669	26,000	31,293
Fundraising	14,606	-	7,572
Bequests & Grants	12,771	12,000	12,858
Other revenue	11,262	1,200	12,187
Trading	3,493	4,000	4,394
Activities	29,706	35,300	32,595
	<u>93,507</u>	<u>78,500</u>	<u>100,899</u>
Expenses			
Activities	24,290	38,500	24,297
Trading	2,970	4,000	4,061
Fundraising (costs of raising funds)	11,604	-	6,786
Other Expenses	-	4,000	723
	<u>38,864</u>	<u>46,500</u>	<u>35,867</u>
<i>Surplus for the year Locally raised funds</i>	<u>54,643</u>	<u>32,000</u>	<u>65,032</u>

4. Learning Resources

	2019	2019 Budget	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
Curricular	40,831	63,426	50,544
Equipment repairs	-	-	17,886
Information and communication technology	11,749	7,600	10,138
Library resources	2,707	6,800	3,619
Employee benefits - salaries	2,143,373	1,497,800	2,025,783
Staff development	6,268	10,300	13,555
	<u>2,204,928</u>	<u>1,585,926</u>	<u>2,121,525</u>



5. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	4,456	5,124	4,385
Board of Trustees Fees	5,690	5,355	5,280
Board of Trustees Expenses	8,108	5,700	3,026
Communication	3,561	5,500	2,977
Consumables	14,608	13,800	13,627
Operating Lease	19,520	15,000	13,764
Other	11,767	11,460	8,314
Employee Benefits - Salaries	81,321	92,500	94,686
Insurance	4,911	6,000	4,447
Service Providers, Contractors and Consultancy	4,880	2,748	2,390
	<u>158,822</u>	<u>163,187</u>	<u>152,896</u>

6. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	20,270	19,600	19,476
Cyclical Maintenance Provision	21,084	-	21,084
Grounds	11,878	12,900	20,818
Heat, Light and Water	28,876	24,000	26,401
Rates	4,012	3,900	4,087
Repairs and Maintenance	42,098	37,253	55,603
Use of Land and Buildings	688,064	688,064	599,632
Security	1,452	1,500	1,532
Employee Benefits - Salaries	82,936	76,000	90,380
	<u>900,670</u>	<u>863,217</u>	<u>839,013</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.

7. Depreciation of Property, Plant and Equipment

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Building Improvements	36,613	25,000	36,372
Furniture and Equipment	20,390	14,000	19,538
Information and Communication Technology	18,908	14,000	17,428
Leased Assets	12,583	5,000	7,967
Library Resources	2,567	2,000	2,712
	<u>91,061</u>	<u>60,000</u>	<u>84,017</u>



8. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Bank Current Account	20,890	361,977	44,916
Bank Call Account	355,793	-	125,533
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>376,683</u>	<u>361,977</u>	<u>170,449</u>

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

Of the \$376,683 Cash and Cash Equivalents, \$194,388 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2020 on Crown owned school buildings under the School's Five Year Property Plan.

9. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	-	10,742	10,742
Receivables from the Ministry of Education	3,765	-	-
Interest Receivable	7,046	10,252	10,252
Teacher Salaries Grant Receivable	133,756	118,009	118,009
	<u>144,567</u>	<u>139,003</u>	<u>139,003</u>
Receivables from Exchange Transactions	7,046	20,994	20,994
Receivables from Non-Exchange Transactions	137,521	118,009	118,009
	<u>144,567</u>	<u>139,003</u>	<u>139,003</u>

10. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	620,351	620,351	620,351
Total Investments	<u>620,351</u>	<u>620,351</u>	<u>620,351</u>



11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Building Improvements	475,230	3,808	-	-	(36,613)	442,425
Furniture and Equipment	142,250	18,738	-	-	(20,390)	140,598
Information and Communication	60,389	8,064	-	-	(18,908)	49,545
Leased Assets	22,539	34,400	-	-	(12,583)	44,356
Library Resources	18,987	4,600	(3,053)	-	(2,567)	17,967
Balance at 31 December 2019	719,395	69,610	(3,053)	-	(91,061)	694,891

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Building Improvements	628,228	(185,803)	442,425
Furniture and Equipment	385,368	(244,770)	140,598
Information and Communication	292,690	(243,145)	49,545
Leased Assets	60,248	(15,892)	44,356
Library Resources	54,069	(36,102)	17,967
Balance at 31 December 2019	1,420,603	(725,712)	694,891

The net carrying value of equipment held under a finance lease is \$44,356 (2018: \$22,539)

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Building Improvements	457,844	53,758	-	-	(36,372)	475,230
Furniture and Equipment	133,197	28,591	-	-	(19,538)	142,250
Information and Communication	53,728	24,089	-	-	(17,428)	60,389
Leased Assets	4,657	25,849	-	-	(7,967)	22,539
Library Resources	16,764	4,935	-	-	(2,712)	18,987
Work in Progress	28,037	-	(28,037)	-	-	-
Balance at 31 December 2018	694,227	137,222	(28,037)	-	(84,017)	719,395

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Building Improvements	624,420	(149,190)	475,230
Furniture and Equipment	366,629	(224,379)	142,250
Information and Communication	284,627	(224,238)	60,389
Leased Assets	34,383	(11,844)	22,539
Library Resources	58,950	(39,963)	18,987
Balance at 31 December 2018	1,369,009	(649,614)	719,395

12. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating creditors	37,354	17,859	17,859
Accruals	3,974	4,975	4,975
Banking staffing overuse	26,100	12,678	12,678
Employee Entitlements - salaries	133,756	118,009	118,009
Employee Entitlements - leave accrual	8,576	23,146	23,146
	209,760	176,667	176,667
Payables for Exchange Transactions	209,760	176,667	176,667
	209,760	176,667	176,667

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Other	4,192	2,997	2,997
	<u>4,192</u>	<u>2,997</u>	<u>2,997</u>

14. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	31,932	31,932	50,341
Increase/ (decrease) to the Provision During the Year	21,084	-	21,084
Use of the Provision During the Year	-	-	(39,493)
Provision at the End of the Year	<u>53,016</u>	<u>31,932</u>	<u>31,932</u>
Cyclical Maintenance - Current	25,536	-	-
Cyclical Maintenance - Term	27,480	31,932	31,932
	<u>53,016</u>	<u>31,932</u>	<u>31,932</u>

15. 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 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	19,906	11,705	11,705
Later than One Year and no Later than Five Years	26,612	12,505	12,505
	<u>46,518</u>	<u>24,210</u>	<u>24,210</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:

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution	Closing Balances \$
Carpet Replacement	In Progress	-	46,000	52,370	-	(6,370)
C Block (2 Classrooms)	Completed	-	-	82,884	82,884	-
Fencing Project	In Progress	-	212,000	17,612	-	194,388
Totals		-	258,000	152,866	82,884	188,018

Represented by:

Funds Held on Behalf of the Ministry of Education	194,388
Funds Due from the Ministry of Education	(6,370)
	<u>188,018</u>

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution	Closing Balances \$
MOE Roof and Heating Upgrade	Completed	(1,141)	4,910	3,769	-	-
MOE Cloakbay upgrade	Completed	72,306	22,261	101,874	7,307	-
Totals		71,165	27,171	105,643	7,307	-



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 Assistant Principals.

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	5,690	5,280
Full-time equivalent members	0.17	0.27
<i>Leadership Team</i>		
Remuneration	346,959	332,979
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	352,649	338,259
Total full-time equivalent personnel	3.17	3.27

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	140 - 150	130 - 140
Benefits and Other Emoluments	3 - 4	3 - 4
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	2019 FTE Number	2018 FTE Number
100 -110	1.00	-
	1.00	-

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:

	2019 Actual	-	2018 Actual	-
Total	\$	-	\$	-
Number of People		-		-

20. Contingencies

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

21. Commitments

(a) Capital Commitments

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

(Capital commitments at 31 December 2018: \$15,308)

(b) Operating Commitments

As at 31 December 2019 the Board has not entered into any operating contracts:

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

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:

Financial assets measured at amortised cost

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	376,683	361,977	170,449
Receivables	144,567	139,003	139,003
Investments - Term Deposits	620,351	620,351	620,351
Total Financial assets measured at amortised cost	<u>1,141,601</u>	<u>1,121,331</u>	<u>929,803</u>

Financial liabilities measured at amortised cost

Payables	209,760	176,667	176,667
Finance Leases	43,683	21,691	21,691
Total Financial liabilities measured at amortised Cost	<u>253,443</u>	<u>198,358</u>	<u>198,358</u>

24. Events After Balance Date

Impact from COVID-19

On the 11th March 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26th 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 until 18 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.

25. 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:

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.

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.



Kiwisport Statement for Annual Report

Kiwisport is a Government funding initiative to support participation in organised sport. In 2019 Donovan Primary received \$6203.27. The funding was spent on:-

Swimming

Hockey Skills

Camp subsidies

And various sporting activities eg, Touch, Netball, Flippaball, Cricket, Volleyball, Hockey and Miniball. There have been an increased number of children participating in these sporting codes.

Our numbers of children participating in organised sport is hard to judge with a number of children belonging to community sports clubs.

Statement of Variance 2019

AREA	PRIORITY/PROCESS	WHO	WHEN	OUTCOME	MONITORING AND EVALUATING IMPACT
Well being	To form definition of what resilience is and how we can focus on this in Term 1 and 2 with a review to gauge progress at this point To collect student voice around what conditions, encourage more resilient behaviours.	All staff	Term 1 / 2	Donovan will know what resilience looks like in a learner and how we can actively teach resilience skills and strengthen children into can do learners who don't give up	We have introduced the phrase 'resilient' to all classes. We have changed all whole school assemblies to be themed around Resilient behaviours and certificates with narration about what resilience looked like for that child. We have formed a definition and broken all Key Competencies and Values into child speak posters displayed in all classes.
Engagement	To look at our playground environment and include more activities for children To look at Maths	All staff	Term 1 / 3	To have imagination building activities, fitness focus areas and wheels areas	We have held several 'wheel' based fun Fridays, but haven't progressed a formal track as yet due to a fencing project that needs to be completed first which has been delayed until February 2020 completion.
	Programmes to create urgency and engagement with a special interest in girl learners	All staff Team Leaders	Term 1 / 3	To have programmes that fully reflect the importance of Maths and the enjoyment that Maths skills can bring	We have focused on an ALiM project across all year levels and increased staff experience in providing focused programmes to engage 'below' maths children. The staff personal Inquiries have been around ALiM Maths Groups and the strategies that work for small groups.
Achievement	Teacher inquiries for whole school	All staff	Term 1 / 4	Staff will be focusing on their in-class practice	We have made some good progress with or basic facts knowledge for these children and nearly all involved have moved to expected level of achievement.
	ALL teachers in ALiM process	All staff	Term 1 / 4	Staff will be focused on their priority learners in Maths	

Action Plan for Governance

AREA	PRIORITY/PROCESS	WHO	WHEN	OUTCOME	MONITORING AND EVALUATING IMPACT
Effective Governance	Provide immediate induction for new BOT members and define roles	Current BOT STA MOE	Term 2,3,4	A BOT comfortable with processes and begin specialising in defined roles	The new BOT went through an induction process with Charter, planning and reporting, Governance Manual. Roles are starting to develop, and people are getting more involved. We have revisited documents several times.
	To induct new members in evaluative practices	Principal, BOT Chair	Term 2,3,4	BOT members start to become evaluative in their thinking about achievement	The process of evaluative thinking and use of templates has been introduced and teaching/discussion on how it works, what it means and why we evaluate information/reports/data as a BOT. BOT are now starting to use the language of the ERO model.
	Work with community pre-elections by promoting interest and holding parent elections	Current BOT	Term 1	People informed and comfortable to stand in elections	This was successful to a point, we only had bare minimum people standing and no election was needed.
Consult	BOT to be involved on community consult focus group	All BOT	Twice a term	Community voice in strategic planning and getting feedback on directions	Consultation has been mildly successful with minimal turn out therefore less than expected input. We have had more regular BOT reporting though.
	Health curriculum consultation	Health curriculum team	Term 2	Community informed about currently teaching and input into any changes needed	We held a community health consultation evening on 23 October. We prepared programme overview and how we deliver Pubertal Change information. We had one person attend. We now have to try a different approach.
	BOT work with staff re sports/cultural coordinator	Sub-committee Chair Principal Staff Rep	Term 1	Person employed to reduce workload	This has been achieved and reviewed after six months. The review and staff survey data were presented to the BOT and the BOT moved to continue the programme in 2020. Over 185 learners benefited with the programme.

Action Plan for Governance cont....

AREA	PRIORITY/PROCESS	WHO	WHEN	OUTCOME	MONITORING AND EVALUATING IMPACT
Evaluative Priorities	Systems to reporting to be cyclical – focused on forward thinking	BOT through Chair Principal	Term 1-4	Long term plan for reporting that links to BOT workplan	This has been achieved.
	BOT to receive reports that have evaluative comments attached	Principal	Term 1-4	All reports to Board will have been through a robust evaluative process	We have made good solid gains in this area, during 2019 all reports have attached evidence of evaluative thinking.
Environment	Refurbish rooms 8 and 9	Barry Stewart Builders	Term 1	Attractive environments created for learners	This has been completed successfully.
	Implement community fitness track	BOT PTA	Term 1-3	Focus on fitness and wellbeing for community and facilities to use	This project has been deferred to 2020 due to Special Needs Fencing Project about to start which could affect placement of track.
	Investigate wellbeing initiatives (surveys)	All BOT	Term 1-4	Staff and students will have been surveyed and wellbeing is seen by staff as priority BOT more informed as needs of school in terms of well being	Staff were surveyed around did the sports assistance change workload. Y5 students were surveyed using NZCER Wellbeing Toolkit.

Report on Maths Target Year 3 Group

YEAR 3 Cohort - Targets	Actions taken to achieve the target
<ul style="list-style-type: none"> 14 students took part in this intervention and completed it. 13 students were 'below', 1 student was 'well below' 	<ul style="list-style-type: none"> Teachers were aware of the students identified in this cohort. Many of these students were part of an ALiM intervention group (which concentrated on Numeracy) that was taken by the class teacher. For students that weren't part of an ALiM group they were grouped according to ability within the class maths groups. Data from 2018 was used to identify where the students were 'at' and if required a GLoSS or JAM assessment. The same test was repeated and used as exit data as well as teacher OTJ. For the ALiM group students this was an in-class intervention and was taken by the class teacher at the same time each day in Term 2 and/or Term 3. The students were seen as a group for a focused maths session taken in class for approx. 20-30 minutes 4 days a week: Monday-Thursday. If a student was part of an ALiM group their parents were contacted by the class teacher explaining the intervention. The target is to accelerate all of the 15 students in the cohort. As the maths curriculum is a large curriculum area covering a wide variety of maths, it was decided from the data collected, that the Year 3 students Fraction knowledge was very low. The teachers concentrated on this aspect of maths for Term 3. In Term 4 the teachers worked on basic facts, place value and number knowledge. In class, the teachers noticed that the children were excited about maths and they began to see themselves as mathematicians. They were more on-task during their class maths rotations and were more likely to be an active part of their class maths group discussions/activities.
<ul style="list-style-type: none"> The 1 'well below' students remained the same as well as one student going from 'below' to 'well below' 	
<ul style="list-style-type: none"> 8 students remained 'below' curriculum level but did however make good progress within their maths level. 	
<ul style="list-style-type: none"> 4 students accelerated from 'below' curriculum level to 'at' curriculum level 	
<p>We are disappointed in the results and believe several factors contributed to these results.</p> <ul style="list-style-type: none"> 2019 was collected in curriculum levels instead of National Standards. A lot of students in the target group are below in other curriculum areas and despite their efforts and that of the classroom teacher and the extra resources provided they find learning difficult. 	

Report on Maths Target Year 4 Group

YEAR 4 Cohort - Targets	Actions taken to achieve the target
<ul style="list-style-type: none"> 15 students took part in this intervention and completed it. 13 students were 'below'; 2 students were 'well below.' 	<ul style="list-style-type: none"> Teachers were aware of the students identified in this cohort. Some of these students were part of an ALiM intervention group (which concentrated on Numeracy) that was taken by the class teacher in Term 3. For students that weren't part of an ALiM group they were grouped according to ability within the class maths groups. Data from 2018 was used to identify where the students were 'at' and if required a GLoSS or JAM assessment. The same test was repeated and used as exit data as well as teacher OTJ. For the ALiM group students this was an in-class intervention and was taken by the class teacher at the same time each day in Term 3. The students were seen as a group for a focused maths session taken in class for approx. 20-30 minutes 4 days a week: Monday-Thursday. If a student was part of an ALiM group their parents were contacted by the class teacher explaining the intervention. The target is to accelerate all the 15 students in the cohort. As the maths curriculum is a large curriculum area covering a wide variety of maths, it was decided from the data collected that the Year 4 students needed work on basic facts and place value knowledge, as well as knowing which strategy to use to solve word problems. In class, the teachers noticed that the children were excited about maths and they began to see themselves as mathematicians. They were more on-task during their class maths rotations and were more likely to be an active part of their class maths group discussions/activities. They were beginning to carry over what they that learnt in ALiM to their class learning.
<ul style="list-style-type: none"> The 2 'well below' students remained the same. 	
<ul style="list-style-type: none"> 9 students remained 'below' curriculum level but did however make good progress within their maths level. Many of these students are transitioning to the next level which is the curriculum level we would expect them to be at in Maths at Year 4. 	
<ul style="list-style-type: none"> 4 students accelerated from 'below' curriculum level to 'at' curriculum level 	

We are disappointed in the results and believe several factors contributed to these results.

- 2019 was collected in curriculum levels instead of National Standards.
- A lot of students in the target group are below in other curriculum areas and despite their efforts and that of the classroom teacher and the extra resources provided, they find learning difficult.
- Many of the Year 4 students are beginning to transition to the next level, which is where they should be in Year 4, but their knowledge and understanding is not solid enough to say they are at that required level.

INDEPENDENT AUDITOR'S REPORT

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

The Auditor-General is the auditor of Donovan Primary School (the School). The Auditor-General has appointed me, Aaron Higham, using the staff and resources of BDO Invercargill, 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 2019, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

Our audit was completed on 21 May 2020. This is the date at which our opinion is expressed.

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

Emphasis of Matter – COVID-19

Without modifying our opinion, we draw attention to the disclosures in note 24 on page 19 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

Basis for our opinion

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

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

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

Responsibilities of the Board of Trustees for the financial statements

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.

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

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

Our responsibilities arises 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 and kiwisport paragraph included on pages 20 to 25 and BOT listing included on page 2, 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.



Aaron Higham
BDO Invercargill
On behalf of the Auditor-General
Invercargill, New Zealand