

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Ministry Number:	4135
Principal:	Averil Worner
School Address	35 Cholmondeley Avenue, Opawa, Christchurch
School Postal Address:	35 Cholmondeley Avenue, Opawa, Christchurch, 8023
School Phone:	03 332 7339
School Email:	office@saintmarks.school.nz

ST MARK'S SCHOOL (CHRISTCHURCH)

Annual Report - For the year ended 31 December 2019

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St Mark's School (Christchurch)

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.

Lauren Jan Ball

Full Name of Board Chairperson



Signature of Board Chairperson

25/5/20

Date:

Dr Averil Ann Worner

Full Name of Principal



Signature of Principal

25 May 2020

Date:

St Mark's School (Christchurch)

Members of the Board of Trustees

For the year ended 31 December 2019

Name	Position	How Position Gained	Held Until
Mike Percasky	Parent Rep	Elected	Sep 2022
Brad Flavall	Parent Rep	Elected	Sep 2022
Ruth Knight	Parent Rep	Elected	Sep 2022
Averil Worner	Principal	ex Officio	
Adrian Rennie	Staff Rep	Elected	Sep 2022
Lauren Ball	Chairperson	Appointed	Sep 2022
Clare Pattison	Proprietor's Rep	Appointed	Sep 2022
Rogier Eradus	Chairperson	Elected	Sep 2019
Susan Johnson	Parent Rep	Elected	Sep 2019
Peter Moore	Parent Rep	Elected	Sep 2019
Charlotte Cooper	Proprietor's Rep	Appointed	Sep 2019

St Mark's School (Christchurch)

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue				
Government Grants	2	1,527,938	1,344,218	1,372,161
Locally Raised Funds	3	231,438	127,730	154,020
Use of Land and Buildings Integrated		620,000	620,000	620,000
Interest Income		7,766	3,500	6,267
		<u>2,387,142</u>	<u>2,095,448</u>	<u>2,152,448</u>
Expenses				
Locally Raised Funds	3	78,098	77,130	57,598
Learning Resources	4	1,325,286	1,144,850	1,204,671
Administration	5	118,516	128,258	108,765
Finance Costs		2,125	-	1,579
Property	6	712,248	722,145	702,358
Depreciation	7	47,322	39,300	39,906
Loss on Disposal of Property, Plant and Equipment		9,103	-	-
		<u>2,292,698</u>	<u>2,111,683</u>	<u>2,114,877</u>
Net Surplus / (Deficit)		94,444	(16,235)	37,571
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u><u>94,444</u></u>	<u><u>(16,235)</u></u>	<u><u>37,571</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.



St Mark's School (Christchurch)
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	379,192	379,192	341,621
Total comprehensive revenue and expense for the year	94,444	(16,235)	37,571
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	7,319	-	-
Equity at 31 December	480,955	362,957	379,192
Retained Earnings	480,955	362,957	379,192
Equity at 31 December	480,955	362,957	379,192

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes which form part of these financial statements.



St Mark's School (Christchurch)
Statement of Financial Position

As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	8	36,699	62,619	39,554
Accounts Receivable	9	84,848	62,277	62,277
GST Receivable		6,743	5,459	5,459
Prepayments		14,291	3,719	3,719
Investments	10	250,938	216,708	216,708
		<u>393,519</u>	<u>350,782</u>	<u>327,717</u>
Current Liabilities				
Accounts Payable	12	100,128	71,830	71,830
Revenue Received in Advance	13	1,880	-	-
Finance Lease Liability - Current Portion	15	25,773	19,436	19,436
		<u>127,781</u>	<u>91,266</u>	<u>91,266</u>
Working Capital Surplus/(Deficit)		265,738	259,516	236,451
Non-current Assets				
Property, Plant and Equipment	11	241,427	125,057	164,357
		<u>241,427</u>	<u>125,057</u>	<u>164,357</u>
Non-current Liabilities				
Finance Lease Liability	15	26,210	21,616	21,616
		<u>26,210</u>	<u>21,616</u>	<u>21,616</u>
Net Assets		<u>480,955</u>	<u>362,957</u>	<u>379,192</u>
Equity		<u>480,955</u>	<u>362,957</u>	<u>379,192</u>

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



St Mark's School (Christchurch)
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		376,605	350,218	383,262
Locally Raised Funds		232,997	127,730	153,701
Goods and Services Tax (net)		(1,284)	-	(277)
Payments to Employees		(189,185)	(165,300)	(221,917)
Payments to Suppliers		(277,943)	(293,083)	(245,075)
Interest Received		7,555	3,500	7,017
Net cash from Operating Activities		148,745	23,065	76,711
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(102,526)	-	(36,067)
Purchase of Investments		(34,230)	-	(56,708)
Net cash from Investing Activities		(136,756)	-	(92,775)
Cash flows from Financing Activities				
Furniture and Equipment Grant		7,319	-	-
Finance Lease Payments		(22,163)	-	(5,121)
Net cash from Financing Activities		(14,844)	-	(5,121)
Net increase/(decrease) in cash and cash equivalents		(2,855)	23,065	(21,185)
Cash and cash equivalents at the beginning of the year	8	39,554	39,554	60,739
Cash and cash equivalents at the end of the year	8	36,699	62,619	39,554

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.



St Mark's School (Christchurch)

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2019

1.1. Reporting Entity

St Mark's School (Christchurch) (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 24.

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

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.

Other Grants

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

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

Donations, Gifts and Bequests

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

Interest Revenue

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

1.4. Use of Land and Buildings Expense

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



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. 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.

1.10. Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$300 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, equipment, and library resources are depreciated over their estimated useful lives on a diminishing value basis. Leased Asset are depreciated on a straight line basis over the contractual duration. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Building improvements	5.0% Diminishing Value
Furniture and equipment	10.0% Diminishing Value
Information and communication technology	20.0% Diminishing Value
Motor vehicles	12.5% Diminishing Value
Textbooks	33.3% Diminishing Value
Library resources	12.5% Diminishing Value
Leased assets held under a Finance Lease	3-5 years

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.

1.14. 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.

1.15. Provision for Cyclical Maintenance

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

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

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational grants	324,305	325,308	320,379
Teachers' salaries grants	1,151,333	994,000	996,570
Other MoE Grants	52,300	24,910	55,212
	<u>1,527,938</u>	<u>1,344,218</u>	<u>1,372,161</u>

3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
Donations	157,019	57,250	93,696
Other revenue	2,275	-	3,626
Trading	1,043	1,000	1,096
Activities	71,101	69,480	55,602
	<u>231,438</u>	<u>127,730</u>	<u>154,020</u>
Expenses			
Activities	75,511	76,130	56,545
Trading	1,038	1,000	1,053
Other Expenses	1,549	-	-
	<u>78,098</u>	<u>77,130</u>	<u>57,598</u>
<i>Surplus / (Deficit) for the year Locally raised funds</i>	<u>153,340</u>	<u>50,600</u>	<u>96,422</u>

4. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	53,254	46,900	39,848
Information and communication technology	15,282	15,750	15,917
Library resources	-	200	3,619
Employee benefits - salaries	1,252,449	1,075,000	1,137,263
Staff development	4,301	7,000	8,024
	<u>1,325,286</u>	<u>1,144,850</u>	<u>1,204,671</u>

5. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	4,171	4,000	4,050
Board of Trustees Fees	1,430	1,100	1,100
Board of Trustees Expenses	6,350	7,500	3,936
Communication	2,650	2,500	2,438
Consumables	14,267	14,380	15,185
Operating Lease	633	5,598	3,717
Other	14,929	15,644	5,454
Employee Benefits - Salaries	66,435	65,300	65,660
Insurance	2,325	2,236	2,210
Service Providers, Contractors and Consultancy	5,326	10,000	5,015
	<u>118,516</u>	<u>128,258</u>	<u>108,765</u>



6. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	3,274	3,320	3,199
Consultancy and Contract Services	35,697	34,725	37,824
Cyclical Maintenance Provision	-	6,000	560
Adjustment to the Provision	-	-	(10,620)
Grounds	1,641	2,500	1,931
Heat, Light and Water	17,454	26,000	21,083
Repairs and Maintenance	11,369	8,600	6,986
Use of Land and Buildings	620,000	620,000	620,000
Security	1,904	2,000	1,980
Employee Benefits - Salaries	20,909	19,000	19,415
	<u>712,248</u>	<u>722,145</u>	<u>702,358</u>

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

7. Depreciation of Property, Plant and Equipment

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Furniture and Equipment	7,965	8,000	8,843
Information and Communication Technology	5,448	7,000	7,485
Motor Vehicles	5,352	-	-
Leased Assets	27,111	22,600	21,902
Library Resources	1,446	1,700	1,676
	<u>47,322</u>	<u>39,300</u>	<u>39,906</u>

8. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Bank Current Account	35,760	62,619	39,554
Bank Call Account	939	-	-
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>36,699</u>	<u>62,619</u>	<u>39,554</u>

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

9. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	710	389	389
Interest Receivable	2,295	2,084	2,084
Teacher Salaries Grant Receivable	81,843	59,804	59,804
	<u>84,848</u>	<u>62,277</u>	<u>62,277</u>
Receivables from Exchange Transactions	3,005	2,473	2,473
Receivables from Non-Exchange Transactions	81,843	59,804	59,804
	<u>84,848</u>	<u>62,277</u>	<u>62,277</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	250,938	216,708	216,708
Total Investments	250,938	216,708	216,708

11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Furniture and Equipment	73,091	1,329	(265)	-	(7,965)	66,190
Information and Communication	35,930	-	(8,567)	-	(5,448)	21,915
Motor Vehicles	-	92,580	-	-	(5,352)	87,228
Leased Assets	43,606	39,476	-	-	(27,111)	55,971
Library Resources	11,730	110	(271)	-	(1,446)	10,123
Balance at 31 December 2019	164,357	133,495	(9,103)	-	(47,322)	241,427

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2019			
Furniture and Equipment	130,863	(64,673)	66,190
Information and Communication	91,361	(69,446)	21,915
Motor Vehicles	92,580	(5,352)	87,228
Leased Assets	95,950	(39,979)	55,971
Library Resources	41,810	(31,687)	10,123
Balance at 31 December 2019	452,564	(211,137)	241,427

The net carrying value of equipment held under a finance lease is \$55,971 (2018: \$43,606)

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2018						
Furniture and Equipment	68,450	13,484	-	-	(8,843)	73,091
Information and Communication	38,202	5,213	-	-	(7,485)	35,930
Leased Assets	47,126	18,382	-	-	(21,902)	43,606
Library Resources	12,415	991	-	-	(1,676)	11,730
Balance at 31 December 2018	166,193	38,070	-	-	(39,906)	164,357

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2018			
Furniture and Equipment	130,345	(57,254)	73,091
Information and Communication	147,128	(111,198)	35,930
Leased Assets	64,981	(21,375)	43,606
Library Resources	42,686	(30,956)	11,730
Balance at 31 December 2018	385,140	(220,783)	164,357



12. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating creditors	9,674	1,646	1,646
Accruals	3,647	4,691	4,691
Employee Entitlements - salaries	84,891	63,807	63,807
Employee Entitlements - leave accrual	1,916	1,686	1,686
	<u>100,128</u>	<u>71,830</u>	<u>71,830</u>
Payables for Exchange Transactions	100,128	71,830	71,830
	<u>100,128</u>	<u>71,830</u>	<u>71,830</u>

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Other	1,880	-	-
	<u>1,880</u>	<u>-</u>	<u>-</u>

14. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	-	-	10,060
Increase to the Provision During the Year	-	-	560
Adjustment to the Provision	-	-	(10,620)
Provision at the End of the Year	<u>-</u>	<u>-</u>	<u>-</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	27,194	20,582	20,582
Later than One Year and no Later than Five Years	27,030	22,179	22,179
	<u>54,224</u>	<u>42,761</u>	<u>42,761</u>



16. Related Party Transactions

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

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

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

The Proprietor provides land and buildings free of charge for use by the Board as noted in Note 1.4. The estimated value of this use during the current period is included in the Statement of Comprehensive Revenue and Expense as "Use of land and buildings".

17. Remuneration

Key management personnel compensation

Key management personnel of the School include all trustees of the Board, Principal, Deputy Assistant Principals and Team Leaders.

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	1,430	1,100
Full-time equivalent members	0.45	0.10
<i>Leadership Team</i>		
Remuneration	559,004	410,523
Full-time equivalent members	6.00	5.00
Total key management personnel remuneration	560,434	411,623
Total full-time equivalent personnel	6.45	5.10

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	130 - 140	110 - 120
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	-	-
	-	-

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



18. 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	-	-

19. 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.

Contingent Liability - Cyclical Maintenance

The School has an obligation to maintain in good order and repair at all times the land, buildings and other facilities on the School site. At the present time, the School is working with the Board of Proprietors to create a cyclical maintenance plan for future maintenance. Until such time as a plan has been developed and approved, the School cannot make a reliable estimate of the maintenance required on the School's buildings so no cyclical maintenance provision has been recognised, even though the school is required to maintain school buildings.

20. Commitments

(a) Capital Commitments

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

(Capital commitments at 31 December 2018: nil)

(b) Operating Commitments

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

21. 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.



22. 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	36,699	62,619	39,554
Receivables	84,848	62,277	62,277
Investments - Term Deposits	250,938	216,708	216,708
Total Financial Assets Measured at amortised cost	<u>372,485</u>	<u>341,604</u>	<u>318,539</u>

Financial liabilities measured at amortised cost

Payables	100,128	71,830	71,830
Finance Leases	51,983	41,052	41,052
Total Financial Liabilities Measured at Amortised Cost	<u>152,111</u>	<u>112,882</u>	<u>112,882</u>

23. 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.

24. Adoption of PBE IFRS 9 Financial Instruments

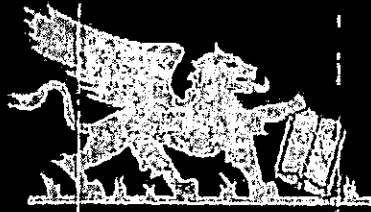
In accordance with the transitional provisions of PBE IFRS 9, the school has elected not to restate the information for previous years to comply with PBE IFRS 9. Adjustments arising from the adoption of PBE IFRS 9 are recognised in opening equity at 1 January 2019. Accounting policies have been updated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





St Mark's School

Kiwisport 2019

Kiwisport is a Government funding initiative to support student participation in organised sport. During 2019, the school received total Kiwisport funding of \$3271.31 (excluding GST).

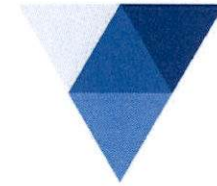
The funding was spent on transport. Every student from Year 5 - 8 participated in Canterbury sports programmes including hockey, netball, football and table tennis. This enabled not only seasoned athletes to compete but also those who would otherwise not be included in team sport.

Two of our teams - hockey and football made Canterbury finals.

Additional sports programs - softball, Basketball, junior hockey, water polo, miniball, bowls and cricket were included in organised sports programs and incurred cost

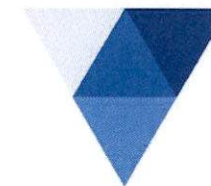


Analysis of Variance Reporting



School Name:	St Mark's School	School Number:	4135
Strategic Aim:	<p>Develop future focussed thinkers and learners through Collaboration and Ako in the pursuit of Equity and Excellence.</p> <p>Identify and grow every student's God given gifts and talents.</p>		
Annual Aim:	<p>Every learner's needs are met through collaboration and agency.</p> <p>Through <i>Kaitiakitanga</i> we are the guardians of our own learning and that of others.</p>		
Target:	<p>Student Achievement Target One: Writing - Formative Assessment Practices</p> <p>To improve progress and raise achievement with a particular focus on target students in year 6-8, and 3-5 achieving below the expected curriculum level for their age.</p> <p>At the end of 2019, 11% students in year 6-8 and 21% year 3-5, were below their expected curriculum level for age. Improved percentages from 2018 for the older group were observed while similar percentages remain for the year 3-5 group</p> <p>In 2020 we expect to maintain and continue these gains by further reducing the number of "at risk students" by a further 1% -2% as in previous years</p>		
Baseline Data:	<p>Analysis of School-Wide assessment data in November 2019 identified a positive change in progress and achievement in Writing at all year levels from the end of year 2018 and 2019 data. Writing data at the end of 2019 still indicates that there still is a number of students who were not meeting their expected age levels in all aspects of writing assessment. (EOY 2019 – n= 39). Whilst this number is small, the students within these percentages are represented as at risk for meeting the expected curriculum level for age.</p> <p>The largest single group of students at risk in Writing are in Year 5 and 6.</p>		

Analysis of Variance Reporting



Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<p>We identified that differentiating for individual needs was a crucial next step -an unrelenting focus on student need was the focus.</p> <p>We identified that staff needed to work collaboratively on the use and application of the LPF.</p> <p>Collaborative planning in staff teams was seen as an opportunity to draw on individual strengths.</p> <p>Collaborative and Personal Inquiry, and Professional Learning was seen as vital to building professional capacity and teaching and learning expertise.</p> <p>Data boards were used to “name” need.</p> <p>Internal PLD was used in a tuakana-teina methods.</p> <p>“Storytelling Schools” continued to be embedded in the school.</p>	<p>The number of students who were at risk from not meeting the expected curriculum level reduced from 54 at mid-year to 39 at the end of 2019</p> <p>Staff driven a focus on Writing articulated the changes in pedagogy, impact of teaching.</p> <p>Data boards continued to name the concerns for the students at risk in our writing programs.</p> <p>Staff drew on the strengths of collaborating with teams, and building personal and collective capacity</p> <p>Learning Intentions and Success criteria were linked to student voice.</p> <p>Moderation of Writing in teams continued to be precise in particularly in relation to the use of all PACT and entry of data.</p>	<p>Staff were able identify “next steps” for students more readily and accelerate and adapt programs based on the shifts in pedagogy for targeted students.</p> <p>Collective responsibility and shared teaching enabled a climate of sharing practice and accountability.</p> <p>Building on experience and past knowledge, staff were able to break down writing tasks against levels of student success.</p> <p>Overall Teacher Judgement is enhanced by expert knowledge of how to make judgements based on quality data.</p>	<p>PACT tool data in its second year will provide longitudinal information about how individuals are tracking.</p> <p>Articulate formative assessment practices as the lens for adapting the curriculum moment by moment.</p> <p>Collaborating with other schools in our Kahui Ako to share and challenge practice.</p> <p>Using student voice to locate next steps and evaluate change.</p> <p>Embed formative practices to understand how these influence our developing local curriculum.</p> <p>Targeted and precise programs of support and extension with careful tracking and monitoring of outcomes.</p>

Planning for next year:

- Revisit “Storyways Literacy” as basis for PLD
- Advanced Storytelling staff to drive change in collaboration in teams
- Additional staffing to support differentiated programs – precision teaching and whānau centred programs.
- Alignment of Appraisal to monitor, track and report progress and as a self-reflection of those students at risk.
- Comparison of formative and summative practice and the effects of each on OTJ's.
- PACT data used for longitudinal purposes.

School Name:	St Mark's School	School Number:	4135
Strategic Aim:	<p>Develop future focussed thinkers and learners through Collaboration and Ako and the pursuit of Equity and Excellence.</p> <p>Identify and grow every student's God given gifts and talents.</p>		
Annual Aim:	<p>To raise student achievement and accelerate student learning in Mathematics with a school- wide Mathematics professional learning focus in 2020 to maintaining gains made from professional development.</p>		
Target:	<p>Student Achievement Target Two: Mathematics – Formative and Summative Assessment Practices</p> <p>To improve progress and raise achievement with a particular focus on target students in year 1-8 achieving below the expected curriculum level for their age. At the end of 2019, 15% of students were below their expected curriculum level and these students were spread across the school. This was a smaller number to at the end of 2018, with a difference of just over 1%. The total number of students across the school at the end of 2019 not meeting the expected curriculum level for age was 33 students.</p> <p>It is our expectation that we can further reduce the number of "at risk" students from n=37 to n=30 with targeted programs and focussed individual programs supported by high quality professional development.</p>		
Baseline Data:	<p>Analysis of school-wide assessment data in November 2019 showed a little change in progress and achievement in Mathematics across the school. Mathematics data also indicated that there are fewer differences in the way teachers were using data to inform their OTJ's. There continues to be a need for the personalisation of data for all students and whānau, with greater attention to differentiated programs and individual need. Although the data was generally positive coherence of the local curriculum across the school is a crucial next step.</p> <p>In addition, there is continued need for PLD to address knowledge of strategies at all stages, and that these be aligned to both summative and formative assessment, student voice and whānau partnerships.</p>		

Analysis of Variance Reporting



Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<p>Staff used the PACT tool with end of year data providing a longitudinal data for 2020.</p> <p>Staff continued to focus on small group work with a "at-risk" students.</p> <p>Assessment for learning practices became more established with questions around the links between summative and formative assessment.</p> <p>Numeracy teaching strategies were developed and shared in teams.</p> <p>Staff trialled different resources to build capacity with the various resources designed for use in the classroom.</p> <p>Increased use of NZ Maths page in teams.</p> <p>Staff joined the Kahui Ako focus Mathematics group lead by Grant Ritchie.</p>	<p>There were small incremental gains within curriculum levels and across the school for individuals and groups.</p> <p>Staff documented the developmental nature of the curriculum and the strategies used to meet LI and SC.</p> <p>Unrelenting focus on groups and individuals and shifts in teaching and learning practice.</p> <p>Shared PLD with Carol Butel from UC was instrumental in questioning practice.</p> <p>Shared PLD with Waltham School was beneficial as shared practice was widened.</p> <p>Both summative and formative data were provided at regular intervals particularly mid-year and end of year.</p> <p>Staff began adapting their pedagogy for individuals.</p> <p>Within Schools Teacher continued to challenge practice across the school.</p>	<p>Mathematics at St Mark's school has been on a journey from prescription to description.</p> <p>A trial whānau/staff/child programs was set up to track effects on achievement.</p> <p>Seesaw provided a platform for whānau to engage.</p> <p>Staff continued to develop rich tasks as prototypes for working with multilevel groups.</p> <p>The Within Schools teacher identified inconsistent use of multilevel grouping and assessment for learning and this became a focus of a Kahui Ako wide hui.</p> <p>Strategy articulation by students was a window into student thinking and the application to real world problems.</p>	<p>A focus on strategy development, and a balance between formative and summative assessment is needed to enable students to reach their potential.</p> <p>A school wide localised curriculum: consultation with community and iwi have begun as first steps.</p> <p>PLD is vital to continue gains, support staff and link all aspects of assessment for learning to student outcomes</p> <p>Partnering with other schools in the Kahui Ako to build a problem solving collaborative approach, shared practice and challenge – a Tukana/Teina model.</p> <p>Adopt the whānau/staff/child program across the school – delving deeper into our engagement and outcomes.</p>
<p>Planning for next year:</p>			

- Evaluate the effectiveness of precision teaching in Mathematics.
- The school has an ASL Leading in Mathematics in 2020 via the Kahui Ako
- External professional development using a collaborative inquiry model is imperative to explore current and future practices in Mathematics in the school and NOT lose the gains made.
- PACT will continue to be used to aid teacher judgements.
- Whanau hui, forums and “Maths Cafés” will seek community voice on assessment and links to the local curriculum.
- A number of staff will join the Mathematics Inquiry Team of the Kahui Ako.

School Name:	St Mark's School	School Number:	4135
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Strategic Aim:	<p>Develop future focussed thinkers and learners through Collaboration and Ako and the pursuit of Equity and Excellence.</p> <p>Identify and grow every student's God given gifts and talents</p>
Annual Aim:	To raise student achievement and accelerate student learning in Reading with a continued focus on achievement and acceleration in 2019 by maintaining and sustaining a wide range of research based literacy programs and interventions.
Target:	<p>Student Achievement Target Three: Gifted and Talented Programs.</p> <p>To improve progress and raise achievement with a particular focus on target students in year 6-8 initially achieving well above the expected curriculum level for age or with the potential to do so. At the end of 2019, it was recognised that approximately 6%-7% of our students (including those with a diagnosis of 2E) may need adaptation of the curriculum to meet their needs and that our current extension and differentiated programs required evaluation. In 2020 the aim is to sustain achievement and improve outcomes for this group of students in accordance with the guidelines of the Ministry of Education.</p>
Baseline Data:	<p>Analysis of individual assessment data in November 2019 showed positive change in progress for students identified as candidates for school One Day School. Whilst these achievements were noted, it was identified by staff that there was the potential for them to achieve differently.</p> <p>After community consultation and reviewing pedagogy and practice, it was decided that in 2020 there would be a trial program to assess the efficacy of a program, based on research.</p>

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<p>We evaluated individual data from data boards</p> <p>Differentiate programs of extension and acceleration were articulated by all staff.</p> <p>Talked to whānau of students who were at risk of underachieving.</p> <p>Evaluated the work of Rosemary Cathcart and Mindplus.</p> <p>Sought research that would articulate to staff those strategies and teaching and learning practices that contribute to successful outcomes.</p> <p>Collaborative planning and teaching practice were discussed as a way forward.</p> <p>A staff member was identified to carry out the pilot.</p>	<p>A One Day School has been set up internally.</p> <p>Staff are collaborating with students and whānau to ensure their voice sings loudly across the pilot.</p> <p>Attention to best practice in this area has been sought from colleagues.</p>	<p>High levels of engagement by these students is a strength at St Mark's school.</p> <p>High levels of progress and achievement across the school cannot be taken for granted with high achieving/gifted individuals.</p> <p>Differentiation along passions was more difficult to achieve in the classroom setting.</p> <p>The collaborative is in place.</p> <p>Students at risk of underachieving were identified for the first time.</p> <p>Continued differentiation in classrooms is expected.</p>	<p>A staff member is released to work with 12 students as part of the pilot.</p> <p>Training for the staff member is being offered for upskilling and sharing with staff.</p> <p>Evaluation against other programs is part of the pilot.</p> <p>Referral to the program used questionnaires and tests introduced by Rosemary Cathcart. Their application to other students will be used as a control for the pilot.</p> <p>Student voice is collected via an online forum for students.</p>
Planning for next year:			

- Work with colleagues in Kahui Ako to share and develop best practice.
- Further professional development in Learning Progressions Framework is needed.
- Engage in Collaborative Inquiry and Personal Inquiry frameworks to support practice.
- Engage with whanau to share best practice and how Ako and working together will enhance outcomes for individuals.
- Continue to innovate around vertical and multilevel teaching and learning.
- Use practice analysis to focus on target students as a moderator of teaching and learning.

**INDEPENDENT AUDIT REPORT TO THE READERS OF
ST MARKS SCHOOL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

The Auditor-General is the auditor of St Marks School (the School). The Auditor-General has appointed me, Michael Rondel, using the staff and resources of BDO Christchurch, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 3 to 18 that comprise the statement of financial position as at 31 December 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:
 - financial position as at 31 December 2019; and
 - financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practices in New Zealand and have been prepared in accordance with Public Benefit Entity Standards with disclosure concessions.

Our audit was completed on 25 May 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below and we draw your attention to other matters. 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 23 on page 18 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

Basis of 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

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

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

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the Analysis of Variance, Kiwisport notice and Board of Trustees listing, 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: International 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.



Michael Rondel
BDO Christchurch

On behalf of the Auditor-General
Christchurch, New Zealand