

ALLENVALE SPECIAL SCHOOL & RES. CENTRE



TOWARD COMMUNITY INCLUSION
ko te kura, ko te hāpori, ko tātou!

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

School Address:	14a Aorangi Road, Bryndwr, Christchurch
School Postal Address:	14a Aorangi Road, Bryndwr, Christchurch, 8053
School Phone:	03 351 6743
School Email:	office@allenvale.school.nz
Ministry Number:	3275

ALLENVALE SPECIAL SCHOOL & RES. CENTRE

Financial Statements - For the year ended 31 December 2017

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Allenvale Special School & Res. Centre

Statement of Responsibility

For the year ended 31 December 2017

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 2017 fairly reflects the financial position and operations of the school.

The School's 2017 financial statements are authorised for issue by the Board.

Graham Wood

Full Name of Board Chairperson

Linda King

Full Name of Principal (acting)

G.A. Wood

Signature of Board Chairperson

[Signature]

Signature of Principal

17/05/2018.

Date:

17.05.18

Date:

Allenvale Special School & Res. Centre
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Revenue				
Government Grants	2	5,106,094	4,484,030	4,844,085
Locally Raised Funds	3	69,284	37,500	55,666
Interest Earned		25,426	-	26,241
		<u>5,200,804</u>	<u>4,521,530</u>	<u>4,925,992</u>
Expenses				
Locally Raised Funds	3	51,972	32,600	33,272
Learning Resources	4	4,300,152	3,888,930	4,023,089
Administration	5	209,732	170,050	185,692
Finance Costs		2,225	-	1,716
Property	6	593,912	382,500	519,292
Depreciation	7	88,332	75,000	83,321
Loss on Disposal of Property, Plant and Equipment		-	-	31,441
		<u>5,246,325</u>	<u>4,549,080</u>	<u>4,877,821</u>
Net Surplus / (Deficit)		(45,521)	(27,550)	48,171
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(45,521)</u>	<u>(27,550)</u>	<u>48,171</u>

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

Allenvale Special School & Res. Centre **Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2017

	Actual 2017 \$	Budget (Unaudited) 2017 \$	Actual 2016 \$
Balance at 1 January	<u>1,719,710</u>	<u>1,719,710</u>	<u>1,629,467</u>
Total comprehensive revenue and expense for the year	(45,521)	(27,550)	48,171
Capital Contributions from the Ministry of Education			
Contribution - Other	9,678	-	42,072
Equity at 31 December	<u>1,683,867</u>	<u>1,692,160</u>	<u>1,719,710</u>
Retained Earnings	1,683,867	1,692,160	1,719,710
Equity at 31 December	<u>1,683,867</u>	<u>1,692,160</u>	<u>1,719,710</u>

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

Allenvale Special School & Res. Centre **Statement of Financial Position**

As at 31 December 2017

		2017	2017	2016
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
Current Assets				
Cash and Cash Equivalents	8	118,445	165,881	118,431
Accounts Receivable	9	358,548	326,623	326,623
GST Receivable		11,820	18,096	18,096
Prepayments		3,421	12,171	12,171
Investments	10	560,619	591,933	591,933
		<u>1,052,853</u>	<u>1,114,705</u>	<u>1,067,256</u>
Current Liabilities				
Accounts Payable	12	206,418	197,069	197,069
Revenue Received in Advance	13	1,094	1,631	1,631
Finance Lease Liability - Current Portion		7,739	9,223	9,223
		<u>215,251</u>	<u>207,923</u>	<u>207,923</u>
Working Capital Surplus/(Deficit)		837,602	906,782	859,332
Non-current Assets				
Property, Plant and Equipment	11	853,535	789,422	864,422
		<u>853,535</u>	<u>789,422</u>	<u>864,422</u>
Non-current Liabilities				
Finance Lease Liability		7,270	4,044	4,044
		<u>7,270</u>	<u>4,044</u>	<u>4,044</u>
Net Assets		<u>1,683,867</u>	<u>1,692,160</u>	<u>1,719,710</u>
Equity		<u>1,683,867</u>	<u>1,692,160</u>	<u>1,719,710</u>

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

Allenvale Special School & Res. Centre Statement of Cash Flows

For the year ended 31 December 2017

		2017	2017	2016
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		2,329,283	2,092,492	2,205,021
Locally Raised Funds		52,247	154,298	172,463
Goods and Services Tax (net)		6,276	(13,428)	(7,940)
Payments to Employees		(1,899,544)	(1,729,795)	(1,780,452)
Payments to Suppliers		(474,794)	(312,978)	(423,845)
Cyclical Maintenance payments in the Year		-	(10,000)	-
Interest Received		23,482	718	26,959
Net cash from / (to) the Operating Activities		36,950	181,307	192,206
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	-	(11,634)
Purchase of PPE (and Intangibles)		(62,358)	(131,391)	(153,910)
Sale of Investments		31,314	28,425	28,425
Net cash from / (to) the Investing Activities		(31,044)	(102,966)	(137,119)
Cash flows from Financing Activities				
Furniture and Equipment Grant		9,678	-	36,584
Finance Lease Payments		(15,570)	(1,625)	(8,948)
Funds Administered on Behalf of Third Parties		-	(29,266)	(29,266)
Net cash from Financing Activities		(5,892)	(30,891)	(1,630)
Net increase/(decrease) in cash and cash equivalents		14	47,450	53,457
Cash and cash equivalents at the beginning of the year	8	118,431	118,431	64,974
Cash and cash equivalents at the end of the year	8	118,445	165,881	118,431

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.

Allenvale Special School & Res. Centre

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2017

1.1. Reporting Entity

Allenvale Special School & Res. Centre (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 2017 to 31 December 2017 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been consistently applied throughout the period.

Financial Reporting Standards Applied

The Education Act 1989 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as "having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders".

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 11.

Critical Judgements in applying accounting policies

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

Classification of leases

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 14.

Recognition of grants

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

1.3. Revenue Recognition

Government Grants

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

1.4. Use of Land and Buildings Expense

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

1.5. Operating Lease Payments

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

1.6. Finance Lease Payments

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

1.7. Cash and Cash Equivalents

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

1.8. Accounts Receivable

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

1.9. Investments

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

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

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

The School has met the requirements under section 28 of schedule 6 of the Education Act 1989 in relation to the acquisition of securities.

1.10. Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

Leased Assets

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

Depreciation

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

The estimated useful lives of the assets are:

Building improvements – Crown	50 years
Furniture and equipment	5–15 years
Information and communication technology	3–5 years
Motor vehicles	8 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value

1.11. Impairment of property, plant and equipment and intangible assets

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

Non cash generating assets

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

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

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

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

1.12. Accounts Payable

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

1.13. Employment Entitlements

Short-term employee entitlements

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

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

Long-term employee entitlements

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

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

1.14. Revenue Received in Advance

Revenue received in advance relates to fees received from students 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. Shared Funds

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. The cluster of schools operate activities outside of school control. These amounts 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.

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

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Operational grants	505,093	496,680	487,556
Teachers' salaries grants	2,587,608	2,100,000	2,406,700
Use of Land and Buildings grants	373,646	210,000	335,269
Other MoE Grants	-	-	48,049
Other government grants	1,639,747	1,677,350	1,566,511
	<u>5,106,094</u>	<u>4,484,030</u>	<u>4,844,085</u>

3. Locally Raised Funds

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

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Revenue			
Donations	10,065	6,000	12,040
Fundraising	6,041	7,000	6,801
Other revenue	26,979	10,000	15,306
Trading	6,619	5,000	6,419
Activities	19,580	9,500	15,100
	<u>69,284</u>	<u>37,500</u>	<u>55,666</u>
Expenses			
Activities	44,461	26,100	23,853
Trading	5,427	5,000	4,564
Fundraising (costs of raising funds)	2,084	1,500	4,855
	<u>51,972</u>	<u>32,600</u>	<u>33,272</u>
<i>Surplus for the year Locally raised funds</i>	<u>17,312</u>	<u>4,900</u>	<u>22,394</u>

4. Learning Resources

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Curricular	164,693	184,580	138,876
Equipment repairs	4,385	4,500	3,171
Information and communication technology	37,892	37,000	44,724
Employee benefits - salaries	4,053,281	3,614,850	3,776,067
Resource/attached teacher costs	12,648	11,500	10,591
Staff development	27,253	36,500	49,660
	<u>4,300,152</u>	<u>3,888,930</u>	<u>4,023,089</u>

5. Administration

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	3,461	3,000	3,410
Board of Trustees Fees	260	3,000	-
Board of Trustees Expenses	29,333	9,000	16,781
Communication	6,650	6,000	9,294
Consumables	25,527	25,000	24,960
Operating Lease	9,325	10,000	6,070
Other	3,693	6,550	10,035
Employee Benefits - Salaries	117,457	95,000	101,684
Insurance	10,901	9,500	10,708
Service Providers, Contractors and Consultancy	3,125	3,000	2,750
	<u>209,732</u>	<u>170,050</u>	<u>185,692</u>

6. Property

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	4,334	5,000	6,055
Consultancy and Contract Services	16,710	9,500	9,125
Cyclical Maintenance Provision	-	10,000	-
Grounds	7,329	5,000	9,398
Heat, Light and Water	30,594	30,000	32,941
Rates	4,911	5,000	4,824
Repairs and Maintenance	27,204	10,000	17,975
Use of Land and Buildings	373,646	210,000	335,269
Security	1,831	3,000	3,692
Employee Benefits - Salaries	127,353	95,000	100,013
	<u>593,912</u>	<u>382,500</u>	<u>519,292</u>

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

7. Depreciation of Property, Plant and Equipment

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements	17,018	-	15,708
Furniture and Equipment	21,334	30,000	20,333
Information and Communication Technology	21,436	20,000	20,035
Motor Vehicles	15,683	15,000	19,807
Leased Assets	12,861	10,000	7,438
	<u>88,332</u>	<u>75,000</u>	<u>83,321</u>

8. Cash and Cash Equivalents

	2017	2017	2016
	Actual	Budget	
	\$	(Unaudited)	Actual
	\$	\$	\$
Bank Current Account	118,445	165,881	118,431
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	118,445	165,881	118,431

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

9. Accounts Receivable

	2017	2017	2016
	Actual	Budget	
	(Unaudited)		Actual
	\$	\$	\$
Receivables	17,533	1,033	1,033
Receivables from the Ministry of Education	193,503	184,443	184,443
Interest Receivable	6,363	4,419	4,419
Teacher Salaries Grant Receivable	141,149	136,728	136,728
	358,548	326,623	326,623
Receivables from Exchange Transactions	23,896	5,452	5,452
Receivables from Non-Exchange Transactions	334,652	321,171	321,171
	358,548	326,623	326,623

10. Investments

The School's investment activities are classified as follows:

	2017	2017	2016
	Actual	Budget	
	(Unaudited)		Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	560,619	591,933	591,933

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Building Improvements	588,690	1,873	-	-	(17,018)	573,545
Furniture and Equipment	113,442	20,222	-	-	(21,334)	112,330
Information and Communication	48,224	33,489	-	-	(21,436)	60,277
Motor Vehicles	101,199	-	-	-	(15,683)	85,516
Leased Assets	12,867	15,087	-	-	(12,861)	15,093
Work in Progress	-	6,774	-	-	-	6,774
Balance at 31 December 2017	864,422	77,445	-	-	(88,332)	853,535

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Building Improvements	841,957	(268,412)	573,545
Furniture and Equipment	415,348	(303,018)	112,330
Information and Communication	188,921	(128,644)	60,277
Motor Vehicles	270,711	(185,195)	85,516
Leased Assets	41,002	(25,909)	15,093
Work in Progress	6,774	-	6,774
Balance at 31 December 2017	1,764,713	(911,178)	853,535

The net carrying value of equipment held under a finance lease is \$15,093 (2016: \$12,687)

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2016	\$	\$	\$	\$	\$	\$
Building Improvements	537,100	94,318	(27,020)	-	(15,708)	588,690
Furniture and Equipment	115,000	21,765	(2,990)	-	(20,333)	113,442
Information and Communication	56,800	11,459	-	-	(20,035)	48,224
Motor Vehicles	83,005	38,001	-	-	(19,807)	101,199
Leased Assets	14,697	5,608	-	-	(7,438)	12,867
Library Resources	1,430	-	(1,430)	-	-	-
Balance at 31 December 2016	808,032	171,151	(31,440)	-	(83,321)	864,422

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2016	\$	\$	\$
Building Improvements	840,084	(251,394)	588,690
Furniture and Equipment	395,126	(281,684)	113,442
Information and Communication	155,432	(107,208)	48,224
Motor Vehicles	270,711	(169,511)	101,199
Leased Assets	25,915	(13,049)	12,867
Balance at 31 December 2016	1,687,268	(822,846)	864,422

12. Accounts Payable

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operating creditors	8,208	10,783	10,783
Accruals	3,060	-	-
Employee Entitlements - salaries	165,989	156,270	156,270
Employee Entitlements - leave accrual	29,161	30,017	30,017
	<u>206,418</u>	<u>197,069</u>	<u>197,069</u>
Payables for Exchange Transactions	206,418	197,069	197,069
	<u>206,418</u>	<u>197,069</u>	<u>197,069</u>

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Other	1,094	1,631	1,631
	<u>1,094</u>	<u>1,631</u>	<u>1,631</u>

14. Finance Lease Liability

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

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
No Later than One Year	8,877	10,281	10,281
Later than One Year and no Later than Five Years	7,721	4,372	4,372
	<u>16,598</u>	<u>14,653</u>	<u>14,653</u>

15. Funds Held on Behalf of the Transition Cluster

Allenvale Special School & Res. Centre was the lead school and holds funds on behalf of the Transition cluster, a group of schools funded by the Ministry of Education to share professional support.

	2017	2017	2016
	Actual	Budget	Actual
	\$	\$	\$
Funds Held at Beginning of the Year	-	-	29,266
Funds Spent on Behalf of the Cluster	-	-	(29,266)
Funds Held at Year End	<u>-</u>	<u>-</u>	<u>-</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.

17. Remuneration

Key management personnel compensation

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

	2017 Actual \$	2016 Actual \$
<i>Board Members</i>		
Remuneration	260	-
Full-time equivalent members	0.06	0.05
<i>Leadership Team</i>		
Remuneration	501,958	496,954
Full-time equivalent members	4.50	4.00
Total key management personnel remuneration	502,218	496,954
Total full-time equivalent personnel	4.56	4.05

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:

	2017 Actual \$000	2016 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	140-150	140-150
Benefits and Other Emoluments	0-10	0 - 0
Termination Benefits	0 - 0	0 - 0

Other Employees

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

Remuneration \$000	2017 FTE Number	2016 FTE Number
110 - 120	-	-
100 - 110	1	1
	1	1

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:

	2017 Actual	2016 Actual
Total	\$ -	\$ -
Number of People	-	-

19. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2017 (Contingent liabilities and assets at 31 December 2016: nil).

The School has an obligation to the Ministry of Education to maintain in good order and repair at all times the land, buildings and other facilities on the School site. The school is part of the Christchurch Schools Rebuild Programme which will result in the School's buildings either being repaired or rebuilt in the future. At the present time there is significant uncertainty over how the programme will affect the School. As a result, 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 will be required to maintain any buildings that are not replaced.

20. Commitments

(a) Capital Commitments

As at 31 December 2017 the Board has not entered into any contract agreements for capital works.

(Capital commitments at 31 December 2016: nil)

(b) Operating Commitments

As at 31 December 2017 the Board has entered into the following contracts:

(a) operating lease of a photocopier and computer laptops;

	2017 Actual	2016 Actual
	\$	\$
No later than One Year	4,264	13,718
Later than One Year and No Later than Five Years	-	10,359
Later than Five Years	-	-
	<u>4,264</u>	<u>24,077</u>

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:

Loans and Receivables

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Cash and Cash Equivalents	118,445	165,881	118,431
Receivables	358,548	326,623	326,624
Investments - Term Deposits	560,619	591,933	591,933
Total Loans and Receivables	<u>1,037,612</u>	<u>1,084,437</u>	<u>1,036,988</u>

Financial liabilities measured at amortised cost

Payables	206,418	197,069	197,070
Finance Leases	15,009	13,267	13,267
Total Financial Liabilities Measured at Amortised Cost	<u>221,427</u>	<u>210,336</u>	<u>210,337</u>

23. Events After Balance Date

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

Analysis of Variance

2017



**ALLENVALE
SCHOOL**

TOWARD COMMUNITY INCLUSION
ko te kura, ko te hāpori, ko tātou!

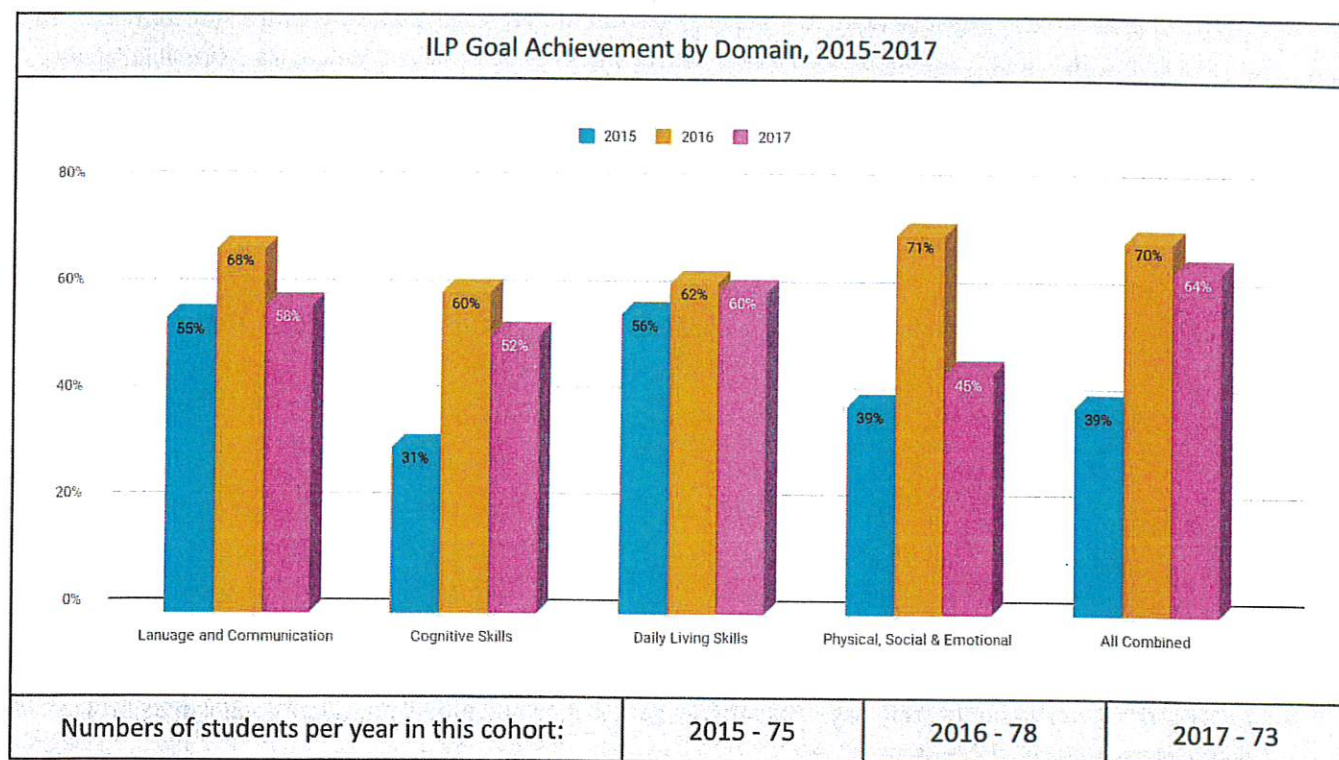
STUDENT ACHIEVEMENT TARGET 1 : EXIT DATA 2017
INDIVIDUAL LEARNING PLAN (ILP) GOAL ACHIEVEMENT - 'MAJORITY COHORT'

COHORT: all non-Māori and non-Pasifika ākonga aged 5-14 - referred to as the 'Majority Cohort'

ANNUAL TARGET: At least 75% of this cohort will achieve 70% or more of their Individual Learning Plan (ILP) key learning goals in the domain of Language and Communication. (There were 73 students in this cohort this year).

We have not met the target this year with only 58% of this cohort (42 of 73 ākonga) achieving 70% or more of their Key Learning Goals in Language and Communication. This figure is 10% lower than the 2016 outcome.

The chart below shows achievement trends in the past 3 years. Each bar represents the number of students who have achieved 70% or more of their Key Learning Goals in each domain with Language and Communication leftmost. The last set of bars compares the number of students who have achieved 70% or more of the Key Learning Goals when all goals from all domains are combined.



Notable statistics:

- The achievement rate for 2017 is 10% lower than 2016 and 3% higher than 2015.
- 64% of students achieved 70% or more of their Key Learning Goals across all domains. This rate is 6% lower than 2016 and 25% higher than 2015.
- Although the combined domain score is down 6% this is a minor change and shows relative stability in overall achievement of Key Learning Goals.
- Daily Living Skills was the strongest domain in 2017 with a 60% success rate. This was followed by: Language and Communication (58%); Cognitive Skills (52%); and Physical, Social and Emotional Skills (45%).
- Physical Social and Emotional skills was the strongest domain in 2016 and the weakest in 2017 with 71% and 45% respectively.

STUDENT ACHIEVEMENT TARGET 2 : EXIT DATA 2017
INDIVIDUAL LEARNING PLAN (ILP) GOAL ACHIEVEMENT - MĀORI AND PASIFIKA ĀKONGA

COHORT: Māori and Pasifika ākonga (learners) aged 5-14

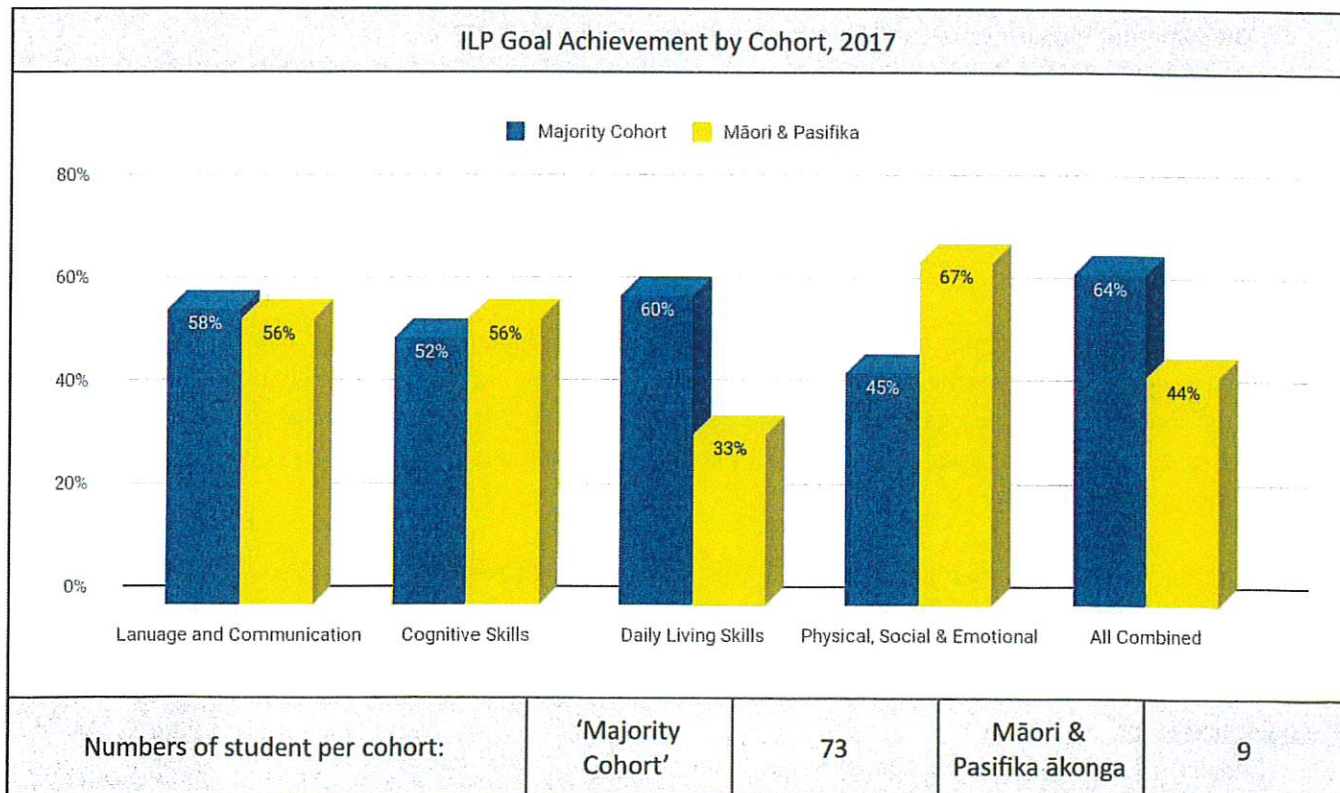
ANNUAL TARGET: Māori & Pasifika student achievement of key learning goals from the ILP domain of Language and Communication and overall goal achievement will be equal to or greater than their non-Māori/Pasifika peers (a.k.a. The 'Majority Cohort').

We have not met the target this year. Māori and Pasifika ākonga (learners) have not equalled or surpassed the achievement of the 'Majority Cohort' in Language and Communication or in overall goal achievement.

The chart below compares Māori and Pasifika ākonga achievement across all domains with the 'Majority Cohort'. Each bar represents the number of students who have achieved 70% or more of their Key Learning Goals in each domain with Language and Communication leftmost. The last pair of bars compares the number of students who have achieved 70% or more of the Key Learning Goals when all goals from all domains are combined.

Notable statistics:

- Māori and Pasifika ākonga are only 2% lower than the 'Majority Cohort' in Language and Communication.
- The rate of Key Learning Goal achievement across all domains is considerably lower with only 44% (i.e. 4 of 9) Māori and Pasifika ākonga meeting the target. This is 20% lower than the 'Majority Cohort'.
- Māori and Pasifika ākonga have outperformed their peers by 22% in Physical, Social and Emotional skills and by 4% in Cognitive Skills.



STUDENT ACHIEVEMENT TARGET 3 : EXIT DATA 2017
INDIVIDUAL LEARNING PLAN (ILP) GOAL ACHIEVEMENT - 'SPECIAL COHORT'

COHORT: ākonga (learners) aged 5-14 who did not achieve 70% of their key learning goals in Language & Communication in 2016

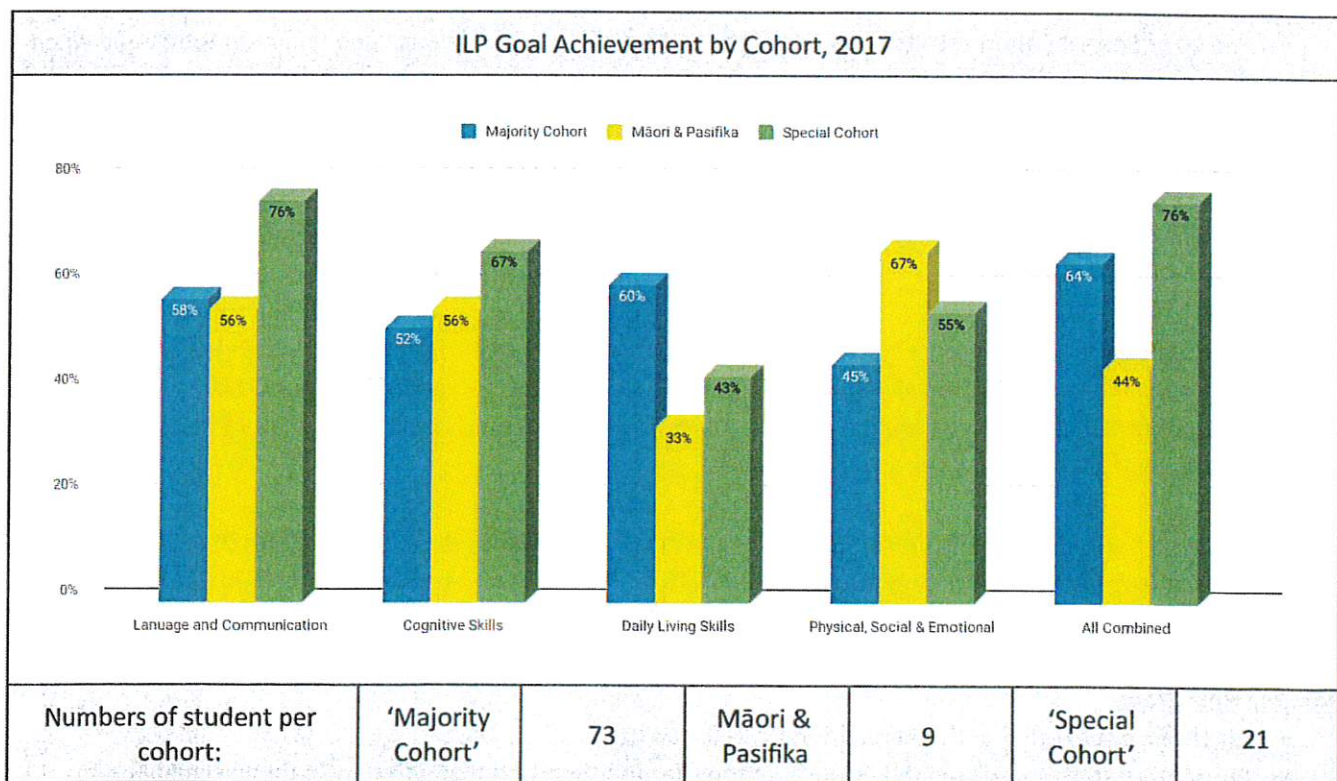
ANNUAL TARGET: All ākonga who did not achieve 70% of the Key Learning Goals in Language and Communication will reach this target in 2017.

We have not met this target. 76% of the cohort (16 of 21 ākonga) have achieved 70% or more of their ILP goals in Language and Communication. There are 21 ākonga in this cohort.

The chart below compares three cohorts: Māori and Pasifika students; the 'Majority Cohort' (i.e. all non-Māori and Pasifika ākonga) and the 'Special Cohort' (i.e. all ākonga who did not achieve 70% of the Key Learning Goals in Language and Communication in 2016). Each bar represents the number of students who have achieved 70% or more of their Key Learning Goals in each domain with Language and Communication leftmost. The rightmost bars compare the number of students who have achieved 70% or more of their Key Learning Goals when all goals from all domains are combined.

Notable statistics:

- This cohort has been the best performer in Language and Communication and Cognitive Skills
- This cohort has had the highest rate of achievement when all goals are combined



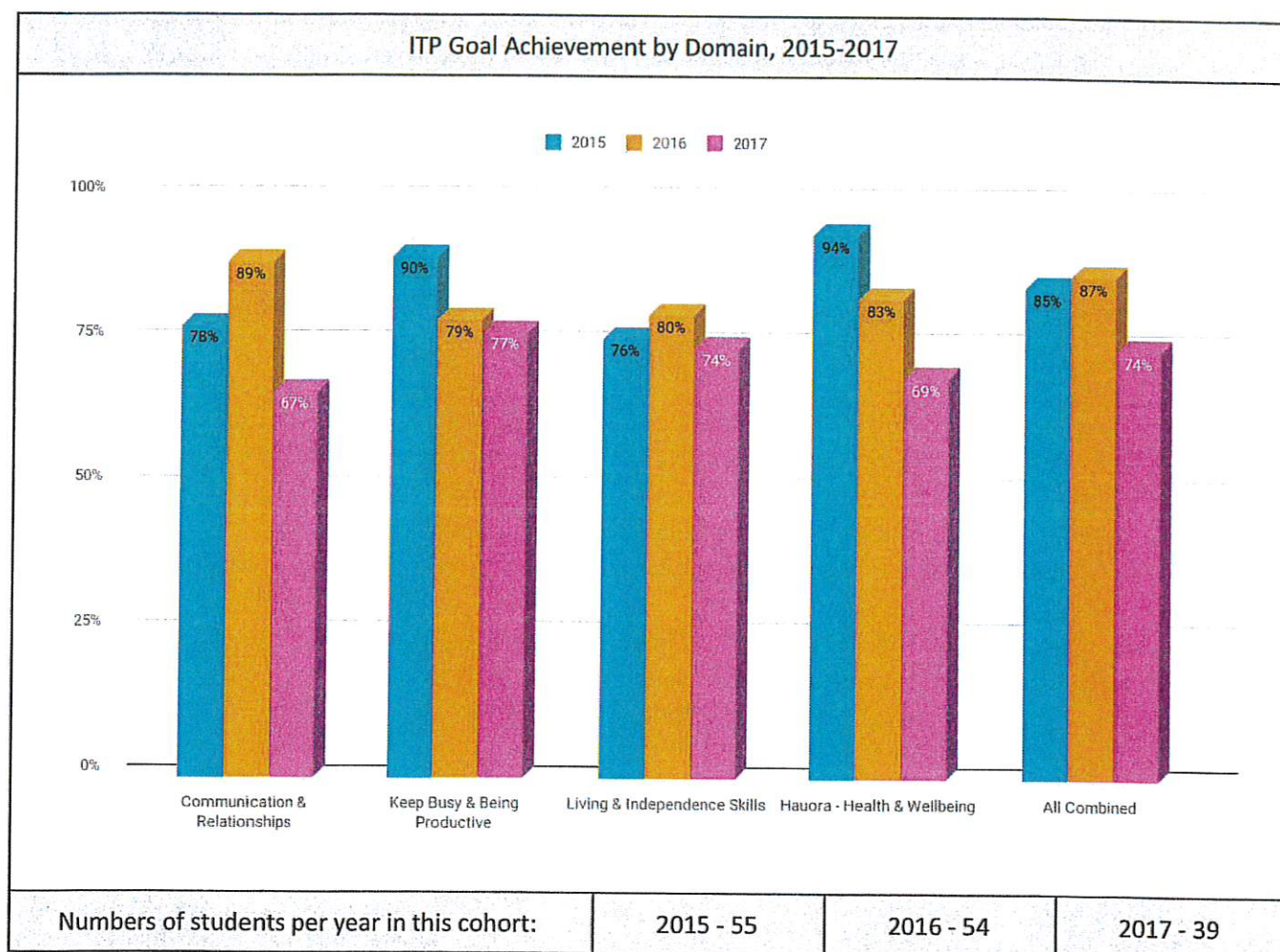
STUDENT ACHIEVEMENT TARGET 4 : EXIT DATA 2017
INDIVIDUAL TRANSITION PLAN (ITP) GOAL ACHIEVEMENT - 'MAJORITY COHORT'

COHORT: non-Māori and Pasifika ākonga (learners) aged 15-21 (also referred to as the 'Majority Cohort')

ANNUAL TARGET: At least 70% of all ākonga will achieve 75% of their key learning goals in their Individual Transition Plan from the domain Communication and Relationships.

We have just missed this target with 67% of the cohort (26 of 39 ākonga) achieving 75% or more of their Key Learning Goals in Language and Communication. This figure is 22% lower than the 2016 outcome.

The chart below shows achievement trends in the past 3 years. Each bar represents the number of students who have achieved 75% or more of their Key Learning Goals in each domain with Communication and Relationships being the leftmost. The last set of bars compares the number of students who have achieved 75% or more of their Key Learning Goals when all goals from all domains are combined.



Notable statistics:

- The achievement rate for 2017 is 22% lower than 2016 and 11% lower than 2015.
- Outcomes are down across all domains.
- Outcomes are lower for all domains combined: 13% lower than 2016; 11% lower than 2015; and 6% lower than 2014 (this is the only comparative statistic we have from 2014).

STUDENT ACHIEVEMENT TARGET 5 : EXIT DATA 2017
INDIVIDUAL TRANSITION PLAN (ITP) GOAL ACHIEVEMENT - MĀORI AND PASIFIKA ĀKONGA

COHORT: Māori and Pasifika ākonga (learners) aged 15-21

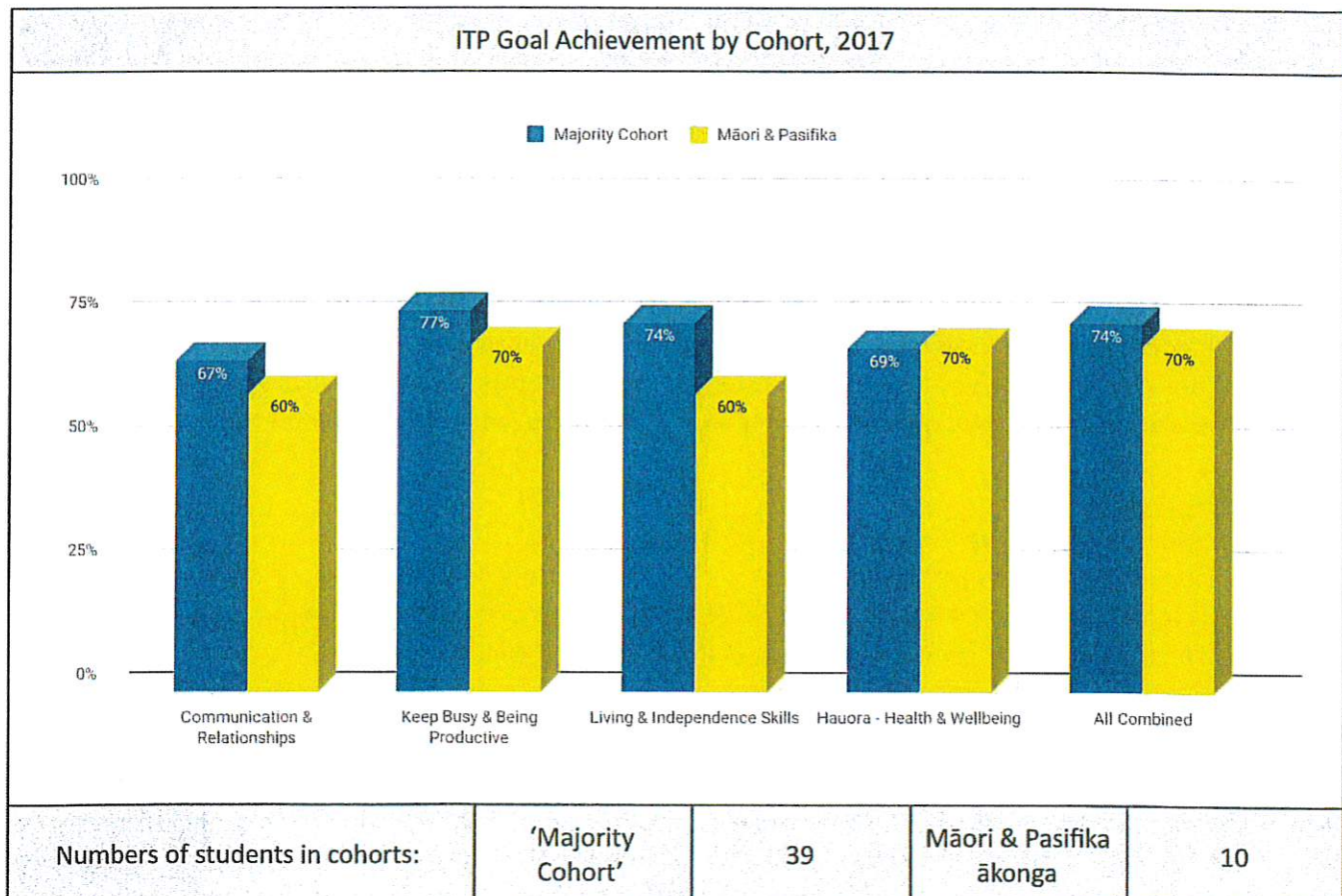
ANNUAL TARGET: Māori & Pasifika student's goal achievement in the domain of Communication and Relationships and overall goal achievement of the ITP will be equal to or greater than their non-Māori/Pasifika peers. (Goals set prior to week two term three).

We have not met the target this year. Māori and Pasifika ākonga (learners) have not equalled or surpassed the achievement of the 'Majority Cohort' (i.e. non-Māori and Pasifika ākonga) in Communication and Relationships or in overall goal achievement.

The chart below compares Māori and Pasifika ākonga achievement across all domains with the 'Majority Cohort'. Each bar represents the number of students who have achieved 75% or more of their Key Learning Goals in each domain with Communication and Relationships the leftmost. The last pair of bars compares the number of students who have achieved 75% or more of the Key Learning Goals when the goals from all domains are combined.

Notable statistics:

- Māori and Pasifika ākonga outcomes are 17% lower than the 'Majority Cohort' in Language and Communication.
- Māori and Pasifika ākonga outcomes are only 4% lower than the 'Majority Cohort' when Key Learning Goals from all domains are combined.
- Māori and Pasifika ākonga outcomes are lower across 3 of the 4 domains with Hauora being only 1% higher.



STUDENT ACHIEVEMENT TARGET 6 : EXIT DATA 2017
INDIVIDUAL TRANSITION PLAN (ITP) GOAL ACHIEVEMENT - 'SPECIAL COHORT'

COHORT: ākonga (learners) aged 15-21 who did not achieve 75% of their key learning goals in the Communication and Relationships domain in 2016

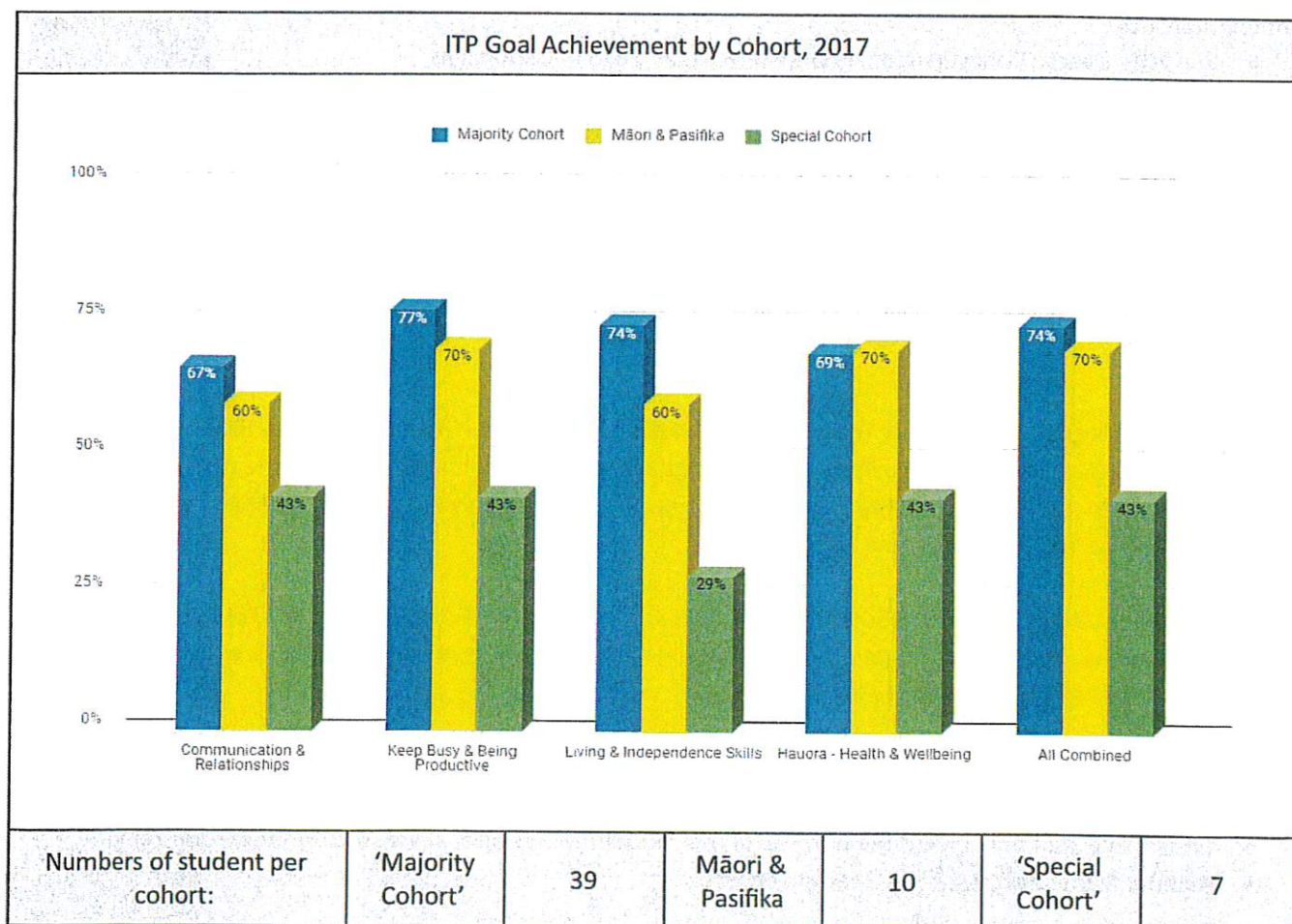
ANNUAL TARGET: All ākonga who did not achieve 75% of the Key Learning Goals in Language and Communication will reach this target in 2017.

We have not met this target. 43% of the cohort (3 of 7 ākonga) have achieved 75% or more of their ITP goals in Communication and Relationships.

The chart below compares three cohorts: Māori and Pasifika students; the 'Majority Cohort' (i.e. all non-Māori and Pasifika ākonga) and the 'Special Cohort' (i.e. all ākonga who did not achieve 75% of the Key Learning Goals in Communication and Relationships in 2016). Each bar represents the number of students who have achieved 75% or more of their Key Learning Goals in each domain with Communication and Relationships leftmost. The rightmost bars compare the number of students who have achieved 75% or more of the Key Learning Goals when all goals across all domains are combined.

Notable statistics:

- This cohort has the lowest outcomes in all domains.
- This cohort has the lowest outcomes when the goals across all learning domains are combined.



STUDENT ACHIEVEMENT TARGET 7: EXIT DATA 2017
ENGAGEMENT FOR LEARNING

COHORT: Three students from Rooms 5, 6 and 10 - students with Complex Learning Difficulties & Disabilities (CLDD)

ANNUAL TARGET: One student from rooms 5,6 and 10 will make progress on the Engagement for Learning Engagement Profile (Carpenter et. al)

Key Information:

The Engagement profile and scale is a classroom resource which enables teachers to *observe* and *document* the engagement and progress in learning for a student with complex learning difficulties and disabilities (CLDD) towards a personalised learning target. It allows teachers to focus on the student's engagement as a learner and create *personalised learning pathways*.

The Engagement Profile and Scale:

This resource consists of two interdependent parts - a profile and guidance which is used to record descriptions of how a student engages during a high interest activity against each of the seven engagement indicators listed below; and a scale template that teachers can use to record engagement scores and related descriptive observations against the same seven indicators for an initially low-engagement activity.

Questions that teachers can ask themselves:

Once a student has been assessed on the Engagement scale teachers can then reflect with questions such as:

'How can I change the learning activity to stimulate my student's curiosity?'

'What can I change about this experience to encourage my student to persist?'

'How can I refocus what I am teaching to encourage my student to discover?'

Questions such as these enable teachers to focus on *achievable* dimensions of engagement so that each area is considered and addressed for the student. Over time it is possible to record whether or not interventions were successful, what adjustments were made and the effect that this has had on the student's engagement score. The Engagement profile and scale encourages student-centred reflection, supporting teachers to develop learning experiences and activities around students' strengths and interests. It gives the student a 'voice' as a learner in terms of their interests, strengths and how they like to learn.

The Engagement Scale has a total of 28 steps. Each student was assessed and given a score of between 1 - 4 (0 = no focus, 1 = fleeting response, 2 = partly sustained, 3 = mostly sustained & 4 = fully sustained) against the 7

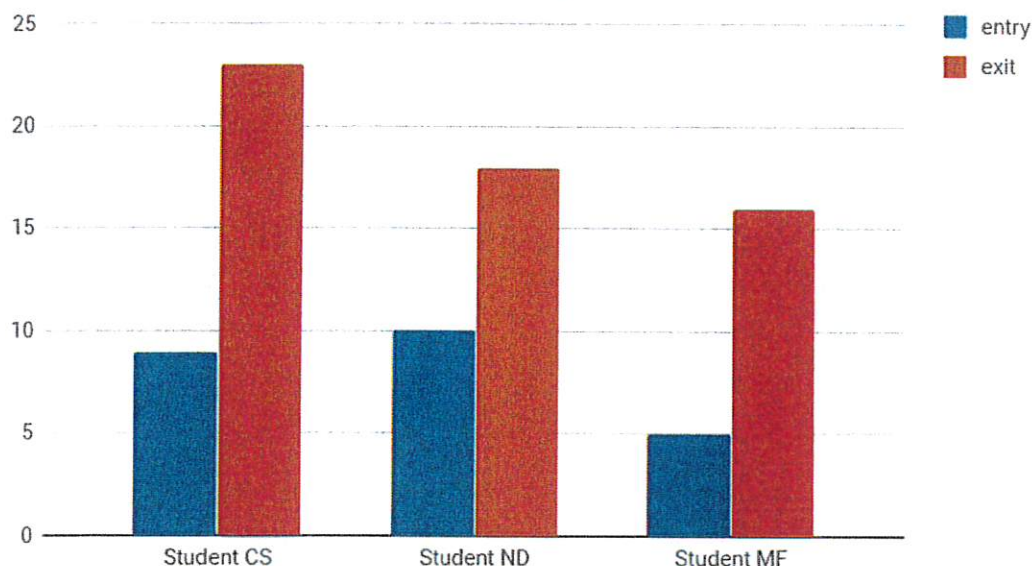
Engagement Profile Indicators:

- Responsiveness
- Curiosity
- Investigation
- Discovery
- Anticipation
- Initiation
- Persistence

The three targeted students were assessed on the Engagement scale after a profile was completed. Results are featured in the table below. Key information was gathered for each of the students in the cohort. This included elements such as any relevant issues the student might be facing, the activity itself, who was in the vicinity, what resources were used, how ready was the student to engage, what actually happened, and what possible future interventions could be (what will I do next time and why? How will I make the activity more appealing?)

Included at the end of this report are examples of the documentation used to support this Student Achievement Target.

E4L Engagement for Learning Entry and Exit Data 2017



From the results teachers then honed in on specific target goals that they wanted to achieve with their student. To work on these goals the teachers then had to come up with creative ways to present activities that encouraged or practiced the skill in a manner that appealed to the student and engaged them meaningfully. Teachers looked for student responses that lead to the student giving better eye contact, staying still and attempting to focus on what was being presented. Over a number of weeks there was a huge increase in levels of engagement. This allowed teachers to work on one very specific goal for the SAT. Outlined below are the chosen goals:

Student CS: responding to key words e.g. 'stop'

Student ND: responding to presentation of fork - increasing independence in eating skills

Student MF: responding during communication (morning talk) time by raising head and actively using the iPad

The three class teachers report an overall increase in each student's engagement across a range of domains within the classroom setting. The students have been able to generalise their skills and are much more successful in their attempts to engage; now engaging for a much longer time. Overall this programme has had enormous benefits not only for the student but also the class staff teams, who now see students differently, and can plan for engagement using the student's strengths and interests.

Teacher Comments:

'The SAT enabled me to hone in on very specific learning that dropped out of the Engagement Profile'

'By Using E4L it reinforced my reflective practice, but within a useful framework'

'The baseline results prompted me to hone in on the *Discovery* indicator for my student. By modifying my teaching and engaging him in creative science based experiments, (his high interest area) he became more animated, and consequently more engaged. The result was that by the end of the year my goal around communication has been met, with generalisation happening across the day.'

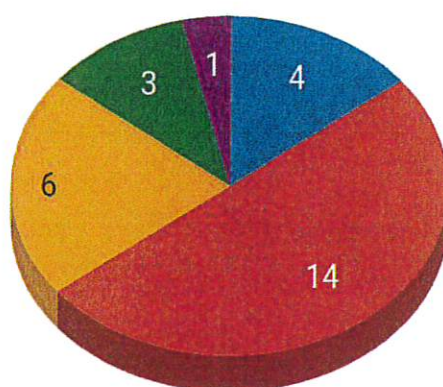
ANNUAL TARGET 8 : EXIT DATA 2017
ROAD CROSSING 'AT THE LIGHTS'

COHORT: ākonga from TEC and room 14 (four classes)

ANNUAL TARGET: 80% of the identified cohort of students (TEC & room 14 Keas) will be able to cross the road at a light controlled crossing following the steps of the task analysis.

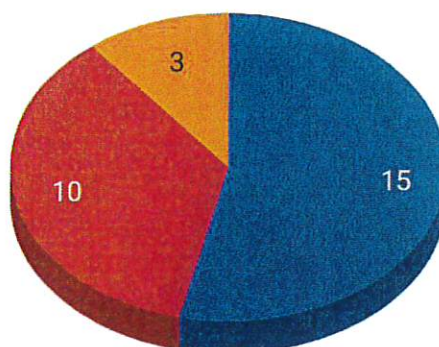
The total cohort is 28 students aged from 13 to 20 years. The task analysis for entry data was taken in March (graph 1), and the exit data was taken in October and November, 2017 (graph 2). Student progress from entry to exit is shown on graph 3.

Graph 1: Crossing 'at the Lights' - Entry 2017



● students 100% independent ● students 90-99% independent
● students 80-89% independent ● students 70-79% independent
● students 69% or lower

Graph 2: Crossing 'at the Lights' - Exit 2017



● students 100% independent ● students 90-99% independent
● students 80-89% independent

STUDENT ACHIEVEMENT TARGET 9 Exit Data

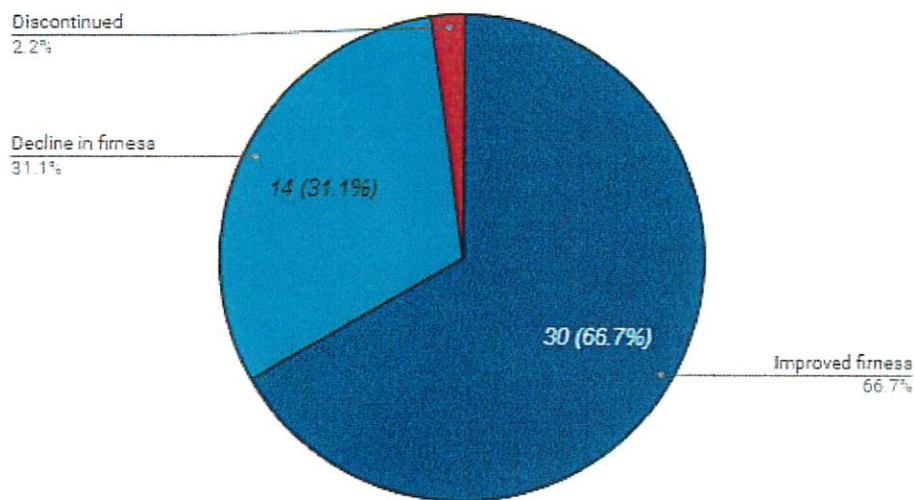
Physical Fitness

Cohort: Intermediate & Senior Students. Rooms 7,13,14 Tuis, 14 Keas and TEC Pango & Whero

Number of students: 45

Annual Target: 80% of the identified cohort will improve their fitness

Fitness Final Data 2017



RESULTS (45 students participating)			
	Decline in progress	Improved fitness	Left School or discontinued due to injury or work commitments
Final Data	14	30	1

45 students participated in the fitness programmes. One student was discontinued.

This target has not been achieved this year. There has been staffing changes in one room which may have affected some results.

Winter can be challenging to keep the fitness activities going.

Our wish is that fitness would become a natural part of our student's lives and they would continue the fitness in holidays and after school.



TOWARD COMMUNITY INCLUSION
ko te kura, ko te hāpori, ko tātou!

Kiwisport

Kiwisport is a Government Funding Initiative to support students' participation in organised sport.

Allenvale School received \$2611 (ex gst) for the 2017 year.

These funds were used to provide coaching, hire of sporting facilities and transport to sporting events.

Graeme H Daniel

Principal



Members of the Board of Trustees 2017

Name	Position	Held Until
<i>Graham Wood</i>	<i>Chairperson</i>	<i>May 2019</i>
<i>Mark Dawson</i>	<i>Elected Member</i>	<i>May 2019</i>
<i>Michelle Palmer</i>	<i>Elected Member</i>	<i>May 2019</i>
<i>Jamie Gordon</i>	<i>Selected Member</i>	<i>May 2019</i>
<i>Graeme H Daniel</i>	<i>Principal</i>	
<i>Cushla Boyd</i>	<i>Selected Member</i>	<i>May 2019</i>
<i>Megan Gare</i>	<i>Staff Representative</i>	<i>May 2019</i>

**INDEPENDENT AUDIT REPORT TO THE READERS OF
ALLENVALE SCHOOL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

The Auditor-General is the auditor of Allenvale 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 her behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 18 that comprise the statement of financial position as at 31 December 2017, 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 2017; 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 17 May 2018. This is the date at which our opinion is expressed.

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

Basis 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 (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.



Michael Rondel
BDO Christchurch

On behalf of the Auditor-General
Christchurch, New Zealand