

# DE LA SALLE COLLEGE

## ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019



De La Salle College

Since 1953 | Catholic School for Boys in the Lasallian tradition

# DE LA SALLE COLLEGE

Annual Report - For the year ended 31 December 2019

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# De La Salle College

## Statement of Responsibility

For the year ended 31 December 2019

The Board of Trustees accepts responsibility for the preparation of the annual financial statements and the judgements used in these financial statements.

The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2019 fairly reflects the financial position and operations of the school.

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

Falaniko Tominiko

Full Name of Board Chairperson

MYLES HOGARTY

Full Name of Principal

20/05/20

Date:

20/05/20

Date:

**De La Salle College**

**Statement of Comprehensive Revenue and Expense**

For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Revenue</b>				
Government Grants	2	8,079,536	8,292,646	8,095,649
Locally Raised Funds	3	814,621	198,000	595,737
Use of Land and Buildings Integrated		3,168,351	3,168,351	3,168,351
Interest income		60,421	33,350	63,075
		<u>12,122,929</u>	<u>11,692,347</u>	<u>11,922,812</u>
<b>Expenses</b>				
Locally Raised Funds	3	547,823	126,500	432,666
Learning Resources	4	7,066,895	7,219,386	6,823,375
Administration	5	517,197	584,156	539,957
Finance		12,702	-	4,079
Property	6	3,924,310	4,062,305	3,750,095
Depreciation	7	246,440	200,000	230,033
Loss on Disposal of Property, Plant and Equipment		7,548	-	2,317
Amortisation of Intangible Assets	13	9,439	-	9,439
		<u>12,332,354</u>	<u>12,192,347</u>	<u>11,791,961</u>
<b>Net Surplus / (Deficit) for the year</b>		<b>(209,425)</b>	<b>(500,000)</b>	<b>130,851</b>
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b><u>(209,425)</u></b>	<b><u>(500,000)</u></b>	<b><u>130,851</u></b>

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



**De La Salle College**  
**Statement of Changes in Net Assets/Equity**  
For the year ended 31 December 2019

	Notes	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
<b>Balance at 1 January</b>		<u>2,000,803</u>	<u>1,353,353</u>	<u>1,869,952</u>
Total comprehensive revenue and expense for the year		(209,425)	(500,000)	130,851
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		36,272	-	-
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9		-	-	-
<b>Equity at 31 December</b>	25	<u>1,827,650</u>	<u>853,353</u>	<u>2,000,803</u>
Retained Earnings		1,827,650	853,353	2,000,803
Reserves		-	-	-
<b>Equity at 31 December</b>		<u>1,827,650</u>	<u>853,353</u>	<u>2,000,803</u>

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

**De La Salle College**  
**Statement of Financial Position**  
As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	170,715	100,000	60,743
Accounts Receivable	9	462,847	473,993	491,430
GST Receivable		35,100	21,259	21,259
Prepayments		6,552	6,583	6,583
Inventories	10	134,797	103,924	103,924
Investments	11	1,595,779	1,127,342	1,786,183
		<u>2,405,790</u>	<u>1,833,101</u>	<u>2,470,122</u>
<b>Current Liabilities</b>				
Accounts Payable	14	765,625	584,720	638,171
Revenue Received in Advance	15	64,794	61,066	61,066
Provision for Cyclical Maintenance	16	124,566	116,918	116,918
Painting Contract Liability - Current Portion	17	10,854	24,323	24,323
Finance Lease Liability - Current Portion	18	43,059	24,178	24,178
Funds held in Trust	19	51,248	22,541	22,541
		<u>1,060,146</u>	<u>833,746</u>	<u>887,197</u>
<b>Working Capital Surplus/(Deficit)</b>		<b>1,345,644</b>	<b>999,355</b>	<b>1,582,925</b>
<b>Non-current Assets</b>				
Property, Plant and Equipment	12	694,053	(84,431)	488,888
Equitable Leasehold Interest	13	160,468	179,346	169,907
		<u>854,521</u>	<u>94,915</u>	<u>658,795</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	16	304,184	203,313	203,313
Painting Contract Liability	17	-	6,053	6,053
Finance Lease Liability	18	68,331	31,551	31,551
		<u>372,515</u>	<u>240,917</u>	<u>240,917</u>
<b>Net Assets</b>		<u><u>1,827,650</u></u>	<u><u>853,353</u></u>	<u><u>2,000,803</u></u>
<b>Equity</b>	25	<u><u>1,827,650</u></u>	<u><u>853,353</u></u>	<u><u>2,000,803</u></u>

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

**De La Salle College**  
**Statement of Cash Flows**  
For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Cash flows from Operating Activities</b>				
Government Grants		2,836,616	2,665,197	2,769,439
Locally Raised Funds		851,575	193,765	591,502
Goods and Services Tax (net)		(13,841)	(384)	(384)
Payments to Employees		(1,469,808)	(1,440,526)	(1,332,719)
Payments to Suppliers		(1,978,361)	(1,746,560)	(1,653,055)
Cyclical Maintenance Payments in the year		(195)	20,283	-
Interest Paid		(12,702)	-	(4,079)
Interest Received		64,319	32,507	62,232
<b>Net cash from Operating Activities</b>		<b>277,603</b>	<b>(275,718)</b>	<b>432,936</b>
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of PPE (and Intangibles)		(7,548)	-	(2,317)
Purchase of PPE (and Intangibles)		(356,903)	-	(155,954)
Purchase of Investments		190,404	149,284	(509,557)
<b>Net cash from Investing Activities</b>		<b>(174,047)</b>	<b>149,284</b>	<b>(667,828)</b>
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		36,272	-	
Finance Lease Payments		(39,041)	46,622	(18,370)
Painting contract payments		(19,522)	(19,520)	(19,520)
Funds Administered on Behalf of Third Parties		28,707	(42,475)	(42,475)
<b>Net cash from Financing Activities</b>		<b>6,416</b>	<b>(15,373)</b>	<b>(80,365)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>109,972</b>	<b>(141,807)</b>	<b>(315,257)</b>
Cash and cash equivalents at the beginning of the year	8	60,743	241,807	376,000
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>170,715</b>	<b>100,000</b>	<b>60,743</b>

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

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



# De La Salle College

## Notes to the Financial Statements

### For the year ended 31 December 2019

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

De La Salle College (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

##### b) Basis of Preparation

###### *Reporting Period*

The financial reports have been prepared for the period 1 January 2019 to 31 December 2019 and in accordance with the requirements of the Public Finance Act 1989.

###### *Basis of Preparation*

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

###### *Financial Reporting Standards Applied*

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

###### *Standard early adopted*

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 29.

###### *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 12.

#### ***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 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.

#### **c) Revenue Recognition**

##### ***Government Grants***

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

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

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

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

##### ***Other Grants***

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

##### ***Donations, Gifts and Bequests***

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

##### ***Interest Revenue***

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

**d) Use of Land and Buildings Expense**

The property from which the School operates is owned by the 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.

**e) Operating Lease Payments**

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

**f) Finance Lease Payments**

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

**g) Cash and Cash Equivalents**

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

**h) Accounts Receivable**

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

***Prior Year Policy***

Accounts Receivable represents items that the Group 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 Group realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the Group will not be able to collect all amounts due. The amount that is uncollectable (the provision for collectability) is the difference between the amount due and the present value of the amounts expected to be collected.

**i) Inventories**

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

**j) Investments**

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

***Prior Year Policy***

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

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 Group at fair value plus transaction costs. At balance date the Group has assessed whether there is any evidence that an investment is impaired. Any impairment, gains or losses are recognised in the Consolidated 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 Group may incur on sale or other disposal.

### k) 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 \$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.

### Finance Leases

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

### Depreciation

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

The estimated useful lives of the assets are:

Buildings (Volleyball Court)	40 years
Electrical Equipment	5 years
Electrical Equipment (Leased)	3-5 years
Furniture	5 - 10 years
Library Books	12.5% Diminishing value
Music Equipment	7 years
Plant & Machinery	7 years
Science Equipment	7 years
Software	5 years
Sports Equipment	7 - 10 years
Textbooks	3 years
Motor Vehicles	8 years

### l) Impairment of property, plant, and equipment and intangible assets

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

### Non cash generating assets

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

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

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

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

#### **m) Accounts Payable**

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

#### **n) Employee Entitlements**

##### *Short-term employee entitlements*

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

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

##### *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.

#### **o) 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.

The School holds sufficient funds to enable the refund of unearned fees in relation to international students, should the School be unable to provide the services to which they relate.

#### **p) Funds Held in Trust**

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

#### **q) 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).

**r) Financial Assets and Liabilities**

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

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

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

**s) Borrowings**

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the school has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Borrowings include but not limited to bank overdrafts, operating leases, finance leases, painting contracts and term loans.

**t) 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.

**u) Budget Figures**

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

**v) Services received in-kind**

From time to time the School receives services in-kind, including the time of volunteers. The School has elected not to recognise services received in kind in the Statement of Comprehensive Revenue and Expense.

## 2. Government Grants

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	2,295,251	2,428,500	2,332,843
Teachers' Salaries Grants	5,364,030	5,540,146	5,301,250
Resource Teachers Learning and Behaviour Grants	23,316	-	14,928
Other MoE Grants	139,207	84,000	158,525
Other Government Grants	257,732	240,000	288,103
	<u>8,079,536</u>	<u>8,292,646</u>	<u>8,095,649</u>

## 3. Locally Raised Funds

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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Revenue</b>			
Donations	181,472	130,000	172,031
Activities	141,676	15,000	167,249
Activities - Overseas Trips	111,094	-	-
Trading	164,106	30,000	172,534
Fundraising	111,637	-	10,187
Other Revenue	104,636	23,000	73,736
	<u>814,621</u>	<u>198,000</u>	<u>595,737</u>
<b>Expenses</b>			
Activities	278,316	126,500	297,410
Activities - Overseas Trips	105,331	-	-
Trading	163,863	-	135,256
Fundraising (Costs of Raising Funds)	313	-	-
	<u>547,823</u>	<u>126,500</u>	<u>432,666</u>
<b>Surplus/ (Deficit) for the year Locally raised funds</b>	<u>266,798</u>	<u>71,500</u>	<u>163,071</u>

### Overseas Trips

**Hong Kong** - A Leadership experience and privilege extended to students with "excellence endorsements". The Trip was funded by parents and the school with a total income of \$3,050 and consisted of 7 students and 1 staff. The total expenses were \$7,600.

**Philippines** - Service given to some filipinos in some underprivileged areas. The trip was funded by parents, fundraising and the school funds with a total income of \$63,441 and consisted of 18 students and 1 staff. Total Expenses were \$53,960.

**Samoa Trip** - Partnership between De La Salle and John Paul VI of Samoa. This trip was funded by parents, staff and the school with a total income of \$24,486 and consisted of 8 students, 5 staff and 1 parent. Total expenses were \$23,995.

**Melbourne, Australia** - The trip was funded by parents and the school with a total income of \$20,117 and consisted of 9 students and 3 staff. Total Expenses were \$19,776 and contributed to students educational achievement by allowing students to participate in an international gathering of La Sallian Leaders.

#### 4. Learning Resources

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	476,176	399,800	407,241
Equipment Repairs	890	1,000	1,371
Information and Communication Technology	254,402	290,000	229,602
Extra-Curricular Activities	-	-	643
Library Resources	1,379	2,500	2,419
Employee Benefits - Salaries	6,259,194	6,450,086	6,097,435
Staff Development	54,498	76,000	84,664
Staff Development - Overseas Trips	20,356	-	-
	<u>7,066,895</u>	<u>7,219,386</u>	<u>6,823,375</u>

#### Overseas Trips

**Melbourne, Australia (La Sallian Conference)** - The trip was funded by the school funds and is required to be attended by both the La Sallian Facilitator and the Head of Religious Education. Total Expenses were \$4,345.

**New York, USA (International Conference)** - The board via the Principal Expenses budget, funded a trip to USA in July 2019. The trip was for the Principal to attend the International Conference on Educational Advancement, as part of the schools strategy for further PD for staff in the engagement of students. Total expenses were \$2,345.

**New York, USE (Buttimer Conference)** - International Conference for Christian Brothers and La Sallian Leaders as part of 3 year Professional Development Programme for Staff. The trip was funded by the school and consisted of 2 staff members. Total Expenses were \$13,666.

#### 5. Administration

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	11,308	14,000	10,988
Board of Trustees Fees	7,624	10,000	5,935
Board of Trustees Expenses	20,171	26,000	8,950
Communication	29,244	58,000	25,952
Consumables	(13,370)	(5,000)	(5,156)
Operating Lease	-	-	29,735
Legal Fees	-	5,000	-
Other	32,933	54,000	47,964
Employee Benefits - Salaries	411,280	402,156	400,719
Insurance	10,407	12,000	7,565
Service Providers, Contractors and Consultancy	7,600	8,000	7,305
	<u>517,197</u>	<u>584,156</u>	<u>539,957</u>

## 6. Property

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Caretaking and Cleaning Consumables	136,549	144,500	129,439
Consultancy and Contract Services	12,384	40,000	12,039
Cyclical Maintenance Provision	108,714	-	20,283
Grounds	41,957	43,000	52,596
Heat, Light and Water	144,510	155,000	139,170
Repairs and Maintenance	132,723	339,500	70,354
Use of Land and Buildings	3,168,351	3,168,351	3,168,351
Security	12,088	12,000	16,853
Employee Benefits - Salaries	167,034	159,954	141,010
	<u>3,924,310</u>	<u>4,062,305</u>	<u>3,750,095</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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Furniture and Equipment	31,140	22,000	26,251
Information and Communication Technology	107,999	105,000	112,220
Motor Vehicles	4,229	10,000	10,282
Musical equipment	866	1,200	944
Plant & equipment	3,270	1,000	2,526
Science equipment	990	1,500	1,614
Sports and minor equipment	31,948	25,000	25,771
Grounds Equipment & Development	3,321	300	335
Textbooks	17,861	27,000	23,703
Leased Assets	41,535	4,000	22,865
Library Resources	3,281	3,000	3,522
	<u>246,440</u>	<u>200,000</u>	<u>230,033</u>

## 8. Cash and Cash Equivalents

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Bank Current Account	124,025	100,000	14,728
Bank Call Account	46,690	-	46,015
Cash and cash equivalents for Cash Flow Statement	<u>170,715</u>	<u>100,000</u>	<u>60,743</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	52,517	85,743	85,743
Interest Receivable	19,151	23,049	23,049
Teacher Salaries Grant Receivable	391,179	365,201	382,638
	<u>462,847</u>	<u>473,993</u>	<u>491,430</u>
Receivables from Exchange Transactions	71,668	108,792	108,792
Receivables from Non-Exchange Transactions	391,179	365,201	382,638
	<u>462,847</u>	<u>473,993</u>	<u>491,430</u>

## 10. Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
School Uniforms	134,797	103,924	103,924
	<u>134,797</u>	<u>103,924</u>	<u>103,924</u>

## 11. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	1,595,779	1,127,342	1,786,183
Total Investments	<u>1,595,779</u>	<u>1,127,342</u>	<u>1,786,183</u>

## 12. Property, Plant and Equipment

2019	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Furniture and Equipment	91,286	81,958	(4,357)	-	(31,140)	137,747
Information and Communication Technology	183,843	53,421	-	-	(107,999)	129,265
Motor Vehicles	9,543	-	(875)	-	(4,229)	4,439
Musical equipment	1,565	2,604	-	-	(866)	3,303
Plant & equipment	12,124	7,639	-	-	(3,270)	16,493
Science equipment	990	-	-	-	(990)	-
Sports and minor equipment	78,406	69,731	-	-	(31,948)	116,189
Grounds Equipment & Development	10,586	128,224	-	-	(3,321)	135,489
Textbooks	25,407	16,972	-	-	(17,861)	24,518
Leased Assets	50,481	94,701	-	-	(41,535)	103,647
Library Resources	24,657	3,903	(2,316)	-	(3,281)	22,963
<b>Balance at 31 December 2019</b>	<u>488,888</u>	<u>459,153</u>	<u>(7,548)</u>	<u>-</u>	<u>(246,440)</u>	<u>694,053</u>

The net carrying value of equipment held under a finance lease is \$103,647 (2018: \$50,481)



	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2019</b>			
Furniture and Equipment	945,741	(807,994)	137,747
Information and Communication Technology	1,014,414	(885,149)	129,265
Motor Vehicles	77,247	(72,808)	4,439
Musical equipment	54,263	(50,960)	3,303
Plant & equipment	300,118	(283,625)	16,493
Science equipment	38,945	(38,945)	-
Sports and minor equipment	503,063	(386,874)	116,189
Grounds Equipment & Development	141,651	(6,162)	135,489
Textbooks	443,177	(418,659)	24,518
Leased Assets	166,008	(62,361)	103,647
Library Resources	56,129	(33,166)	22,963
<b>Balance at 31 December 2019</b>	<b>3,740,756</b>	<b>(3,046,703)</b>	<b>694,053</b>

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2018</b>						
Furniture and Equipment	101,587	15,950	-	-	(26,251)	91,286
Information and Communication Technology	195,456	100,607	-	-	(112,220)	183,843
Motor Vehicles	19,825	-	-	-	(10,282)	9,543
Musical equipment	2,509	-	-	-	(944)	1,565
Plant & equipment	8,273	6,377	-	-	(2,526)	12,124
Science equipment	2,604	-	-	-	(1,614)	990
Sports and minor equipment	85,500	18,677	-	-	(25,771)	78,406
Grounds Equipment & Development	10,921	-	-	-	(335)	10,586
Textbooks	39,427	9,683	-	-	(23,703)	25,407
Leased Assets	8,354	64,991	-	-	(22,865)	50,481
Library Resources	23,519	6,976	(2,316)	-	(3,522)	24,657
<b>Balance at 31 December 2018</b>	<b>497,975</b>	<b>223,261</b>	<b>(2,316)</b>	<b>-</b>	<b>(230,033)</b>	<b>488,888</b>

The net carrying value of equipment held under a finance lease is \$50,481 (2017: \$8,354)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2018</b>			
Furniture and Equipment	870,302	(779,016)	91,286
Information and Communication Technology	971,743	(787,900)	183,843
Motor Vehicles	80,747	(71,204)	9,543
Musical equipment	51,659	(50,094)	1,565
Plant & equipment	293,013	(280,889)	12,124
Science equipment	38,945	(37,955)	990
Sports and minor equipment	433,332	(354,926)	78,406
Grounds Equipment & Development	13,428	(2,842)	10,586
Textbooks	426,206	(400,799)	25,407
Leased Assets	80,045	(29,564)	50,481
Library Resources	57,641	(32,984)	24,657
<b>Balance at 31 December 2018</b>	<b>3,317,061</b>	<b>(2,828,173)</b>	<b>488,888</b>



### 13. Equitable Leasehold Interest

An equitable leasehold interest recognises an interest in an asset without transferring ownership or creating a charge over the asset. This equitable leasehold interest represents the board's interest in capital works assets owned by the proprietor, but paid for in the whole or in part by the Board of Trustees, either from Government funding or from community raised funds.

A lease between the board and the proprietor records the terms of the equitable leasehold interest and includes a detailed schedule of works assets. The equitable leasehold interest is amortised over 29 years based on the economic life of the capital works asset's involved. The interest may be realised on the sale of the capital works by the proprietor or the closure of the school.

	2019 Actual \$	2019 Budget \$	2018 Actual \$
The major capital works assets included in the equitable lease interest are:			
Funds Held at Beginning of the Year	169,907	179,346	179,346
Less: Amortisation of equitable lease	(9,439)	-	(9,439)
Funds Held at Year End	<u>160,468</u>	<u>179,346</u>	<u>169,907</u>

### 14. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	105,695	111,962	111,962
Accruals	13,667	13,267	13,267
Banking Staffing Overuse	183,453	62,343	62,343
Employee Entitlements - Salaries	428,243	370,452	423,903
Employee Entitlements - Leave Accrual	34,567	26,696	26,696
	<u>765,625</u>	<u>584,720</u>	<u>638,171</u>
Payables for Exchange Transactions	765,625	584,720	638,171
	<u>765,625</u>	<u>584,720</u>	<u>638,171</u>

The carrying value of payables approximates their fair value.

### 15. Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Other	64,794	61,066	61,066
	<u>64,794</u>	<u>61,066</u>	<u>61,066</u>

## 16. Provision for Cyclical Maintenance

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	320,231	320,231	299,948
Increase/ (decrease) to the Provision During the Year	108,714	-	20,283
Use of the Provision During the Year	(195)	-	-
Provision at the End of the Year	<u>428,750</u>	<u>320,231</u>	<u>320,231</u>
Cyclical Maintenance - Current	124,566	116,918	116,918
Cyclical Maintenance - Term	304,184	203,313	203,313
	<u>428,750</u>	<u>320,231</u>	<u>320,231</u>

## 17. Painting Contract Liability

	2019	2019	2018
	Actual	Budget	Actual
	\$	\$	\$
Current Liability	10,854	24,323	24,323
Non Current Liability	-	6,053	6,053
	<u>10,854</u>	<u>30,376</u>	<u>30,376</u>

In 2010 the Board signed an agreement with Scheduled Maintenance Services Ltd (the contractor) for an agreed programme of work covering an eight year period. The programme provides for an interior and exterior repaint of the Ministry owned buildings in 2012, with regular maintenance in subsequent years. The agreement has an annual commitment of \$24,323. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

## 18. Finance Lease Liability

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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
No Later than One Year	43,059	24,178	24,178
No Later than One Year - Interest	8,302	3,952	3,952
Later than One Year and no Later than Five Years	68,331	31,551	31,551
Later than One Year and no Later than Five Years - Interest	8,792	2,141	2,141
	<u>128,484</u>	<u>61,822</u>	<u>61,822</u>

## 19. Funds held in Trust

	2019	2019	2018
	Actual	Budget	Actual
	\$	\$	\$
Funds Held in Trust on Behalf of Third Parties - Current	51,248	22,541	22,541
	<u>51,248</u>	<u>22,541</u>	<u>22,541</u>

These funds relate to arrangements where the school is acting as an agent. These amounts are not revenue or expenditure of the school and therefore are not included in the Statement of Comprehensive Revenue and Expense.

## 20. 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 (Catholic Diocese of Auckland) 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(c). 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".

Under an agency agreement, the School collects funds on behalf of the Proprietor. These include attendance dues, building levy and special character donations payable to the Proprietor. The amounts collected in total were \$687,951 (2018: \$572,763). These do not represent revenue in the financial statements of the school. Any balance not transferred at the year end is treated as a liability. The total funds owed to the school on behalf of the proprietor are \$6,934 (2018: \$2,674 - held on behalf of the proprietor).

## 21. Remuneration

### *Key management personnel compensation*

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	7,624	5,935
Full-time equivalent members	0.24	0.20
<i>Leadership Team</i>		
Remuneration	602,610	582,481
Full-time equivalent members	5.00	5.00
Total key management personnel remuneration	610,234	588,416
Total full-time equivalent personnel	5.24	5.20

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	160 - 170	160 - 170
Benefits and Other Emoluments	-	-
Termination Benefits	-	-

### 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	3.00	1.00
110 - 120	1.00	1.00
120 - 130	1.00	0.00
	<u>5.00</u>	<u>2.00</u>

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

## 22. Compensation and Other Benefits Upon Leaving

There were no compensation or other benefits paid or payable to persons upon leaving.

## 23. 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.

## 24. Commitments

### (a) Capital Commitments

As at 31 December 2019 the Board has not entered into contract agreements for capital works.  
(Capital commitments at 31 December 2018: \$nil)

### (b) Operating Commitments

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

(a) Cleaning Contract;

(b) operating lease of projectors;

	2019 Actual \$	2018 Actual \$
No later than One Year	108,232	117,140
Later than One Year and No Later than Five Years	-	76,560
Later than Five Years	-	-
	<u>108,232</u>	<u>193,700</u>

## 25. 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.

## 26. Financial Instruments

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

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	170,715	100,000	60,743
Receivables	462,847	473,993	491,430
Investments - Term Deposits	1,595,779	1,127,342	1,786,183
Total Financial assets measured at amortised cost	<u>2,229,341</u>	<u>1,701,335</u>	<u>2,338,356</u>

### Financial liabilities measured at amortised cost

Payables	765,625	584,720	638,171
Finance Leases	111,390	55,729	55,729
Painting Contract Liability	10,854	30,376	30,376
Total Financial Liabilities Measured at Amortised Cost	<u>887,869</u>	<u>670,825</u>	<u>724,276</u>

## 27. Events After Balance Date

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

At the date of issuing the financial statements, the school has been able to absorb the majority of the impact from the nationwide lockdown as it was decided to start the annual Easter School holidays early. In the periods the school is open for tuition, the school has switched to alternative methods of delivering the curriculum, so students can learn remotely.

At this time the full financial impact of the COVID-19 pandemic is not able to be determined, but it is not expected to be significant to the school. The school will continue to receive funding from the Ministry of Education, even while closed.

## 28. Comparatives

There have been a number of prior period comparatives which have been reclassified to make disclosure consistent with the current year.

## 29. Adoption of PBE IFRS 9 Financial Instruments

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

- Note 9 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.
- Note 11 Investments:

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

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

**De La Salle College**  
**Kiwisport Statement**  
As at 31 December 2019

Kiwisport is a government funding initiative to support students participation in organised sport in 2019, the school received a total of Kiwisport funding of \$20,989 (exc. GST). This funding was spent on the Sports Co-ordinator's salary. (2018: \$21,288).



## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF DE LA SALLE COLLEGE'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The Auditor-General is the auditor of De la Salle College (the School). The Auditor-General has appointed me, Melissa Youngson, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements of the School on his behalf.

#### Opinion

We have audited the financial statements of the School on pages 2 to 22, that comprise the statement of financial position as at 31 December 2019, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

Our audit was completed on 20 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 27 on page 22 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

#### Basis for our opinion

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

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

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

#### Responsibilities of the Board of Trustees for the financial statements

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

# Deloitte.

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.

# Deloitte.

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

Our responsibilities arise from the Public Audit Act 2001.

## **Other information**

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

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

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

## **Independence**

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *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.



**Melissa Youngson**  
Partner  
for Deloitte Limited  
On behalf of the Auditor-General  
Hamilton, New Zealand