

# **Our Lady Star of the Sea School**

## **Annual Report for the year ended 31 December 2019**

<b>Ministry Number:</b>	1514
<b>Principal:</b>	Louise Campbell
<b>School Address:</b>	14 Oakridge Way, Howick, Auckland 2013
<b>School Postal Address:</b>	14 Oakridge Way, Howick, Auckland 2013
<b>School Phone:</b>	09 538 0195
<b>School Email:</b>	syandell@starofthesea.school.nz
<b>Service Provider:</b>	Edtech Financial Services Ltd

## Our Lady Star of the Sea School

### Members of the Board of Trustees

For the year ended 31 December 2019

Name	Position	How position on Board gained	Occupation	Term expired/expires
Chontelle Bidols	Parent Representative	Elected		Election 2022
Allina Hooper	Parent Representative	Elected		Election 2022
Fr John Fitzmaurice	Proprietor Representative	Proprietor Appointed		
Yohann Cuer	Parent Representative	Elected		Election 2022
Vaughan Fraser	Parent Representative	Elected		Election 2022
John Kuok	Parent Representative	Proprietor Appointed		
Karen Noble-Campbell	Teacher Rep	Teacher Staff Rep		Election 2022
Louise Campbell	Principal	Principal		
Stephen McKenzie	Parent Representative	Elected		Election 2022
Kerri Hunt	Proprietor Representative	Proprietor Appointed		
Sunil Serrao	Proprietor Representative	Proprietor Appointed		
Sarah Richards	Secretary			

# **Our Lady Star of the Sea School**

## **Annual Report**

For the year ended 31 December 2019

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#### **Other Information**

Analysis of Variance

Kiwisport

**Our Lady Star of the Sea School**  
**Statement of Responsibility**  
For the year ended 31. December 2019

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

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

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

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

Vargen Frøse  
Full Name of Board Chairperson

[Signature]  
Signature of Board Chairperson

21. 7. 2020  
Date:

Louise Campbell  
Full Name of Principal

[Signature]  
Signature of Principal

21. 7. 2020  
Date:

# Our Lady Star of the Sea School

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
<b>Revenue</b>				
Government Grants	2	2,821,446	2,514,770	2,764,435
Locally Raised Funds	3	516,947	407,752	444,713
Use of Land and Buildings Integrated		1,540,000	980,000	1,540,000
Interest Income		7,116	3,000	3,957
International Students	4	58,435	33,760	51,017
		<b>4,943,944</b>	<b>3,939,282</b>	<b>4,804,122</b>
<b>Expenses</b>				
Locally Raised Funds	3	153,985	73,314	129,199
International Students	4	1,400	-	1,661
Learning Resources	5	2,500,362	2,324,113	2,542,837
Administration	6	265,976	244,064	297,318
Finance		3,697	3,500	3,583
Property	7	1,809,512	1,176,728	1,749,139
Depreciation	8	105,732	110,000	104,046
Amortisation of Equitable Lease		3,081	3,082	3,081
Loss on Disposal of Property, Plant and Equipment		686	1,500	1,834
		<b>4,844,431</b>	<b>3,936,301</b>	<b>4,832,698</b>
<b>Net Surplus / (Deficit) for the year</b>		<b>99,513</b>	<b>2,981</b>	<b>(28,576)</b>
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b>99,513</b>	<b>2,981</b>	<b>(28,576)</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.



**Our Lady Star of the Sea School**  
**Statement of Changes in Net Assets/Equity**  
For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Balance at 1 January		391,300	391,300	419,876
Total comprehensive revenue and expense for the year		99,513	2,981	(28,576)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		14,612	-	-
<b>Equity at 31 December</b>	25	<b>505,425</b>	<b>394,281</b>	<b>391,300</b>
Retained Earnings		505,425	394,281	391,300
<b>Equity at 31 December</b>		<b>505,425</b>	<b>394,281</b>	<b>391,300</b>

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.



**Our Lady Star of the Sea School**  
**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	9	422,374	205,239	207,722
Accounts Receivable	10	151,892	153,050	146,515
GST Receivable		25,859	-	-
Prepayments		18,292	12,500	12,057
Inventories	11	19,566	14,000	13,878
Investments	12	41,084	-	-
		<u>679,067</u>	<u>384,789</u>	<u>380,172</u>
<b>Current Liabilities</b>				
GST Payable		-	3,000	3,196
Accounts Payable	15	319,876	213,500	217,400
Revenue Received In Advance	16	47,366	42,000	52,628
Provision for Cyclical Maintenance	17	76,292	76,292	-
Finance Lease Liability - Current Portion	19	19,897	10,397	20,537
		<u>463,431</u>	<u>345,189</u>	<u>293,761</u>
<b>Working Capital Surplus/(Deficit)</b>		<u>215,636</u>	<u>39,600</u>	<u>86,411</u>
<b>Non-current Assets</b>				
Property, Plant and Equipment	13	352,015	399,054	412,214
Equitable Leasehold Interest	14	40,051	40,000	43,132
		<u>392,066</u>	<u>439,054</u>	<u>455,346</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	17	73,200	73,200	129,006
Finance Lease Liability	19	29,077	11,173	21,451
		<u>102,277</u>	<u>84,373</u>	<u>150,457</u>
<b>Net Assets</b>		<u>505,425</u>	<u>394,281</u>	<u>391,300</u>
<b>Equity</b>	25	<u>505,425</u>	<u>394,281</u>	<u>391,300</u>

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



# Our Lady Star of the Sea School

## 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		783,708	714,770	779,056
Locally Raised Funds		500,408	395,665	451,101
International Students		74,217	34,238	48,409
Goods and Services Tax (net)		(29,055)	(196)	30,123
Payments to Employees		(509,442)	(504,582)	(618,433)
Payments to Suppliers		(473,979)	(523,100)	(636,468)
Cyclical Maintenance Payments in the year		(78,480)	-	-
Interest Paid		(3,697)	(3,500)	(3,583)
Interest Received		6,583	2,980	3,980
<b>Net cash from Operating Activities</b>		<b>270,263</b>	<b>116,275</b>	<b>54,185</b>
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of PPE (and Intangibles)		-	(1,500)	-
Purchase of PPE (and Intangibles)		(54,986)	(183,689)	(128,897)
Purchase of Investments		(41,084)	-	-
<b>Net cash from Investing Activities</b>		<b>(96,070)</b>	<b>(185,189)</b>	<b>(128,897)</b>
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		14,612	-	-
Finance Lease Payments		25,847	66,431	(15,653)
<b>Net cash from Financing Activities</b>		<b>40,459</b>	<b>66,431</b>	<b>(15,653)</b>
<b>Net Increase/(decrease) in cash and cash equivalents</b>		<b>214,652</b>	<b>(2,483)</b>	<b>(90,365)</b>
Cash and cash equivalents at the beginning of the year	9	207,722	207,722	298,087
<b>Cash and cash equivalents at the end of the year</b>	<b>9</b>	<b>422,374</b>	<b>205,239</b>	<b>207,722</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.





# **Our Lady Star of the Sea School**

## **Notes to the Financial Statements**

For the year ended 31 December 2019

### **1. Statement of Accounting Policies**

#### **Reporting Entity**

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

#### **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 28.

##### **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 13.



## **Our Lady Star of the Sea School**

# **Notes to the Financial Statements (cont.)**

For the year ended 31 December 2019

### ***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.

### **Revenue Recognition**

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

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

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

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

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

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

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

#### ***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.

#### ***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.

#### ***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.

#### ***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.



## **Our Lady Star of the Sea School**

# **Notes to the Financial Statements (cont.)**

For the year ended 31 December 2019

### **Accounts Receivable**

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

### **Prior Year Policy**

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

### **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.

### **Investments**

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

### **Prior Year Policy**

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

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

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

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

### **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 \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

# Our Lady Star of the Sea School

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

### **Finance Leases**

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

### **Depreciation**

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

The estimated useful lives of the assets are:

Building improvements	40 years
Furniture and equipment	10–15 years
Information and communication technology	4–10 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value

### **Impairment of property, plant, and equipment**

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 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.

### **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.

### **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.



## **Our Lady Star of the Sea School**

# **Notes to the Financial Statements (cont.)**

For the year ended 31 December 2019

### **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.

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

### **Provision for Cyclical Maintenance**

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

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

### **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, 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.

### **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 Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

### **Budget Figures**

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

### **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.

# Our Lady Star of the Sea School

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

### 2 Government Grants

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational Grants	582,302	585,562	631,218
Teachers' Salaries Grants	2,027,644	1,800,000	1,976,514
Resource Teachers Learning and Behaviour Grants	4,279	3,000	4,718
Other MoE Grants	197,868	123,208	146,847
Other Government Grants	9,353	3,000	5,138
	<u>2,821,446</u>	<u>2,514,770</u>	<u>2,764,435</u>

### 3 Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Revenue</b>			
Donations	246,936	254,100	212,371
Activities	102,268	92,592	78,642
Trading	50,176	12,000	74,477
Fundraising	89,291	22,500	57,660
Other Revenue	28,276	26,560	21,563
	<u>516,947</u>	<u>407,752</u>	<u>444,713</u>
<b>Expenses</b>			
Activities	95,534	73,314	62,370
Trading	34,921	-	62,978
Fundraising (Costs of Raising Funds)	23,530	-	3,851
	<u>153,985</u>	<u>73,314</u>	<u>129,199</u>
	<u>362,962</u>	<u>334,438</u>	<u>315,514</u>

*Surplus/ (Deficit) for the year Locally Raised Funds*

### 4 International Student Revenue and Expenses

	2019 Actual Number	2019 Budget (Unaudited) Number	2018 Actual Number
International Student Roll	5	5	5
<b>Revenue</b>			
International Student Fees	58,435	33,760	51,017
<b>Expenses</b>			
International Student Levy	1,400	-	1,661
	<u>1,400</u>	<u>-</u>	<u>1,661</u>
	<u>57,035</u>	<u>33,760</u>	<u>49,356</u>

*Surplus/ (Deficit) for the year International Students*



# Our Lady Star of the Sea School

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

### 5 Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	111,035	134,000	63,793
Information and Communication Technology	32,265	32,483	33,198
Library Resources	2,953	2,000	1,982
Employee Benefits - Salaries	2,304,182	2,094,800	2,364,690
Staff Development	49,927	60,830	79,174
	<u>2,500,362</u>	<u>2,324,113</u>	<u>2,542,837</u>

### 6 Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	7,989	7,989	7,756
Board of Trustees Fees	4,215	4,000	4,318
Board of Trustees Expenses	7,360	6,500	18,283
Communication	6,989	6,000	6,884
Consumables	36,746	35,330	48,523
Operating Lease	-	4,296	6,163
Other	8,163	6,900	4,480
Employee Benefits - Salaries	182,059	161,685	189,841
Insurance	5,635	5,700	5,341
Service Providers, Contractors and Consultancy	6,820	5,664	5,729
	<u>265,976</u>	<u>244,064</u>	<u>297,318</u>

### 7 Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	10,987	10,800	11,431
Consultancy and Contract Services	44,913	44,000	43,942
Cyclical Maintenance Expense	98,966	21,000	19,193
Grounds	15,837	21,200	30,841
Heat, Light and Water	31,451	26,500	32,206
Repairs and Maintenance	10,775	18,900	18,372
Use of Land and Buildings	1,540,000	980,000	1,540,000
Security	8,390	9,000	9,744
Employee Benefits - Salaries	48,193	45,328	43,410
	<u>1,809,512</u>	<u>1,176,728</u>	<u>1,749,139</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 nationwide revaluation exercise that is conducted every 30 June for the Ministry of Education's year end reporting purposes.



# Our Lady Star of the Sea School

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

### 8 Depreciation

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Building Improvements - Crown	325	500	279
Furniture and Equipment	54,861	59,000	53,071
Information and Communication Technology	22,589	24,000	24,674
Leased Assets	25,140	26,500	23,175
Library Resources	2,817	-	2,847
	<u>105,732</u>	<u>110,000</u>	<u>104,046</u>

### 9 Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	200	200	200
Bank Current Account	93,316	39,039	41,716
Bank Call Account	127,921	166,000	165,806
Short-term Bank Deposits	200,937	-	-
Cash and cash equivalents for Cash Flow Statement	<u>422,374</u>	<u>205,239</u>	<u>207,722</u>

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

### 10 Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	2,514	8,000	7,019
Interest Receivable	563	50	30
Teacher Salaries Grant Receivable	<u>148,815</u>	<u>145,000</u>	<u>139,466</u>
	<u>151,892</u>	<u>153,050</u>	<u>146,515</u>
Receivables from Exchange Transactions	3,077	8,050	7,049
Receivables from Non-Exchange Transactions	<u>148,815</u>	<u>145,000</u>	<u>139,466</u>
	<u>151,892</u>	<u>153,050</u>	<u>146,515</u>

### 11 Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
School Uniforms	19,566	14,000	13,878
	<u>19,566</u>	<u>14,000</u>	<u>13,878</u>

### 12 Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	41,084	-	-
Total Investments	<u>41,084</u>	<u>-</u>	<u>-</u>



# Our Lady Star of the Sea School

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

### 13 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Building Improvements	12,728	-	-	-	(325)	12,403
Furniture and Equipment	275,899	10,946	-	-	(54,861)	231,984
Information and Communication Technology	62,486	2,603	-	-	(22,589)	42,500
Leased Assets	41,169	29,375	-	-	(25,140)	45,404
Library Resources	19,932	3,295	(686)	-	(2,817)	19,724
<b>Balance at 31 December 2019</b>	<b>412,214</b>	<b>46,219</b>	<b>(686)</b>	<b>-</b>	<b>(105,732)</b>	<b>352,015</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Building Improvements	13,007	(604)	12,403
Furniture and Equipment	614,526	(382,542)	231,984
Information and Communication Technology	232,729	(190,229)	42,500
Leased Assets	78,082	(32,678)	45,404
Library Resources	56,402	(36,678)	19,724
<b>Balance at 31 December 2019</b>	<b>994,746</b>	<b>(642,731)</b>	<b>352,015</b>

The Board considers that no assets have suffered an Impairment during the year.

The net carrying value of equipment held under a finance lease is \$45,404 (2018: \$41,169).

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Building Improvements	-	13,007	-	-	(279)	12,728
Furniture and Equipment	237,821	91,149	-	-	(53,071)	275,899
Information and Communication Technology	66,996	20,905	(741)	-	(24,674)	62,486
Leased Assets	44,321	20,023	-	-	(23,175)	41,169
Library Resources	20,038	3,836	(1,095)	-	(2,847)	19,932
<b>Balance at 31 December 2018</b>	<b>369,176</b>	<b>148,920</b>	<b>(1,836)</b>	<b>-</b>	<b>(104,046)</b>	<b>412,214</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Building Improvements	13,007	(279)	12,728
Furniture and Equipment	603,579	(327,680)	275,899
Information and Communication Technology	230,127	(167,641)	62,486
Leased Assets	86,849	(45,680)	41,169
Library Resources	55,000	(35,068)	19,932
<b>Balance at 31 December 2018</b>	<b>988,562</b>	<b>(576,348)</b>	<b>412,214</b>



**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2019

**14 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 whole or part by the Board of Trustees, either from Government funding or 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 capital works assets. The equitable leasehold interest is amortised over the economic life of the capital works assets(s) involved. The interest may be realised on the sale of the capital works by the Proprietor or the closure of the school.

The major capital works assets included in the equitable leasehold interest are:  
Network Cabling

2019	2019	2018
Actual	Budget	Actual
\$	(Unaudited)	\$
\$	\$	\$
40,051	40,000	43,132
40,051	40,000	43,132

The amortisation charge in relation to the equitable leasehold interest during the year was \$3,081.  
(2018: \$3,081).

**15 Accounts Payable**

Operating Creditors  
Accruals  
Employee Entitlements - Salaries  
Employee Entitlements - Leave Accrual

2019	2019	2018
Actual	Budget	Actual
\$	(Unaudited)	\$
\$	\$	\$
118,617	15,000	20,492
5,327	6,500	7,673
150,350	145,000	141,437
45,582	47,000	47,798
319,876	213,500	217,400
319,876	213,500	217,400
319,876	213,500	217,400

Payables for Exchange Transactions

The carrying value of payables approximates their fair value.

**16 Revenue Received in Advance**

International Student Fees  
Other

2019	2019	2018
Actual	Budget	Actual
\$	(Unaudited)	\$
\$	\$	\$
37,304	22,000	21,522
10,062	20,000	31,106
47,366	42,000	52,628

**17 Provision for Cyclical Maintenance**

Provision at the Start of the Year  
Increase/(decrease) to the Provision During the Year  
Use of the Provision During the Year  
Provision at the End of the Year

2019	2019	2018
Actual	Budget	Actual
\$	(Unaudited)	\$
\$	\$	\$
129,006	129,006	109,813
98,966	21,000	19,193
(78,480)	(514)	-
149,492	149,492	129,006
76,292	76,292	-
73,200	73,200	129,006
149,492	149,492	129,006

Cyclical Maintenance - Current  
Cyclical Maintenance - Term



## Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

### 19 Finance Lease Liability

The school has entered into a number of finance lease agreements for IT equipment and photocopier.  
Minimum lease payments payable (includes interest portion):

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
	\$	\$	\$
No Later than One Year	23,163	10,397	25,689
Later than One Year and no Later than Five Years	32,129	11,173	26,057
	<u>55,291</u>	<u>21,570</u>	<u>51,746</u>

### 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 funds on behalf of the school the amounts are disclosed.

The Proprietor provides land and buildings free of charge for use by the Board as noted in Note 1. 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 \$171,304 (2018: \$188,863). 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 held by the school on behalf of the proprietor are \$nil (2018: \$1,048).

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

### 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 \$
<b>Board Members</b>		
Remuneration	4,215	4,318
Full-time equivalent members	0.52	0.52
<b>Leadership Team</b>		
Remuneration	406,637	496,375
Full-time equivalent members	4.00	5.00
Total key management personnel remuneration	410,852	500,693
Total full-time equivalent personnel	4.52	5.52

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
<b>Salaries and Other Short-term Employee Benefits:</b>		
<b>Principal 1</b>		
Salary and Other Payments	140-150	30-40
Benefits and Other Emoluments	0-10	0-10
Termination Benefits	-	-
<b>Principal 2</b>		
Salary and Other Payments	-	30-40
Benefits and Other Emoluments		0-10
Termination Benefits		
<b>Principal 3</b>		
Salary and Other Payments	-	100-110
Benefits and Other Emoluments		
Termination Benefits		

#### Other Employees

No other employee received total remuneration over \$100,000 (2018: Nil).

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.

## Our Lady Star of the Sea School

### Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

#### 23 Contingencies

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

(Contingent liabilities and assets as 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 entered into no contract agreements for capital works.

(Capital commitments as at 31 December 2018: nil)

##### (b) Operating Commitments

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

- operating lease of a photocopier

No later than One Year

2019 Actual \$	2018 Actual \$
-	2,856
-	2,856

#### 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.



## Our Lady Star of the Sea School

### Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

#### 26 Financial Instruments

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Financial assets measured at amortised cost (2018: Loans and receivables)</b>			
Cash and Cash Equivalents	422,374	205,239	207,722
Receivables	151,892	153,050	146,515
Investments - Term Deposits	41,084	-	-
<b>Total Financial assets measured at amortised cost</b>	<b>615,350</b>	<b>358,289</b>	<b>354,237</b>
<b>Financial liabilities measured at amortised cost</b>			
Payables	319,876	213,500	217,400
Finance Leases	48,974	21,570	41,988
<b>Total Financial Liabilities Measured at Amortised Cost</b>	<b>368,850</b>	<b>235,070</b>	<b>259,388</b>

#### 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 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 10 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 12 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

#### 29 Comparatives

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

#### 30 Failure to comply with section 87C of the Education Act 1989

The Board of Trustees has failed to comply with Section 87C of the Education Act 1989, as the Board were unable to provide their audited financial statements to the Ministry of Education by 31 May 2020. The disruption caused by the COVID-19 restrictions, including the closure of the school, meant that the audit could not progress as planned. This resulted in the school missing the statutory deadline.



**INDEPENDENT AUDITOR'S REPORT****TO THE READERS OF OUR LADY STAR OF THE SEA SCHOOL'S  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

The Auditor-General is the auditor of Our Lady Star of the Sea School (the School). The Auditor-General has appointed me, Kurt Sherlock, using the staff and resources of Crowe New Zealand Audit Partnership, 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 19, that comprise the statement of financial position as at 31 December 2019, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

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

**Basis for our opinion**

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

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

*The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.*

*Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss Verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd.*

*Services are provided by Crowe New Zealand Audit Partnership an affiliate of Findex (Aust) Pty Ltd.*

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

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

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

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

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

#### **Responsibilities of the auditor for the audit of the financial statements**

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

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

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

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

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

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



- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arise from the Public Audit Act 2001.

#### **Other information**

The Board of Trustees is responsible for the other information. The other information comprises the Annual Report 2019 and the Kiwisport 2019 Report, but does not include the financial statements, and our auditor's report thereon.

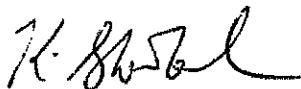
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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.



Kurt Sherlock  
Crowe New Zealand Audit Partnership  
On behalf of the Auditor-General  
Auckland New Zealand

