

# Blind and Low Vision Education Network NZ

## Annual Report

**FOR THE YEAR ENDED 31 DECEMBER 2019**

### School Directory

<b>Ministry Number:</b>	4156
<b>Principal:</b>	Karen Stobbs
<b>School Address:</b>	2 McVilly Road, Manurewa
<b>School Postal Address:</b>	Private Bag 801, Manurewa, Auckland, 2243
<b>School Phone:</b>	09 266 7109
<b>School Email:</b>	<a href="mailto:karen.stobbs@blennz.school.nz">karen.stobbs@blennz.school.nz</a>

### Members of the Board of Trustees:

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Occupation</b>	<b>Term Expires/Expired</b>
Karen Stobbs	Principal	Appointed		
Nathaniel Louwrens	Parent Rep	Elected	e-Learning Facilitator	Dec-20
		Elected	Policy and Advocacy Team	
David Cullen	Parent Rep		Coordinator	Jun-22
Christopher Gunn	Parent Rep	Elected	General Manager	Jun-22
Graeme Hood	Parent Rep	Elected	Tertiary Tutor	Dec-20
Mitch Harris	Parent Rep	Elected	Radio Producer	Jun-22
Kelly Doyle	Staff Rep	Elected	Coordinator Kaupapa	Jun-22
Wendy Chiang	Other	Appointed	Community Worker	Dec-20
John Mulka	Other	Appointed	Executive Director	Jun-22
Nigel Ngahiwi	Other	Appointed	Teacher Aide	Dec-20

# Blind and Low Vision Education Network NZ

Financial Statements - For the year ending 31 December 2019

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# Blind and Low Vision Education Network NZ

## Statement of Responsibility

For the year ended 31 December 2019

The Board of Trustees (the Board) has pleasure in presenting the annual report of Blind and Low Vision Education Network NZ incorporating the financial statements and the auditor's report, 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.

Mitch Harris

Karen Stobbs

\_\_\_\_\_  
Full Name of Board Chairperson

\_\_\_\_\_  
Full Name of Principal



\_\_\_\_\_  
Signature of Board Chairperson

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Signature of Principal

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Date: 29 May 2020

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Date: 29 May 2020

**Blind and Low Vision Education Network NZ**  
**Statement of Comprehensive Revenue and Expenses**

For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Revenue</b>				
Government Grants	2	21,190,276	19,298,200	20,271,746
Locally raised funds	3	193,431	255,113	230,900
Interest Earned		314,499	240,000	303,683
Gain on sale of plant & equipment		115	-	304
		<u>21,698,321</u>	<u>19,793,313</u>	<u>20,806,633</u>
<b>Expenses</b>				
Locally raised funds	3	47,277	172,883	103,324
Learning resources	4-8	15,930,651	15,981,357	14,686,162
Administration	9	1,364,541	1,507,921	1,268,517
Property	10	2,909,073	2,249,932	2,925,073
Finance Costs		12,882	9,747	12,848
Depreciation	11	498,294	521,000	443,582
Loss on sale of asset		4,885	-	8,491
		<u>20,767,603</u>	<u>20,442,840</u>	<u>19,447,997</u>
<b>Net Surplus (Deficit)</b>		<u>930,718</u>	<u>(649,527)</u>	<u>1,358,636</u>
Other comprehensive revenue & expenses		-	-	-
<b>Total comprehensive revenue &amp; expenses for the year</b>		<u><u>930,718</u></u>	<u><u>(649,527)</u></u>	<u><u>1,358,636</u></u>

*The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.*

**Blind and Low Vision Education Network NZ**  
**Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2019

Notes	2019 Actual	2019 Budget (Unaudited)	2018 Actual
	\$	\$	\$
<b>Balance at 1 January</b>	12,581,830	12,581,830	11,223,194
Total comprehensive revenue and expenses for the year	930,718	(649,527)	1,358,636
Owner transactions	-	-	-
Contribution - Furniture and Equipment grant	32,624	-	-
Transfer (to)/from restricted Equity	-	-	-
	<u>13,545,172</u>	<u>11,932,303</u>	<u>12,581,830</u>
Retained Earnings	13,545,172	11,932,303	12,581,830
Reserves			
Restricted Equity at start of the year	206,723	-	208,028
Transfer Homai Special Funds	(174)	-	(1,305)
Restricted Equity at the end of the year	<u>206,549</u>	<u>206,723</u>	<u>206,723</u>
<b>Equity at 31 December</b>	<u>13,751,721</u>	<u>12,139,026</u>	<u>12,788,553</u>

*The above Statement of Changes in Equity should be read in conjunction with the ac 21 - 23*

## Blind and Low Vision Education Network NZ

### Statement of Financial Position

As at 31 December 2019

	Notes	2019 Actual	2019 Budget	2018 Actual
		\$	(Unaudited) \$	\$
<b>Current Assets</b>				
Cash and cash equivalents	12	1,707,136	1,994,427	7,131,473
Accounts receivable	13	1,237,045	1,312,255	1,312,255
GST Receivable		65,364	108,990	108,990
Prepayments		127,980	81,153	81,153
Inventories	14	3,020	2,008	2,008
Investments	15	8,952,452	2,626,043	2,626,043
		12,092,997	6,124,876	11,261,922
<b>Current Liabilities</b>				
Accounts payable	17	1,053,760	910,467	910,467
Revenue received in advance	18	70,562	34,309	34,309
Provision for cyclical maintenance	19	150,118	-	-
Lease liability	20	71,149	61,185	61,185
		1,345,589	1,005,961	1,005,961
<b>Working Capital Surplus or (Deficit)</b>		10,747,408	5,118,915	10,255,961
<b>Non-current Assets</b>				
Property, plant and equipment	16	3,062,605	7,250,997	2,745,959
		3,062,605	7,250,997	2,745,959
<b>Non-current Liabilities</b>				
Finance Lease term liability	20	58,292	80,130	80,130
Provision for cyclical maintenance	19	-	150,756	133,237
		58,292	230,886	213,367
		21 - 23		
<b>Net Assets</b>		13,751,721	12,139,026	12,788,553
<b>Equity</b>		13,751,721	12,139,026	12,788,553
		(0)	0	1

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

## Blind and Low Vision Education Network NZ Statement of Cash Flows

For the year ended 31 December 2019

	Note	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		8,571,452	8,101,216	8,169,950
Locally Raised Funds		287,839	255,113	156,903
Goods and Services Tax (net)		(43,626)	-	65,685
Payments to Employees		(3,706,177)	(4,333,151)	(3,495,965)
Payments to Suppliers		(3,753,326)	(4,303,254)	(3,746,897)
Interest Paid		(12,882)	(9,747)	(12,848)
Interest Received		312,685	240,000	314,151
<b>Net cash from / (to) the Operating Activities</b>		<b>1,655,965</b>	<b>(49,823)</b>	<b>1,450,979</b>
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of PPE (and Intangibles)		-	-	-
Purchase of PPE (and Intangibles)		(732,833)	(5,026,038)	(474,543)
Proceeds from Sale of Investments		-	-	3,475,328
Purchase of Investments		(6,326,409)	-	-
<b>Net cash from / (to) the Investing Activities</b>		<b>(7,059,242)</b>	<b>(5,026,038)</b>	<b>3,000,785</b>
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		32,624	-	-
Finance Lease Payments		(53,684)	(61,185)	(43,811)
<b>Net cash from Financing Activities</b>		<b>(21,060)</b>	<b>(61,185)</b>	<b>(43,811)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(5,424,337)</b>	<b>(5,137,046)</b>	<b>4,407,953</b>
	21 - 23			
Cash and cash equivalents at the beginning of the year	12	7,131,473	7,131,473	2,723,520
<b>Cash and cash equivalents at the end of the year</b>	12	<b>1,707,136</b>	<b>1,994,427</b>	<b>7,131,473</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 omitted.

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

## Blind and Low Vision Education Network NZ

### Notes to the Financial Statements

#### 1. Statement of Accounting Policies

For the year ended 31 December 2019

##### a) Reporting Entity

Blind and Low Vision Education Network NZ (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 PBE Accounting standards (PBE IPSAS) 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 30 .

###### *PBE Accounting Standards Reduced Disclosure Regime*

The school qualifies for Tier 2 as the school is not publically 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 16.

###### *Critical Judgements in applying accounting policies*

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

###### *Classification of leases*

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 20.

###### *Recognition of grants*

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



## **Blind and Low Vision Education Network NZ**

### **Notes to the Financial Statements**

#### **c) Revenue recognition**

##### ***Government grants schools***

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

#### **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.

## Blind and Low Vision Education Network NZ

### Notes to the Financial Statements

#### 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 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.

#### 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. Thus the fair value of the inventory is determined based on the cost at time of purchase. The 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 are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance.

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 bank term deposits are measured at amortised cost using the effective interest method less impairment.

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

The school has met the requirements under section 73 of the Education Act 1989 in relation to the acquisition of securities.

## Blind and Low Vision Education Network NZ

### Notes to the Financial Statements

#### k) Property, Plant and Equipment

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

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

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

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

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

#### Leased assets

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

#### Depreciation

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

The estimated useful lives of the assets are:

Building improvements – Crown	10-75 years
Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	4 years
Library resources	12.5% Diminishing value

## **Blind and Low Vision Education Network NZ**

### **Notes to the Financial Statements**

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

Blind and Low Vision Education Network NZ (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 (international, hostel 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. The school holds sufficient funds to enable the funds to be used for their intended purpose at any time.

#### **q) Shared Funds**

Shared Funds are held on behalf of participating schools within a cluster of schools. The school holds sufficient funds to enable the funds to be used for their intended purpose.

## **Blind and Low Vision Education Network NZ**

### **Notes to the Financial Statements**

#### **r) Provision for Cyclical Maintenance**

The property from which the school operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. The Board is responsible for maintaining the land, buildings and other facilities on the school site in a state of good order and repair.

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

#### **s) 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, funds held on behalf of the Ministry of Education, 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.

#### **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**

	<b>2019</b>	<b>2019</b>	<b>2018</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
		<b>(Unaudited)</b>	
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Operational grants	1,157,695	910,656	1,340,913
MOE Residential grant	1,819,405	1,819,402	1,790,751
MOE Resource Teachers of Vision Impairment grant	1,431,318	1,434,795	901,526
MOE Vision & Sensory Resource Centre grant	812,902	845,243	652,981
MOE Teachers salaries grant	10,407,401	9,500,000	9,507,797
Special Education Grants/ORS	657,952	626,214	1,187,563
MOE Document of Accountability Board Support	15,729	15,729	15,482
MOE Document of Accountability Assessment/Training	820,956	820,956	808,028
Regional Specialist Services	1,174,567	1,155,548	1,155,548
Use of land and buildings grant	2,360,028	1,696,984	2,386,322
Other government grants	532,323	472,673	524,835
	<u>21,190,276</u>	<u>19,298,200</u>	<u>20,271,746</u>

**3 Local Fundraising**

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

	<b>2019</b>	<b>2019</b>	<b>2018</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
		<b>(Unaudited)</b>	
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Donations	7,380	500	1,080
Fundraising	42,354	42,750	51,883
Activities	21,299	27,130	20,808
Trading	122,398	184,733	157,129
	<u>193,431</u>	<u>255,113</u>	<u>230,900</u>
<b>Expenses</b>			
Fundraising (costs of raising funds)	-	-	-1,718
Trading	47,277	172,883	105,042
	<u>47,277</u>	<u>172,883</u>	<u>103,324</u>
<b>Net Surplus for the year Lc 21 - 23</b>	<u>146,154</u>	<u>82,230</u>	<u>127,576</u>

**4 Learning Resources - Day School**

	<b>2019</b>	<b>2019</b>	<b>2018</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
		<b>(Unaudited)</b>	
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Curricular	32,629	42,717	26,362
Equipment repairs	5,592	7,000	5,099
Employee benefits - salaries	10,519,356	9,629,802	9,616,045
Staff development	4,187	8,000	3,970
	<u>10,561,764</u>	<u>9,687,519</u>	<u>9,651,476</u>

**5 Learning Resources - ORS**

	<b>2019</b>	<b>2019</b>	<b>2018</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
		<b>(Unaudited)</b>	
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Curricular	220,720	248,185	194,001
Equipment repairs	393	1,000	1,801
Employee benefits - salaries	330,013	376,029	312,295
Staff development	123	1,000	351
	<u>551,249</u>	<u>626,214</u>	<u>508,448</u>

**6 Learning Resources - Residential**

	<b>2019 Actual</b>	<b>2019 Budget (Unaudited)</b>	<b>2018 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Curricular	288,211	330,489	269,358
Equipment repairs	850	3,750	3,143
Employee benefits - salaries	847,019	980,452	814,281
Staff development	4,826	22,000	4,290
	<hr/> 1,140,906	<hr/> 1,336,691	<hr/> 1,091,072

**7 Learning Resources - National Services**

	<b>2019 Actual</b>	<b>2019 Budget (Unaudited)</b>	<b>2018 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Curricular	1,397,789	1,567,807	1,432,101
Equipment repairs	6,809	8,950	4,597
Employee benefits - salaries	1,721,748	2,142,166	1,610,176
Staff development	525,793	594,500	381,571
	<hr/> 3,652,139	<hr/> 4,313,423	<hr/> 3,428,445

**8 Learning Resources - Vision Resource Centres**

	<b>2019 Actual</b>	<b>2019 Budget (Unaudited)</b>	<b>2018 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Curricular	19,476	9,500	1,131
Employee benefits - salaries	4,807	7,610	5,132
Staff development	310	400	458
	<hr/> 24,593	<hr/> 17,510	<hr/> 6,721

**9 Administration**

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
	\$	\$	\$
Audit Fees	9,745	9,745	9,462
Board of Trustees fees	7,040	9,500	9,242
Board of Trustees expenses	62,384	68,500	47,613
Communication	443,783	502,080	395,815
Consumables	19,621	15,000	7,065
Operating Leases	598	10,600	8,253
Legal Fees	1,442	2,000	1,524
Other	311,168	365,334	320,977
Employee benefits - salaries	473,662	489,362	435,069
Insurance	3,716	3,758	3,143
Service providers, Contractors, and Consultancy	31,382	32,042	30,354
	<u>1,364,541</u>	<u>1,507,921</u>	<u>1,268,517</u>

**10 Property**

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	39,632	40,500	34,025
Cyclical Maintenance Expense	16,881	17,518	12,115
Grounds	10,877	15,200	14,912
Heat, Light and Water	186,911	191,000	176,095
Rates	10,938	11,500	10,522
Repairs and Maintenance	70,563	57,500	70,270
Use of Land and Buildings	2,360,028	1,696,984	2,386,322
Security	8,194	12,000	11,271
Employee Benefits - Salaries	197,288	207,730	199,000
Property Rental	7,761	-	10,541
	<u>2,909,073</u>	<u>2,249,932</u>	<u>2,925,073</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.

**11 Depreciation**

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
	\$	\$	\$
Building improvements - Crown only	68,102	67,699	67,699
Furniture and equipment	213,424	342,074	202,220
Information and communication technology	133,244	106,327	106,327
Leased assets	78,255	-	62,436
Motor vehicles	5,269	4,900	4,900
	<u>498,294</u>	<u>521,000</u>	<u>443,582</u>



**12 Cash and Cash Equivalents**

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
	\$	\$	\$
Cash on hand	3,935	1,913	1,913
Bank Current account	1,252,362	984,467	749,090
Bank Call account	450,839	1,008,047	837,744
Short-term bank deposits with a maturity of three months or less	-	-	5,542,726
Net cash and cash equivalents for cashflow statement	<u>1,707,136</u>	<u>1,994,427</u>	<u>7,131,473</u>

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

Of the \$1,707,136 in the School's funds, \$206,549 is held on behalf of Homai Special Funds (2018: \$206,723)

**13 Accounts Receivable**

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
	\$	\$	\$
Debtors	29,800	87,955	87,955
Receivables from the Ministry of Education	44,601	46,922	46,922
Interest accrued	40,123	38,309	38,309
Staffing Banking underusage	320,917	458,827	458,827
Teacher salaries grant	801,604	680,242	680,242
	<u>1,237,045</u>	<u>1,312,255</u>	<u>1,312,255</u>
Receivables from Exchange transactions	40,123	38,309	38,309
Receivables from non-exchange transactions	1,196,922	1,273,946	1,273,946
	<u>1,237,045</u>	<u>1,312,255</u>	<u>1,312,255</u>

**14 Inventories**

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
	\$	\$	\$
Assessment Stock	3,020	2,008	2,008

**15 Investments**

The school's investment activities are classified as follows

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
	\$	\$	\$
Current Assets			
Short-term bank deposits with maturities greater than three months and no greater than one year.	8,952,452	2,626,043	2,626,043
Non-current Asset			
Long-term bank deposits with maturities greater than one year	-	-	-

The carrying value of long term deposits longer than 12 months approximates their fair value at 31 December 2019.

**16 Property, Plant and Equipment**

	Opening Balance(NBV)	Additions	Disposals	Impairment	Depreciation	Total(NBV)
	\$	\$	\$	\$	\$	\$
<b>2019</b>						
Building improvements	1,112,747	3,766		-	(68,102)	1,048,411
Furniture and equipment	1,047,177	570,992	(2,387)	-	(213,424)	1,402,358
Information and communication technology	435,650	180,690	(4,149)	-	(133,244)	478,947
Leased assets	124,779	62,115		-	(78,255)	108,639
Motor Vehicles	25,606	3,913	-	-	(5,269)	24,250
Balance at 31 December 2019	<u>2,745,959</u>	<u>821,476</u>	<u>(6,536)</u>	<u>-</u>	<u>(498,294)</u>	<u>3,062,605</u>

**2019**

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
Building improvements	1,364,314	(315,903)	1,048,411
Furniture and equipment	3,312,193	(1,909,835)	1,402,358
Information and communication technology	1,018,977	(540,030)	478,947
Leased Assets	265,302	(156,663)	108,639
Motor Vehicles	72,786	(48,536)	24,250
Balance at 31 December 2019	<u>6,033,572</u>	<u>(2,970,967)</u>	<u>3,062,605</u>

	Opening Balance(NBV)	Additions	Disposals	Impairment	Depreciation	Total(NBV)
	\$	\$	\$	\$	\$	\$
<b>2018</b>						
Building improvements	1,151,932	28,514	-	-	(67,699)	1,112,747
Furniture and equipment	1,047,318	204,841	(2,762)	-	(202,220)	1,047,177
Information and communication technology	306,224	241,188	(5,435)	-	(106,327)	435,650
Leased Assets	105,681	81,828	(294)	-	(62,436)	124,779
Motor Vehicles	30,506	-	-	-	(4,900)	25,606
Balance at 31 December 2018	<u>2,641,661</u>	<u>556,371</u>	<u>(8,491)</u>	<u>-</u>	<u>(443,582)</u>	<u>2,745,959</u>

**2018**

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
Building improvements	1,360,548	(247,801)	1,112,747
Furniture and equipment	2,759,532	(1,712,355)	1,047,177
Information and communication technology	854,905	(419,255)	435,650
Leased Assets	239,025	(114,246)	124,779
Motor Vehicles	68,873	(43,267)	25,606
Balance at 31 December 2018	<u>5,282,883</u>	<u>(2,536,924)</u>	<u>2,745,959</u>

**17 Accounts Payable**

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
	\$	\$	\$
Operating Creditors	150,714	107,247	107,247
Accruals	6,745	8,596	8,596
Employee benefits - salaries accrual	801,604	680,242	680,242
Employee benefits - leave accrual	94,697	114,382	114,382
	<u>1,053,760</u>	<u>910,467</u>	<u>910,467</u>
Payable for exchange transactions	157,459	115,843	115,843
Payables for non-exchange transactions - other	896,301	794,624	794,624
	<u>1,053,760</u>	<u>910,467</u>	<u>910,467</u>

The carrying value of payables approximates their fair value.

**18 Revenue received in advance**

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
	\$	\$	\$
Doherty Fund	97	-	97
Other fees received in advance	70,465	34,309	34,212
	<u>70,562</u>	<u>34,309</u>	<u>34,309</u>

**19 Cyclical Maintenance**

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
	\$	\$	\$
Provision as the start of the year	133,237	133,237	121,122
Increase to the provision during the year	16,881	17,518	12,115
Use of the provision during the year	-	-	-
Provision as the end of the year	<u>150,118</u>	<u>150,755</u>	<u>133,237</u>
Cyclical maintenance - Current	150,118	-	-
Cyclical maintenance - Term	-	150,755	133,237
	<u>150,118</u>	<u>150,755</u>	<u>133,237</u>

The board has a cash management plan to ensure that sufficient cash is available to meet all maintenance obligations as they fall due over the next 10 years. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligations as at 31 December 2019. Present obligations are identified in the school's current 10 year property plan approved by the Ministry of Education. The provision has not been adjusted for inflation and the effect of the time value of money.

**20 Finance Lease Liability**

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

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
	\$	\$	\$
No Later than One Year	71,149	61,185	61,185
Later than One Year and no Later than Five Years	58,292	80,130	80,130
Later than Five Years	-	-	-
	<u>129,441</u>	<u>141,315</u>	<u>141,315</u>

**21 Funds Held for Capital Works Projects**

During the year the School did not receive or apply funding from the Ministry of Education for capital works projects. (2018:Nil).

## 22 Related Party Transactions

The School have a contract with Homai Early Childhood Education Centre to provide services. The value of this contract is \$18,830 excl GST (2018: \$18,829 excl GST)

The School receive the grant for Homai Early Childhood Education Centre, and pay it out to the Centre when received. The school paid out \$175,915 during 2019. (2018: \$173,144)

The school is an entity controlled by 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 withing 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.

## 23 Remuneration

### Key management personnel compensation

Key management personnel of the school include all trustees of the board, principal, deputy principals and head of departments

	2019	2018
	Actual	Actual
	\$	\$
<i>Board members</i>		
Remuneration	7,040	9,242
Full-time Equivalent members	0.15	0.21
<i>Leadership team</i>		
Remuneration	403,266	460,383
Full-time equivalent members	3.37	4.00
	3.52	4.21
	410,306	469,625

The full time equivalent of 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	2018
	Actual	Actual
	\$000	\$000
Salaries and other short tem employee benefits:		
Salary and other payments	160-170	150-160
Benefits and other emoluments	0 - 10	0 - 10
Termination benefits	-	-

### Other Employees

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

Remuneration	2019	2018
\$000	FTE number	FTE number
100-110	5	3
110-120	2	1
	7	4

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

**24 Compensation and other Benefits upon leaving**

The total value of compensation or other benefits paid or payable to persons who ceased to be trustees, committee members, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was as follows:

	2019 Actual	2018 Actual
Total value	-	-
Number of people	-	-

**25 Contingencies**

There were no contingent assets or liabilities as at 31 December 2019. (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, however the potential impact on any specific school or individual and any associated historical liability will not be known until further detailed analysis has been completed.

**26 Commitments**

**(a) Capital Commitments**

The school has committed to spend \$5.4m in 2020 on the upgrade of the swimming pool building and hoist equipment. The Ministry has approved funding for this project.

(Capital commitments at 31 December 2018: the school has committed to spend \$133,000 for the purchase of a generator, \$45,000 for the purchase of furniture and \$16,078 for the purchase of lundia shelving. The school has also committed to spend \$3.68m in 2019 on the upgrade of the swimming pool building. The Ministry has approved funding for this project. Tender procedures have not yet been initiated.)

**(b) Operating Commitments**

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

(a) Teacher laptops

(b) Vehicles

	2019 Actual \$	2018 Actual \$
No later than one year	-	44,199
Later than one year and no later than five years	-	-
	<u>-</u>	<u>44,199</u>

## 27 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.

## 28 Financial Instruments

The carrying amount of financial assets and liabilities in each of the financial instruments 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	1,707,136	1,994,427	7,131,473
Receivables	1,237,045	1,312,255	1,312,255
Investments - Term deposits	8,952,452	2,626,043	2,626,043
Total Cash and Receivables	<u>11,896,633</u>	<u>5,932,725</u>	<u>11,069,771</u>

### Financial liabilities measured at amortised cost

Payables	1,053,760	910,467	910,467
Finance leases	129,441	141,315	141,315
Total financial liabilities measured at amortised cost	<u>1,183,201</u>	<u>1,051,782</u>	<u>1,051,782</u>

## 29 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.

On 23 August 2019 the Trustees resolved to wind up Homai Early Childhood Centre Education Trust with effect from 1 January 2020 and that the net assets (\$424,916) would be transferred to BLENNZ in line with the requirements of the Trust Deed.

Homai Early Childhood Centre Education Trust will no longer operate as an Early Childhood Centre.

The Facilities will be used as a base for professional learning, parent education and staff development. All staff have been transferred from Homai to BLENNZ, effective 1 January 2020.

## 30 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 13 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 15 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.

## Independent Auditor's Report

# To the Readers of Blind and Low Vision Education's Financial Statements

## For the Year Ended 31 December 2019

The Auditor-General is the auditor of Blind and Low Vision Education Network NZ (the School). The Auditor-General has appointed me, Darren Wright, using the staff and resources of William Buck Audit (NZ) 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 20, 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 PBE Accounting Standards (PBE IPSAS) Reduced Disclosure Regime.

Our audit was completed on 29 May 2020. This is the date at which our opinion is expressed.

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

### Emphasis of Matter – COVID-19

Without modifying our opinion, we draw attention to the disclosures in note 29 on page 20 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.

**ACCOUNTANTS & ADVISORS**  
Level 4, 21 Queen Street  
Auckland 1010, New Zealand  
PO Box 106 090  
Auckland 1143, New Zealand  
Telephone: +64 9 366 5000  
**williambuck.co.nz**

William Buck Audit (NZ) Limited

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 information included in the annual report being the Kiwisport Report, the Members of the Board of Trustees and the Analyses of Variance, but does not include the financial statements, and our auditor's report thereon.

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

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

### **Independence**

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the School.

A handwritten signature in black ink, appearing to read 'D. Wright'.

**Darren Wright**  
**William Buck Audit (NZ) Limited**  
On behalf of the Auditor-General  
Auckland, New Zealand