



SOUTHERN CROSS CAMPUS

2017 Annual Report

And

Financial Statements

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Southern Cross Campus

Statement of Responsibility

For the year ended 31 December 2017

The Board of Trustees (the Board) has pleasure in presenting the annual report of Southern Cross Campus incorporating the financial statements and the auditor's report, for the year ended 31 December 2017.

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2017 fairly reflects the financial position and operations of the school.

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

PETER PARRUSSINI

Peter Parrussini

Robin Staples

Robin Staples

[Signature]

Signature of Board Chairperson

[Signature]

Signature of Principal

2 July 2018

Date:

2/7/2018

Date:

Southern Cross Campus

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Revenue				
Government Grants	2	13,089,540	12,942,036	12,433,324
Locally Raised Funds	3	426,744	431,440	604,726
Interest Earned		68,628	85,000	76,851
Gain on Sale of Property, Plant and Equipment		-	-	-
Trades Academy	4	1,105,000	1,117,000	1,061,050
		<u>14,689,911</u>	<u>14,575,476</u>	<u>14,175,951</u>
Expenses				
Locally Raised Funds	3	294,815	176,500	297,882
Trades Academy	4	1,113,579	1,117,000	1,072,880
Learning Resources	5	10,130,335	9,878,341	9,445,973
Administration	6	887,072	1,076,103	945,121
Property	7	2,291,222	2,273,787	1,915,236
Depreciation	8	486,218	362,000	459,553
Loss on Disposal of Property, Plant and Equipment		10,727	-	7,897
		<u>15,213,968</u>	<u>14,883,731</u>	<u>14,144,542</u>
Net Surplus / (Deficit)		(524,057)	(308,255)	31,409
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(524,057)</u>	<u>(308,255)</u>	<u>31,409</u>

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

Southern Cross Campus
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2017

	Notes	Actual 2017 \$	Budget (Unaudited) 2017 \$	Actual 2016 \$
Balance at 1 January		3,854,653	3,501,255	3,747,527
Total comprehensive revenue and expense for the year		(524,057)	(308,255)	31,409
Contributions				
MoE Contribution - Furniture and Equipment Grant		373,047	300,000	75,717
Equity at 31 December 2017		3,703,643	3,493,000	3,854,653

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

Southern Cross Campus Statement of Financial Position

As at 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Current Assets				
Cash and Cash Equivalents	9	1,076,590	1,288,000	1,374,601
Accounts Receivable	10	818,023	428,000	818,073
GST Receivable		100,881	87,000	89,077
Prepayments		49,584	40,000	33,372
Inventories	11	41,787	17,000	38,376
Investments	12	1,128,154	1,200,000	1,080,865
Funds held for Capital Works Projects	19	251,671	-	225,410
		<u>3,466,690</u>	<u>3,060,000</u>	<u>3,659,774</u>
Current Liabilities				
Accounts Payable	14	1,083,037	1,101,000	1,174,781
Funds held on behalf of third parties	15	142,364	-	75,193
Provision for Cyclical Maintenance	16	20,412	36,000	-
Finance Lease Liability - Current Portion	17	102,115	20,000	44,208
Funds for RTLB services	20	69,094	70,000	154,699
		<u>1,417,023</u>	<u>1,227,000</u>	<u>1,448,881</u>
Working Capital Surplus or (Deficit)		2,049,668	1,833,000	2,210,893
Non-current Assets				
Property, Plant and Equipment	13	2,182,034	2,000,000	2,053,675
		<u>2,182,034</u>	<u>2,000,000</u>	<u>2,053,675</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	16	317,947	300,000	349,835
Finance Lease Liability	17	210,112	40,000	60,080
		<u>528,059</u>	<u>340,000</u>	<u>409,915</u>
Net Assets		<u><u>3,703,643</u></u>	<u><u>3,493,000</u></u>	<u><u>3,854,653</u></u>
Equity		<u><u>3,703,643</u></u>	<u><u>3,493,000</u></u>	<u><u>3,854,653</u></u>

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

Southern Cross Campus Cash Flow Statement

For the year ended 31 December 2017

		2017	2017	2016
	Note	Actual \$	Budget (Unaudited) \$	Actual \$
Cash flows from Operating Activities				
Government Grants		4,368,253	4,400,000	4,410,631
Locally Raised Funds		1,474,502	600,000	604,522
Trades Academy		-	1,100,000	1,060,950
Goods and Services Tax (net)		(12,136)	(60,000)	(51,583)
Payments to Employees		(2,807,673)	(2,800,000)	(2,604,093)
Payments to Suppliers		(3,050,253)	(3,260,601)	(3,076,919)
Interest Paid		-	-	-
Interest Received		76,315	80,000	88,053
Funds Administered on Behalf of Third Parties		18,240	-	28,526
Net cash from / (to) the Operating Activities		67,249	59,399	460,087
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		12,673	-	-
Purchase of PPE (and Intangibles)		(373,274)	(106,000)	(480,761)
Purchase of Investments		(47,289)	(400,000)	-
Proceeds from Sale of Investments		-	-	461,231
Net cash from / (to) the Investing Activities		(407,890)	(506,000)	(19,530)
Cash flows from Financing Activities				
Furniture and Equipment Grant		373,062	300,000	75,717
Finance Lease Payments		(56,892)	60,000	(90,571)
Funds held for capital works projects		(273,540)	-	-
Net cash from Financing Activities		42,630	360,000	(14,854)
Net increase/(decrease) in cash and cash equivalents		(298,011)	(86,601)	425,703
Cash and cash equivalents at the beginning of the year	9	1,374,601	1,374,601	948,898
Cash and cash equivalents at the end of the year	9	1,076,590	1,288,000	1,374,601

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.

Southern Cross Campus

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2017

a) Reporting Entity

Southern Cross Campus (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 2017 to 31 December 2017 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

The Education Act 1989 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying 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".

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 judgments, 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.

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 17.

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.

c) Revenue Recognition

Government Grants

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

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

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.

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

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.

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 28 of schedule 6 of the Education Act 1989 in relation to the acquisition of securities.

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 \$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.

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	20 years
Furniture and equipment	13 years
Information and communication technology	4 years
Motor vehicles	5 years
Textbooks	4 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value

l) Intangible Assets

Software costs

Computer software acquired by the School is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software licences with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software that the school receives from the Ministry of Education is normally acquired through a non-exchange transaction and is not of a material amount. It's fair value can be assessed at time of acquisition if no other methods lead to a fair value determination. Computer software purchased directly from suppliers at market rates are considered exchange transactions and the fair value is the amount paid for the software.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

m) Impairment of property, plant, and equipment and intangible assets

Southern Cross Campus 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.

n) 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.

o) 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, and annual leave earned to but not yet taken at balance date.

p) Revenue Received in Advance

Revenue received in advance relates to fees received from grants received where there are unfulfilled obligations for the School to provide services in the future.

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 at any time.

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

t) Borrowings

Borrowings are recognised at the amount borrowed. Borrowings are classified as current liabilities unless the School has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

u) 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 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.

v) Budget Figures

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

w) 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

2. Government Grants

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Operational grants	3,509,952	3,558,057	3,553,711
Teachers' salaries grants	7,450,338	7,247,869	7,115,753
Use of Land and Buildings grants	1,281,219	1,281,219	911,658
Resource teachers learning and behaviour grants	35,247	35,800	16,559
Other MoE Grants	491,199	385,611	528,542
Other government grants	321,583	433,480	307,101
	13,089,540	12,942,036	12,433,324

3. Locally Raised Funds

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

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Revenue			
Donations & Other Contributions	27,957	56,700	195,752
Fundraising	16,348	7,000	-
Activities	328,543	346,240	354,815
Other revenue+ TA Recoveries	44,772	4,000	4,311
Trading	6,102	3,000	46,717
Student Contributions	3,021	14,500	3,131
	426,744	431,440	604,726
Expenses			
Activities	289,586	176,500	229,424
Trading	5,229	-	51,899
Other Fund Costs	-	-	16,559
	294,815	176,500	297,882
Surplus for the year Locally raised funds	131,929	254,940	306,844

4. Trades Academy Revenue and Expenses

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	Number	Number	Number
Trades Academy Students	90	90	90
	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Revenue			
Operational Grant	1,105,000	1,117,000	1,061,050
	1,105,000	1,117,000	1,061,050
Expenses			
Administration	70,447	84,500	75,978
Depreciation	37,342	40,100	33,639
Resources and Training Costs	205,556	192,400	170,079
Employee Benefits - Salaries	799,989	800,000	792,540
Professional Development	246	-	643
	1,113,579	1,117,000	1,072,880
Surplus (Deficit) for the year Trades Academy	(8,579)	-	(11,830)

5. Learning Resources

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Curricular	351,241	359,870	303,074
Equipment Repairs	25,287	42,500	35,046
Information and Communication Technology	121,914	111,000	108,057
Extra-curricular Activities	17,110	19,100	41,583
Library Resources	2,619	7,000	4,764
Employee Benefits - Salaries	9,442,579	9,154,706	8,781,967
Resource/Attached Teacher Costs	80,474	84,840	74,775
Staff Development	89,112	99,325	96,707
	<u>10,130,335</u>	<u>9,878,341</u>	<u>9,445,973</u>

6. Administration

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Audit Fee	16,760	15,000	13,690
Board of Trustees Fees	3,420	5,000	4,785
Board of Trustees Expenses	11,126	18,050	11,800
Communication	34,763	36,450	33,077
Consumables	32,453	34,800	28,600
Operating Lease	33,903	68,512	37,913
Legal Fees	-	-	1,545
Postage	8,428	4,300	9,935
Other	50,481	97,500	101,172
Employee Benefits - Salaries	624,081	712,291	637,096
Insurance	71,655	84,200	60,159
Service Providers, Contractors and Consultancy	-	-	5,349
	<u>887,072</u>	<u>1,076,103</u>	<u>945,121</u>

7. Property

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	28,220	25,950	24,600
Contracts & Obligations	351,804	339,300	370,608
Cyclical Maintenance Provision	28,964	20,000	(2,764)
Grounds	46,254	50,600	56,647
Heat, Light and Water	184,906	165,000	165,441
Water Rates	59,984	40,000	51,603
Repairs and Maintenance	103,145	114,018	113,520
Use of Land and Buildings - Non-Integrated	1,281,219	1,281,219	911,658
Security	41,392	47,000	44,700
Employee Benefits - Salaries	165,334	190,700	179,223
	<u>2,291,222</u>	<u>2,273,787</u>	<u>1,915,236</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.

8. Depreciation of Property, Plant and Equipment

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Building Improvements - Crown	52,388	42,500	45,652
Furniture and Equipment	129,873	130,000	147,596
Information and Communication Technology	237,130	151,000	199,621
Motor Vehicles	13,386	10,500	13,386
Textbooks	12,922	10,000	12,188
Leased Assets	69,025	50,000	71,927
Library Resources + Art works	8,835	3,000	2,822
	<u>523,560</u>	<u>397,000</u>	<u>493,192</u>
Depreciation in Trades Academy	<u>(37,342)</u>	<u>(35,000)</u>	<u>(33,639)</u>
	<u>486,218</u>	<u>362,000</u>	<u>459,553</u>

9. Cash and Cash Equivalents

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Cash on Hand	2,000	3,000	3,000
Bank Current Account	34,955	35,000	40,007
Bank Call Account	289,635	350,000	331,594
Short-term Bank Deposits with a Maturity of Three Months or Less	750,000	900,000	1,000,000
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	1,076,590	1,288,000	1,374,601

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

10. Accounts Receivable

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Debtors	117,734	160,000	157,631
Debtor Ministry of Education	36,907	-	-
Interest Accrued	9,860	18,000	17,547
Teacher Salaries Grant Receivable	653,522	250,000	642,893
	818,023	428,000	818,071
Receivables from Exchange Transactions	117,734	178,000	175,178
Receivables from Non-Exchange Transactions	700,289	250,000	642,893
	818,023	428,000	818,071

11. Inventories

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Stationery	2,457	2,000	2,457
School Uniforms	6,303	15,000	25,104
General stock	33,028	-	10,815
	41,787	17,000	38,376

12. Investments

The School's investment activities are classified as follows:

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits with Maturities Greater than Three Months and No Greater than One Year	1,128,154	1,200,000	1,080,865

13. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2017						
Building Improvements	337,758	36,617	-	-	(52,388)	321,987
Furniture and Equipment	1,013,990	206,081	(6,148)	-	(129,873)	1,084,050
Information and Communication Technology	441,200	114,302	(6,525)	-	(237,130)	311,847
Motor Vehicles	27,043	-	-	-	(13,386)	13,657
Textbooks	53,215	7,133	-	-	(12,922)	47,426
Leased Assets	121,941	291,328	-	-	(69,025)	344,244
Library	58,528	9,131	-	-	(8,835)	58,824
Balance at 31 December 2017	2,053,675	664,592	(12,673)	-	(523,560)	2,182,034

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2017			
Building Improvements	907,842	(585,855)	321,987
Furniture and Equipment	2,688,358	(1,606,310)	1,082,048
Information and Communication Technology	1,795,503	(1,483,657)	311,847
Motor Vehicles	130,046	(116,389)	13,657
Textbooks	328,185	(278,757)	49,428
Leased Assets	377,746	(33,502)	344,244
Library	162,446	(103,622)	58,824
Balance at 31 December 2017	6,390,126	(4,208,092)	2,182,034

13. Property, Plant and Equipment (continued)

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2016						
Building Improvements	383,180	9,846	(9,616)	-	(45,652)	337,758
Furniture and Equipment	871,055	290,531	-	-	(147,596)	1,013,990
Information and Communication Technology	501,414	139,996	(589)	-	(199,621)	441,200
Motor Vehicles	40,429	-	-	-	(13,386)	27,043
Textbooks	24,390	41,013	-	-	(12,188)	53,215
Leased Assets	46,034	147,834	-	-	(71,927)	121,941
Library Resources	44,978	21,410	(5,038)	-	(2,822)	58,528
Balance at 31 December 2016	1,911,480	650,630	(15,243)	-	(493,192)	2,053,675

Accumulated Depreciation

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2016			
Building Improvements	871,224	(533,466)	337,758
Furniture and Equipment	2,656,593	(1,642,603)	1,013,990
Information and Communication Technology	2,098,600	(1,657,400)	441,200
Motor Vehicles	130,046	(103,003)	27,043
Textbooks	329,771	(276,558)	53,215
Leased Assets	208,406	(86,465)	121,941
Library Resources	144,595	(86,067)	58,528
Balance at 31 December 2016	6,439,235	(4,385,560)	2,053,675

14. Accounts Payable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operating Creditors	360,181	313,000	321,235
Accruals	47,266	48,000	124,020
Employee Benefits Payable - Salaries	653,522	660,000	643,506
Employee Benefits Payable - Leave Accrual	22,084	80,000	86,020
	<u>1,083,053</u>	<u>1,101,000</u>	<u>1,174,781</u>
Payables for Exchange Transactions	1,083,053	1,101,000	1,174,781
	<u>1,083,053</u>	<u>1,101,000</u>	<u>1,174,781</u>

The carrying value of payables approximates their fair value.

15. Funds held on behalf of third parties

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Funds Held on Behalf of Third Parties	142,364	-	75,193
	<u>142,364</u>	<u>-</u>	<u>75,193</u>

16. Provision for Cyclical Maintenance

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Provision at the Start of the Year	349,835	300,000	359,599
Increase(Decrease) to the Provision During the Year	28,964	36,000	(9,764)
Adjustment to the Provision	-	-	-
Use of the Provision During the Year	(40,440)	-	-
Provision at the End of the Year	<u>338,359</u>	<u>336,000</u>	<u>349,835</u>
Cyclical Maintenance - Current	20,412	36,000	-
Cyclical Maintenance - Term	317,947	300,000	349,835
	<u>338,359</u>	<u>336,000</u>	<u>349,835</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 7 years. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligations at 31 December 2017. 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 time value of money.

17. Finance Lease Liability

The School has entered into a finance lease agreement for copiers/teacher laptops and student PC's. Minimum lease payments payable:

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
No Later than One Year	210,112	20,000	44,208
Later than One Year and no Later than Five Years	102,115	40,000	60,080
	<u>312,227</u>	<u>60,000</u>	<u>104,288</u>

18. Equity

Due to the re-classification of leased assets as at 31st of December 2016 there was a change in the leased asset net book value and lease liabilities brought forward from 2015.

19. Funds Held for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects:

	2017	Opening Balances \$	Receipts from MoE \$	Payments \$	Closing Balances \$
Security Fence Stage 2	<i>complete</i>	(50,861)	-	-	(50,861)
Extra Ordinary works Claim	<i>complete</i>	(62,167)	-	-	(62,167)
Carpet Replacement 2014	<i>complete</i>	(90,423)	-	-	(90,423)
Carpet Replacement 13/14	<i>complete</i>	(27,012)	-	-	(27,012)
Roofing Contract	<i>in progress</i>	15,038	-	(29,044)	(14,006)
Flood Damage	<i>in progress</i>	(9,985)	-	2,783	(7,202)
Totals		<u>(225,410)</u>	<u>-</u>	<u>(26,261)</u>	<u>(251,671)</u>

	2016	Opening Balances \$	Receipts from MoE \$	Payments \$	Closing Balances \$
Security Fence Stage 2	<i>in progress</i>	(50,861)	-	-	(50,861)
Extra Ordinary works Claim	<i>in progress</i>	(62,167)	-	-	(62,167)
Carpet Replacement 2014	<i>in progress</i>	(90,423)	-	-	(90,423)
Carpet Replacement 13/14	<i>in progress</i>	(27,012)	-	-	(27,012)
Roofing Contract	<i>in progress</i>	-	860,000	(844,962)	15,038
Flood Damage	<i>in progress</i>	-	-	(9,985)	(9,985)
Totals		<u>(230,463)</u>	<u>860,000</u>	<u>(854,947)</u>	<u>(225,410)</u>

20. Funds for RTLB Services

Southern Cross Campus is the lead school funded by the Ministry of Education to provide the services of Resource Teachers of Learning and Behaviour to its cluster of schools. This note discloses how the Ministry grant was applied to RTLB services. The note does not reflect (a) RTLB expenditure funded from other sources, or (b) extra staffing entitlements generated for RTLB services.

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Funds held at beginning of the year	(154,699)	-	(102,551)
Revenue			
Administration Grant	(88,839)	(88,839)	(87,962)
Lead School Grant	(9,871)	(9,871)	(9,774)
Travel Grant	(81,110)	(81,110)	(80,565)
Learning Support Funding	(170,011)	(170,011)	(170,011)
Year 11-13 Funding	(89,080)	(89,080)	(89,080)
Other Ministry Grants	(13,561)	(8,261)	(46,458)
Teachers' Salary Grant	(2,137,363)	(1,874,064)	(2,184,628)
	(2,589,835)	(2,321,236)	(2,668,478)
Total funds available	(2,744,534)	(2,321,236)	(2,771,029)
Expenses			
Administration	137,136	162,500	129,960
Travel	43,961	36,500	41,460
Learning Support	218,897	186,964	172,213
Year 11-13	132,174	89,224	75,987
Other Ministry Grants	3,654	-	11,939
Employee Benefit - Salaries	2,139,618	1,874,064	2,184,771
	2,675,440	2,349,252	2,616,330
Purchase of Assets	-	-	7,000
Funds Held at Year End	69,094	(28,016)	154,699

21. Related Party Transactions

The School is a controlled entity of the Crown.

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.

During the year the Principal's wife and the Director of the College's wife were employed by the campus under normal market salary conditions. Mr and Mrs Brown and Mr and Mrs Lakhan are teachers in the College.

Controlled Entities

The school is deemed to have control over Southern Cross Foundation and Trust, both of which has traded during the year. However, the financial results are considered immaterial and have not been consolidated into this financial statements. The entities have utilised the services of the Business Advisory Group (TBAG) of which Nigel Arkell is a director. These transactions were transacted at arm's length, on terms and conditions which are no more favourable had there been no relationship.

22. Remuneration

Key management personnel compensation

Key management personnel of the School include

	2017	2016
	Actual	Actual
	\$	\$
Salaries and Other Short-term Employee Benefits (2017:11 FTE, 2016:11 FTE)	1,189,023	1,182,946
Post-employment Benefits	-	-
Other Long-term Benefits	-	-
Termination Benefits	-	-
	<u>1,189,023</u>	<u>1,182,946</u>

Board of Trustee and Committee Members

The total value of the remuneration disclosed

22. Remuneration (continued)

	2017	2016
	Actual	Actual
	\$	\$
Board of Trustees (0.3 FTEs)	3,245	3,595
Committee Members	175	385
	<u>3,420</u>	<u>3,980</u>

Principal

The total value of remuneration paid or payable to the Principal was in the following bands:

	2017	2016
	Actual	Actual
	\$000	\$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	200-210	190-200
Benefits and Other Emoluments	5 - 6	5 - 6
Termination Benefits	-	-

Other Employees

The number of other employees with remuneration

Remuneration	2017	2016
\$000	FTE Number	FTE Number
110 - 120	2	2
100 - 110	2	1
	<u>4</u>	<u>3</u>

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

23. Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2017
Contingent liabilities and assets at 31 December 2016: nil.

24. Commitments

(a) Capital Commitments

As at 31 December 2017 the Board had no commitments.
(2016 \$60,000)

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 generate a small surplus from year to year.

26. Financial Instruments

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

Loans and receivables

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Cash and Cash Equivalents	1,076,590	1,288,000	1,374,601
Receivables	1,069,694	428,000	818,071
Investments - Term Deposits	1,128,154	1,200,000	1,080,865
Total Loans and Receivables	<u>3,274,438</u>	<u>2,916,000</u>	<u>3,273,537</u>
Financial liabilities measured at amortised cost			
Payables	1,083,053	1,101,000	1,174,781
Finance Leases	312,227	60,000	104,288
Total Financial Liabilities Measured at Amortised Cost	<u>1,395,280</u>	<u>1,161,000</u>	<u>1,279,069</u>

27. Events After Balance Date

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

SOUTHERN CROSS CAMPUS

LAST NAME	FIRST NAME	BOARD POSITION	START DATE
VOTING MEMBERS(TRUSTEES)			
ARKELL	Nigel	Foundation Member	22.05.2010
CHURCH	Anthony	Foundation Member	27.02.2013
FULI	Lotu	Deputy Chairperson/Parent Trustee	06.06.13
HEREWINI	Lynette	Staff Trustee	12.04.2012
PARUSSINI	Peter	Chairperson/Community Trustee	22.03.2011
POLONIATI	Anna	Parent Trustee	27.05.14
STAPLES	Robin	Principal/Board Secretary	25.11.2005
TARAMAI	Dawn	Parent Trustee	13.06.16
VAIOLETI	Malakai	BOT Student Trustee	20.09.16
CONTRIBUTING ADVISORS/MEMBERS OF SUBCOMMITTEES			
LANGLEY	Judith	Financial Controller	
MOSE	Karen	Director Junior School Y1-6	
SIKIMOTU	Granby	Co-opted Advisor	22.05.2011
WAETFORD	Warren	Director College Y7-13	Resigned 10/17
EXECUTIVE ASSISTANT TO ROBIN STAPLES/BOT MINUTE SECRETARY			
RICHARDSON	Melissa	Assistant to Robin Staples BOT Minute Secretary	13.04.11

Statement of Resources

School roll and days open

The school roll at: 1 March 2017 1 March 2016

1503 1572

The school was open for 380 half days in 2017 (2016: 380).

Physical resources

The ownership of the land and buildings that make up the School site is vested in the Ministry of Education. The current Valuation New Zealand valuation of this property is \$34,500,000 (effective 1/10/2008). The Board of Trustees is responsible for the management of the land and buildings under an occupancy agreement with the Ministry. These are made up of:

- 13.5 hectares of land
- Permanent and relocatable classrooms with an attached hall.
- Registry Administration block and other Administration facilities in each school
- Gymnasium, Performing Arts Centre and Auditorium
- A large swimming pool and a learner's pool

Students have access to a wide range of ICT equipment, the infrastructure being upgraded constantly. Approximately 360 computers 172 laptops and 60 iPads connect to the networked computer system.

The School has a range of sports fields, sports and musical equipment.

Human resources

During the year the Ministry approved staffing component was 118.11 full-time teacher equivalents. The Campus also employed 25.77 additional teaching staff and this was made up of:

(2016 109.70 and 29.98 respectively)

	2017	2016
Principal	1	1
Deputy Directors	2	2
Deputy Directors & Associate Directors	6	6
Full time Teachers	107	104
Part time Teachers	4	4
RTLB Teachers	26	26
RTLB Manager	1	1

The Board also employed 56 support staff (48)

	2017	2016
Financial Controller	1	1
Office Administrators	13	13
Nursing Staff	3	3
Library Assistants	2	2
Teacher Aides	25	25
Staff Room Support	0	1
Grounds Men	3	3
Sports Co-ordinator	1	1
Sports Assistant	1	1
Lab Assistant	1	1
Trades Academy	2	2
Guidance Counsellor	2	2
Security Assistants	2	2

Other resources

The Board of Trustees wish to acknowledge the financial support given to Southern Cross Campus by the community and local organisations, and in particular:

- Auckland Rugby Union
- The Business Advisory Group (Mr N Arkell)
- Counties Manukau Sports Foundation
- Duffy Book Foundation
- Harbourside Rotary
- Manukau District Health Board
- McKenzie Trust
- MSA Charitable Trust
- NZ Community Trust
- Rugby League Sports Foundation
- Southern Cross Foundation
- Strive Community Trust
- The Lion Foundation
- The Southern Trust
- The Trillian Trust
- The Uniform Group
- The University of Auckland
- The Values Club
- Youth Town

Chairperson's Annual Report 2017

The 2017 year was challenging for Southern Cross Campus.

While the first stage of the rebuild of the campus should be completed in early 2017, managing the disruption to the school in the past 12 months has been difficult for students and teachers.

Despite assurances from the Ministry of Education no master plan has been completed for the total redevelopment of the campus. This has caused enormous frustration for the school's Board and management team.

Other changes in 2017 included farewelling long serving College Director Warren Waetford. We are really pleased that the gap has been more than ably filled by the recruitment of an outstanding Pasifika educational leader is Maila Alatasi.

Our sports teams and cultural groups again had many successes in the year. Our 1st XIII league side won the New Zealand Secondary Schools Championships for a second year in a row and our girls' rugby 1st XV won the Auckland Secondary Schools Championships.

Our Trades Academy continues to blossom with great partnerships with the private sector including with ARA, a group of employers around Auckland Airport.

By our high standards, our academic results were not as strong in 2017 as they were in previous years. While our years 11, 12 and 13 results plateaued, they are still some of the best nationwide for a state school of our kind.

The changing nature of housing and the economy mean predicting a school roll is difficult for schools in South Auckland. It is no different for Southern Cross Campus. In 2017 our roll was about 1600 students but is likely to continue to fluctuate.

The Board is convinced that if we continue to focus on making Southern Cross Campus a place of high quality education, vocational training and life skills then parents will continue to choose us.

On behalf of the Board I want to particularly thank our teachers and staff for the incredible job they do each day for our students and community. We are lucky to have such professional, dedicated and hard-working people committed to Southern Cross Campus.

The Board also wants to thank parents, caregivers and families for becoming involved with the school and the education of students. This is an important reason for our continued successes.

Peter Parussini

Chairperson

Board of Trustees

Principal's Annual Report 2017

E nga reo, e nga mana, e nga iwi, Tena kotoa, tena kotoa, tena kotoa kotoa
Talofa lava, Malo e Lele, Kia orana, Fakalofa lahi atu, Namaste.
Ki nga mate o te wiki, o te marama, o te tau, Haere, Haere, Haere

I acknowledge the passing of Sir John Graham who passed away during the year – he loved coming to prizegivings with his wife Sheila. He would be proud that we continue to wear our special academic gowns as encouragement to our students – we believe that they can all go on to graduate from a university or an apprenticeship qualification.

Thank you to our Board of Trustees especially our Chairperson – Mr Peter Parussini and Deputy Chair - Lotu Fuli, for your outstanding dedicated leadership. Special thanks to Malachai Vaoleti who has represented students. Thank you to all our Board of Trustees for your vision, support and commitment to Southern Cross Campus.

Thanks also to our Supporters – Great Potentials for the MATES programme, The University of Auckland, Waikato University, AUT University, Auckland Airport & ARA, Woolf Fisher Foundation, Manukau Institute of Technology, Strive Trust, Mangere East Family Centre and the Southern Cross Campus Foundation

Our Junior School continues to be well led by Ms Karen Mose setting a stable, experienced base for our younger students for future learning. Thank you for your hard work, leadership and vision. We farewelled Mr Warren Waetford at the end of term 3 and thank him for his contribution to the Campus as Director of the College.

Thank you to all our hard working, committed senior management, teachers and support staff - fantastic leadership of learning, sport and culture. We are continuing to push our boundaries to establish new curriculum that will give purpose, meaning and cultural foundation for our students. AimHi awards in 2017 go to: Pearl Lene (Outstanding service), Vaainga Ah Mau (Excellent teaching – staff support as a specialist classroom teacher) and Priya Delana (Excellent teaching – curriculum development in science learning in context).

Thank you to parents and supporters for assisting us push on to higher achievements. The rebuilding of SCC is happening. Stage two comprising two new two-storied classroom blocks including administration, gymnasium, staffroom, café and library relocating our main frontage back onto Buckland Road and opening in 2018.

There are three aspects of character I hope we provide: Values, Respect, and Attitude to work

- A belief based on your spiritual values.
- Respect for your fellow human beings – an understanding of good relationships
- Attitude to hard work and the qualification you need to go on from here to make the most of opportunities

All these combined will make our students rise up as good citizens and make our families and community proud.

This year's Year 13s have equalled the new standard set last year with consistent results equalling the best ever results this school has ever achieved – but we again expect that next year the current year 12s will do even better!

It is important to have goals but remember we need to be clear about what we believe, use our own culture to relate to others of different cultures and hope students will work hard to make a difference.

Ina te mahi he Rangitira
By deeds a chief is known

Robin Staples - Principal

Kiwi Sport Annual Report 2017

Yrs 1-6

The Junior School has undertaken a full programme of physical activity and physical education during 2017 funding a variety of events, equipment purchase and development work.

Focus 1: We have participated in the CrackerJack Kids programme, which comes with professional development staff meeting / co-teaching and co planning sessions for individual teachers and teams. We have focused on Invasion games and the provision of a variety of sized balls to allow student selection. We used funding to support the annual membership fee for CrackerJacks of \$2,500. (+ School has continued to covered costs of teacher release for training) Teachers were observed taking the lessons and feedback was given to strengthen further lessons.

We find this programme to be supportive of the teaching knowledge/practice skill set and is designed for primary teachers. With the training support provided it gives the teacher's confidence to get involved with their students as learners and as teachers.

Focus 2: In addition, we have purchased sports / PE equipment for small ball, large ball and striking activities to enable teams of 4 classes to collectively schedule their skills sessions. We participated in the majority of sports codes through the local MOSA primary sports programme paying the annual entry fee (\$500) and sent a number of teams to each code. We have continued to develop Ki o Rahi and rippa rugby and funded equipment for these codes. We have participated in "girls only" workshops days with students who may not necessarily participate in the interzone competition in order to broaden these children's sports opportunity and have a plan in place for ongoing support of this group throughout the year.

Our 3rd focus area has been lunchtime play equipment with a set of balls, skipping ropes, Frisbees and other minor games equipment issued to each of the 23 classes. School based funding has been used to continue to grow the physical activity, physical education and sports programmes to include team uniforms, release for teachers to attend field days and training programmes and to purchase equipment for use across the school in structure PE lesson settings. Our daily fitness programme provides time for daily physical activity and involves the use of mainly skipping ropes and marker cones. The PALs (Physical activity Leaders) programme is designed for older students to support the Y1-2 in their playing of games at lunchtime – equipment purchased has supported the PALs programme 3 days a week through the year.

Karen Mose

Director Junior School.

Yrs 7-8

Kiwisport funding helped to support the delivery of Year 7 and 8 Sport. Engagement of students increased with many students competing in the South West Zone competition and some in the local Netball competition in which we competed in over 7's sporting codes i.e. Tag, Sevens, Rugby, Rugby League, Touch, Softball, Netball. Our Year 7 and 8's also competed in AIMS in Rugby Sevens and Netball.

Quality experiences in 2017 for these students, has led to a positive number of students returning to play in Year 9-2018. Having a lead staff member to oversee the Year 7 & 8 programme was key to student's engagement and the quality experience that was offered.

Yrs 9-13

The Kiwisport funding has been integral to the running of the school Sport Programme for Year 9-13 students in 2017.

The Sport programme works across the many age groups and levels of opportunities provided in our school. Our goals are to develop leadership of staff and students through sport groups across the codes. Levels of participation vary from lunchtime sport, junior & senior levels of participation and elite programme and pathwaying of Premier level students.

In 2017, we had 68 teams involved in sporting competitions. In Rugby, Rugby League, Football, Netball, Touch, Tag, Volleyball, Kilikiti, Basketball. With 4 of our Premier teams involved in winter tournament week - Netball, Basketball, Rugby League, Rugby Girls 1st XV. Our Rugby League team again winning the NZSS Rugby League tournament.

Kiwisport has supported the development of our students in sport, as athletes and young people.

Julie Wharton

Sports Co-ordinator

Independent Auditor's Report

To the readers of Southern Cross Campus School's Financial statements For the year ended 31 December 2017

The Auditor-General is the auditor of Southern Cross Campus School (the School). The Auditor-General has appointed me, Colin Henderson, using the staff and resources of RSM Hayes Audit, 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 2017, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2017; 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 (PBE) Standards Reduced Disclosure Regime.

Our audit was completed on 9 July 2018. This is the date at which our opinion is expressed.

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

Basis of opinion

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

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

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

Responsibilities of the Board of Trustees 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 includes the statement of responsibility, board member list, analysis of variance, kiwisport report, chairperson's report and principal's 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 (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 Southern Cross Campus School.



Colin Henderson
RSM Hayes Audit
On behalf of the Auditor-General
Auckland, New Zealand