



# PUKETAPU SCHOOL

**Annual Report  
and  
Financial Statement  
For the year 2017**

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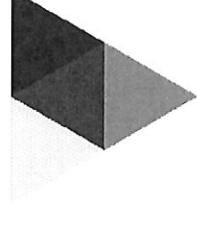
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# Analysis of Variance Reporting



<b>School Name:</b>	Puketapu School (New Plymouth)	<b>School Number:</b>	2223
<b>Strategic Aim:</b>	<p><b>Strategic Aim 3 - Raise Achievement as Māori</b>          Providing a learning environment that enables all Māori akonga to gain the skills, knowledge and dispositions they need to succeed as Māori (Raise Achievement as Māori Target)</p>		
<b>Annual Aim:</b>	<p><b>Annual objective:</b>  <b>Ako</b> - Staff at Puketapu School recognise the need to raise Māori learner academic achievement levels.  <b>Annual objective:</b>          4.2 <b>Improve learning outcomes</b> for students at or above in relation to National Standards for Reading, Writing and Mathematics</p>		
<b>Target:</b>	<p><b>RAISE ACHIEVEMENT AS MĀORI GOAL: Improve learning outcomes</b> for students to get 85% of students at or above in relation to National Standards for Reading, Writing and Mathematics</p>		



MINISTRY OF EDUCATION

Te Tākahi e awhiwhi

## Tātaritanga raraunga

### Baseline Data:

### BASELINE DATA: RAISING ACHIEVEMENT FOR MĀORI 2017

- Reading - 2016 Māori Akonga - 39 / 87 (45%) achieving below the National Standards in Mathematics
- Writing - 2016 Māori Akonga - 44 / 87 (51%) achieving below the National Standards in Mathematics
- Mathematics - 2016 Māori Akonga - 36 / 87 (41%) achieving below the National Standards in Mathematics

<b>Actions</b> <i>What did we do?</i>	<b>Outcomes</b> <i>What happened?</i>	<b>Reasons for the variance</b> <i>Why did it happen?</i>	<b>Evaluation</b> <i>Where to next?</i>
<p>2017 RAISE ACHIEVEMENT AS MĀORI TARGET &amp; PLANNED ACTIONS</p> <p><a href="#">Puketapu School 2017 School Charter</a></p>	<p><b>RAISING ACHIEVEMENT FOR MĀORI - 2017 END OF YEAR DATA</b></p> <p>Reading - All students 60% at or above, <b>Māori Students 46.4% at or above</b>, NZ European 73.6% at or above</p> <p>Writing - All students 53.1% at or above, <b>Māori Students 44.1% at or above</b>, NZ European 61.9% at or above</p> <p>Mathematics - All students 59.9% at or above, <b>Māori Students 49.6% at or above</b>, NZ European 69.5% at or above</p> <p>We increased our partnership with the hapu and iwi in developing an education plan.</p> <ul style="list-style-type: none"> <li>● Goal Setting Hui</li> <li>● Sports Exchanges - Powhiri/Whakatau</li> <li>● Powhiri for new whanau - Term ½</li> <li>● staff are actively attending and supporting Māori students</li> <li>● We've organised whānau hui but have had a low</li> </ul>	<p>We were not successful in achieving our goal of 85% of Māori students achieving at or above National Standards.</p> <p>Why did you get (or not get) the outcomes you thought you would?</p> <p>We had over 100 new enrolments at our school in 2017 with a net gain of 70 students.</p> <p>New principal of 6 months working to change the culture from passive learners to active learners.</p> <p>While we targeted Māori akonga in our TAI's we did not measure the progress as frequently as we should have.</p> <p>Our assessment data needed to have moderation processes.</p> <p>Which strategies worked well and had a significant impact on your progress in achieving your target? Why do you think this was the case?</p>	<p>Based on the outcomes and the reasons for these, what will you do the same/ differently next year?</p> <p>We will always continue to have a partnership with our hapu and iwi in developing education plans and strategies.</p> <p>We will continue with the Māori Achievement Collaborative and bring in our Honouring Te Tiriti Leader into that.</p> <p>What impact is there on current and ongoing teaching practice as a result of the actions taken and the results?</p> <p>There is a continued journey on giving rangatiratanga (ownership of their learning) to the akonga here at school. This will take time with staff and students. This journey of shifting the locus of control has been a work on for our kura for the past two years.</p> <p>What funding/resourceing may be necessary to support identified actions and needs?</p>

<ul style="list-style-type: none"> <li>● attendance</li> <li>● revisit communication processes</li> <li>● we've been supported by new staff members who have a strong knowledge of te reo</li> <li>● the majority of staff actively say our school karakia</li> <li>● e.g staff meetings, syndicate meetings</li> <li>● staff have been involved in two pōwhiri for new students and staff</li> <li>● all new whānau were invited to attend</li> <li>● staff have participated in school exchanges involving pōwhiri</li> <li>● we haven't yet written a tikanga booklet</li> <li>● seniors lead karakia in assembly</li> <li>● Year 7 &amp; 8 noho was held at Muru Raupatu in term 1</li> <li>● All staff enjoyed a historic field trip with local experts to visit Taranaki historic sites</li> <li>● the team have been learning how to create maps about local places and stories</li> <li>● target students have been identified</li> <li>● discussions have been</li> </ul>	<p>In 2017 I believe we have grown cultural capability in our kaiako through our Centrally funded PLD with Jason Ruakere from CORE Education working with our Raising Achievement as Māori PLG, being part of the Māori Achievement Collaborative and participating in CORE Breakfast PLD learning more about Te Tiriti o Waitangi. This led to our kura easily</p> <p>Using local expertise to learn more about our cultural narrative.</p> <p>Which strategies were not effective and had little or no impact in achieving your target? Why do you think this was the case?</p> <p>Talking about things and not actioning in our teaching practice.</p> <p>Not using data to inform our decisions for Māori in our teaching - poor data tracking systems on our MUSAC Student Management System.</p> <p>If we are looking at the qualitative data, the strategies that we used had little or no impact on achieving our target.</p>	<p>We will commit to resourcing release time for TAI for our teams.</p> <p>We will commit funding for our Honouring Te Tiriti PLG to continue their PLD.</p>
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	<p>happening at Learning team meetings each fortnight</p> <ul style="list-style-type: none"> <li>• observations are ongoing by senior leadership</li> <li>• team are generally impressed with their target students progress, particularly around engagement with their whānau</li> <li>• Seesaw has been particularly useful for sharing student progress with whānau we didn't see in our school</li> </ul>	
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## Planning for next year:

### Here are our 2018 Honouring Te Tiriti Strategic Aim and Annual Goals for that aim:

- 3.1) **Wananga** - Staff at Puketapu School can engage with Māori learners, whānau, hapū, iwi and Māori communities in open dialogue about teaching and learning
- 3.2) **Whanaungatanga** - Staff at Puketapu School have respectful working relationships with Māori learners and their whānau, hapū and iwi that enhance Māori learner achievement
- 3.3) **Manaakitanga** - Staff at Puketapu School demonstrate respect for hapū, iwi and Māori culture in curriculum design and delivery processes
- 3.4) **Tangata Whenuatanga** - Staff at Puketapu School actively facilitate the participation of whānau and people with the knowledge of local context, tikanga, history and language to support classroom teaching and learning programmes
- 3.5) **Ako** - Staff at Puketapu consciously plan and uses pedagogy that engages Māori learners and caters for their needs.

With the new government having removed National Standards we are looking at what measures we will have in place to analyse our impact on our Māori akonga.

## Members of the Board of Trustees

The Board of Trustees of Puketapu School is as follows:

<i>Name</i>	<i>Position</i>	<i>How position on Board gained</i>	<i>Occupation</i>	<i>Term Expires</i>
Ngatai Walker	Principal	Appointed July 2016	Principal	
Mike Warring	Chairman	Re-Elected May 2016	Pastor	May 2019
Jo Goldsmith	Parent Rep	Re-elected May 2016	Childcare	May 2019
Mataatua Te Rongopatai	Parent Rep	Re-elected May 2016	Parks Supervisor	May 2019
Angela Bevan	Parent Rep	Elected May 2016	Business Owner	May 2019
Fiona Pearce	Parent Rep	Elected May 2016	Nurse	May 2019
Kellie Minnell	Staff Rep	Elected March 2018	Teacher	May 2019



## Kiwisport Funding

The Kiwisport component of the School's operational grant for 2017 was \$2,928.47.

These funds were spent by the school on resourcing two Learning Assistants to play sport (rugby, TGFU indoor games when wet, basketball, touch rugby, rugby league and ripper rugby) with the students at lunchtime (50 minutes every lunchtime).

We incorporate this with employing a 24/7 Youth Worker on a Thursday and Friday who will also provide sport and games opportunities. We resourced a management unit for one of our teachers to be the Sports Co-ordinator and this has played a good part in developing our teams here at Puketapu School.

We have seen a huge rise in our students playing in the local Bell Block Touch Rugby Competition. We now have 10 teams with over 100 students playing. This has also increased our number of coaches in our school too.

In 2017 as a school we have continued to have the same amount of teams in netball, basketball, inline hockey and indoor netball. We had one combined hockey team also.

In 2018 we will look to continue this strategy of playing sport at morning and lunch playtime as the better the playtime sport is, the better the participation in organised sport.

Thank you for the funding our kura. This putea makes a big difference in the well being of our children inside and outside of school.

Nga mihi

Ngatai Walker

Tumuaki - Puketapu School

# **PUKETAPU SCHOOL**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

School Address: Dillon Drive, Bell Block, NEW PLYMOUTH

School Postal Address: Dillon Drive, Bell Block, NEW PLYMOUTH , 4312

School Phone: 06 755 0973

School Email: [pmartin@puketapu.school.nz](mailto:pmartin@puketapu.school.nz)

Ministry Number: 2223

# PUKETAPU SCHOOL

Financial Statements - For the year ended 31 December 2017

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# Puketapu School

## Statement of Responsibility

For the year ended 31 December 2017

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

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

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

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

Michael Christopher Downing  
Full Name of Board Chairperson

NGATA HENARE WALKER  
Full Name of Principal

M.C.D.  
Signature of Board Chairperson

He  
Signature of Principal

29/05/18  
Date:

29.05.18  
Date:

**Puketapu School**

**Statement of Comprehensive Revenue and Expense**

For the year ended 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Revenue</b>				
Government Grants	2	2,041,393	1,677,649	1,732,072
Locally Raised Funds	3	96,246	29,600	129,699
Interest Earned		8,380	6,000	7,434
Gain on Sale of Property, Plant and Equipment		2,195	-	-
		<u>2,148,214</u>	<u>1,713,249</u>	<u>1,869,205</u>
<b>Expenses</b>				
Locally Raised Funds	3	72,473	9,750	62,903
Learning Resources	4	1,408,796	1,172,056	1,191,191
Administration	5	120,652	88,807	109,523
Finance Costs		964	-	51
Property	6	528,318	409,605	461,559
Depreciation	7	44,909	37,972	38,674
		<u>2,176,112</u>	<u>1,718,190</u>	<u>1,863,901</u>
<b>Net Surplus / (Deficit)</b>		(27,898)	(4,941)	5,304
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>(27,898)</u>	<u>(4,941)</u>	<u>5,304</u>

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

**Puketapu School**  
**Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2017

	Actual 2017 \$	Budget (Unaudited) 2017 \$	Actual 2016 \$
<b>Balance at 1 January</b>	404,857	404,857	392,737
Total comprehensive revenue and expense for the year	(27,898)	(4,941)	5,304
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	6,816
<b>Equity at 31 December</b>	<b>376,959</b>	<b>399,916</b>	<b>404,857</b>
Retained Earnings	376,959	399,916	404,857
<b>Equity at 31 December</b>	<b>376,959</b>	<b>399,916</b>	<b>404,857</b>

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

**Puketapu School**  
**Statement of Financial Position**

As at 31 December 2017

		2017	2017	2016
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Current Assets</b>				
Cash and Cash Equivalents	8	129,114	207,333	35,833
Accounts Receivable	9	81,954	100,631	71,436
GST Receivable		-	7,449	7,925
Prepayments		8,337	6,622	5,721
Inventories	10	1,181	1,264	1,075
Investments	11	229,352	123,860	229,352
Funds owed for Capital Works Projects	17	-	-	2,456
		<u>449,938</u>	<u>447,159</u>	<u>353,798</u>
<b>Current Liabilities</b>				
GST Payable		4,124	-	-
Accounts Payable	13	125,690	122,313	109,640
Revenue Received in Advance	14	24,043	40,028	950
Provision for Cyclical Maintenance	15	74,375	80,000	9,375
Finance Lease Liability - Current Portion	16	6,597	3,292	3,690
Funds held for Capital Works Projects	17	67,533	-	-
		<u>302,362</u>	<u>245,633</u>	<u>123,655</u>
<b>Working Capital Surplus/(Deficit)</b>		147,576	201,526	230,143
<b>Non-current Assets</b>				
Property, Plant and Equipment	12	286,938	202,380	248,837
		<u>286,938</u>	<u>202,380</u>	<u>248,837</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	15	36,733	3,990	71,813
Finance Lease Liability	16	20,822	-	2,310
		<u>57,555</u>	<u>3,990</u>	<u>74,123</u>
<b>Net Assets</b>		<u><u>376,959</u></u>	<u><u>399,916</u></u>	<u><u>404,857</u></u>
<b>Equity</b>		<u><u>376,959</u></u>	<u><u>399,916</u></u>	<u><u>404,857</u></u>

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

**Puketapu School**  
**Statement of Cash Flows**  
For the year ended 31 December 2017

		2017	2017	2016
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Cash flows from Operating Activities</b>				
Government Grants		547,716	419,414	420,618
Locally Raised Funds		129,555	22,350	80,405
Goods and Services Tax (net)		12,049	-	(476)
Payments to Employees		(331,721)	(229,394)	(247,824)
Payments to Suppliers		(293,142)	(170,097)	(234,197)
Interest Paid		(964)	-	(51)
Interest Received		8,405	6,000	8,342
Net cash from / (to) the Operating Activities		71,898	48,273	26,817
<b>Cash flows from Investing Activities</b>				
Purchase of PPE (and Intangibles)		(43,645)	-	(63,717)
Purchase of Investments		-	-	(105,492)
Net cash from / (to) the Investing Activities		(43,645)	-	(169,209)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		-	-	6,816
Finance Lease Payments		(4,636)	(3,292)	(3,370)
Funds Held for Capital Works Projects		69,664	-	(58,113)
Net cash from Financing Activities		65,028	(3,292)	(54,667)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>93,281</b>	<b>44,981</b>	<b>(197,059)</b>
Cash and cash equivalents at the beginning of the year	8	35,833	162,352	232,892
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>129,114</b>	<b>207,333</b>	<b>35,833</b>

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

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



# Puketapu School

## Notes to the Financial Statements

### 1. Statement of Accounting Policies

For the year ended 31 December 2017

#### **a) Reporting Entity**

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

#### **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 Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as "having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders".

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

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

##### ***Measurement Base***

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

##### ***Presentation Currency***

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

##### ***Specific Accounting Policies***

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

##### ***Critical Accounting Estimates And Assumptions***

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

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

#### *Useful lives of property, plant and equipment*

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 12.

#### **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 16.

#### *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**

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

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

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

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

#### **Other Grants**

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

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

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

#### **Interest Revenue**

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

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

The property from which the School operates is owned by the 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. Any write down from cost to net realisable value is recorded as an expense in the Statement of Comprehensive Revenue and Expense in the period of the write down.

**j) Investments**

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

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

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

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

**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 are depreciated over their estimated useful lives on a straight line 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	20-40 years
Furniture and Equipment	5-10 years
Information and Communication	5 years
Library Resources	8 years

Leased assets are depreciated over the life of the lease.

#### **l) Intangible Assets**

##### *Software costs*

Computer software acquired by the School are 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. Its 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**

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.

#### **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, 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

#### **p) Revenue Received in Advance**

Revenue received in advance relates to fees received from students and grants received where there are unfulfilled obligations for the School to provide services in the future. The fees are recorded as revenue as the obligations are fulfilled and the fees earned.

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

#### **q) Funds Held in Trust**

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

#### **r) Shared Funds**

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. The cluster of schools operate activities outside of school control. These amounts are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

#### **s) 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).

#### **t) 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.

**u) 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.

**v) 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.

**w) Budget Figures**

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

**x) Services received in-kind**

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

## 2. Government Grants

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operational grants	414,771	329,173	356,242
Teachers' salaries grants	1,129,600	970,812	987,831
Use of Land and Buildings grants	344,020	287,423	316,923
Other MoE Grants	134,680	65,241	66,653
Other government grants	18,322	25,000	4,423
	<u>2,041,393</u>	<u>1,677,649</u>	<u>1,732,072</u>

## 3. Locally Raised Funds

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Revenue</b>			
Donations	27,342	25,500	73,487
Fundraising	1,077	600	650
Trading	2,972	2,500	1,310
Activities	64,855	1,000	54,252
	<u>96,246</u>	<u>29,600</u>	<u>129,699</u>
<b>Expenses</b>			
Activities	68,696	7,250	60,705
Trading	3,777	2,500	2,198
	<u>72,473</u>	<u>9,750</u>	<u>62,903</u>
<i>Surplus for the year Locally raised funds</i>	<u>23,773</u>	<u>19,850</u>	<u>66,796</u>

## 4. Learning Resources

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Curricular	27,506	37,850	19,390
Extra-curricular activities	14,062	8,500	10,242
Library resources	1,210	1,500	669
Employee benefits - salaries	1,352,721	1,107,206	1,153,696
Staff development	12,890	15,500	6,621
Book Room Resources	407	1,500	573
	<u>1,408,796</u>	<u>1,172,056</u>	<u>1,191,191</u>

## 5. Administration

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Audit Fee	4,963	4,963	4,890
Board of Trustees Fees	3,335	3,850	3,245
Board of Trustees Expenses	1,556	2,500	3,535
Communication	5,535	6,500	7,813
Consumables	9,660	6,200	12,373
Operating Lease	3,210	2,000	8,115
Other	20,066	9,794	13,871
Employee Benefits - Salaries	52,035	38,000	39,724
Insurance	6,392	6,000	6,477
Service Providers, Contractors and Consultancy	13,900	9,000	9,480
	<u>120,652</u>	<u>88,807</u>	<u>109,523</u>

## 6. Property

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	14,751	8,000	9,695
Cyclical Maintenance Expense	37,810	12,844	5,214
Grounds	15,834	8,000	10,216
Heat, Light and Water	18,456	17,283	20,359
Rates	2,432	2,432	2,431
Repairs and Maintenance	27,506	12,123	24,643
Use of Land and Buildings	344,020	287,423	316,923
Security	2,644	1,500	1,383
Employee Benefits - Salaries	64,865	60,000	70,695
	<u>528,318</u>	<u>409,605</u>	<u>461,559</u>

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

## 7. Depreciation

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Building Improvements	9,235	9,066	9,234
Furniture and Equipment	15,967	13,481	13,730
Information and Communication Technology	12,284	7,861	8,006
Leased Assets	4,141	4,307	4,387
Library Resources	3,282	3,257	3,317
	<u>44,909</u>	<u>37,972</u>	<u>38,674</u>

## 8. Cash and Cash Equivalents

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
TSB Society Chq	129,114	207,333	35,833
Cash equivalents and bank overdraft for Cash Flow Statement	<u>129,114</u>	<u>207,333</u>	<u>35,833</u>

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

Of the \$129,114 Cash and Cash Equivalents, \$72,879 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2018 on Crown owned school buildings under the School's Five Year Property Plan.



## 9. Accounts Receivable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Receivables	460	614	12,208
Interest Receivable	3,272	4,205	3,297
Teacher Salaries Grant Receivable	78,222	95,812	55,931
	<u>81,954</u>	<u>100,631</u>	<u>71,436</u>
Receivables from Exchange Transactions	3,732	4,819	15,505
Receivables from Non-Exchange Transactions	78,222	95,812	55,931
	<u>81,954</u>	<u>100,631</u>	<u>71,436</u>

## 10. Inventories

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Stationery	1,181	1,264	1,075
	<u>1,181</u>	<u>1,264</u>	<u>1,075</u>

## 11. Investments

The School's investment activities are classified as follows:

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Current Asset Short-term Bank Deposits	229,352	123,860	229,352

## 12. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2017						
Building Improvements	152,051	-	-	-	(9,235)	142,816
Furniture and Equipment	52,423	20,435	-	-	(15,967)	56,891
Information and Communication Tech	28,419	31,789	-	-	(12,284)	47,924
Leased Assets	2,780	28,167	-	-	(4,141)	26,806
Library Resources	13,164	2,619	-	-	(3,282)	12,501
<b>Balance at 31 December 2017</b>	<u>248,837</u>	<u>83,010</u>	<u>-</u>	<u>-</u>	<u>(44,909)</u>	<u>286,938</u>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2017			
Building Improvements	292,191	(149,375)	142,816
Furniture and Equipment	362,645	(305,754)	56,891
Information and Communication	121,777	(73,853)	47,924
Leased Assets	29,416	(2,610)	26,806
Library Resources	121,895	(109,394)	12,501
<b>Balance at 31 December 2017</b>	<u>927,924</u>	<u>(640,986)</u>	<u>286,938</u>

2016	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Building Improvements	161,285	-	-	-	(9,234)	152,051
Furniture and Equipment	29,644	36,509	-	-	(13,730)	52,423
Information and Communication Tech	12,568	23,857	-	-	(8,006)	28,419
Leased Assets	5,919	1,248	-	-	(4,387)	2,780
Library Resources	13,130	3,351	-	-	(3,317)	13,164
<b>Balance at 31 December 2016</b>	<b>222,546</b>	<b>64,965</b>	<b>-</b>	<b>-</b>	<b>(38,674)</b>	<b>248,837</b>

2016	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Building Improvements	292,189	(140,138)	152,051
Furniture and Equipment	351,831	(299,408)	52,423
Information and Communication	141,141	(112,722)	28,419
Leased Assets	17,708	(14,928)	2,780
Library Resources	119,276	(106,112)	13,164
<b>Balance at 31 December 2016</b>	<b>922,145</b>	<b>(673,308)</b>	<b>248,837</b>

### 13. Accounts Payable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operating creditors	12,996	12,289	22,978
Accruals	4,963	-	5,624
Capital accruals for PPE items	12,879	-	-
Banking staffing overuse	4,673	-	16,776
Employee Entitlements - salaries	78,222	95,812	55,931
Employee Entitlements - leave accrual	11,957	14,212	8,331
	<b>125,690</b>	<b>122,313</b>	<b>109,640</b>
Payables for Exchange Transactions	121,017	122,313	92,864
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	4,673	-	16,776
	<b>125,690</b>	<b>122,313</b>	<b>109,640</b>

The carrying value of payables approximates their fair value.

### 14. Revenue Received in Advance

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Income in Advance	20,913	40,028	-
Family Accounts	3,130	-	950
	<b>24,043</b>	<b>40,028</b>	<b>950</b>

### 15. Provision for Cyclical Maintenance

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Provision at the Start of the Year	81,188	81,146	75,974
Increase to the Provision During the Year	37,810	12,844	5,214
Use of the Provision During the Year	(7,890)	(10,000)	-
Provision at the End of the Year	<u>111,108</u>	<u>83,990</u>	<u>81,188</u>
Cyclical Maintenance - Current	74,375	80,000	9,375
Cyclical Maintenance - Term	36,733	3,990	71,813
	<u>111,108</u>	<u>83,990</u>	<u>81,188</u>

### 16. Finance Lease Liability

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
No Later than One Year	8,758	3,292	3,690
Later than One Year and no Later than Five Years	24,441	-	2,310
Future finance charges	(5,780)	-	-
	<u>27,419</u>	<u>3,292</u>	<u>6,000</u>

### 17. Funds Held (Owed) 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 \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Office Block Door Replacement	<i>completed</i>	(1,056)	-	-	(1,056)	-
Block K	<i>in progress</i>	(1,400)	-	3,946	-	(5,346)
Classroom Upgrade Block B	<i>in progress</i>	-	73,943	1,064	-	72,879
Totals		<u>(2,456)</u>	<u>73,943</u>	<u>5,010</u>	<u>(1,056)</u>	<u>67,533</u>

#### Represented by:

Funds Held on Behalf of the Ministry of Education	72,879
Funds Due from the Ministry of Education	(5,346)
	<u>67,533</u>

	2016	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Security Upgrade	<i>completed</i>	3,579	-	3,579	-	-
Blocks G J I	<i>completed</i>	52,485	6,607	59,092	-	-
Driveway Resealing	<i>completed</i>	(82)	82	-	-	-
Office Block Door Replacement	<i>in progress</i>	-	11,525	12,581	-	(1,056)
Block K	<i>in progress</i>	-	-	1,400	-	(1,400)
Totals		<u>55,982</u>	<u>18,214</u>	<u>76,652</u>	<u>-</u>	<u>(2,456)</u>

## 18. Related Party Transactions

The School is a controlled entity of the Crown, and the Crown provides the major source of revenue to the school. The school enters into transactions with other entities also controlled by the Crown, such as government departments, state-owned enterprises and other Crown entities. Transactions with these entities are not disclosed as they occur on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted if dealing with that entity at arm's length.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the school would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

## 19. Remuneration

### Key management personnel compensation

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

	2017 Actual \$	2016 Actual \$
<i>Board Members</i>		
Remuneration	3,335	3,245
Full-time equivalent members	0.09	0.13
<i>Leadership Team</i>		
Remuneration	375,400	358,186
Full-time equivalent members	4.00	3.74
Total key management personnel remuneration	378,735	361,431
Total full-time equivalent personnel	4.09	3.87

The full time equivalent for Board members has been determined based on attendance at Board meetings, Committee meetings and for other obligations of the Board, such as stand downs and suspensions, plus the estimated time for Board members to prepare for meetings.

### Principal

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

	2017 Actual \$000	2016 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Principal A		
Salary and Other Payments	120 - 130	60 - 70
Benefits and Other Emoluments	3 - 4	1 - 2
Termination Benefits	-	-
Principal B		
Salary and Other Payments	-	30 - 40
Benefits and Other Emoluments	-	0 - 1
Termination Benefits	-	-

### Other Employees

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

Remuneration \$000	2017 FTE Number	2016 FTE Number
100 - 110	-	1.00
	0.00	1.00

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

## 20. Compensation and Other Benefits Upon Leaving

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

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

## 21. Contingencies

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

## 22. Commitments

### (a) Capital Commitments

There are no capital commitments as at 31 December 2017 (Capital commitments at 31 December 2016: nil).

### (b) Operating Commitments

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

#### (a) operating lease of laptops;

	2017 Actual \$	2016 Actual \$
No later than One Year	135	810
Later than One Year and No Later than Five Years	-	135
Later than Five Years	-	-
	<u>135</u>	<u>945</u>

## 23. 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.

## 24. 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	129,114	207,333	35,833
Receivables	81,954	100,631	71,436
Investments - Term Deposits	229,352	123,860	229,352
Total Loans and Receivables	<u>440,420</u>	<u>431,824</u>	<u>336,621</u>

**Financial liabilities measured at amortised cost**

Payables	125,690	122,313	109,640
Borrowings - Loans	-	-	-
Finance Leases	27,419	3,292	6,000
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	<u>153,109</u>	<u>125,605</u>	<u>115,640</u>

**25. Events After Balance Date**

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

## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF PUKETAPU SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

The Auditor-General is the auditor of Puketapu School (the School). The Auditor-General has appointed me, Carolyn Jackson, using the staff and resources of Staples Rodway Audit 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 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:
  - o its financial position as at 31 December 2017; and
  - o its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 29 May 2018. This is the date at which our opinion is expressed.

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

#### Basis for our opinion

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

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

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

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

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

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 on pages 23 to 29, 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.



Carolyn Jackson  
Staples Rodway Audit Limited  
On behalf of the Auditor-General  
New Plymouth, New Zealand