



LEAMINGTON SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Ministry Number: 1789

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LEAMINGTON SCHOOL

Annual Report - For the year ended 31 December 2021

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Leamington School

Statement of Responsibility

For the year ended 31 December 2021


The Board 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 2021 fairly reflects the financial position and operations of the school.

The School's 2021 financial statements are authorised for issue by the Board.


Karyn Angela Porten
Full Name of Presiding Member


Signature of Presiding Member

7 June 2022

Date:

Michael Lyons Malcolm
Full Name of Principal


Signature of Principal

7 June 2022

Date:

Leamington School

Members of the Board of Trustees

For the year ended 31 December 2021

Name	Position	How Position Gained	Term Expires
Roz Uhrbahn	Presiding Member	Elected Jun 2019	September 2022
Mike Malcolm	Principal	Ex officio	
Kiel Adlam	Parent Representative	Elected Jun 2019	September 2022
Tarsha Makgill	Parent Representative	Elected Jun 2019	September 2022
Karyn Porton	Parent Representative	Elected Jun 2019	September 2022
Amy Stewart	Parent Representative	Elected Jun 2019	September 2022
Christy Meads	Staff Representative	Elected Jun 2019	September 2022

Leamington School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Revenue				
Government Grants	2	4,771,756	4,051,421	4,610,862
Locally Raised Funds	3	449,813	345,820	331,656
Interest Income		563	1,000	1,691
		5,222,132	4,398,241	4,944,209
Expenses				
Locally Raised Funds	3	314,847	296,387	268,775
Learning Resources	4	3,384,605	2,709,871	3,164,618
Administration	5	259,369	280,181	264,464
Finance		3,218	-	3,436
Property	6	903,556	1,036,958	1,035,172
Depreciation	11	149,047	130,000	142,734
Loss on Disposal of Property, Plant and Equipment		16,806	-	799
		5,031,448	4,453,397	4,879,998
Net Surplus / (Deficit) for the year		190,684	(55,156)	64,211
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		190,684	(55,156)	64,211

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

Leamington School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Equity at 1 January		719,933	719,931	636,360
Total comprehensive revenue and expense for the year		190,684	(55,156)	64,211
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		25,384	-	19,362
Equity at 31 December		936,001	664,775	719,933
Equity at 31 December		936,001	664,775	719,933

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

Leamington School

Statement of Financial Position

As at 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Assets				
Cash and Cash Equivalents	7	654,935	107,135	160,176
Accounts Receivable	8	346,701	316,333	320,920
GST Receivable		28,807	48,266	48,266
Prepayments		2,293	424	424
Inventories	9	52,397	52,956	52,956
Investments	10	-	46,858	46,858
		1,085,133	571,972	629,600
Current Liabilities				
Accounts Payable	12	321,932	287,209	287,210
Revenue Received in Advance	13	9,646	5,599	5,599
Provision for Cyclical Maintenance	14	42,265	38,288	36,544
Finance Lease Liability	15	31,089	13,893	29,472
Funds held for Capital Works Projects	16	272,024	-	29,285
		676,956	344,989	388,110
Working Capital Surplus/(Deficit)		408,177	226,983	241,490
Non-current Assets				
Property, Plant and Equipment	11	603,566	509,516	578,411
		603,566	509,516	578,411
Non-current Liabilities				
Provision for Cyclical Maintenance	14	62,579	54,238	73,694
Finance Lease Liability	15	13,163	17,486	26,274
		75,742	71,724	99,968
Net Assets		936,001	664,775	719,933
Equity		936,001	664,775	719,933

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

Leamington School

Statement of Cash Flows

For the year ended 31 December 2021

	Note	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash flows from Operating Activities				
Government Grants		1,216,721	897,337	1,180,032
Locally Raised Funds		515,783	345,823	234,322
Goods and Services Tax (net)		19,459	-	(70,921)
Payments to Employees		(653,699)	(427,542)	(676,324)
Payments to Suppliers		(729,210)	(754,902)	(636,957)
Interest Paid		(3,218)	-	(3,436)
Interest Received		563	1,000	1,691
Net cash from/(to) Operating Activities		366,399	61,716	28,407
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		793	-	
Purchase of Property Plant & Equipment (and Intangibles)		(177,696)	(56,000)	(45,804)
Purchase of Investments		-	-	(40,165)
Proceeds from Sale of Investments		46,858	-	
Net cash from/(to) Investing Activities		(130,045)	(56,000)	(85,969)
Cash flows from Financing Activities				
Furniture and Equipment Grant		25,384	-	19,362
Finance Lease Payments		(9,718)	(29,472)	(33,692)
Funds Administered on Behalf of Third Parties		242,739	(29,285)	60,503
Net cash from/(to) Financing Activities		258,405	(58,757)	46,173
Net increase/(decrease) in cash and cash equivalents		494,759	(53,041)	(11,389)
Cash and cash equivalents at the beginning of the year	7	160,176	160,176	171,565
Cash and cash equivalents at the end of the year	7	654,935	107,135	160,176

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

Leamington School

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

a) Reporting Entity

Leamington School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. 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 2021 to 31 December 2021 and in accordance with the requirements of the Education and Training Act 2020.

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 and Training Act 2020 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.

Cyclical maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 14.

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 11.

Critical Judgements in applying accounting policies

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

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised.

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. 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. 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 revenue that is offset by a non-cash expense. The use of land and buildings grants and associated expenditure are recorded in the period the School uses the land and buildings.

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) 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.

e) 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.

f) 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.

g) Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for credit losses (uncollectable debts). The schools receivables are largely made up of funding from the Ministry of Education, therefore the level of uncollectable debts is not considered to be material. However, short-term receivables are written off when there is no reasonable expectation of recovery.

h) Inventories

Inventories are consumable items held for sale and comprised 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.

i) Investments

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

j) 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.

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	25-33 years
Furniture and equipment	5 years
Information and communication technology	2.5-5 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

k) 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.

l) 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.

m) Employee Entitlements

Short-term employee entitlements

Employee entitlements that are expected to be settled within 12 months after the end of the reporting period in which the employees provide 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, by non teaching staff, to but not yet taken at balance date.

n) Revenue Received in Advance

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

o) 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 is a reasonable estimate, based on an up to date 10 Year Property Plan (10YPP) or another appropriate source of evidence.

p) Financial Instruments

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 'financial assets measured at amortised cost' for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as 'financial assets at fair value through other comprehensive revenue and expense' 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.

q) 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.

r) Budget Figures

The budget figures are extracted from the School budget that was approved by the Board.

s) 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

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Operational Grants	989,890	891,855	921,716
Teachers' Salaries Grants	2,835,566	2,368,190	2,600,528
Use of Land and Buildings Grants	664,144	790,476	831,462
Other MoE Grants	236,653	900	238,117
Other Government Grants	45,503	-	19,039
	<u>4,771,756</u>	<u>4,051,421</u>	<u>4,610,862</u>

The school has opted in to the donations scheme for this year. Total amount received was \$85,950.

3. Locally Raised Funds

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

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Revenue			
Donations & Bequests	59,378	6,300	17,163
Fees for Extra Curricular Activities	104,247	124,600	78,572
Trading	49,982	37,250	46,602
Fundraising & Community Grants	61,228	500	21,790
Other Revenue	174,978	177,170	167,529
	<u>449,813</u>	<u>345,820</u>	<u>331,656</u>
Expenses			
Extra Curricular Activities Costs	79,779	135,777	74,363
Trading	51,281	28,060	38,503
Fundraising and Community Grant Costs	7,528	1,050	10,153
Other Locally Raised Funds Expenditure	176,259	131,500	145,756
	<u>314,847</u>	<u>296,387</u>	<u>268,775</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>134,966</u>	<u>49,433</u>	<u>62,881</u>

4. Learning Resources

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Curricular	69,267	99,838	58,750
Information and Communication Technology	3,893	18,000	893
Library Resources	2,209	1,800	977
Employee Benefits - Salaries	3,277,459	2,545,550	3,079,463
Staff Development	31,777	44,683	24,535
	<u>3,384,605</u>	<u>2,709,871</u>	<u>3,164,618</u>

5. Administration

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Audit Fee	5,698	4,976	5,000
Board Fees	5,728	6,000	5,806
Board Expenses	2,420	3,095	1,971
Communication	5,309	4,600	3,439
Consumables	5,026	6,400	12,300
Operating Lease	17,748	17,700	17,748
Other	48,146	48,610	44,524
Employee Benefits - Salaries	155,187	173,000	154,366
Insurance	8,864	10,800	13,650
Service Providers, Contractors and Consultancy	5,243	5,000	5,660
	259,369	280,181	264,464

6. Property

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Caretaking and Cleaning Consumables	12,411	12,000	12,139
Consultancy and Contract Services	50,837	50,400	44,604
Cyclical Maintenance Provision	35,568	18,832	9,980
Grounds	16,727	15,950	17,508
Heat, Light and Water	46,591	42,000	28,477
Rates	-	-	15,246
Repairs and Maintenance	26,249	46,700	23,342
Use of Land and Buildings	664,144	790,476	831,462
Employee Benefits - Salaries	51,029	60,600	52,414
	903,556	1,036,958	1,035,172

In 2021, the Ministry of Education revised the notional rent rate from 8% to 5% to align it with the Government Capital Charge rate. This is considered to be a reasonable proxy for the market rental yield on the value of the land and buildings used by the schools. Accordingly in 2021, the use of land and buildings figure represents 5% of the school's total property value. 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. Cash and Cash Equivalents

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Bank Accounts	654,935	107,135	160,176
Cash and cash equivalents for Statement of Cash Flows	654,935	107,135	160,176

Of the \$654,935 Cash and Cash Equivalents, \$272,024 is held by the School on behalf of the Ministry of Education. These funds have been provided by the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2021 on Crown owned school buildings.

8. Accounts Receivable

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Receivables	62,395	124,315	124,318
Banking Staffing Underuse	55,325	-	4,584
Teacher Salaries Grant Receivable	228,980	192,018	192,018
	<u>346,700</u>	<u>316,333</u>	<u>320,920</u>
Receivables from Exchange Transactions	62,395	124,315	124,318
Receivables from Non-Exchange Transactions	284,305	192,018	196,602
	<u>346,700</u>	<u>316,333</u>	<u>320,920</u>

9. Inventories

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Stationery	1,439	1,696	1,696
School Uniforms	50,958	51,260	51,260
	<u>52,397</u>	<u>52,956</u>	<u>52,956</u>

10. Investments

The School's investment activities are classified as follows:

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	-	46,858	46,858
	<u>-</u>	<u>46,858</u>	<u>46,858</u>
Total Investments	<u>-</u>	<u>46,858</u>	<u>46,858</u>

11. Property, Plant and Equipment

2021	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Buildings	42,482	-	(14,238)	-	(13,613)	14,631
Building Improvements	302,492	92,023	(1,645)	-	(17,325)	375,545
Furniture and Equipment	152,262	70,071	(669)	-	(74,072)	147,592
Information and Communication Technology	8,992	5,922	1	-	(7,926)	6,989
Leased Assets	55,290	21,907	(254)	-	(33,864)	43,079
Library Resources	16,893	1,878	(794)	-	(2,247)	15,730
Balance at 31 December 2021	578,411	191,801	(17,599)	-	(149,047)	603,566

The net carrying value of equipment held under a finance lease is \$43,079 (2020: \$55,290)

	2021 Cost or Valuation \$	2021 Accumulated Depreciation \$	2021 Net Book Value \$	2020 Cost or Valuation \$	2020 Accumulated Depreciation \$	2020 Net Book Value \$
Buildings	326,088	(311,457)	14,631	340,326	(297,844)	42,482
Building Improvements	553,572	(178,027)	375,545	463,193	(160,701)	302,492
Furniture and Equipment	757,914	(610,322)	147,592	691,699	(539,437)	152,262
Information and Communication T	155,137	(148,148)	6,989	149,214	(140,222)	8,992
Leased Assets	115,051	(71,972)	43,079	116,827	(61,537)	55,290
Library Resources	68,602	(52,872)	15,730	70,012	(53,119)	16,893
Balance at 31 December	1,976,364	(1,372,798)	603,566	1,831,271	(1,252,860)	578,411

12. Accounts Payable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Creditors	57,754	86,007	63,878
Accruals	15,022	-	5,548
Employee Entitlements - Salaries	240,789	192,018	208,600
Employee Entitlements - Leave Accrual	8,367	9,184	9,184
	321,932	287,209	287,210
Payables for Exchange Transactions	321,932	287,209	287,210
	321,932	287,209	287,210

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
Other revenue in Advance	\$ 9,646	\$ 5,599	\$ 5,599
	<u>9,646</u>	<u>5,599</u>	<u>5,599</u>

14. Provision for Cyclical Maintenance

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
Provision at the Start of the Year	\$ 110,238	\$ 110,238	\$ 132,787
Increase/ (decrease) to the Provision During the Year	35,568	18,832	9,980
Use of the Provision During the Year	(40,962)	(36,544)	(32,529)
Provision at the End of the Year	<u>104,844</u>	<u>92,526</u>	<u>110,238</u>
Cyclical Maintenance - Current	42,265	38,288	36,544
Cyclical Maintenance - Term	62,579	54,238	73,694
	<u>104,844</u>	<u>92,526</u>	<u>110,238</u>

15. Finance Lease Liability

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

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
No Later than One Year	\$ 33,439	\$ 13,893	\$ 33,805
Later than One Year and no Later than Five Years	14,145	17,486	28,561
Future Finance Charges	(3,332)	-	(3,310)
	<u>44,252</u>	<u>31,379</u>	<u>59,056</u>
Represented by			
Finance lease liability - Current	31,089	13,893	31,805
Finance lease liability - Term	13,163	17,486	27,251
	<u>44,252</u>	<u>31,379</u>	<u>59,056</u>

16. 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.

2021	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
Block G & H & Roof	(23,014)	-	-	-	(23,014)
B19 Roll Growth	40,052	11,687	(40,736)	-	11,003
MOE Repair Broken Fence	(450)	-	-	450	-
Hall Upgrade	12,697	586,909	(309,059)	-	290,547
Replace Light with LED	-	36,711	(43,223)	-	(6,512)
Fire Escape Entrance Cage	-	250	(250)	-	-
Soak Holes & Sumps	-	9,300	(9,300)	-	-
Totals	29,285	644,857	(402,568)	450	272,024

Represented by:

Funds Held on Behalf of the Ministry of Education	301,550
Funds Due from the Ministry of Education	(29,526)
	<u>272,024</u>

2020	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
Block G & H & Roof	(29,298)	18,572	(12,288)	-	(23,014)
B19 Roll Growth	(480)	726,878	(686,346)	-	40,052
MOE Repair Broken Fence	-	5,561	(6,011)	-	(450)
Hall Upgrade	-	34,500	(21,803)	-	12,697
Fire Alarm Upgrade	-	176,885	(176,885)	-	-
First Time Enrolment-Handrails	(1,440)	35,905	(34,465)	-	-
Heatpumps & Heaters	-	14,987	(14,987)	-	-
Totals	(31,218)	1,013,288	(952,785)	-	29,285

17. 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.

Daniel Malcolm and Logan Malcolm worked part-time at the school during the year and are family members of the Principal, Mike Malcolm

18. Remuneration

Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	5,421	5,806
 <i>Leadership Team</i>		
Remuneration	383,310	383,258
Full-time equivalent members	3.00	3.00
 Total key management personnel remuneration	388,731	389,064

There are 6 members of the Board excluding the Principal. The Board had held 9 full meetings of the Board in the year. As well as these regular meetings, including preparation time, the Chair and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal 1

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

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	150-160	150-160
Benefits and Other Emoluments	0-10	0-10
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2021 FTE Number	2020 FTE Number
100-110	1.00	1.00
110-120	1.00	1.00
	2.00	2.00

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

19. Compensation and Other Benefits Upon Leaving

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

	2021 Actual \$	2020 Actual \$10,000
Total	-	1
Number of People	-	1

20. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2021 (Contingent liabilities and assets at 31 December 2020: nil).

Holidays Act Compliance – schools payroll

The Ministry of Education performs payroll processing and payments on behalf of boards, through payroll service provider Education Payroll Limited.

The Ministry's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis and solutions have been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2021, a contingent liability for the school may exist.

21. Commitments

(a) Capital Commitments

As at 31 December 2021 the Board has entered into any the following contractual agreements for capital works:

(a) A contract for Block G&H Roof repairs to be completed in 2022, which will be fully funded by the Ministry of Education.

\$176,363 has been received of which \$199,377 has been spent on the project to date; and

(b) A contract for Roll Growth Upgrade to be completed in 2022, which will be fully funded by the Ministry of Education. \$738,565 has been received of which \$727,562 has been spent on the project to date; and

(c) A contract for Hall Upgrade to be completed in 2022, which will be fully funded by the Ministry of Education. \$621,409 has been received of which \$330,862 has been spent on the project to date.

(d) A contract to replace lights with LED lights to be completed in 2022, which will be fully funded by the Ministry of Education. \$36,711 has been received of which \$43,223 has been spent on the project to date.

(Capital commitments at 31 December 2020: \$29,285)

22. Financial Instruments

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

Financial assets measured at amortised cost

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Cash and Cash Equivalents	654,935	107,135	160,176
Receivables	346,700	316,333	320,920
Investments - Term Deposits	-	46,858	46,858
Total Financial assets measured at amortised cost	<u>1,001,635</u>	<u>470,326</u>	<u>527,954</u>

Financial liabilities measured at amortised cost

Payables	321,932	287,209	287,210
Finance Leases	44,252	31,379	55,746
Total Financial Liabilities Measured at Amortised Cost	<u>366,184</u>	<u>318,588</u>	<u>342,956</u>

23. Events After Balance Date

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

24. COVID 19 Pandemic on going implications

Impact of Covid-19

During 2021 the country moved between alert levels. During February and March 2021 Auckland was placed into alert levels 3 and 2 and other parts of the country moved into alert level 2.

Towards the end of June 2021, the Wellington region was placed into alert level 2 for one week.

Towards the end of August 2021, the entire country moved to alert level 4, with a move to alert level 3 and 2 for everyone outside the Auckland region three weeks later. While Auckland has remained in alert level 3 for a prolonged period of time the Northland and Waikato regions have also returned to alert level 3 restrictions during this period.

Impact on operations

Schools have been required to continue adapting to remote and online learning practices when physical attendance is unable to occur in alert level 4 and 3. Schools continue to receive funding from the Te Tāhuhu o te Mātauranga | Ministry to Education, even while closed.

However, the ongoing interruptions resulting from the moves in alert levels have impacted schools in various ways which potentially will negatively affect the operations and services of the school. We describe below the possible effects on the school that we have identified, resulting from the ongoing impacts of the COVID-19 alert level changes.

Reduction in locally raised funds

Under alert levels 4,3, and 2 the school's ability to undertake fund raising events in the community and/ or collect donations or other contributions from parents, may have been compromised. Costs already incurred arranging future events may not be recoverable.

Leamington School

Analysis of Variance 2021



Initiatives specifically targeted at success and attainment within the Curriculum

Continue to monitor student achievement and progress in literacy and numeracy and develop tools and metrics to purposefully grow hauora with a particular emphasis on: Achievement Challenge Children

Maori

Boys

Writing

Initiatives specifically targeted at developing Pedagogy to enhance success as learners (Focus Groups)

Over 4 years teachers have been involved in Focus groups to identify Pedagogical approaches that would have an impact on children within the context of effective practice within Leamington. Our priority now sits with moving from research to consistency of practice across the school

Initiatives specifically designed to strengthen learning links with the community

With the many changes happening in education, keeping parents involved, informed and shaping the future of our school is critical to continual community ownership. Parents as ambassadors to the community of the educational benefits and innovations of the school is critical to the school being central to the community endorsement.

Initiatives specifically targeted at essential school infrastructure and operations

Property Development

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3

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3

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5

6

6

Initiatives specifically targeted at success and attainment within the Curriculum

Longitudinal Rationale	2021 Goals	AOV (end of year)
<p>Continue to monitor student achievement and progress in literacy and numeracy and develop tools and metrics to purposefully grow hauora with a particular emphasis on:</p> <ul style="list-style-type: none"> ● Achievement ● Challenge Children ● Maori ● Boys ● Writing 	<ol style="list-style-type: none"> 1. 23 out of 25 AC children reach 4 out of 6 key indicators each term; <ol style="list-style-type: none"> 1.1. Learner Goal 1.2. Learner Quality Goal 1.3. Reading improvement 1.4. Writing improvement 1.5. Math improvement 1.6. Attendance/lateness goal ● Dashboard data in writing indicates; <ul style="list-style-type: none"> ○ 85% of Year 6 students working within or above curriculum level 3 by the end of the school year in writing, ○ 85% of year 4 students are on track to be working within or above curriculum level 3 by the end of year 6. ○ 85% of year 2 students are on track to be working within or above curriculum level 3 by the end of year 6 	<p>A theme of this AOV will be the constant interruption of COVID.</p> <p>Systems for the year to meet our curriculum goals found another level as we planned for working together with whaanau to support children in meeting their learning goals. However, constant interruptions through lockdowns and level changes meant that for a considerable portion of the year our focus was on supporting whaanau through distance learning, or returning to school and re-establishing routines. Despite this, some pleasing gains were realised. Systems are in place to springboard us into 2022 as planning was completed, but its effect was unable to be fully realised.</p> <p>Tracking of our dashboard data (using our writing moderation process) shows the following results:</p> <p>All Students in selected year groups:</p> <ul style="list-style-type: none"> ● 85% of our Year 6 students are working within or above curriculum level 3 in their deeper features (71% for surface features). ● 81% of our Year 4 students are on track to be working within or above curriculum level 3 by the end of Year 6 in deeper features (65% for surface features) ● 77% of our Year 2 students are on track to be working within or above curriculum level 3 by the end of Year 6 in deeper features(74% for surface features) <p>Maori Students:</p> <ul style="list-style-type: none"> ● 73% of our Year 6 Maori students are working within or above curriculum level 3 in their deeper features (60% for surface features). ● 75% of our Year 4 maori students are on track to be working within or above curriculum level 3 by the end of Year 6 in deeper features (63% for surface features) ● 55% of our Year 2 maori students are on track to be working within or above curriculum level 3 by the end of Year 6 in deeper features (50% for surface features) <p>Boys:</p> <ul style="list-style-type: none"> ● 79% of our Year 6 boys are working within or above curriculum level 3 in their deeper features (63% for surface features). ● 58% of our Year 4 boys are on track to be working within or above curriculum level 3 by the end of Year 6 in deeper features (51% for surface features) ● 71% of our Year 2 boys are on track to be working within or above curriculum level 3 by the end of Year 6 in deeper features (69% for surface features) <p>Girls:</p> <ul style="list-style-type: none"> ● 86% of our Year 6 girls are working within or above curriculum level 3 in their deeper features (79% for surface features). ● 91% of our Year 4 girls are on track to be working within or above curriculum level 3 by the end of Year 6 in deeper features (78% for surface features) ● 77% of our Year 2 girls are on track to be working within or above curriculum level 3 by the end of Year 6 in deeper features (70% for surface features)
	<ul style="list-style-type: none"> ● Increase emotional intelligence and overall emotional capability for each child 	

Initiatives specifically targeted at developing Pedagogy to enhance success as learners (Focus Groups)

Longitudinal Rationale	2021 Goals	AOV (end of year)
<ul style="list-style-type: none"> ● Over 4 years teachers have been involved in Focus Pedagogical approaches that would have an impact on children within the context of effective practice within Leamington. ● Our priority now sits with moving from research to consistency of practice across the school 	<ol style="list-style-type: none"> 1. Feedback from staff members indicates that the pace and stretch of Kookiri work is both sustainable and challenging. 2. Feedback from staff members indicates that the work of Tuuhura reflects the priorities of the school espoused through the Kookiri Ako. 	<ol style="list-style-type: none"> 1. Through the year we developed goals of <ol style="list-style-type: none"> a. 5 or more Kookiri booklets are alive across a classroom program after 3 years at Leamington by the end of 2025. b. Basecamp 1 - 6 or more high impact practices consistently evident in a writing program by the end of Term 2 2022. c. Basecamp 2 - 3 or more Kookiri are alive within writing programs by the end of a teachers' first year at Leamington. d. Basecamp 3 - 5 or more kookiri are live across core curriculum programs after 2 years. 2. To assist with this work Tuuhura partnered with teachers in observing classroom practice and subsequent debriefs to identify what was working well, collecting the voice of children and partnering to identify next steps and helping to determine impact. 3. A constant theme of 2021 was the disruption of COVID. As momentum was gained lockdowns impeded progress in allowing PD to take place, or teachers to be able to take their focus away from pastoral support or working through distance learning, or cannonballing assessments to help measure impact. 4. The anecdotal notes from conversations with teachers indicated a shift in practice and engagement. Data from the progress with AC children was also constantly interrupted by COVID.

Initiatives specifically designed to strengthen learning links with the community

Longitudinal Rationale	2021 Goals	AOV (end of year)
<ul style="list-style-type: none"> With the many changes happening in education, keeping parents involved, informed and shaping the future of our school is critical to continual community ownership. Parents as ambassadors to the community of the educational benefits and innovations of the school is critical to the school being central to the community endorsement. 	<ol style="list-style-type: none"> 80% of whaanau & Maaori children in Yr. 4-6 answer positively regarding 5 or more poutama in Kookiri books. <ol style="list-style-type: none"> I hear Te Reo used in my class every day I see te Reo in my class and around the school I hear te reo pronounced correctly My class sings a waiata every day I feel safe in my class I feel my culture is valued by my teacher 5 classes functioning at Level 4 Te Reo instruction (30% or more of day children involved in tikanga, reo opportunities.) Kapa haka operating in Year % ¾, ½. Develop a sequential Te Reo Maaori program to implement across the school 	<ol style="list-style-type: none"> We were unable to gather final data on this due to the disruption of COVID. However, through classroom observations, we were able to witness and speak to children who could attest to hearing their teacher speak Te Reo, seeing Te Reo around the class, and feeling safe in their class. 5 By the end of the year we were at all classes at Level 4. This was significantly enhanced by the school being able to employ a Te Reo and kapa haka teacher who was supporting all classes with a developmental Te Reo program. This made a significant difference in the quality and depth of the program we are able to deliver. This person is unable to continue in 2022, so we will look to recruit another person. In the interim, we will continue to the work that was started and engage an internal team of teachers to continue to grow this work while a recruitment process takes place.

Initiatives specifically targeted at essential school infrastructure and operations

<p>Property Development</p>	<p>Over recent years the school has experienced roll growth, changes through first time enrolments and upgrading facilities around the school through the 5YA. Continually upgrading facilities to best fit the needs of the community and schools status within the community. A new 5YA brings opportunities to allow property to follow pedagogy shifts within the school.</p>	<ol style="list-style-type: none"> 1. Establishment and sign off of a new 5YA <ol style="list-style-type: none"> a. Refurbish Room 3-5 with linking spaces b. Remove toilet between Room 3-5 c. Extend security camera coverage d. Refit of Block A and B e. Development of school sick bay f. Replacement of soak holes across the school g. Replace broken concrete in Junior area of school h. Upgrade staffroom kitchen 2. Use SIPS money in the hall before end of year when it expires. <ol style="list-style-type: none"> a. Hall Toilets b. Kitchen c. Refit PE shed d. Sound System e. Hall wall linings f. Hall floor g. Replace doors 3. Upgrade of Wireless Wifi system 4. Development of play areas across the school with assistance of PTA and Trust Funds. 5. Closure of new classroom project (including phone system) 	<ol style="list-style-type: none"> 1. Complete. A plan has been set up and remediation of the soak holes has begun. A challenge has been accessing quality project managers and architects to complete the work along with the school having no Property manager from the MOE to progress work. Despite this we have found a way to get things started with the intention of a sizeable chunk of work being done in 2022. 2. Ongoing. This project has taken longer than expected due to having to meet fire regulations. The Hall is now 100% owned by MOE allowing us to use 5YA to complete the project and support with ongoing property maintenance which absolves the Board the considerable debt that comes with this. 3. Complete. 4. Completion of a new turf area and scooter track. 5. Complete.
<p>BOT Newsletter each term.</p>	<p>Keeping the Community informed of developments within and across the school is a priority of the Board due to all the changes happening both with property and educational practice.</p>	<p>BOT Newsletter each term.</p>	<p>Complete.</p>
<p>BOT Policy</p>	<p>Board transitioning its policy to School Docs</p>	<p>Complete documentation for School Docs to move policy to a new format Review policy changes when ready</p>	<p>Complete</p>
<p>Expense Neutral holiday program</p>	<p>Overseeing the development of our Holiday program into a sustainable business model</p>	<p>Monitor income and expenses of holiday program to understand the impact on the school financially.</p>	<p>Ongoing. The ongoing disruption of COVID has made it difficult to determine the full financial benefit. MOE subsidised wages but the school did not realise the profits. The school did receive additional funds in the form of a grant which injected another 10k into the program. Numbers continue to increase with children from other schools now attending. We have had up to 80 children on a day. An unexpected side effect of the holiday program has been that we have been able to recruit high school students who are then available during the term time.</p>



Statement of Kiwisport Funding

Kiwisport is a Government funded initiative to support student participation in organised sport. In 2021 the school received total Kiwisport funding of \$8,323 (excluding GST). We ran a number of internal sports days and paid for swimming sports. The total used in 2021 was \$2,163 ex GST excluding release days for teachers to plan sporting events. We ordered PE equipment for \$2,782.17 in 2021 but this did not arrive nor was invoiced until beginning of 2022. The sporting opportunities were impacted by COVID and lockdowns in 2021. The remaining funding is going to be used to pay for swimming sports in 2022 and investing in more PE equipment and PE infrastructure in 2022. We have been remodelling the PE shed which resulted in us not purchasing as much equipment in 2021 until we knew how much storage we would have.

The number of students participating in organised sport at the end of the school year was 100% of the school roll.

Mike Malcolm
Principal

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF LEAMINGTON SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Auditor-General is the auditor of Leamington School (the School). The Auditor-General has appointed me, Johann van Loggerenberg, using the staff and resources of PKF Hamilton Audit Ltd, 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 3 to 19, that comprise the statement of financial position as at 31 December 2021, 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 2021; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 7 June 2022. 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 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 for the financial statements

The Board 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 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 is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board 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's responsibilities, in terms of the requirements of the Education and Training Act 2020, arise from section 87 of 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.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board 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 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 is responsible for the other information. The other information comprises the information included on pages 20 to 26, but does not include the financial statements, and our auditor's report thereon.

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

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

Independence

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

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



Johann van Loggerenberg
Director
PKF Hamilton Audit Ltd
On behalf of the Auditor-General
Hamilton, New Zealand