

# MERIVALE SCHOOL

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### School Directory

**Ministry Number:** 1825

**Principal:** Tom Paekau

**School Address:** 25 Kesteven Ave, Tauranga

**School Postal Address:** as above

**School Phone:** 07-578-6900

**School Email:** [admin@merivale.school.nz](mailto:admin@merivale.school.nz)

#### Members of the Board of Trustees

Term expires	Position	How Position Gained	Name
	Principal	ex Officio	Tom Paekau
May-22	Chair Person	elected	Kellie Kioa
May-22	Parent Rep	elected	Tiria Maunder
May-22	Parent Rep	elected	Athony Campbell
May-22	Parent Rep	elected	Maria Anderson
May-22	Parent Rep	elected	Salesh Kumar
May-22	Staff Rep	elected	Paora McGruer

**Accountant / Service Provider:**

Davidson Dickson Ltd

# MERIVALE SCHOOL

Annual Report - For the year ended 31 December 2020

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# Merivale School

## Statement of Responsibility

For the year ended 31 December 2020

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 2020 fairly reflects the financial position and operations of the school.

The School's 2020 financial statements are authorised for issue by the Board.

Kellie Kioa

Full Name of Board Chairperson



Signature of Board Chairperson

2 June 21

Date:

Tom Pgekau

Full Name of Principal



Signature of Principal

2 June 21

Date:

**Merivale School****Statement of Comprehensive Revenue and Expense**

For the year ended 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Revenue</b>				
Government Grants	2	2,151,078	2,009,413	1,879,905
Locally Raised Funds	3	41,436	5,000	157,293
Interest income		391	1,000	1,623
		<hr/>	<hr/>	<hr/>
		2,192,905	2,015,413	2,038,821
<b>Expenses</b>				
Locally Raised Funds	3	37,660	-	37,926
Learning Resources	4	1,468,619	1,336,353	1,241,652
Administration	5	117,541	109,110	115,716
Finance		2,884	900	3,817
Property	6	459,590	493,427	495,020
Depreciation	7	81,453	60,000	93,151
Transport		3,490	3,500	2,904
		<hr/>	<hr/>	<hr/>
		2,171,237	2,003,290	1,990,186
<b>Net Surplus / (Deficit) for the year</b>		21,668	12,123	48,635
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		21,668	12,123	48,635

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

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

For the year ended 31 December 2020

	Notes	Actual 2020 \$	Budget (Unaudited) 2020 \$	Actual 2019 \$
<b>Balance at 1 January</b>		<u>1,082,115</u>	<u>1,082,115</u>	<u>1,028,738</u>
Total comprehensive revenue and expense for the year		21,668	12,123	48,635
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		-	-	4,742
<b>Equity at 31 December</b>	21	<u>1,103,783</u>	<u>1,094,238</u>	<u>1,082,115</u>
Retained Earnings		1,103,783	1,094,238	1,082,115
<b>Equity at 31 December</b>		<u>1,103,783</u>	<u>1,094,238</u>	<u>1,082,115</u>

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.

# Merivale School

## Statement of Financial Position

As at 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	241,414	170,820	137,290
Accounts Receivable	9	90,103	55,000	58,746
Prepayments		14,107	12,000	13,555
Inventories	10	8,650	7,500	10,437
Funds Due for Capital Works	15	16,332	-	10,489
GST Receivable		-	-	
		<u>370,606</u>	<u>245,320</u>	<u>230,516</u>
<b>Current Liabilities</b>				
GST Payable		6,463	-	1,095
Accounts Payable	12	138,636	110,000	110,140
Revenue Received in Advance	18	36,210	-	-
Provision for Cyclical Maintenance	13	-	65,000	65,024
Finance Lease Liability - Current Portion	14	15,745	19,000	19,277
Funds held for Capital Works Projects	15	99,250	-	56,093
		<u>296,304</u>	<u>194,000</u>	<u>251,629</u>
<b>Working Capital Surplus/(Deficit)</b>		<b>74,302</b>	<b>51,320</b>	<b>(21,114)</b>
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	1,120,962	1,102,534	1,159,534
		<u>1,120,962</u>	<u>1,102,534</u>	<u>1,159,534</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	13	76,336	40,000	28,788
Finance Lease Liability	14	15,145	19,616	27,517
		<u>91,481</u>	<u>59,616</u>	<u>56,305</u>
<b>Net Assets</b>		<u><u>1,103,783</u></u>	<u><u>1,094,238</u></u>	<u><u>1,082,115</u></u>
<b>Equity</b>	21	<u><u>1,103,783</u></u>	<u><u>1,094,238</u></u>	<u><u>1,082,115</u></u>

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

**Merivale School**  
**Statement of Cash Flows**  
For the year ended 31 December 2020

		<b>2020</b>	<b>2020</b>	<b>2019</b>
	<b>Note</b>	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
		<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
			<b>\$</b>	
<b>Cash flows from Operating Activities</b>				
Government Grants		765,543	507,708	660,018
Locally Raised Funds		70,006	-	153,255
Goods and Services Tax (net)		5,366	-	4,719
Payments to Employees		(459,145)	(361,215)	(394,397)
Payments to Suppliers		(253,683)	(203,272)	(228,276)
Cyclical Maintenance Payments in the year		-	11,062	-
Interest Paid		(2,885)	(900)	(3,817)
Interest Received		391	1,000	1,624
<b>Net cash from Operating Activities</b>		<b>125,593</b>	<b>(45,617)</b>	<b>193,126</b>
<b>Cash flows from Investing Activities</b>				
Purchase of PPE (and Intangibles)		(41,470)	28,025	(105,952)
<b>Net cash from Investing Activities</b>		<b>(41,470)</b>	<b>28,025</b>	<b>(105,952)</b>
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		-	-	4,742
Finance Lease Payments		(17,314)	(1,384)	(15,392)
Funds Held for Capital Works Projects		37,314	-	42,520
<b>Net cash from Financing Activities</b>		<b>20,000</b>	<b>(1,384)</b>	<b>31,870</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>104,124</b>	<b>(18,976)</b>	<b>119,044</b>
Cash and cash equivalents at the beginning of the year	8	137,290	189,796	18,246
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>241,414</b>	<b>170,820</b>	<b>137,290</b>

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

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

# Merivale School

## Notes to the Financial Statements

### For the year ended 31 December 2020

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

Merivale 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 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 2020 to 31 December 2020 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 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.

###### *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.

#### *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 13.

#### ***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.

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**

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.

### **i) 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.

### **j) Investments**

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

### **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.

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	18-40 years
Furniture and equipment	5-15 years
Information and communication technology	5 years
Motor vehicles	5 years
Leased assets held under a Finance Lease	3-5 years term of lease
Library resources	12.5% Diminishing value

## **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 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, and also annual leave earned, by non teaching staff, 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 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.

**u) Borrowings**

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. 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 balance date.

Borrowings include but not limited to bank overdrafts, operating leases, finance leases, painting contracts and term loans.

**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

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	528,800	484,310	441,435
Teachers' Salaries Grants	965,889	965,888	853,574
Use of Land and Buildings Grants	375,515	375,515	369,210
Resource Teachers Learning and Behaviour Grants	696	-	2,067
Other MoE Grants	265,363	183,700	178,915
Other Government Grants	14,815	-	34,703
	<u>2,151,078</u>	<u>2,009,413</u>	<u>1,879,905</u>

The school has opted in to the donations scheme for this year. Total amount received was \$24,450.

Other MOE Grants total includes additional COVID-19 funding totalling \$13,964 for the year ended 31 December 2020.

Other MOE Grants total includes Lunches in school funding totalling \$45,004 for the year ended 31 December 2020.

## 3. Locally Raised Funds

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

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Revenue</b>			
Donations	6,663	1,000	15,395
Bequests & Grants	(125)	-	101,577
Activities	983	-	2,672
Trading	29,272	-	27,035
Fundraising	2,603	3,500	9,803
Other Revenue	2,040	500	812
	<u>41,436</u>	<u>5,000</u>	<u>157,293</u>
<b>Expenses</b>			
Activities	393	-	1,330
Trading	37,267	-	35,110
Fundraising (Costs of Raising Funds)	-	-	1,486
	<u>37,660</u>	<u>-</u>	<u>37,926</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>3,776</u>	<u>5,000</u>	<u>119,368</u>

## 4. Learning Resources

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	48,454	47,750	47,394
Information and Communication Technology	9,253	7,500	7,179
Employee Benefits - Salaries	1,352,062	1,269,103	1,170,850
Staff Development	13,846	12,000	16,230
Lunches in school programme	45,004	-	-
	<u>1,468,619</u>	<u>1,336,353</u>	<u>1,241,652</u>

## 5. Administration

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Audit Fee	5,901	6,000	5,729
Board of Trustees Fees	3,975	3,000	2,807
Board of Trustees Expenses	8,877	6,750	15,460
Communication	4,399	4,500	4,943
Consumables	6,878	9,050	5,365
Operating Lease	1,084	1,360	1,089
Other	8,164	5,450	4,202
Employee Benefits - Salaries	55,314	53,000	54,138
Insurance	14,949	12,000	14,650
Service Providers, Contractors and Consultancy	8,000	8,000	7,333
	<u>117,541</u>	<u>109,110</u>	<u>115,716</u>

## 6. Property

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Caretaking and Cleaning Consumables	8,483	6,500	8,166
Consultancy and Contract Services	21,760	23,000	8,813
Cyclical Maintenance Provision	(17,476)	10,000	13,220
Grounds	7,427	5,000	5,482
Heat, Light and Water	13,860	12,593	16,311
Rates	9,370	9,000	7,848
Repairs and Maintenance	6,850	18,819	22,043
Use of Land and Buildings	375,515	375,515	369,210
Security	3,109	3,000	4,896
Employee Benefits - Salaries	30,692	30,000	39,030
	<u>459,590</u>	<u>493,427</u>	<u>495,020</u>

The use of land and buildings figure represents 8% 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. Depreciation

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Buildings - School	28,272	-	26,653
Furniture and Equipment	19,047	60,000	16,942
Information and Communication Technology	8,910	-	25,034
Leased Assets	24,361	-	23,537
Library Resources	863	-	985
	<u>81,453</u>	<u>60,000</u>	<u>93,151</u>

## 8. Cash and Cash Equivalents

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash on Hand	250	-	-
Bank Current Account	239,147	170,820	135,774
Bank Current Account	82	-	82
Bank Call Account	177	-	177
Bank Call Account	1,758	-	1,257
Cash and cash equivalents for Cash Flow Statement	<u>241,414</u>	<u>170,820</u>	<u>137,290</u>

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

Of the \$241,414 Cash and Cash Equivalents, \$99,250.00 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2021 on Crown owned school buildings under the School's Five Year Property Plan.

## 9. Accounts Receivable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Receivables	6,411	5,000	4,981
Receivables from the Ministry of Education	5,337	-	-
Teacher Salaries Grant Receivable	78,355	50,000	53,765
	<u>90,103</u>	<u>55,000</u>	<u>58,746</u>
Receivables from Exchange Transactions	6,411	5,000	4,981
Receivables from Non-Exchange Transactions	83,692	50,000	53,765
	<u>90,103</u>	<u>55,000</u>	<u>58,746</u>

## 10. Inventories

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Stationery	400	-	65
School Uniforms	8,250	7,500	10,372
	<u>8,650</u>	<u>7,500</u>	<u>10,437</u>

## 11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2020	\$	\$	\$	\$	\$	\$
Buildings	768,503	-	-	-	(28,272)	740,231
Furniture and Equipment	337,058	27,347	-	-	(19,047)	345,358
Information and Communication	11,719	14,123	-	-	(8,910)	16,932
Leased Assets	35,359	1,411	-	-	(24,361)	12,409
Library Resources	6,895	-	-	-	(863)	6,032
<b>Balance at 31 December 2020</b>	<b>1,159,534</b>	<b>42,881</b>	<b>-</b>	<b>-</b>	<b>(81,453)</b>	<b>1,120,962</b>

The net carrying value of equipment held under a finance lease is \$12,409 (2019: \$35,359)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2020	\$	\$	\$
Buildings	1,138,865	(398,634)	740,231
Furniture and Equipment	783,254	(437,896)	345,358
Information and Communication	416,414	(399,482)	16,932
Motor Vehicles	5,000	(5,000)	-
Leased Assets	83,361	(70,952)	12,409
Library Resources	43,483	(37,451)	6,032
<b>Balance at 31 December 2020</b>	<b>2,470,377</b>	<b>(1,349,415)</b>	<b>1,120,962</b>

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Buildings	697,067	98,089	-	-	(26,653)	768,503
Furniture and Equipment	346,137	7,863	-	-	(16,942)	337,058
Information and Communication					(25,034)	11,719
Technology	36,753	-	-	-		
Leased Assets	54,468	4,428	-	-	(23,537)	35,359
Library Resources	7,880	-	-	-	(985)	6,895
<b>Balance at 31 December 2019</b>	<b>1,142,305</b>	<b>110,380</b>	<b>-</b>	<b>-</b>	<b>(93,151)</b>	<b>1,159,534</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Buildings	1,138,865	(370,362)	768,503
Furniture and Equipment	755,907	(418,849)	337,058
Information and Communication Technology	402,291	(390,572)	11,719
Motor Vehicles	5,000	(5,000)	-
Leased Assets	81,950	(46,591)	35,359
Library Resources	43,483	(36,588)	6,895
<b>Balance at 31 December 2019</b>	<b>2,427,496</b>	<b>(1,267,962)</b>	<b>1,159,534</b>

## 12. Accounts Payable

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Operating Creditors	21,622	30,000	30,273
Accruals	5,251	5,000	5,729
Employee Entitlements - Salaries	78,355	50,000	53,376
Employee Entitlements - Leave Accrual	33,408	25,000	20,762
	<u>138,636</u>	<u>110,000</u>	<u>110,140</u>
Payables for Exchange Transactions	138,636	110,000	110,140
	<u>138,636</u>	<u>110,000</u>	<u>110,140</u>

The carrying value of payables approximates their fair value.

## 13. Provision for Cyclical Maintenance

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Provision at the Start of the Year	93,812	93,812	80,592
Increase/ (decrease) to the Provision During the Year	-	10,000	13,220
Write back of Provision During the Year	(17,476)	-	-
Provision at the End of the Year	<u>76,336</u>	<u>103,812</u>	<u>93,812</u>
Cyclical Maintenance - Current	-	65,000	65,024
Cyclical Maintenance - Term	76,336	40,000	28,788
	<u>76,336</u>	<u>105,000</u>	<u>93,812</u>

## 14. Finance Lease Liability

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

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
No Later than One Year	15,745	-	19,277
Later than One Year and no Later than Five Years	15,145	-	27,517
	<u>30,890</u>	<u>-</u>	<u>46,794</u>

## 15. 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:

	2020	Opening Balances	Receipts from MoE	Payments	BoT Contribution	Closing Balances
		\$	\$	\$		\$
Fire repairs	<i>closed</i>	7,475	-		(7,475)	-
Fencing and drainage	<i>in progress</i>	48,618	-	(51,940)	-	(3,322)
Roofing	<i>in progress</i>	(10,489)	175,143	(177,664)	-	(13,010)
SIP project	<i>in progress</i>	-	100,800	(1,550)	-	99,250
Totals		45,604	275,943	(231,154)	(7,475)	82,918

### Represented by:

Funds Held on Behalf of the Ministry of Education	99,250
Funds Due from the Ministry of Education	16,332
	82,918

	2019	Opening Balances	Receipts from MoE	Payments	BoT Contribution	Closing Balances
		\$	\$	\$		\$
Fire repairs	<i>in progress</i>	7,475	-	-	-	7,475
Fencing and drainage	<i>in progress</i>	(3,129)	109,491	(57,743)	-	48,618
Outline Plans	<i>in progress</i>	(1,261)	-	(9,228)	-	(10,489)
Mould	<i>closed</i>	-	10,379	(10,379)	-	-
Totals		3,085	119,870	(77,350)	-	45,604

## 16. 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.

## 17. Remuneration

### Key management personnel compensation

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

	<b>2020 Actual \$</b>	<b>2019 Actual \$</b>
<i>Board Members</i>		
Remuneration	3,975	2,807
Full-time equivalent members	0.22	0.22
<i>Leadership Team</i>		
Remuneration	318,066	241,787
Full-time equivalent members	3	2
Total key management personnel remuneration	322,041	244,594
Total full-time equivalent personnel	3.22	2.22

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:

	<b>2020 Actual \$000</b>	<b>2019 Actual \$000</b>
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	130-140	130-140
Benefits and Other Emoluments	0-5	0-5
Termination Benefits	-	-

### Other Employees

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

<b>Remuneration \$000</b>	<b>2020 FTE Number</b>	<b>2019 FTE Number</b>
100-110	1.00	1.00
	1.00	1.00

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

## 18. 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:

	<b>2020 Actual</b>	<b>\$</b>	<b>2019 Actual</b>
Total	-	-	-
Number of People	-	-	-

## 19. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2020 (Contingent liabilities and assets at 31 December 2019: nil).

### Holidays Act Compliance – schools payroll

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

The Ministry's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. The current phase of this review is to design potential solutions for any compliance breaches discovered in the initial phase of the Programme. 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 2020, a contingent liability for the school may exist.

## 20. Commitments

### (a) Capital Commitments

As at 31 December 2020 the Board has not entered into any contract agreements for capital works:

(a) \$109,490 contract for Fencing stage II to be completed in 2021, which will be fully funded by the Ministry of Education. \$109,490 has been received of which \$112,812 has been spent on the project to date; and

(b) A contract to have the B Block Roof replaced. This project is fully funded by the Ministry. \$175,143 has been received of which \$188,153 has been spent on the project to balance date. This project has been approved by the Ministry.

(a) \$100,800 contract for Site works to be completed in 2021, which will be fully funded by the Ministry of Education. \$100,800 has been received of which \$1,550 has been spent on the project to date.

(Capital commitments at 31 December 2019:

(a) \$109,490 contract for Fencing stage II to be completed in 2020, which will be fully funded by the Ministry of Education. \$109,490 has been received of which \$60,872 has been spent on the project to date; and

(b) A contract to have the B Block Roof replaced. This project is fully funded by the Ministry and no funds have yet been received, however \$10,489 has been spent on the project to balance date. This project has been approved by the Ministry.

### (b) Operating Commitments

As at 31 December 2020 the Board has entered into the following contracts:

(a) operating lease of a EFTPOS Machine and Vistab sign in;

	2020 Actual \$	2019 Actual \$
No later than One Year	585	900
Later than One Year and No Later than Five Years	270	1,395
	<u>855</u>	<u>2,295</u>

## 21. 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.

## 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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash and Cash Equivalents	241,414	170,820	137,290
Receivables	90,103	55,000	58,746
Total Financial assets measured at amortised cost	<u>331,517</u>	<u>225,820</u>	<u>196,036</u>

### Financial liabilities measured at amortised cost

Payables	138,636	110,000	110,140
Finance Leases	30,890	38,616	46,793
Total Financial Liabilities Measured at Amortised Cost	<u>169,526</u>	<u>148,616</u>	<u>156,933</u>

## 23. Events After Balance Date

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

## 24. Comparatives

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

# Analysis of Variance Reporting



<b>School Name:</b>	Merivale School	<b>School Number:</b>	1825
<b>Strategic Aim:</b>	Improve outcomes for all students in literacy particularly Māori, Pasifika and children with Special Needs		
<b>Annual Aim:</b>	Raise student achievement in writing		
<b>Target:</b>	<p><b>At least 80% of Well Below, Below and insecure At students will achieve at least 18 months accelerated progress. All target students will be tracked on data walls and be a focus of teacher inquiries.</b></p> <p><b>100% of students who are securely At or Above will achieve at least one year's progress.</b></p>		

**Baseline Data:**

**Written Language Level T12020  
Heather Langley Whole School 2020**

4045	L1b	L1p	L1a	L2b	L2p	L2a	L3b	L3p	L3a	L4b	L4p	L4a	Well Below	Below	At	Above	Total
<b>Y0</b>																	0
<b>Y1</b>	100% (14)														100% (14)		14
<b>Y2</b>	68% (13)	32% (6)												68% (13)	32% (6)		19
<b>Y3</b>	19% (5)	26% (7)	44% (12)	11% (3)									19% (5)	26% (7)	56% (15)		27
<b>Y4</b>	9% (1)		18% (2)	36% (4)	27% (3)	9% (1)							9% (1)	18% (2)	73% (8)		11
<b>Y5</b>	15% (2)	8% (1)	15% (2)	23% (3)	8% (1)	23% (3)	8% (1)						38% (5)	31% (4)	31% (4)		13
<b>Y6</b>	5% (1)	5% (1)	5% (1)	14% (3)	5% (1)	14% (3)	48% (10)	5% (1)					33% (7)	14% (3)	52% (11)		21
<b>Totals</b>	34.3% 36	14.3% 15	16.2% 17	12.4% 13	4.8% 5	6.7% 7	10.5% 11		1% 1				17.1% 18	27.6% 29	55.2% 58		105

**Written Language Level T42020  
Heather Langley Whole School 2020**

4048	L1b	L1p	L1a	L2b	L2p	L2a	L3b	L3p	L3a	L4b	L4p	L4a	Well Below	Below	At	Above	Total
<b>Y0</b>	93% (14)	7% (1)													93% (14)	7% (1)	15
<b>Y1</b>	77% (17)	23% (5)													100% (22)		22
<b>Y2</b>	23% (6)	54% (14)	23% (6)											77% (20)	23% (6)		26
<b>Y3</b>	10% (3)	6% (2)	42% (13)	29% (9)	13% (4)								10% (3)	48% (15)	29% (9)	13% (4)	31
<b>Y4</b>	6% (1)		19% (3)	31% (5)	19% (3)	25% (4)							25% (4)	31% (5)	44% (7)		16
<b>Y5</b>	6% (1)	13% (2)	13% (2)	13% (2)	25% (4)	19% (3)	6% (1)	6% (1)					44% (7)	44% (7)	6% (1)	6% (1)	16
<b>Y6</b>	4% (1)		4% (1)	4% (1)		13% (3)	8% (2)	38% (9)	25% (6)	4% (1)			25% (6)	8% (2)	63% (15)	4% (1)	24
<b>Totals</b>	28.7% 43	16% 24	16.7% 25	11.3% 17	7.3% 11	6.7% 10	2% 3	6.7% 10	4% 6	0.7% 1			13.3% 20	32.7% 49	49.3% 74	4.7% 7	150

Focus: Increase of 48 students over the year. Year 4 cohort of note Term 1 73% at expectation Term 4 44% at expectation. Year 6 students showed most improvement over the year with 67% achieving at or above expectation. Year 5 cohort of concern.

Targets: 2021 Year 5 88% cohort below expectation. All classes to have 6 target writers and Readers 2021.

Title: T1 Written Language Level(4045) 2019-2020

Select next skill

<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>A whole school focus on ‘growth mindset’ approaches to learning and learning from mistakes, resulted in an increase in students’ persistence when writing.</p> <p>Within classrooms, students were encouraged to take risks by sharing their ideas with their peers which, in turn, resulted in the development of student confidence and cooperation. Teachers provided students with time to struggle with a question, promoting risk taking and deep thinking, while encouraging curiosity and observation. Within this environment, students also accepted the possibility of failure in not meeting their own expectations. Increased resilience and perseverance was observed.</p> <p>Mixed ability grouping for writing also impacted on student learning by providing all students with the opportunity to participate in engaging and challenging learning experiences where ideas were discussed through rich language. Mixed ability grouping had a dual effect. It allowed low-</p>	<p>The majority of students made accelerated progress that was less than expected from students over two terms.</p> <p>Writing levels and OTJs were used to track progress of students. At this time, Merivale School does not use PATs to inform student achievement.</p> <p>Due to COVID-19 and the impact it had globally, we anticipated that this would happen.</p>	<p>The impact of COVID-19 in March caused major disruption, not only to writing results, but to the school and community as a whole. There was some significant regression schoolwide.</p> <p>As a result, this deeply affected progress in general for all students in 2020. However we were able to glean a few positives which have been mentioned below.</p> <p>Student and teacher voice, obtained before and after assessment highlighted positive changes in attitude, confidence, motivation, and engagement.</p> <p>Positive impacts on student motivation, engagement and student agency are attributed to best practice being embedded into the existing school culture which functions under the umbrella of a Positive Behaviour for Learning School-Wide framework and Assessment for Learning.</p> <p>All classrooms inquired into practices with the purpose of increasing motivation and achievement in all curriculum</p>	<p>We will continue with what worked for this year and possibly look at an increase in PLD to enhance the writing programme.</p> <p>We have identified that learning assessment take priority with a focus on localised curriculum as well. Next year we will collaborate with Merivale community members, staff and BOT to further strengthen this initiative to support writing schoolwide. This could involve the spending of extra funds in order to meet this. Next year’s budget will include this cost.</p> <p>Provided COVID-19 does not impact too heavily, we should see some real progress next year.</p>

achieving students to hear the justification of thinking from higher achieving students instead of remedial group teaching that aimed to 'fill the gaps'. Questions posed by lower-ability students encouraged higher achieving students to clarify their thinking so as to be understood by their peers.

Teachers use of challenging multi step problems exposed students to written language of higher order thinking. These types of rich tasks offered opportunities for all learners to attempt problems as they allowed for different approaches and different representations.

areas across the school with a particular focus on writing.

Writing expectations and group norms sat within the school PB4L mnemonic 'the VALE Way'.

Budget \$8000.

Expenditure \$8000.

### Planning for next year:

The BOT will review the journey to improve on Writing as a strategic target schoolwide.

- We will endeavour to anticipate the impact of COVID-19
- The Accelerated Learning in Literacy programme (A.L.L.) will again take effect in 2021
- Introduce ways parents can help at home. Many supporting elements like cards, games list of ICT applications, Maori Dictionary and maths manipulatives etc are placed in a kete for the parents to take home.
- We have set up Data Walls to track progress. Photos of students are placed on a board identifying their progress and achievement. At meetings, teachers will collaboratively analyse the progress of students, reviewing the programmes and practices in class and supporting each other with ideas and feedback from previous years.
- To improve Boys writing, we will source support from experts to find ways to better motivate and engage learners.
- Our professional growth cycles is based on our target students and form the first agenda item of every team meeting.
- We will moderate with a wider range of schools so we can ensure that our O.T.J's are accurate. We will also discuss assessment and the teaching of writing with our peers from other schools.
- We will explore implementing a school wide spelling programme to ensure a consistent quality regimen from NE to Year 6.

- We will upskill and grow our understanding of the " Smart Words Spelling" programme so it can be successfully implemented across the school.
- As part of the C.O.L we will appoint an in-school teacher to work with staff on culturally responsive practice
- As part of the professional growth cycle we will ensure the calendar is not too cluttered so we can complete our planned observation and feedback sessions.
- Use learning progressions in "student friendly" language so pupils can easily identify what they can do and their next learning steps. This will help them develop student agency, assessment literacy. Literature is consistent that this should motivate and engage the learners.
- Continue to use Sunshine online in the Junior School and Google Classroom in Senior Class to support and enhance writing programmes.
- Introduce SeeSaw as an online learning tool to engage students and whanau

## Independent Auditor's Report

# To the Readers of Merivale School's Financial Statements

## For the Year Ended 31 December 2020

The Auditor-General is the auditor of Merivale School (the School). The Auditor-General has appointed me, Richard Dey, using the staff and resources of William Buck Audit (NZ) Limited, to carry out the audit of the financial statements of the School on his behalf.

### Opinion

We have audited the financial statements of the School on pages 2 to 19, that comprise the statement of financial position as at 31 December 2020, 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 2020; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with PBE Accounting Standards (PBE IPSAS) Reduced Disclosure Regime.

Our audit was completed on 2 June 2021. 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.

#### ACCOUNTANTS & ADVISORS

The Collective  
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William Buck Audit (NZ) Limited

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

### **Responsibilities of the Board 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 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 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 page 1 and on pages 20 to 24, 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.



**Richard Dey**  
**William Buck Audit (NZ) Limited**  
On behalf of the Auditor-General  
Tauranga, New Zealand