

KARAPIRO SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

School Directory

Ministry Number: 1764

Principal: Tina-Maree Thatcher

School Address: 705 Tirau Road, RD4, Cambridge

School Postal Address: , 3496

School Phone: 07 827 7642

School Email: office@karapiro.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Term Expires/ Expired
Nick Rolley	Chairperson	Elected	Nov 2018
Tina-Maree Thatcher	Principal	ex Officio	Dec 2018
Julie Runciman	Parent Rep	Elected	Dec 2018
Melanie Emmett	Parent Rep	Co-opted	Dec 2018
Grant Amos	Parent Rep	Co-opted	Dec 2018
Justin Smith	Parent Rep	Elected	Dec 2018
Anne Mackey	Staff Rep	Elected	Nov 2018
David Rutter	Other	Elected	Apr 2018
Chris Calver	Commissioner		

Accountant / Service Provider: Education Services Ltd

KARAPIRO SCHOOL

Annual Report - For the year ended 31 December 2018

Index

Page	Statement
------	-----------

	Financial Statements
--	-----------------------------

1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expense
3	Statement of Changes in Net Assets/Equity
4	Statement of Financial Position
5	Statement of Cash Flows
6 - 11	Statement of Accounting Policies
12 - 20	Notes to the Financial Statements

	Other Information
--	--------------------------

	Analysis of Variance
--	----------------------

	Kiwisport
--	-----------

Karapiro School

Statement of Responsibility

For the year ended 31 December 2018

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 2018 fairly reflects the financial position and operations of the school.

The School's 2018 financial statements are authorised for issue by the Board.

CHRISTOPHER CALVER

Full Name of Board Chairperson

Commissioner

[Signature]

Signature of Board Chairperson

Commissioner

Date:

1/7/19

Tina Marie Thatchal

Full Name of Principal

[Signature]

Signature of Principal

Date:

01-07-2019

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

For the year ended 31 December 2018

		2018	2018	2017
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Revenue				
Government Grants	2	818,961	729,832	868,375
Locally Raised Funds	3	59,903	41,620	90,559
Interest Earned		3,190	3,500	3,642
		<hr/>	<hr/>	<hr/>
		882,054	774,952	962,576
Expenses				
Locally Raised Funds	3	54,626	21,260	64,640
Learning Resources	4	582,206	512,422	612,463
Administration	5	83,935	83,170	104,333
Finance Costs		1,479	394	951
Property	6	187,626	162,883	180,863
Depreciation	7	34,423	36,069	37,291
Loss on Disposal of Property, Plant and Equipment		4,962	-	766
		<hr/>	<hr/>	<hr/>
		949,257	816,198	1,001,307
Net Surplus / (Deficit)		(67,203)	(41,246)	(38,731)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		(67,203)	(41,246)	(38,731)

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



Karapiro School
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2018

	Actual 2018 \$	Budget (Unaudited) 2018 \$	Actual 2017 \$
Balance at 1 January	375,682	394,786	412,302
Total comprehensive revenue and expense for the year	(67,203)	(41,246)	(38,731)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	5,877	-	2,111
Equity at 31 December	314,356	353,540	375,682
Retained Earnings	314,356	353,540	375,682
Equity at 31 December	314,356	353,540	375,682

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



Karapiro School
Statement of Financial Position
As at 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Assets				
Cash and Cash Equivalents	8	50,093	121,630	87,099
Accounts Receivable	9	36,984	28,433	31,943
GST Receivable		-	-	1,310
Prepayments		4,075	969	4,869
Inventories	10	1,434	1,211	3,218
Investments	11	50,000	-	-
Funds owed for Capital Works Projects	17	-	-	6,406
		<u>142,586</u>	<u>152,243</u>	<u>134,845</u>
Current Liabilities				
GST Payable		8,570	5,653	-
Accounts Payable	13	37,608	42,812	36,400
Revenue Received in Advance	14	1,506	593	2,286
Provision for Cyclical Maintenance		-	-	-
Finance Lease Liability - Current Portion	16	3,887	3,426	4,447
Funds held for Capital Works Projects	17	23,359	-	-
		<u>74,930</u>	<u>52,484</u>	<u>43,133</u>
Working Capital Surplus/(Deficit)		67,656	99,759	91,712
Non-current Assets				
Property, Plant and Equipment	12	261,034	256,445	297,942
		<u>261,034</u>	<u>256,445</u>	<u>297,942</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	8,500	-	4,250
Finance Lease Liability	16	5,834	2,664	9,722
		<u>14,334</u>	<u>2,664</u>	<u>13,972</u>
Net Assets		<u>314,356</u>	<u>353,540</u>	<u>375,682</u>
Equity		<u>314,356</u>	<u>353,540</u>	<u>375,682</u>

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



Karapiro School
Statement of Cash Flows
For the year ended 31 December 2018

		2018	2018	2017
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
Cash flows from Operating Activities				
Government Grants		188,041	189,157	217,197
Locally Raised Funds		55,719	26,100	90,346
Goods and Services Tax (net)		9,880	-	(6,963)
Payments to Employees		(127,360)	(104,500)	(101,358)
Payments to Suppliers		(143,504)	(112,112)	(223,226)
Interest Paid		(1,479)	(394)	(951)
Interest Received		2,298	3,500	3,757
Net cash from / (to) the Operating Activities		(16,405)	1,751	(21,198)
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(2,477)	(1,000)	(17,901)
Purchase of Investments		(50,000)	-	-
Net cash from / (to) the Investing Activities		(52,477)	(1,000)	(17,901)
Cash flows from Financing Activities				
Furniture and Equipment Grant		5,877	-	2,111
Finance Lease Payments		(3,766)	(4,750)	(2,584)
Funds Held for Capital Works Projects		29,765	-	1,042
Net cash from Financing Activities		31,876	(4,750)	569
Net increase/(decrease) in cash and cash equivalents		(37,006)	(3,999)	(38,530)
Cash and cash equivalents at the beginning of the year	8	87,099	125,629	125,629
Cash and cash equivalents at the end of the year	8	50,093	121,630	87,099

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.



Karapiro School

Notes to the Financial Statements

For the year ended 31 December 2018

1. Statement of Accounting Policies

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2018 to 31 December 2018 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

The Education Act 1989 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as "having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders".

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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



Useful lives of property, plant and equipment

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

Critical Judgements in applying accounting policies

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

Classification of leases

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 16.

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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



e) Operating Lease Payments

Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight line basis over the term of the lease.

f) Finance Lease Payments

Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of 90 days or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

h) Accounts Receivable

Accounts Receivable represents items that the School has issued invoices for or accrued for, but has not received payment for at year end. Receivables are initially recorded at fair value and subsequently recorded at the amount the School realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the School will not be able to collect all amounts due. The amount that is uncollectable (the provision for uncollectibility) is the difference between the amount due and the present value of the amounts expected to be collected.

i) Inventories

Inventories are consumable items held for sale and comprise of stationery and school uniforms. They are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is the estimated selling price in the ordinary course of activities less the estimated costs necessary to make the sale. Any write down from cost to net realisable value is recorded as an expense in the Statement of Comprehensive Revenue and Expense in the period of the write down.

j) Investments

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

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

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

The School has met the requirements of Schedule 6 para 28 of the Education Act 1989 in relation to the acquisition of investment securities.

k) Property, Plant and Equipment

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

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

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

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



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

Leased Assets

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

Depreciation

Property, plant and equipment 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:

Buildings	40 Years
Furniture and Equipment	5-12 Years
Information and Communication	3-5 Years
Library Resources	12.5% DV

Leased assets are depreciated over the life of the lease.

l) Intangible Assets

Software costs

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

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

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

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

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

The school does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

Non cash generating assets

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.



n) Accounts Payable

Accounts Payable represents liabilities for goods and services provided to the School prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

o) Employee Entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

p) Revenue Received in Advance

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

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

q) Funds Held in Trust

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

r) Shared Funds

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

s) Provision for Cyclical Maintenance

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

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

t) Financial Assets and Liabilities

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are categorised as "loans and receivables" for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards.



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

u) Borrowings

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

v) Goods and Services Tax (GST)

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statements of cash flows.

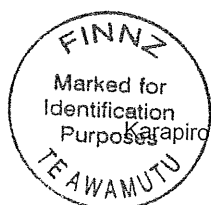
Commitments and contingencies are disclosed exclusive of GST.

w) Budget Figures

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

x) Services received in-kind

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



2. Government Grants

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operational grants	160,363	179,157	178,194
Teachers' salaries grants	496,718	420,922	520,506
Use of Land and Buildings grants	134,293	117,833	138,426
Other MoE Grants	27,587	11,920	27,766
Other government grants	-	-	3,483
	<u>818,961</u>	<u>729,832</u>	<u>868,375</u>

3. Locally Raised Funds

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue			
Donations	5,604	5,000	21,169
Bequests & Grants	-	4,100	4,100
Activities	23,517	-	35,199
Trading	16,873	17,000	13,484
Fundraising	26	2,000	2,730
School House	13,920	13,520	12,760
Bus	(37)	-	1,117
	<u>59,903</u>	<u>41,620</u>	<u>90,559</u>
Expenses			
Activities	25,925	1,500	28,716
Trading	28,439	17,600	24,713
Fundraising costs	-	-	693
School House	262	2,160	1,156
Bus	-	-	9,362
	<u>54,626</u>	<u>21,260</u>	<u>64,640</u>
<i>Surplus for the year Locally raised funds</i>	<u>5,277</u>	<u>20,360</u>	<u>25,919</u>

4. Learning Resources

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Curricular	16,157	20,500	16,968
Library resources	-	-	78
Employee benefits - salaries	552,777	475,922	574,033
Staff development	12,272	15,000	19,815
General	1,000	1,000	1,569
	<u>582,206</u>	<u>512,422</u>	<u>612,463</u>



5. Administration

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Audit Fee	3,140	3,000	2,990
Board of Trustees Fees	3,370	3,500	4,015
Board of Trustees Expenses	5,858	2,400	6,621
Communication	2,803	2,520	2,794
Consumables	6,169	3,500	6,517
Operating Lease	-	350	-
Other	9,355	11,000	32,582
Employee Benefits - Salaries	42,958	45,000	40,721
Insurance	2,536	3,000	423
Service Providers, Contractors and Consultancy	7,746	8,900	7,670
	<u>83,935</u>	<u>83,170</u>	<u>104,333</u>

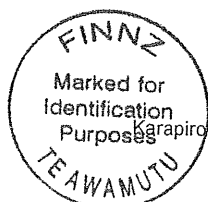
6. Property

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Caretaking and Cleaning Consumables	14,380	13,000	12,932
Cyclical Maintenance Expense	4,250	6,000	4,250
Grounds	4,415	6,450	3,453
Heat, Light and Water	9,187	11,000	10,497
Repairs and Maintenance	9,733	7,000	9,052
Use of Land and Buildings	134,293	117,833	138,426
Security	520	600	1,253
Employee Benefits - Salaries	1,000	1,000	1,000
Consultancy Fees	9,848	-	-
	<u>187,626</u>	<u>162,883</u>	<u>180,863</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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Buildings	6,370	6,161	6,370
Building Improvements	2,621	2,398	2,479
Furniture and Equipment	7,760	8,466	8,753
Information and Communication Technology	11,479	13,237	13,685
Leased Assets	5,625	5,212	5,389
Library Resources	568	595	615
	<u>34,423</u>	<u>36,069</u>	<u>37,291</u>



8. Cash and Cash Equivalents

	2018	2018	2017
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
ASB - 00	13,105	16,772	36,116
Transfer Holding Account	1,112	4,858	983
ASB TD 80	15,876	-	-
Short-term Bank Deposits	20,000	100,000	50,000
Cash equivalents for Cash Flow Statement	50,093	121,630	87,099

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

Of the \$50,093 Cash and Cash Equivalents, \$29,765 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2019 on Crown owned school buildings under the School's Five Year Property Plan.

9. Accounts Receivable

	2018	2018	2017
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Receivables	5,310	-	1,955
Receivables from the Ministry of Education	3,134	6,762	2,988
Interest Receivable	978	201	86
Teacher Salaries Grant Receivable	27,562	21,470	26,914
	36,984	28,433	31,943
Receivables from Exchange Transactions	6,288	201	2,041
Receivables from Non-Exchange Transactions	30,696	28,232	29,902
	36,984	28,433	31,943

10. Inventories

	2018	2018	2017
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Stationery	1,434	1,211	3,218
	1,434	1,211	3,218

11. Investments

The School's investment activities are classified as follows:

	2018	2018	2017
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	50,000	-	-



12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2018						
Buildings	154,301	-	-	-	(6,370)	147,931
Building Improvements	55,950	-	(4,962)	-	(2,621)	48,367
Furniture and Equipment	46,398	1,757	-	-	(7,760)	40,396
Information and Communication Tech	23,142	556	-	-	(11,479)	12,218
Leased Assets	13,832	-	-	-	(5,625)	8,207
Library Resources	4,319	164	-	-	(568)	3,915
Balance at 31 December 2018	297,942	2,477	(4,962)	-	(34,423)	261,034

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2018			
Buildings	254,812	(106,881)	147,931
Building Improvements	85,856	(37,489)	48,367
Furniture and Equipment	153,027	(112,631)	40,396
Information and Communication	90,684	(78,466)	12,218
Leased Assets	17,832	(9,625)	8,207
Library Resources	20,935	(17,020)	3,915
Balance at 31 December 2018	623,146	(362,112)	261,034

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2017						
Buildings	160,671	-	-	-	(6,370)	154,301
Building Improvements	53,774	4,656	-	-	(2,479)	55,950
Furniture and Equipment	55,150	-	-	-	(8,753)	46,398
Information and Communication Tech	23,612	13,215	-	-	(13,685)	23,142
Leased Assets	7,403	12,584	(766)	-	(5,389)	13,832
Library Resources	4,905	30	-	-	(615)	4,319
Balance at 31 December 2017	305,515	30,485	(766)	-	(37,291)	297,942

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2017			
Buildings	254,812	(100,511)	154,301
Building Improvements	93,820	(37,870)	55,950
Furniture and Equipment	177,589	(131,191)	46,398
Information and Communication	95,817	(72,675)	23,142
Leased Assets	17,832	(4,000)	13,832
Library Resources	20,771	(16,452)	4,319
Balance at 31 December 2017	660,641	(362,699)	297,942



13. Accounts Payable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	5,952	17,330	5,808
Accruals	2,750	3,387	2,990
Employee Entitlements - salaries	27,562	21,470	26,914
Employee Entitlements - leave accrual	1,344	625	688
	<u>37,608</u>	<u>42,812</u>	<u>36,400</u>
Payables for Exchange Transactions	37,608	42,812	36,400
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>37,608</u>	<u>42,812</u>	<u>36,400</u>

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Income In Advance	1,506	593	2,286
	<u>1,506</u>	<u>593</u>	<u>2,286</u>

15. Provision for Cyclical Maintenance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Provision at the Start of the Year	4,250	(6,000)	4,250
Increase to the Provision During the Year	4,250	6,000	-
Provision at the End of the Year	<u>8,500</u>	<u>-</u>	<u>4,250</u>
Cyclical Maintenance - Current	-	-	-
Cyclical Maintenance - Term	8,500	-	4,250
	<u>8,500</u>	<u>-</u>	<u>4,250</u>

16. Finance Lease Liability

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	4,556	3,426	5,292
Later than One Year and no Later than Five Years	6,597	2,664	11,153
	<u>11,153</u>	<u>6,090</u>	<u>16,445</u>



17. Funds Held (Owed) for Capital Works Projects

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

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Breakout spaces & Alterations	<i>in progress</i>	(6,406)	-	-	-	(6,406)
Fence and Water Pump	<i>in progress</i>	-	30,065	300	-	29,765
Totals		(6,406)	30,065	300	-	23,359

Represented by:

Funds Held on Behalf of the Ministry of Education

29,765

Funds Due from the Ministry of Education

(6,406)

23,359

	2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Breakout spaces & Alterations	<i>in progress</i>	(6,406)	-	-	-	(6,406)
Special Needs Modification	<i>completed</i>	(1,042)	43,155	42,113	-	-
D & E - Heatpumps	<i>completed</i>	-	4,032	4,032	-	-
Totals		(7,448)	47,187	46,145	-	(6,406)

18. Related Party Transactions

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

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



19. Remuneration

Key management personnel compensation

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

	2018 Actual \$	2017 Actual \$
<i>Board Members</i>		
Remuneration	3,370	4,015
Full-time equivalent members	0.19	0.48
<i>Leadership Team</i>		
Remuneration	210,088	205,552
Full-time equivalent members	2.00	2.00
Total key management personnel remuneration	213,458	209,567
Total full-time equivalent personnel	2.19	2.48

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:

	2018 Actual \$000	2017 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	110 - 120	110 - 120
Benefits and Other Emoluments	3 - 4	3 - 4
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2018 FTE Number	2017 FTE Number
100 - 110	-	-
	0.00	0.00

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

20. Compensation and Other Benefits Upon Leaving

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

	2018 Actual	2017 Actual
Total	-	-
Number of People	-	-



21. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2018 (Contingent liabilities and assets at 31 December 2017: nil).

Holidays Act Compliance – schools payroll

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

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance, however the potential impact on any specific school or individual and any associated historical liability will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2018, a contingent liability for the school may exist.

22. Commitments

(a) Capital Commitments

There are no capital commitments as at 31 December 2018 (Capital commitments at 31 December 2017: nil).

(b) Operating Commitments

There are no operating commitments as at 31 December 2018 (Operating commitments at 31 December 2017: nil).

23. Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but attempts to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.

24. Financial Instruments

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

Loans and receivables

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash and Cash Equivalents	50,093	121,630	87,099
Receivables	36,984	28,433	31,943
Investments - Term Deposits	50,000	-	-
Total Loans and Receivables	137,077	150,063	119,042

Financial liabilities measured at amortised cost

Payables	37,608	42,812	36,400
Borrowings - Loans	-	-	-
Finance Leases	9,721	6,090	14,169
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	47,329	48,902	50,569



25. Events After Balance Date

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

26. 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

School Name: KARAPIRO SCHOOL		School Number: 1764
Strategic Aim	We aim to achieve high standards of student success in all curriculum areas, with a particular focus on Science.	
Annual Aim	<p>GOAL 1 1.1: To improve student achievement in Science.</p> <p>By studying Science our students will:</p> <ol style="list-style-type: none"> 1. Develop an understanding of the world, built on current scientific theories 2. Learn that Science involves particular processes and ways of developing and organising knowledge and that these continue to evolve 3. Use their current scientific knowledge and skills for problem solving and developing further knowledge 4. Use scientific knowledge and skills to make informed decisions about the communication, application and implications of Science as these relate to their own lives and cultures and to the sustainability of the environment (NZC) <p>Due to the focus on National Standards over the past decade, there is a need to develop a new Science Curriculum Implementation Plan, that is informed by a set of baseline student achievement data. We have an opportunity to understand the current teacher capability in teaching science (including barriers to teaching science) and to construct an informed approach to student learning in Science.</p>	
Target:	<p>2018 Targets</p> <ol style="list-style-type: none"> 1.2 Karapiro School has a current Science Curriculum Implementation Plan 1.3 Improved teacher capability including confidence to teach Science across the strands 	

	<p>1.4 Students are exposed to teaching & learning across the Science strands</p> <p>1.5 The school has a baseline data set on Science achievement (that may inform 2019 goal setting).</p>
Baseline Data	Baseline data has not been available prior to 2018 and was the reason for setting this Science inquiry goal (see charter).

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<p>2018 actions to achieve targets</p> <ol style="list-style-type: none"> 1. NZCER Science: Thinking with evidence 2. University of Canterbury Great Kiwi Science Competition 3. Review assessment data with staff 4. Determine focus areas for an inquiry into Science curriculum for 2018/19 5. Teachers engage in teaching and assessment in focus areas & ERO (Education Review Office) BES (Best Evidence Synthesis) 6. Purchase House of Science subscription 7. Draft Science implementation plan 8. GATE programmes have a Science focus 9. Provide parents, families & whānau with curriculum information to enable their support with next learning steps, 	<p>Based on the 2018 end-of-year teachers' overall teacher judgement derived from non-specific assessment tools, evidence of past Science Curriculum teaching practices and pedagogy at Karapiro School have emerged with the following results:</p> <ul style="list-style-type: none"> • 39% of students school-wide are achieving below the expected level across the Science curriculum* • 47.9% of students school-wide are achieving at the expected level across the Science Curriculum* • 9.6% of students school-wide are achieving above the expected level across the Science Curriculum* <p>which has established our baseline data for the purpose of 2019 goal setting.</p> <p><i>* note: not Science Curriculum Strand specific</i></p>	<p>Teacher engagement in the charter target goal has contributed to a focus on Science Curriculum.</p> <p>Data collection procedures have been modified and aligned with the curriculum to support quality student achievement data. We now have the ability to track and monitor student progress and achievement against the curriculum through our Student Management System (SMS).</p> <p>The House of Science subscription and resource has provided practical and easy access to a curriculum resource that has energised staff and students.</p>	<p>In 2019 we would like to continue to focus on this area of the curriculum (as the second half of our 2 year inquiry) to improve teaching and learning in Science.</p> <p>The staff survey, coupled with teacher engagement in BES, indicates a need to focus on professional learning and development in the area of assessment tools in Science to enable teachers to make OTJ's (Overall Teacher Judgements) for student progress and achievement. This will include external and standardised assessment tools such as NZCER (New Zealand Council for Education Research) and CEM (Centre for Evaluation and Monitoring).</p> <p>Science implementation planning sits within our Inquiry Overview which covers every achievement objective over a 2 year period. This will be reviewed in 2019.</p>

<p>i.e. parent information session, learning journal info</p> <p>10. Analyse end-of-year data to inform progress and planning for the following year</p> <p>11. Report outcomes of targets to BOT</p>	<p>Planning for next year:</p> <p>By the end of the 2019 school year (alongside an innovative BOT goal and ongoing monitoring and tracking by management) by:</p> <ul style="list-style-type: none"> • Drafting a local implementation plan specific to Karapiro School learners, replacing the current Science overview, including integration across the other curriculum areas • Providing teachers with PLD to increase teacher capability and confidence to teach the Science Curriculum • Injecting relevant and user-friendly resources and experiences (including EOTC opportunities) • Introducing standardised assessment tools • Teachers' inquiries will include a science curriculum focus <p>we expect that:</p> <ul style="list-style-type: none"> • 65% of students will be working within their expected curriculum level across all four strands (Living World, Planet Earth and Beyond, Physical World, Material World) of the Science Curriculum.
---	--

Analysis of Variance Reporting

School Name	Karapiro School	School Number	1764
Strategic Aim	2.1: The Board of Trustees ensures school staff experience high levels of wellbeing and they feel nurtured and supported in their employment roles at Karapiro School.		
Annual Aim	<p>In 2017 workplace stress and staff wellbeing** were topical aspects of health & safety for employers in New Zealand. All employers have a responsibility under health and safety legislation and under the Education Act (NAG5) to ensure employees are physically and emotionally safe at work. The Karapiro School Board of Trustees takes its responsibilities as employer seriously and strives to employ, retain, develop and nurture quality teaching and support staff.</p> <p>Karapiro School has experienced a period of rapid change including change of staff, school roll growth (including an influx of students with a range of special education needs), participation in the Cambridge Community of Learners (CCoL) and legislative changes (for example Education Review Office (ERO), Health & Safety and National Standards).</p>		
Target	<p>Targets</p> <p>2.2 By December 2018 the Karapiro School Board of Trustees will have information to inform them of the wellbeing of their employees</p> <p>2.3 By December 2018 the Karapiro School Board of Trustees will have a Health & Safety: Staff Wellbeing Procedure</p> <p>2.4 Staff are proactive and engaged in school-organised wellbeing activities</p>		

Nil

Baseline Data

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<p>1. Staff appreciation – TOD, Morning Tea, etc</p> <p>2. Staff complete wellbeing@school Teacher Survey (NZCER)</p> <p>3. Staff complete tailored workplace stress survey (google forms)</p> <p>4. Each term, staff are updated on EAP support procedures</p> <p>5. A H&S procedure for staff wellbeing is developed with the staff</p> <p>6. Judy Dixon teaches a staff workshop on living the Virtues</p> <p>7. Staff use 'Recharge 100' (Andrew May) Recovery Toolbox</p> <p>8. Analyse end-of-year data to inform progress and planning for the following year</p> <p>9. Report outcomes of targets to BOT</p>	<p>In 2018 we have met our annual goal to retain quality (permanent) teaching staff.</p> <p>The staff appreciation budget and principal expense budget has been used to provide teacher only day activities, shared morning teas and working breakfast/lunch. The staff room area has been modernised, furniture recovered and decluttered. We have re-established it as a 'staff space'. Social activities have been planned for and attended by staff.</p> <p>Confidential EAP Services have been promoted by the principal and used by staff members.</p> <p>Teachers and support staff have completed workplace culture surveys and these have been analysed by senior management and staff. Reported to BOT in October 2018 and December 2018.</p> <p>The principal and deputy principal completed the Principal Health & Wellbeing Survey.</p> <p>The teaching and living of the Virtues have been explored</p>	<p>In 2018 staff worked together to deliberately focus on building a positive staff culture.</p> <p>We now have a stress management and wellbeing policy.</p> <p>Staff understand their employers care for their wellbeing.</p>	<p>In 2019 we would like to begin the year by engaging staff in a discussion that includes a review of this analysis to determine what their needs are moving forward.</p> <p>We wish to embed the practices that were developed in 2018 and build on them.</p>

through a PLD session with Judy Dixon.

Staff participated in the development of a staff Stress Management & Wellbeing procedure. Stress incidents have been managed with staff according to these guidelines and NZSTA advice.

Staff are engaged in regular H & S reporting practices that are embedded into our staff culture and administrative practices.

Planning for next year

In 2019 we will:

1. Continue to monitor staff health & wellbeing through a target goal on health & wellbeing
2. Review Board Health & Safety: Stress Management & Wellbeing procedure
3. Continue to provide access to EAP for staff
4. Continue to provide budget allocations which support staff appreciation and wellbeing
5. Explore ways to identify, manage, protect and support our staff from unnecessary stressors
6. Allow opportunities to learn together as a whole staff (teachers and support staff together)
7. Explore PLD support in communication (Jo Ostler, Judy Dixon)

Karapiro School

KiwiSport Funding for the year ended 31 December 2018

Kiwisport is a Government funding initiative to support student's participation in organised sport.
The school received total Kiwisport funding of \$1,1316.67 excl gst.
The whole school benefited from the Learn to Swim programme at Karapiro School.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF KARAPIRO SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

The Auditor-General is the auditor of Karapiro School (the School). The Auditor-General has appointed me, Jonathan Hurst, using the staff and resources of Finnz Limited, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 20 that comprise the statement of financial position as at 31 December 2018, the statement of comprehensive revenue & expense, statement of changes in net assets/equity, and statement of cashflows 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 2018; and
 - financial performance and cashflows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector - Public Benefit Entity (PBE) Standards, Reduced Disclosure Regime.

Our audit was completed on 2nd July 2019. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board of Trustees for the financial statements

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

In preparing the financial statements, the Board of Trustees is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board of Trustees is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

The Board of Trustees' responsibilities arise from the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the School's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

We communicate with the Board of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the Analysis of Variance Report, Kiwisport Note, and Trustee list, but does not include the financial statements, and our auditor's report thereon.

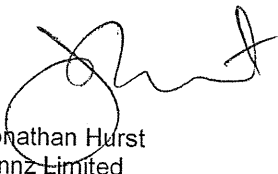
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

Independence

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

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



Jonathan Hurst
Finnz Limited
On behalf of the Auditor-General
Te Awamutu, New Zealand