



## FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

Ministry Number: 1402

### Members of the Board of Trustees

Name	Position	How Position Gained	Term Expires
Wayne Pihema	Chairperson	Re-elected May 2016	May 2019
Matthew Crumpton	Principal	Ex officio	
Brent Coutts	Parent Representative	Re-elected May 2016	May 2019
Janine Dewes	Parent Representative	Re-elected May 2016	May 2019
Tony Haworth	Parent Representative	Elected May 2016	May 2019
Matthew Rua	Parent Representative	Elected May 2016	May 2019
Michael Earl	Staff Representative	Re-elected May 2016	May 2019

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Orakei, Auckland 1071  
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# ORAKEI SCHOOL

## Financial Statements - For the year ended 31 December 2018

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## Orakei 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.

Wayne Rhema  
Full Name of Board Chairperson

Wayne Rhema  
Signature of Board Chairperson

May 23 2019.  
Date:

Michael William Earl  
Full Name of Principal

ME  
Signature of Principal

23 May 2019  
Date:

# Orakei School Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
<b>Revenue</b>				
Government Grants	2	4,192,317	3,798,387	3,794,468
Locally Raised Funds	3	270,810	245,211	301,123
Interest Earned		5,474	5,000	5,655
International Students	4	24,240	22,000	30,682
		<u>4,492,841</u>	<u>4,070,598</u>	<u>4,131,928</u>
<b>Expenses</b>				
Locally Raised Funds	3	157,394	150,230	180,195
International Students	4	3,011	3,500	858
Learning Resources	5	1,762,884	1,602,715	1,592,573
Administration	6	136,901	120,732	124,893
Finance Costs		1,635	1,948	412
Property	7	2,225,015	2,128,453	2,175,848
Depreciation	8	110,366	95,264	97,023
Loss on Disposal of Property, Plant and Equipment		396	-	4,888
		<u>4,397,602</u>	<u>4,102,843</u>	<u>4,176,690</u>
<b>Net Surplus / (Deficit)</b>		95,239	(32,245)	(44,762)
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>95,239</u>	<u>(32,245)</u>	<u>(44,762)</u>

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

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
<b>Balance at 1 January</b>	752,266	752,266	754,267
Total comprehensive revenue and expense for the year	95,239	(32,245)	(44,762)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	15,253	-	42,761
<b>Equity at 31 December</b>	862,758	720,021	752,266
 Retained Earnings	862,758	720,021	752,266
<b>Equity at 31 December</b>	862,758	720,021	752,266

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



**Orakei School**  
**Statement of Financial Position**  
As at 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	9	245,942	19,858	262,951
Accounts Receivable	10	113,875	82,634	83,473
GST Receivable		7,019	11,826	11,826
Prepayments		1,250	1,859	1,859
Inventories	11	12,867	11,343	11,343
Funds due for Capital Works Projects	17	8,337	-	35,583
		<u>389,289</u>	<u>127,520</u>	<u>407,035</u>
<b>Current Liabilities</b>				
Accounts Payable	13	137,639	102,774	230,226
Revenue Received in Advance	14	-	-	1,462
Provision for Cyclical Maintenance	15	15,455	2,700	57,000
Finance Lease Liability - Current Portion	16	10,866	8,314	4,455
		<u>163,960</u>	<u>113,788</u>	<u>293,143</u>
<b>Working Capital Surplus/(Deficit)</b>		<b>225,329</b>	<b>13,732</b>	<b>113,892</b>
<b>Non-current Assets</b>				
Property, Plant and Equipment	12	678,965	757,222	674,436
		<u>678,965</u>	<u>757,222</u>	<u>674,436</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	15	26,550	32,170	28,050
Finance Lease Liability	16	14,986	18,763	8,012
		<u>41,536</u>	<u>50,933</u>	<u>36,062</u>
<b>Net Assets</b>		<u><u>862,758</u></u>	<u><u>720,021</u></u>	<u><u>752,266</u></u>
<b>Equity</b>		<u><u>862,758</u></u>	<u><u>720,021</u></u>	<u><u>752,266</u></u>

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

# Orakei School

## Statement of Cash Flows

For the year ended 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		467,169	534,339	526,334
Locally Raised Funds		272,789	242,562	299,305
International Students		23,648	22,000	31,274
Goods and Services Tax (net)		4,807	14,391	14,392
Payments to Employees		(275,037)	(319,384)	(290,048)
Payments to Suppliers		(454,816)	(416,803)	(327,176)
Interest Paid		(1,637)	(1,948)	(412)
Interest Received		5,474	5,000	5,655
Net cash from / (to) the Operating Activities		42,397	80,157	259,324
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of PPE (and Intangibles)		(396)	-	(4,888)
Purchase of PPE (and Intangibles)		(94,969)	(132,777)	(323,492)
Purchase of Investments		-	-	-
Net cash from / (to) the Investing Activities		(95,365)	(132,777)	(328,380)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		15,253	-	42,761
Finance Lease Payments		(6,540)	20,717	(1,525)
Funds Administered on Behalf of Third Parties		27,246	-	(6,600)
Net cash from Financing Activities		35,958	20,717	34,636
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(17,009)</b>	<b>(31,903)</b>	<b>(34,420)</b>
Cash and cash equivalents at the beginning of the year	9	262,951	51,761	297,371
<b>Cash and cash equivalents at the end of the year</b>	<b>9</b>	<b>245,942</b>	<b>19,858</b>	<b>262,951</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 omitted.

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

# Orakei School

## Notes to the Financial Statements

### 1 Statement of Accounting Policies

For the year ended 31 December 2018

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

Orakei 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.

##### **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.

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

The School has met the requirements under Schedule 6, Section 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 \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

**Leased Assets**

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

**Depreciation**

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

The estimated useful lives of the assets are:

Building improvements – Crown	40 years
Furniture and equipment	10 years
Information and communication technology	5 years
Leased assets held under a Finance Lease	3 - 5 years
Library resources	12.5% Diminishing value

**l) 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.

**m) 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.

**n) 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.

**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

**o) Revenue Received in Advance**

Revenue received in advance in 2018 related to fees received from Montessori students and international fee-paying students where there are unfulfilled obligations for the School to provide services in the future. The fees are recorded as revenue as the obligations are fulfilled and the fees earned.

The School holds sufficient funds to enable the refund of unearned fees in relation to foreign fee-paying students and Montessori students, should the School be unable to provide the services to which they relate.

**p) 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. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

**q) 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).

**r) 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.

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

**s) 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.

**t) Budget Figures**

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

**u) 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	504,646	440,559	421,684
Teachers' salaries grants	1,462,054	1,282,075	1,282,075
Use of Land and Buildings grants	2,127,364	1,981,973	1,981,973
Other MoE Grants	98,253	93,780	108,736
	<u>4,192,317</u>	<u>3,798,387</u>	<u>3,794,468</u>

## 3 Locally Raised Funds

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
<b>Revenue</b>			
Donations	77,891	87,000	104,906
Fundraising	48,426	19,950	63,127
Trading	129,793	118,261	119,343
Activities	14,700	20,000	13,747
	<u>270,810</u>	<u>245,211</u>	<u>301,123</u>
<b>Expenses</b>			
Activities	20,088	23,000	27,263
Trading	128,769	114,730	129,152
Fundraising (costs of raising funds)	8,537	12,500	23,780
	<u>157,394</u>	<u>150,230</u>	<u>180,195</u>
<i>Surplus for the year Locally raised funds</i>	<u>113,416</u>	<u>94,981</u>	<u>120,928</u>

There have been no Overseas Travel expenses incurred in 2018 (2017: nil).

## 4 International Student Revenue and Expenses

	2018 Actual Number	2018 Budget (Unaudited) Number	2017 Actual Number
International Student Roll	3	1	3
<b>Revenue</b>			
International student fees	24,240	22,000	30,682
<b>Expenses</b>			
Advertising	-	-	-
International student levy	3,011	3,500	858
Other Expenses	-	-	-
	<u>3,011</u>	<u>3,500</u>	<u>858</u>
<i>Surplus for the year International Students</i>	<u>21,229</u>	<u>18,500</u>	<u>29,824</u>

There have been no Overseas Travel expenses incurred in 2018 (2017: nil).

## 5 Learning Resources

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Curricular	32,896	35,230	21,179
Equipment repairs	91	-	97
Information and communication technology	22,135	18,241	21,328
Library resources	822	1,050	4,586
Employee benefits - salaries	1,646,216	1,521,325	1,527,109
Staff development	60,726	26,870	18,274
	<u>1,762,884</u>	<u>1,602,715</u>	<u>1,592,573</u>

## 6 Administration

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Audit Fee	6,066	6,250	5,389
Board of Trustees Fees	4,260	3,850	3,205
Board of Trustees Expenses	4,414	3,460	3,173
Communication	5,779	5,050	6,639
Consumables	10,669	8,438	13,122
Other	9,716	10,450	7,621
Employee Benefits - Salaries	80,803	65,800	71,345
Insurance	3,555	5,821	3,314
Service Providers, Contractors and Consultancy	11,639	11,613	11,085
	<u>136,901</u>	<u>120,732</u>	<u>124,893</u>

## 7 Property

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Caretaking and Cleaning Consumables	4,531	6,800	4,976
Consultancy and Contract Services	53,100	52,500	33,717
Cyclical Maintenance Provision	(43,045)	6,820	64,259
Grounds	7,740	9,500	9,705
Heat, Light and Water	18,064	22,500	19,928
Repairs and Maintenance	47,636	33,360	50,677
Use of Land and Buildings - Non Integrated	2,127,364	1,981,973	1,981,973
Employee Benefits - Salaries	9,625	15,000	10,613
	<u>2,225,015</u>	<u>2,128,453</u>	<u>2,175,848</u>

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

## 8 Depreciation of Property, Plant and Equipment

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements - Crown	1,266	1,243	1,266
Furniture and Equipment	75,820	69,847	71,137
Information and Communication Technology	24,775	21,406	21,801
Leased Assets	7,538	1,817	1,851
Library Resources	967	950	968
	<u>110,366</u>	<u>95,264</u>	<u>97,023</u>

## 9 Cash and Cash Equivalents

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Current Account	208,466	19,858	225,625
Bank Call Account	37,476	-	37,326
Short-term Bank Deposits	-	-	-
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>245,942</u>	<u>19,858</u>	<u>262,951</u>

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

## 10 Accounts Receivable

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	-	2,861	2,849
Receivables from the Ministry of Education	9,118	-	839
Interest Receivable	12	-	12
Teacher Salaries Grant Receivable	104,745	79,773	79,773
	<u>113,875</u>	<u>82,634</u>	<u>83,473</u>
Receivables from Exchange Transactions	12	2,861	2,861
Receivables from Non-Exchange Transactions	113,863	79,773	80,612
	<u>113,875</u>	<u>82,634</u>	<u>83,473</u>

## 11 Inventories

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	2,580	589	1,056
School Uniforms	10,287	10,754	10,287
	<u>12,867</u>	<u>11,343</u>	<u>11,343</u>

## 12 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Building Improvements	30,611	-	-	-	(1,266)	29,345
Furniture and Equipment	570,878	68,198	-	-	(75,820)	563,256
Information and Communication Technology	54,117	25,813	-	-	(24,775)	55,155
Leased Assets	12,052	19,926	-	-	(7,538)	24,440
Library Resources	6,778	1,354	(396)	-	(967)	6,769
<b>Balance at 31 December 2018</b>	<b>674,436</b>	<b>115,291</b>	<b>(396)</b>	<b>-</b>	<b>(110,366)</b>	<b>678,965</b>

### Accumulated Depreciation

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Building Improvements	50,632	(21,287)	29,345
Furniture and Equipment	804,851	(241,595)	563,256
Information and Communication Technology	172,402	(117,247)	55,155
Leased Assets	34,096	(9,656)	24,440
Library Resources	24,134	(17,366)	6,768
<b>Balance at 31 December 2018</b>	<b>1,086,115</b>	<b>(407,150)</b>	<b>678,965</b>

The net carrying value of equipment held under a finance lease is \$24,440.

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Building Improvements	31,877	-	-	-	(1,266)	30,611
Furniture and Equipment	342,444	300,067	(496)	-	(71,137)	570,878
Information and Communication Technology	53,136	27,138	(4,356)	-	(21,801)	54,117
Leased Assets	3,319	10,584	-	-	(1,851)	12,052
Library Resources	6,607	1,175	(36)	-	(968)	6,778
<b>Balance at 31 December 2017</b>	<b>437,383</b>	<b>338,964</b>	<b>(4,888)</b>	<b>-</b>	<b>(97,023)</b>	<b>674,436</b>

### Accumulated Depreciation

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Building Improvements	50,632	(20,021)	30,611
Furniture and Equipment	736,653	(165,775)	570,878
Information and Communication Technology	146,589	(92,472)	54,117
Leased Assets	14,170	(2,118)	12,052
Library Resources	24,193	(17,415)	6,778
<b>Balance at 31 December 2017</b>	<b>972,237</b>	<b>(297,801)</b>	<b>674,436</b>

The net carrying value of equipment held under a finance lease is \$12,052.



### 13 Accounts Payable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	26,079	21,207	16,900
Accruals	5,469	-	4,307
Banking staffing overuse	-	-	127,452
Employee Entitlements - salaries	104,745	79,773	79,773
Employee Entitlements - leave accrual	1,346	1,794	1,794
	<u>137,639</u>	<u>102,774</u>	<u>230,226</u>
Payables for Exchange Transactions	137,639	102,774	230,226
	<u>137,639</u>	<u>102,774</u>	<u>230,226</u>

The carrying value of payables approximates their fair value.

### 14 Revenue Received in Advance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
International Student Fees	-	-	592
Other	-	-	870
	<u>-</u>	<u>-</u>	<u>1,462</u>

### 15 Provision for Cyclical Maintenance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Provision at the Start of the Year	85,050	85,050	20,791
Increase to the Provision During the Year	(43,045)	6,820	64,259
Use of the Provision During the Year	-	(57,000)	-
Provision at the End of the Year	<u>42,005</u>	<u>34,870</u>	<u>85,050</u>
Cyclical Maintenance - Current	15,455	2,700	57,000
Cyclical Maintenance - Term	26,550	32,170	28,050
	<u>42,005</u>	<u>34,870</u>	<u>85,050</u>

### 16 Finance Lease Liability

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	10,866	8,314	4,455
Later than One Year and no Later than Five Years	14,986	18,763	8,012
Later than Five Years	-	-	-
	<u>25,852</u>	<u>27,077</u>	<u>12,467</u>



## 17 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:

		2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M) \$	Closing Balances \$
Main Block/Roll Growth	<i>in progress</i>		(35,583)	49,633	(9,054)	-	4,996
New 6 Classroom Block	<i>in progress</i>		-	15,246	(28,579)	-	(13,333)
Totals			(35,583)	64,879	(37,633)	-	(8,337)

### Represented by:

Funds Held on Behalf of the Ministry of Education  
Funds Due from the Ministry of Education

(13,333)

4,996

(8,337)

		2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M) \$	Closing Balances \$
Main Block/Roll Growth	<i>in progress</i>		(28,983)	41,000	(63,000)	(15,400)	(35,583)
Totals			(28,983)	41,000	(63,000)	(15,400)	(35,583)

## 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	4,260	3,205
Full-time equivalent members	0.06	0.06
<i>Leadership Team</i>		
Remuneration	367,013	346,993
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	371,273	350,198
Total full-time equivalent personnel	3.06	3.06

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	170 - 180	150 - 160
Benefits and Other Emoluments	0 - 10	0 - 10
Termination Benefits	0	0

### *Other Employees*

No other employee received total remuneration greater than \$100,000 (2017: nil).

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 \$0	2017 Actual \$0
Total	\$0	\$0
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

As at 31 December 2018 the Board had no capital commitments:

(Capital commitments at 31 December 2017: nil.)

### (b) Operating Commitments

As at 31 December 2018 the Board has no operating commitments.

	2018 Actual \$	2017 Actual \$
No later than One Year	-	3,174
Later than One Year and No Later than Five Years	-	938
Later than Five Years	-	-
	-	4,112

## 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	245,942	19,858	262,951
Receivables	113,875	82,634	83,473
Total Cash and Receivables	359,817	102,492	346,424

### Financial liabilities measured at amortised cost

Payables	137,639	102,774	230,226
Finance Leases	25,852	27,077	12,467
Total Financial Liabilities Measured at Amortised Cost	163,491	129,851	242,693

## 25 Events After Balance Date

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





## ŌRĀKEI SCHOOL

### **Kiwi Sport 2018**

Kiwisport is a Government funding initiative to support students' participation in organized sport. In 2018, Orakei School received \$4691 and the funding was spent on gymnastics coaching. This helped students participate who would not normally have access to these sports.

All our year 3-8 students were able to receive gymnastics coaching and participate in gymnastics competitions. All of our Year 0-3 students 15% of our students accessed gymnastics coaching and competed in the zone and interzone gymnastics competition which would otherwise not have happened.

Michael Earl

Acting Principal

# ANALYSIS OF VARIANCE (A.O.V.) - READING

## Analysis of Variance: READING

### Strategic Aim:

All students are able to access The New Zealand Curriculum as evidenced by achievement in relation to the expected curriculum level for their year.

### Reflective Comment:

All students were able to access the NZC in reading. Students received a well-balanced, regular reading programme in line with Orakei School Curriculum documentation

### Annual Aim:

To increase the number of students who will be Reading at or above the expected curriculum level for their year.

### Reflective Comment:

The overall number of students working at or above the National Standard in Reading is 84.9%. This is an increase of 0.1%.

### Baseline Data:

- ☐ All students: At the end of 2017, 4/267 were identified as Well Below and 37/267 as Below the expected curriculum level for their year
- ☐ Maori students: At the end of 2017, 3/92 were identified as Well Below 14/92 were identified as Below the expected curriculum level for their year
- ☐ Pasifika students: At the end of 2017, 7/28 as Below the expected curriculum level for their year

### 2018 Targets:

**READING TARGET 1:** To show accelerated progress for the 37 students who are identified as Below the expected curriculum level for their year.

**READING TARGET 2:** To show accelerated progress for the 14 Maori and 7 Pasifika students who are identified as Below the expected curriculum level for their year

**READING TARGET 3:** To show accelerated progress for the 6 Yr5, 6 Yr 6, and 4 Yr 7 students who are identified as Below the expected curriculum level for their year.

Actions What did we do?	Outcomes What Happened?	Reasons Why did it happen?	Evaluation What next?
<p>Staff and personal professional development:</p> <p><input type="checkbox"/> Leadership and Assessment school-wide professional development</p> <p><input type="checkbox"/> e-asTTle workshops</p> <p><input type="checkbox"/> OTJ moderations</p> <p>Teaching and learning programme development and/or focus:</p> <p>Learning Communities guided teachers to focus on effective practice and pedagogy, and a sharing of successful strategies.</p> <p>Weekly team meetings were student achievement focused and tracked 'at risk' students.</p> <p>Teachers kept in-depth assessment evidence of targeted students and included reference to them throughout their planning.</p> <p>Systematic and in-depth observations of teacher practice and delivery of new teaching methods.</p>	<p><b>READING TARGET 1:</b> 8/37 moved from Below to AT 10/37 remained the same and 19/37 students left the school</p> <p><b>READING TARGET 2:</b> Maori Students 3/14 moved from Below to AT 8/14 remained at Below Pasifika Students 1/7 moved from Below to AT 2/7 remained at Below 4/7 left the school</p> <p><b>READING TARGET 3:</b> 5/16 remained Below; 3/16 moved to AT and 8/16 left the school Year 5 – 3/6 remained Below; 1/6 moved to AT and 2/6 left the school Year 6 – 6/6 remained Below Year 7 – 4/4 left the school</p>	<p>Comprehensive and on-going formative assessment processes. Minute by Minute approach.</p> <p>High expectations were set so that all students can achieve.</p> <p>Clear identification and review processes of targeted students.</p> <p>Board of Trustees have a clear focus on improving student outcomes.</p> <p>Use of e-Tap has been a significant tool to monitor, track and record student data.</p> <p>Teachers' professional development based on the Leadership and Assessment principles.</p>	<p>Using school and community resources to create specific targeted interventions to address learning needs of target students.</p> <p>Continue to make reference to our student targets within our documentation and schedule systematic self-review opportunities through our team meetings.</p> <p>Regular reporting to the Board of Trustees.</p> <p>Continued 'Celebrate and Adapt' PLC designed to inform our PD and budget allocation for the following term.</p> <p>Greater support for teacher through in-class support and targeted development.</p> <p>Better engagement of parents in the learning journey of their children through upskilling and involvement.</p> <p>Provide more teaching sessions to Below students through our newly formed learning support department</p>

# ANALYSIS OF VARIANCE (A.O.V.) - WRITING

## Analysis of Variance: WRITING

### Strategic Aim:

All students are able to access The New Zealand Curriculum as evidenced by achievement in relation to the expected curriculum level for their year.

### Reflective Comment:

All students were able to access the NZC in writing. Students received a well-balanced, regular writing programme in line with Orakei School Curriculum documentation

### Annual Aim:

To increase the number of students who will be writing at or above the expected curriculum level for their year in Writing.

### Reflective Comment:

The overall number of students working at or above the National Standard in writing is 81.5%. This is a decrease of 0.3%.

### Baseline Data:

- ☐ All students: At the end of 2017, 7/270 Well Below and 43/270 Below the expected curriculum level for their year
- ☐ Maori students: At the end of 2017, 3/92 Well Below and 15/92 Below the expected curriculum level for their year
- ☐ Pasifika students: At the end of 2017, 1/28 Well Below and 8/28 Below the expected curriculum level for their year

### 2018 Targets:

Discussion:

**WRITING TARGET 1:** To show accelerated progress for the 43 students who are identified as Below the expected curriculum level for their year.

**WRITING TARGET 2:** To show accelerated progress for the 15 Maori and 8 Pasifika students who are identified as Well below or Below the expected curriculum level for their year.

**WRITING TARGET 3:** To show accelerated progress for the 7 Year 2, 9 Year 3, 6 Yr 4, and 7 Yr 5 students who are identified as Below the expected curriculum level for their year.



Actions What did we do?	Outcomes What Happened?	Reasons Why did it happen?	Evaluation What next?
<p>Staff and personal professional development:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Leadership and Assessment school-wide professional development</li> <li><input type="checkbox"/> e-asTTLe workshops</li> <li><input type="checkbox"/> OJJ moderations</li> </ul> <p>Teaching and learning programme development and/or focus:</p> <p>Learning Communities guided teachers to focus on effective practice and pedagogy, and a sharing of successful strategies.</p> <p>Weekly team meetings were student achievement focused and tracked 'at risk' students.</p> <p>Teachers kept in-depth assessment evidence of targeted students and included reference to them throughout their planning.</p> <p>Systematic and in-depth observations of teacher practice and delivery of new teaching methods.</p>	<p><b>WRITING TARGET 1:</b> 16/43 remained Below 7/43 made accelerated progress to At standard 20/43 left the school</p> <p><b>WRITING TARGET 2:</b> MAORI 2/3 moved from Well Below to Below 1/3 remained Well Below 4/15 remained Below 2/15 moved to AT 9/15 left the school</p> <p>PASIFIKA 3/8 remained Below 1/8 moved from Below to AT 4/8 left the school</p> <p><b>WRITING TARGET:</b> Year 2 – 1/7 moved to Well Below from Below; 3/7 remained Below; 1/7 moved from Below to At and 2/7 left Year 3 – 6/9 remained Below; 1/9 moved from Below to AT and 2/9 left Year 4 – 2/6 remained Below; 1/6 moved from Below to AT and 3/6 left Year 5 – 3/7 remained Below; 2/7 moved from Below to At; 2/7 left</p>	<p>Comprehensive and on-going formative assessment processes Minute by Minute approach.</p> <p>High expectations were set so that all students can achieve.</p> <p>Clear identification and review processes of targeted students.</p> <p>Board of Trustees has a clear focus on improving student outcomes.</p> <p>Use of e-Tap has been a significant tool to monitor, track and record student data.</p> <p>Teachers' professional development based on the Leadership and Assessment principles.</p>	<p>Using school and community resources to create specific targeted interventions to address learning needs of target students.</p> <p>Continue to make reference to our student targets within our documentation and schedule systematic self-review opportunities through our team meetings.</p> <p>Regular reporting to the Board of Trustees.</p> <p>Continued 'Celebrate and Adapt' PLC designed to inform our PD and budget allocation for the following term.</p> <p>Greater support for teacher through in-class support and targeted development.</p> <p>Better engagement of parents in the learning journey of their children through upskilling and involvement</p> <p>Regular small group sessions utilizing our Learning Support Department to accelerate the students identified as Below the standard</p>



# ANALYSIS OF VARIANCE (A.O.V.) – MATHEMATICS

## Analysis of Variance: MATHEMATICS

### Strategic Aim:

All students are able to access The New Zealand Curriculum as evidenced by achievement in relation to the expected curriculum level for their year.

### Reflective Comment:

All students were able to access the NZC in mathematics. Students received a well-balanced, regular mathematics programme in line with Orakei School Curriculum documentation

### Annual Aim:

To increase the number of students who will be working at or the expected curriculum level for their year in Mathematics.

### Reflective Comment:

The overall number of students working at or above the National Standard in mathematics is 90.4%. This is a slight decrease of 1.25%.

### Baseline Data:

- ☐ All students: At the end of 2017, 5/270 were identified as Well Below and 21/270 as Below the expected curriculum level for their year
- ☐ Maori students: At the end of 2017, 1/92 were identified as Well Below and 9/92 were identified as Below the expected curriculum level for their year
- ☐ Pasifika students: At the end of 2017, 1/28 were identified as Well Below and 7/28 Below the expected curriculum level for their year
- ☐ 12 Yr. 3, 4 and 5 children were identified as Below. the expected curriculum level for their year

### 2018 Targets:

#### Discussion:

The following targets have been set based on our current achievement data.

**MATHEMATICS TARGET 1:** To show accelerated progress for the 21 students who are identified as Below the expected curriculum level for their year.

**MATHEMATICS TARGET 2:** To show accelerated progress for the 9 Maori and 7 Pasifika students who are identified as Below the expected curriculum level for their year

Actions What did we do?	Outcomes What Happened?	Reasons Why did it happen?	Evaluation What next?
<p>Staff and personal professional development:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Leadership and Assessment school-wide professional development</li> <li><input type="checkbox"/> e-asTTle workshops</li> <li><input type="checkbox"/> OTJ moderations</li> <li><input type="checkbox"/> Accelerating Learning in Mathematics (ALiM) developed to include 3 new teachers trained in ALiM strategies and targeted 14 students in Term 1 and 2 through ALiM 2 intervention and this was extended in Terms 3 and 4 to provide acceleration for a further 5 students in Years 3 - 8</li> <li><input type="checkbox"/> Fast Track Mathematics for students in Years 4 – 8 over 2017</li> </ul> <p>Teaching and learning programme development and/or focus:</p> <p>Learning Communities guided teachers to focus on effective practice and pedagogy, and a sharing of successful strategies.</p> <p>Weekly team meetings were student achievement focused and tracked 'at risk' students.</p> <p>Teachers kept in-depth assessment evidence of targeted students and included reference to them throughout their planning.</p> <p>Systematic and in-depth observations of teacher practice and delivery of new teaching methods.</p> <p>Maths kiosk aimed at providing ways for parents to support their children at home</p>	<p><b>MATHEMATICS TARGET 1:</b> 7/19 remained Below 0/19 moved from Below to AT 1/19 moved from Below to Well Below 12/19 left the school</p> <p><b>MATHEMATICS TARGET 2:</b> MAORI 1/1 moved from Well Below to Below 1/8 moved from Below to Well Below 3/8 remained Below 4/8 left the school PASIFIKA 1/1 Well Below left the school 2/7 remained at Below 5/7 left the school</p>	<p>Comprehensive and on-going formative assessment processes Minute by Minute approach.</p> <p>High expectations were set so that all students can achieve</p> <p>Clear identification and review processes of targeted students.</p> <p>Board of Trustees has a clear focus on improving student outcomes.</p> <p>Use of e-Tap has been a significant tool to monitor, track and record student data.</p> <p>Teachers' professional development based on the Leadership and Assessment principles.</p> <p>Development of ALiM trained leader and teachers across the school</p> <p>Partnership with Whai Poutama (Ngati Whatua education) to provide more mathematics sessions for Below standard learners</p>	<p>Using school and community resources to create specific targeted interventions to address learning needs of target students.</p> <p>Continue to make reference to our student targets within our documentation and schedule systematic self-review opportunities through our team meetings</p> <p>Regular reporting to the Board of Trustees.</p> <p>Continued 'Celebrate and Adapt' PLC designed to inform our PD and budget allocation for the following term.</p> <p>Greater support for teacher through in-class support and targeted development.</p> <p>Better engagement of parents in the learning journey of their children through upskilling and involvement</p> <p>Continue to grow the number of ALiM trained teachers across the school</p>

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE READERS OF ORAKEI SCHOOL'S FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

The Auditor-General is the auditor of Orakei School (the School). The Auditor-General has appointed me, Paul Lawrence, using the staff and resources of Crowe Horwath New Zealand Audit Partnership, to carry out the audit of the financial statements of the School on his behalf.

**Opinion**

We have audited the financial statements of the School on pages 3 to 18, that comprise the statement of financial position as at 31 December 2018, 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 2018; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 4 June 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 and the KiwiSport Report, but does not include the financial statements, and our auditor's report thereon.

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

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

### **Independence**

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

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



Paul Lawrence  
Crowe Horwath New Zealand Audit Partnership  
On behalf of the Auditor-General  
Auckland, New Zealand