



# Avonhead School

*Growing Excellence Together*

*Piki ake te tihi ngātahi*

## ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

School Directory

Ministry Number: 3287

Principal: Micah Hocquard

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# AVONHEAD SCHOOL

Annual Report - For the year ended 31 December 2021

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# Avonhead School

## Statement of Responsibility

For the year ended 31 December 2021

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2021 fairly reflects the financial position and operations of the School.

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

John Ruge

Full Name of Presiding Member

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Signature of Presiding Member

30 May 2022

Date:

Micah Hocquard

Full Name of Principal

DocuSigned by:  
  
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Signature of Principal

30 May 2022

Date:

# Avonhead School

## Members of the Board

For the year ended 31 December 2021

Name	Position	How Position Gained	Term Expired/ Expires
John Ruge	Presiding Member	Elected	Sep 2022
Micah Hocquard	Principal ex Officio		
Charles Levings	Principal ex Officio		April 2021
Richard Graham	Parent Representative	Elected	Sep 2022
Melissa Green	Parent Representative	Elected	Dec 2021
Jay Grubb	Parent Representative	Elected	Jun 2023
Irene Lau	Parent Representative	Elected	Jun 2023
Lauren Wilton	Parent Representative	Elected	Sep 2022
Justin Nixon	Staff Representative	Co-opted	Jun 2021
Tim Weusten	Staff Representative	Elected	Sep 2022

# Avonhead School

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

		2021	2021	2020
	Notes	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
<b>Revenue</b>				
Government Grants	2	5,016,156	1,091,253	4,877,094
Locally Raised Funds	3	123,192	63,981	143,309
Interest Income		7,271	20,000	21,938
International Students	4	2,164	10,000	20,438
		<u>5,148,783</u>	<u>1,185,234</u>	<u>5,062,779</u>
<b>Expenses</b>				
Locally Raised Funds	3	64,362	8,500	77,596
International Students	4	570	-	1,159
Learning Resources	5	3,405,280	494,168	3,152,759
Administration	6	239,583	270,210	223,312
Finance		2,161	-	2,319
Property	7	1,193,557	293,670	1,373,757
Depreciation	12	140,769	159,834	137,566
Loss on Disposal of Property, Plant and Equipment		2,543	-	273
		<u>5,048,825</u>	<u>1,226,382</u>	<u>4,968,741</u>
Net Surplus / (Deficit) for the year		99,958	(41,148)	94,038
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>99,958</u>	<u>(41,148)</u>	<u>94,038</u>

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

# Avonhead School

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Equity at 1 January		2,166,026	2,166,026	2,071,988
Total comprehensive revenue and expense for the year		99,958	(41,148)	94,038
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		8,222	-	-
Equity at 31 December		2,274,206	2,124,878	2,166,026
Retained Earnings		2,274,206	2,124,878	2,166,026
Equity at 31 December		2,274,206	2,124,878	2,166,026

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

# Avonhead School

## Statement of Financial Position

As at 31 December 2021

		2021	2021	2020
	Notes	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	1,138,974	335,151	325,926
Accounts Receivable	9	288,181	243,035	243,035
GST Receivable		25,234	23,643	23,643
Prepayments		31,406	32,490	32,490
Inventories	10	7,585	4,455	4,455
Investments	11	545,097	808,716	808,716
Funds owing for Capital Works Projects	17	-	3,013	3,013
		<u>2,036,477</u>	<u>1,450,503</u>	<u>1,441,278</u>
<b>Current Liabilities</b>				
Accounts Payable	13	305,842	243,928	243,928
Revenue Received in Advance	14	3,029	5,951	5,951
Provision for Cyclical Maintenance	15	24,222	-	-
Finance Lease Liability	16	22,233	15,484	15,484
Funds held for Capital Works Projects	17	265,924	-	-
		<u>621,250</u>	<u>265,363</u>	<u>265,363</u>
Working Capital Surplus/(Deficit)		1,415,227	1,185,140	1,175,915
<b>Non-current Assets</b>				
Investments	11	2,000	2,000	2,000
Property, Plant and Equipment	12	987,333	947,690	998,063
		<u>989,333</u>	<u>949,690</u>	<u>1,000,063</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	15	106,831	-	-
Finance Lease Liability	16	23,523	9,952	9,952
		<u>130,354</u>	<u>9,952</u>	<u>9,952</u>
Net Assets		<u>2,274,206</u>	<u>2,124,878</u>	<u>2,166,026</u>
Equity		<u>2,274,206</u>	<u>2,124,878</u>	<u>2,166,026</u>

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

# Avonhead School

## Statement of Cash Flows

For the year ended 31 December 2021

		2021	2021	2020
	Note	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		1,303,462	1,116,081	1,195,235
Locally Raised Funds		118,197	63,981	143,443
International Students		106	10,000	22,496
Goods and Services Tax (net)		(1,591)	-	(4,662)
Payments to Employees		(536,242)	(544,959)	(581,957)
Payments to Suppliers		(521,014)	(546,417)	(593,739)
Interest Received		15,746	20,000	25,462
Net cash from/(to) Operating Activities		378,664	118,686	206,278
<b>Cash flows from Investing Activities</b>				
Purchase of Property Plant & Equipment (and Intangibles)		(83,450)	(109,461)	(54,715)
Purchase of Investments		-	-	(24,833)
Proceeds from Sale of Investments		263,619	-	-
Net cash from/(to) Investing Activities		180,169	(109,461)	(79,548)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		8,222	-	-
Finance Lease Payments		(22,944)	-	(21,673)
Funds Administered on Behalf of Third Parties		268,937	-	(3,013)
Net cash from/(to) Financing Activities		254,215	-	(24,686)
Net increase/(decrease) in cash and cash equivalents		813,048	9,225	102,044
Cash and cash equivalents at the beginning of the year	8	325,926	325,926	223,882
Cash and cash equivalents at the end of the year	8	1,138,974	335,151	325,926

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

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

# Avonhead School

## Notes to the Financial Statements

### For the year ended 31 December 2021

#### 1. Statement of Accounting Policies

##### 1.1. Reporting Entity

Avonhead School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. The Board is of the view that the School is a public benefit entity for financial reporting purposes.

##### 1.2. Basis of Preparation

###### Reporting Period

The financial reports have been prepared for the period 1 January 2021 to 31 December 2021 and in accordance with the requirements of the Education and Training Act 2020.

###### Basis of Preparation

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

###### Financial Reporting Standards Applied

The Education and Training Act 2020 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The School is considered a Public Benefit Entity as it meets the criteria specified as 'having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders'.

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

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

###### Measurement Base

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

###### Presentation Currency

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

###### Specific Accounting Policies

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

###### Critical Accounting Estimates And Assumptions

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

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

###### Cyclical Maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 15.

###### 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

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

### Recognition of grants

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

## 1.3. Revenue Recognition

### Government Grants

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

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

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

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. These are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes.

This is a non-cash revenue that is offset by a non-cash expense. The use of land and buildings grants and associated expenditure are recorded in the period the School uses the land and buildings.

### Other Grants

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

### Donations, Gifts and Bequests

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

### Interest Revenue

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

## 1.4. 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.

## 1.5. 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.

## 1.6. Accounts Receivable

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

### 1.7. Inventories

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

### 1.8. Investments

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

### 1.9. Property, Plant and Equipment

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

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

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

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

### Finance Leases

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

### Depreciation

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

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	10–40 years
Furniture and equipment	5-10 years
Information and communication technology	4–5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	10 years

### 1.10. 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.

#### 1.11. 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.

#### 1.12. Employee Entitlements

##### Short-term employee entitlements

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

##### Long-term employee entitlements

Employee benefits that are not expected to be settled wholly before twelve months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis.

The calculations are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows.

#### 1.13. 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.

#### 1.14. Provision for Cyclical Maintenance

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

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision is a reasonable estimate, based on an up to date 10 Year Property Plan (10YPP) or another appropriate source of evidence.

#### 1.15. Financial Instruments

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

Investments that are shares are categorised as 'financial assets at fair value through other comprehensive revenue and expense' for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise accounts payable, borrowings, painting contract liability 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.

#### 1.16. 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.

#### 1.17. Budget Figures

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

#### 1.18. Services received in-kind

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

## 2. Government Grants

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	1,044,218	956,958	983,799
Teachers' Salaries Grants	2,915,056	-	2,575,091
Use of Land and Buildings Grants	797,663	-	1,110,032
Other MoE Grants	258,293	134,295	198,403
Other Government Grants	926	-	9,769
	<u>5,016,156</u>	<u>1,091,253</u>	<u>4,877,094</u>

The School has opted in to the donations scheme for this year. Total amount received was \$93,750 (2020: \$91,050).

## 3. Locally Raised Funds

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

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations & Bequests	41,519	11,891	53,238
Curriculum related Activities - Purchase of goods and services	9,859	-	7,525
Fees for Extra Curricular Activities	24,558	-	25,205
Trading	10,358	10,000	13,114
Fundraising & Community Grants	2,987	-	5,890
Other Revenue	33,911	42,090	38,337
	<u>123,192</u>	<u>63,981</u>	<u>143,309</u>
Expenses			
Extra Curricular Activities Costs	50,087	-	49,425
Trading	8,110	8,000	7,145
Fundraising & Community Grant Costs	4,082	500	19,819
Other Locally Raised Funds Expenditure	2,083	-	1,207
	<u>64,362</u>	<u>8,500</u>	<u>77,596</u>
Surplus / (Deficit) for the year Locally raised funds	<u>58,830</u>	<u>55,481</u>	<u>65,713</u>

## 4. International Student Revenue and Expenses

	2021	2021	2020
	Actual	Budget	Actual
	Number	(Unaudited)	Number
	1	2	2
International Student Roll			
	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
International Student Fees	2,164	10,000	20,438
Expenses			
Other Expenses	570	-	1,159
	<u>570</u>	<u>-</u>	<u>1,159</u>
Surplus / (Deficit) for the year International Students	<u>1,594</u>	<u>10,000</u>	<u>19,279</u>

## 5. Learning Resources

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	114,869	121,896	132,425
Equipment Repairs	2,554	1,000	2,426
Information and Communication Technology	25,167	25,641	27,081
Library Resources	3,250	10,000	3,566
Employee Benefits - Salaries	3,235,530	294,631	2,968,077
Staff Development	23,910	41,000	19,184
	<u>3,405,280</u>	<u>494,168</u>	<u>3,152,759</u>

## 6. Administration

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	5,750	4,700	3,958
Board Fees	7,436	9,600	8,055
Board Expenses	7,157	9,500	26,348
Communication	3,001	4,700	3,620
Consumables	17,934	23,500	18,398
Other	29,831	27,070	25,972
Employee Benefits - Salaries	139,932	160,000	109,041
Insurance	22,362	25,200	22,004
Service Providers, Contractors and Consultancy	6,180	5,940	5,916
	<u>239,583</u>	<u>270,210</u>	<u>223,312</u>

## 7. Property

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	10,443	10,000	9,756
Consultancy and Contract Services	100,055	99,800	91,757
Cyclical Maintenance Provision	131,053	-	-
Grounds	10,366	26,500	25,036
Heat, Light and Water	39,337	49,500	36,332
Rates	10,540	11,000	9,863
Repairs and Maintenance	24,403	27,370	24,396
Use of Land and Buildings	797,663	-	1,110,032
Security	3,639	4,000	2,913
Employee Benefits - Salaries	66,058	65,500	63,672
	<u>1,193,557</u>	<u>293,670</u>	<u>1,373,757</u>

In 2021, the Ministry of Education revised the notional rent rate from 8% to 5% to align it with the Government Capital Charge rate. This is considered to be a reasonable proxy for the market rental yield on the value of land and buildings used by schools. Accordingly in 2021, the use of land and buildings figure represents 5% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

## 8. Cash and Cash Equivalents

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Accounts	1,138,974	335,151	325,926
Cash and cash equivalents for Statement of Cash Flows	<u>1,138,974</u>	<u>335,151</u>	<u>325,926</u>

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

## 9. Accounts Receivable

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	7,597	3,466	3,466
Receivables from the Ministry of Education	13,035	-	-
Interest Receivable	3,175	11,650	11,650
Banking Staffing Underuse	45,425	24,828	24,828
Teacher Salaries Grant Receivable	218,949	203,091	203,091
	<u>288,181</u>	<u>243,035</u>	<u>243,035</u>
Receivables from Exchange Transactions	10,772	15,116	15,116
Receivables from Non-Exchange Transactions	277,409	227,919	227,919
	<u>288,181</u>	<u>243,035</u>	<u>243,035</u>

## 10. Inventories

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	7,585	4,455	4,455
	<u>7,585</u>	<u>4,455</u>	<u>4,455</u>

## 11. Investments

The School's investment activities are classified as follows:

	2021	2021 Budget (Unaudited)	2020
	Actual		Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	545,097	808,716	808,716
Non-current Asset			
Shares	2,000	2,000	2,000
Total Investments	547,097	810,716	810,716

The School holds two shares in Canterbury Education Services Society Limited. The shares are not listed on an active market. The shares are measured at cost as fair value cannot be reliably measured. The School has received approval to hold the shares under section 73 of the Education Act 1989.

## 12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2021						
Building Improvements	663,356	-	-	-	(23,523)	639,833
Furniture and Equipment	168,815	18,480	(61)	-	(33,869)	153,365
Information and Communication Technology	124,577	61,298	(5,001)	-	(47,368)	133,506
Leased Assets	25,193	49,132	-	-	(29,672)	44,653
Library Resources	16,122	7,512	(1,321)	-	(6,337)	15,976
Balance at 31 December 2021	998,063	136,422	(6,383)	-	(140,769)	987,333

The net carrying value of equipment held under a finance lease is \$44,653 (2020: \$25,193)

	2021 Cost or Valuation	2021 Accumulated Depreciation	2021 Net Book Value	2020 Cost or Valuation	2020 Accumulated Depreciation	2020 Net Book Value
	\$	\$	\$	\$	\$	\$
Building Improvements	946,208	(306,375)	639,833	946,208	(282,852)	663,356
Furniture and Equipment	689,365	(536,000)	153,365	697,820	(529,005)	168,815
Information and Communication Technology	399,430	(265,924)	133,506	462,995	(338,418)	124,577
Leased Assets	78,155	(33,502)	44,653	92,670	(67,477)	25,193
Library Resources	63,366	(47,390)	15,976	60,840	(44,718)	16,122
Balance at 31 December	2,176,524	(1,189,191)	987,333	2,260,533	(1,262,470)	998,063

## 13. Accounts Payable

	2021	2021 Budget (Unaudited)	2020
	Actual		Actual
	\$	\$	\$
Creditors	19,249	6,837	6,837
Accruals	4,450	2,958	2,958
Employee Entitlements - Salaries	231,672	205,256	205,256
Employee Entitlements - Leave Accrual	50,471	28,877	28,877
	305,842	243,928	243,928
Payables for Exchange Transactions	305,842	243,928	243,928
	305,842	243,928	243,928

The carrying value of payables approximates their fair value.

## 14. Revenue Received in Advance

	2021	2021 Budget (Unaudited)	2020
	Actual		Actual
	\$	\$	\$
International Student Fees in Advance	-	2,058	2,058
Other Revenue in Advance	3,029	3,893	3,893
	3,029	5,951	5,951

## 15. Provision for Cyclical Maintenance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Increase/ (decrease) to the Provision During the Year	131,053	-	-
Provision at the End of the Year	131,053	-	-
Cyclical Maintenance - Current	24,222	-	-
Cyclical Maintenance - Term	106,831	-	-
	131,053	-	-

## 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:

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
No Later than One Year	23,567	17,124	17,124
Later than One Year and no Later than Five Years	24,048	10,706	10,706
Future Finance Charges	(1,859)	(2,394)	(2,394)
	45,756	25,436	25,436
Represented by:			
Finance lease liability - Current	22,233	15,484	15,484
Finance lease liability - Term	23,523	9,952	9,952
	45,756	25,436	25,436

## 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:

2021	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
MOE Disability Adj	(3,013)	3,013	-	-	-
SIP Asphalt Courts	-	86,954	-	-	86,954
SIP Jnr Playground	-	79,796	(26,552)	-	53,244
SIP Artificial Turf	-	86,417	(23,507)	-	62,910
SIP Snr Playground	-	70,114	(7,298)	-	62,816
Totals	(3,013)	326,294	(57,357)	-	265,924

Represented by:

Funds Held on Behalf of the Ministry of Education	265,924
	265,924

2020	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
MOE Disability Adj	-	27,210	(30,223)	-	(3,013)
Totals	-	27,210	(30,223)	-	(3,013)

## 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 and Assistant Principals.

	2021 Actual \$	2020 Actual \$
Board Members Remuneration	7,436	5,445
Leadership Team Remuneration	386,555	391,370
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	<u>393,991</u>	<u>396,815</u>

There are eight members of the Board excluding the Principal. The Board had held eleven full meetings of the Board in the year. The Board also has Finance (three members) and Property (two members) that meet monthly and quarterly respectively. As well as these regular meetings, including preparation time, the Chair and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

## Principal 1

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

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	40-50	150 - 160
Benefits and Other Emoluments	5-10	20 - 25
Termination Benefits	0-0	0 - 0

## Principal 2

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

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	100-110	0 - 0
Benefits and Other Emoluments	1-5	0 - 0
Termination Benefits	0-0	0 - 0

## Other Employees

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

Remuneration \$000	2021 FTE Number	2020 FTE Number
100 -110	1.00	2.00
110 -120	1.00	-
	<u>2.00</u>	<u>2.00</u>

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:

	2021 Actual \$	2020 Actual \$
Total	-	-
Number of People	-	-

## 21. Contingencies

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

### Holidays Act Compliance – schools payroll

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

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

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

## 22. Commitments

### (a) Capital Commitments

As at 31 December 2021 the Board has entered into the following contract agreements for capital works.

(a) \$106,615 contract to install additional hardstand courts to increase their all weather play areas. This project is fully funded by the Ministry of Education and \$86,954 has been received.

(b) \$96,662 contract to install a new Junior Playground Addition as agent for the Ministry of Education. This project is fully funded by the Ministry and \$79,796 has been received of which \$26,552 has been spent on the project to balance date.

(c) \$110,819 contract to build a artificial turf as agent for the Ministry of Education. The project is fully funded by the Ministry and \$86,417 has been received of which \$23,507 has been spent on the project to balance date.

d) \$99,219 contract to build a senior playground as agent for the Ministry of Education. The project is part funded by the Ministry of Education \$85,904 and BOT contribution of \$13,315. \$70,114 has been received of which \$7,298 has been spent to date.

(Capital commitments in relation to Ministry projects at 31 December 2020: nil)

## 23. Financial Instruments

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

### Financial assets measured at amortised cost

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash and Cash Equivalents	1,138,974	335,151	325,926
Receivables	288,181	243,035	243,035
Investments - Term Deposits	547,097	810,716	810,716
Total Financial assets measured at amortised cost	<u>1,974,252</u>	<u>1,388,902</u>	<u>1,379,677</u>

### Financial liabilities measured at amortised cost

Payables	305,842	243,928	243,928
Finance Leases	45,756	25,436	25,436
Total Financial liabilities measured at amortised Cost	<u>351,598</u>	<u>269,364</u>	<u>269,364</u>

## 24. Events After Balance Date

On the 13th May 2022 the Ministry of Education granted approval under section 160(1)(b) of the Crown Entities Act 2004 for the School to invest \$250,000 into a balanced portfolio investment fund managed by Forsyth Barr Limited.

## 25. Comparatives

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

## 26. COVID 19 Pandemic on going implications

### Impact of Covid-19

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

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

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

### Impact on operations

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

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

### Reduction in locally raised funds

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

### Increased Remote learning additional costs

Under alert levels 4 and 3 ensuring that students have the ability to undertake remote or distance learning often incurs additional costs in the supply of materials and devices to students to enable alternative methods of curriculum delivery.

### Reduction in International students

Under alert levels 4, 3, 2, and 1 International travel is heavily restricted. The school has been unable to welcome and enrol prospective international students which has resulted in a reduction in revenue from student fees & charges from International students and/or Board of Trustee operated boarding facilities.



# Avonhead School

*Growing Excellence Together*

*Piki ake te tihi ngātahi*

25 November 2021

Kiwisport is a Government funding initiative to support students' participation in organised sport.

In 2021, the school received \$9,585.76 (excluding GST)

We used our Kiwisport funding to assist with:

- Purchasing Sport equipment
- Employment of a sports administrator to coordinate transport to and from events and to assist with the organisation of some school sporting events
- Bus subsidy to allow students to get to organised sports games
- Subsidy of some students who were unable to attend sports events because of cost

The number of students that participated in organised sport events was 600 students.

Kindest regards,

Micah Hocquard  
Principal  
Avonhead School

# Analysis of Variance Reporting



<b>School Name:</b>	Avonhead School 2022	<b>School Number:</b>	3287
<b>Strategic Aims:</b>	<p>Pike ake te tihi ngā Tahi - Growing Excellence Together</p> <p>To ensure excellence and equity through:</p> <ul style="list-style-type: none"> <li>All kaiako, tamariki (teachers &amp; students) and whānau have a deep understanding of our cultural narrative and a strong sense of whanaungatanga (belonging) and kaitiakitanga.</li> <li>Our kaiako (teachers) continuously improve practice, deliberately scaffold students' thinking skills, build powerful relationships and empower students to understand and manage their own learning.</li> <li>All ākonga (learners) think and act in ways that safeguard the future wellbeing of people, our community and our planet.</li> <li>We are adept and innovative, able to confidently choose and use excellent tools to learn, create, collaborate and share information</li> <li>Quality information is gathered through excellent assessment practices to analyse, plan and personalise learning for all ākonga (Learners).</li> </ul>		
<b>Annual Aim:</b>	<ol style="list-style-type: none"> <li>To continue to strengthen student achievement across all areas, with a particular focus on Writing and Reading</li> <li>Support our school in Early Literacy and phonics PLD to ensure our teaching programmes continue to be aligned to best practice and success</li> <li>To embed visible learning and the development of our student's agency through our digital portfolio and Learner Capabilities</li> </ol>		
<b>Target:</b>	<p><b>Literacy – Reading and Writing:</b></p> <p>To increase the following achievement in Reading and Writing across our school:</p> <ol style="list-style-type: none"> <li>To increase the number of students in Year 5 and 7 from working below expectation to at-above</li> <li>Māori and Pasifika students: to increase the number of our Māori and Pasifika students working at -above expectation in Reading</li> <li>Māori and Pasifika students: to increase the number of our Māori and Pasifika students working at -above expectation in Writing</li> </ol>		
<b>Baseline Data:</b>	<ol style="list-style-type: none"> <li>When looking at the data, we experienced a slight increase in the number of students working below from the end of 2020 to our mid 2021 analysis in Reading.</li> <li>Year 5: At the end of 2020 we had 24% of students working below. Compared to our mid 2021 data this number increased to 33%.</li> <li>Year 7: At the end of 2020 we had 14% students working below. Compared to our mid 2021 data this number increased to 40%.</li> <li>The number of Māori and Pasifika students across our school has increased significantly over three years, from 59 student in 2019, to 105 students in 2021. At the mid point of 2021 we had 51% of our Māori and Pasifika students working at-above in Reading and only 40% working at-above in Writing.</li> </ol> <p><b>Whole school data mid 2021:</b></p> <ol style="list-style-type: none"> <li>Maths 71.9% of our students are working at – above expectation mid 2021</li> <li>Reading 68.3% of our students are working at – above expectation mid 2021</li> <li>Writing 53.3% of our students are working at-above expectation mid 2021</li> </ol>		

<b>Actions</b> <i>What did we do?</i>	<b>Outcomes</b> <i>What happened?</i>	<b>Reasons for the variance</b> <i>Why did it happen?</i>	<b>Evaluation</b> <i>Where to next?</i>
<ul style="list-style-type: none"> <li>• Moderation of writing more regularly within and across teams and teachers using greater formative &amp; ongoing writing assessments</li> <li>• A greater focus on explicit writing teaching and mixed ability writing groups across some teams</li> <li>• Increased use of devices in the senior school for students who struggle with fine motor skills to increase engagement in writing</li> <li>• Teachers targeting specific writing groups within writing classes and explicitly teaching writing skills. In our senior school students in Y5-8 knowing their writing goals and being able to upload digital evidence of their progress through Spotlight</li> <li>• Teacher Aide's working with targeted students through the Quick 60 Literacy Programme</li> <li>• Introduced the STEPs Literacy programme for a number of our Māori and Pasifika students.</li> </ul>	<ul style="list-style-type: none"> <li>• Our Year 5 cohort who were working below showed an improvement. We had a shift from 33% working below to 23% at the end of the year. 10% of students moved up a level.</li> <li>• Our Year 7 cohort who were below also showed an improvement. We had a shift from 40% working below to 23% at the end of the year. 17% of students moved up a level.</li> <li>• There has been a significant shift in Reading progress for our Māori and Pasifika students with 70% now working at-above at the end of 2021. This is a shift of 19%.</li> <li>• When looking at the outcomes for our Māori and Pasifika students with their Writing progress we had a 54% achieving at-above by the end of the year. This is a positive shift of 14%</li> <li>• Greater emphasis on using more formative assessment of writing to determine progress and next steps that more summative assessment in previous years</li> <li>• Students having more agency, particularly in our senior school knowing their learning goals and targeted teaching to support this through their increased use of 'Spotlight' – their digital learning pathways. Increased awareness by our Year 5 and 6 students about their specific learning goals and knowing what their next steps are.</li> </ul>	<ul style="list-style-type: none"> <li>• Even though we moved 10% of our below students in Year 5 and 17% in Year 7, we still have 23% working below in both cohorts. One possibility for this outcome is that we have a large proportion of ESOL students in Year 5 (23%) and Year 7 (26%). They do receive ESOL support and while they did make progress, this could account for some of the students working below.</li> <li>• Almost a third of our students are ELL students so while they did make progress many are still not at expectation.</li> <li>• The positive shift for a number of our Māori and Pasifika students in Reading and Writing is encouraging. With the ESOL support, learning support, targeted grouping, Quick60 and STEP programmes in place, we are seeing positive academic gains.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to expand our Quick 60 programme to target more students and train more of our TA's to assist with running this.</li> <li>• Ensure our priority students (Māori and Pasifika) students continue to be prioritised and supported through culturally inclusive practices</li> <li>• Continue with the STEPs programme for our Māori and Pasifika students.</li> <li>• Begin whole staff PD on Structured Literacy using Liz Kane's Literacy 'the Code' (phonics based spelling and literacy programme). Implement schoolwide</li> <li>• Revising of SEA testing aligned to best Start Literacy phonics development to see if we can identify earlier students needing extra intervention and support.</li> <li>• To share more collaborative PLD opportunities with our cluster schools to grow expertise of our teachers further especially around writing</li> </ul>

#### Planning for 2022:

1. Undertake Structured Literacy professional development across the whole school using Liz Kane's 'the Code' Spelling and Literacy Programme to try to accelerate spelling, reading, and writing further across our school
2. Continue to ensure our learning spaces & programmes are innovative and meet the diverse needs of all our students
3. Deliver rich experiences that tamariki take part in to further build their literacy and language knowledge
4. Teachers to continue use our SMS to input, track and analyse data regularly to plan students next steps in their learning with them

## INDEPENDENT AUDITOR'S REPORT

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

The Auditor-General is the auditor of Avonhead School (the School). The Auditor-General has appointed me, Warren Johnstone, using the staff and resources of BDO Christchurch, 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 17, that comprise the statement of financial position as at 31 December 2021, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
  - its financial position as at 31 December 2021; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity Standards Reduced Disclosure Regime.

Our audit was completed on 30 May 2022. This is the date at which our opinion is expressed.

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

#### Basis for our opinion

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

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

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

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

The Board is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board is also responsible for disclosing, as

applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

The Board's responsibilities, in terms of the requirements of the Education and Training Act 2020, arise from section 87 of the Education Act 1989.

### **Responsibilities of the auditor for the audit of the financial statements**

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

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

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

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

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

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

material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arise from the Public Audit Act 2001.

#### **Other information**

The Board is responsible for the other information. The other information comprises the Statement of Responsibility, Members of the Board Listing, Kiwisport Report and the Analysis of Variance, but does not include the financial statements, and our auditor's report thereon.

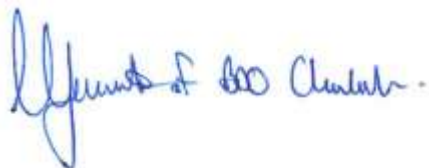
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

#### **Independence**

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

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



Warren Johnstone,  
BDO Christchurch  
On behalf of the Auditor-General  
Christchurch, New Zealand