

Warkworth School

Annual Report for the year ended 31 December 2018

Ministry Number:	1561
Principal:	Cynthia Holden
School Address:	35 Hill Street, Warkworth
School Postal Address:	PO Box 332, Warkworth 0941
School Phone:	09 425 8300
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Service Provider:	Edtech Financial Services Ltd

Warkworth School

Members of the Board of Trustees

For the year ended 31 December 2018

Name	Position	How position on Board gained	Occupation	Term expired/expires
Sheralyn COTTON	Chairperson	Elected	Teacher	May 2019
Hamish BUICK	Parent Rep	Elected	Police	May 2019
Lyndon LEABOURN	Parent Rep	Elected	Business Owner	May 2019
David MORRISON	Parent Rep	Elected	Business Owner	May 2019
Cecile DUCHESNES	Parent Rep	Co-opted	Teacher	May 2019
Nicole CALLENDER	Staff Rep	Elected	Teacher	May 2019

Warkworth School

Annual Report

For the year ended 31 December 2018

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Warkworth 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.

Sheralyn Cotton

Full Name of Board Chairperson



Signature of Board Chairperson

31/05/2019

Date:

Cynthia Holden

Full Name of Principal



Signature of Principal

31/05/2019

Date:

Warkworth School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue				
Government Grants	2	4,602,558	3,886,315	4,615,671
Locally Raised Funds	3	350,503	414,550	424,540
Interest Earned		20,956	16,000	17,211
		<u>4,974,017</u>	<u>4,316,865</u>	<u>5,057,422</u>
Expenses				
Locally Raised Funds	3	253,309	270,250	277,900
Learning Resources	4	3,109,815	3,011,450	2,996,202
Administration	5	354,652	360,000	326,517
Finance Costs		3,884	4,500	4,883
Property	6	1,185,203	532,978	1,190,806
Depreciation	7	126,511	115,000	116,655
Loss on Disposal of Property, Plant and Equipment		2,111	-	6,332
		<u>5,035,485</u>	<u>4,294,178</u>	<u>4,919,295</u>
Net Surplus / (Deficit) for the year		(61,468)	22,687	138,127
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(61,468)</u>	<u>22,687</u>	<u>138,127</u>

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



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

For the year ended 31 December 2018

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Balance at 1 January	1,130,636	1,130,636	992,509
Total comprehensive revenue and expense for the year	(61,468)	22,687	138,127
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	94,574	-	-
Equity at 31 December	1,163,742	1,153,323	1,130,636
Retained Earnings	1,163,742	1,153,323	1,130,636
Equity at 31 December	1,163,742	1,153,323	1,130,636

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



Warkworth School

Statement of Financial Position

As at 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Assets				
Cash and Cash Equivalents	8	68,676	518,734	287,352
Accounts Receivable	9	218,337	205,800	208,346
GST Receivable		966	3,000	2,110
Prepayments		13,910	15,000	16,194
Inventories	10	6,218	5,000	6,103
Investments	11	519,407	-	215,306
		<u>827,514</u>	<u>747,534</u>	<u>735,411</u>
Current Liabilities				
Accounts Payable	13	272,674	247,000	231,687
Revenue Received in Advance	14	1,158	500	763
Finance Lease Liability - Current Portion	15	16,755	5,441	29,238
		<u>290,587</u>	<u>252,941</u>	<u>261,688</u>
Working Capital Surplus/(Deficit)		<u>536,927</u>	<u>494,593</u>	<u>473,723</u>
Non-current Assets				
Property, Plant and Equipment	12	636,009	658,730	678,730
		<u>636,009</u>	<u>658,730</u>	<u>678,730</u>
Non-current Liabilities				
Finance Lease Liability	15	9,194	-	21,817
		<u>9,194</u>	<u>-</u>	<u>21,817</u>
Net Assets		<u>1,163,742</u>	<u>1,153,323</u>	<u>1,130,636</u>
Equity		<u>1,163,742</u>	<u>1,153,323</u>	<u>1,130,636</u>

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



Warkworth School

Statement of Cash Flows

For the year ended 31 December 2018

		2018	2018	2017
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
Cash flows from Operating Activities				
Government Grants		1,104,157	1,050,807	1,091,334
Locally Raised Funds		360,895	405,050	433,920
Goods and Services Tax (net)		1,144	2,600	3,498
Payments to Employees		(747,305)	(660,400)	(670,906)
Payments to Suppliers		(631,412)	(642,470)	(652,439)
Interest Paid		(3,884)	(4,500)	(4,883)
Interest Received		18,263	17,200	18,730
Net cash from / (to) the Operating Activities		101,858	168,287	219,254
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	-	(6,332)
Purchase of PPE (and Intangibles)		(81,481)	(110,669)	(125,496)
Purchase of Investments		(304,101)	-	46,204
Proceeds from Sale of Investments		-	100,000	-
Net cash from / (to) the Investing Activities		(385,582)	(10,669)	(85,624)
Cash flows from Financing Activities				
Furniture and Equipment Grant		94,574	-	-
Finance Lease Payments		(29,526)	1,879	(25,376)
Net cash from / (to) Financing Activities		65,048	1,879	(25,376)
Net increase/(decrease) in cash and cash equivalents		(218,676)	159,497	108,254
Cash and cash equivalents at the beginning of the year	8	287,352	359,237	179,098
Cash and cash equivalents at the end of the year	8	68,676	518,734	287,352

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.



Warkworth School

Notes to the Financial Statements

For the year ended 31 December 2018

1. Statement of Accounting Policies

Reporting Entity

Warkworth 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.

Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

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



Warkworth School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

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 14.

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.

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.

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.

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.

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.



Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

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.

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.

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.

Investments

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

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

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

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

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.



Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

Leased Assets

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

Depreciation

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

The estimated useful lives of the assets are:

Buildings - School	10–40 years
Furniture and equipment	3–15 years
Information and communication technology	4–40 years
Leased assets held under a Finance Lease	3–4 years
Library resources	12.5% Diminishing value

Impairment of property, plant, and equipment

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 are 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.

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.

Employee Entitlements

Short-term employee entitlements

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



Warkworth School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

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.

Revenue Received in Advance

Revenue received in advance relates to fees received from student payments 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 this revenue received in advance, should the School be unable to provide the services to which they relate.

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).

Financial Assets and Liabilities

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

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

The School's financial liabilities comprise accounts payable 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.

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 Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget Figures

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

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.



Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

2 Government Grants

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational grants	776,718	792,307	792,207
Teachers' salaries grants	2,498,154	2,500,000	2,511,951
Use of Land and Buildings grants	977,150	335,508	986,022
Resource teachers learning and behaviour grants	1,193	-	-
Other MoE Grants	260,916	214,000	267,552
Other government grants	88,427	44,500	57,939
	<u>4,602,558</u>	<u>3,886,315</u>	<u>4,615,671</u>

3 Locally Raised Funds

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

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations	50,400	83,000	84,715
Fundraising	14,131	10,000	19,283
Other Revenue	-	-	1,654
Transport Revenue	12,134	10,000	12,911
Trading	11,824	9,000	9,667
Activities	262,014	302,550	296,310
	<u>350,503</u>	<u>414,550</u>	<u>424,540</u>
Expenses			
Activities	233,294	256,750	255,837
Trading	13,035	7,000	7,251
Fundraising costs	6,980	6,500	14,812
	<u>253,309</u>	<u>270,250</u>	<u>277,900</u>
	<u>97,194</u>	<u>144,300</u>	<u>146,640</u>

*Surplus/ (Deficit) for the year Locally Raised Funds***4 Learning Resources**

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	64,247	86,350	71,691
Information and communication technology	22,963	25,000	25,411
Extra-curricular activities	1,563	1,600	1,654
Employee benefits - salaries	2,985,319	2,883,500	2,880,682
Staff development	35,723	15,000	16,764
	<u>3,109,815</u>	<u>3,011,450</u>	<u>2,996,202</u>



Warkworth School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

5 Administration

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	5,655	5,500	5,495
Board of Trustees Fees	3,590	4,000	3,775
Board of Trustees Expenses	413	3,300	3,067
Communication	5,056	6,900	6,849
Consumables	17,899	30,350	5,250
Operating Lease	793	11,000	4,604
Other	36,248	39,750	38,897
Employee Benefits - Salaries	262,334	229,400	241,930
Insurance	10,726	10,500	9,898
Service Providers, Contractors and Consultancy	11,938	19,300	6,752
	<u>354,652</u>	<u>360,000</u>	<u>326,517</u>

6 Property

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	13,695	15,650	14,960
Consultancy and Contract Services	44,113	45,000	43,716
Cyclical Maintenance Expense	-	10,000	2,330
Grounds	5,241	4,300	4,057
Heat, Light and Water	41,222	37,500	37,107
Rates	7,618	19,120	19,142
Repairs and Maintenance	45,221	17,900	30,331
Use of Land and Buildings	977,150	335,508	986,022
Security	5,241	5,000	6,773
Employee Benefits - Salaries	45,702	43,000	46,368
	<u>1,185,203</u>	<u>532,978</u>	<u>1,190,806</u>

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

7 Depreciation

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Buildings	13,340	11,580	12,855
Furniture and Equipment	63,545	57,675	61,798
Information and Communication Technology	41,580	37,235	30,614
Leased Assets	4,784	8,295	7,662
Library Resources	3,262	215	3,726
	<u>126,511</u>	<u>115,000</u>	<u>116,655</u>

BDO Northland
ASSURANCE *BR*

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

8 Cash and Cash Equivalents

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Current Account	40,850	273,234	259,057
Bank Call Account	27,826	30,000	28,295
Short-term Bank Deposits	-	215,500	-
Cash and cash equivalents for Cash Flow Statement	68,676	518,734	287,352

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

9 Accounts Receivable

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	27,672	34,500	37,669
Receivables from the Ministry of Education	28,348	-	-
Interest Receivable	3,663	1,300	970
Bank Staffing Underuse	-	-	5,251
Teacher Salaries Grant Receivable	158,654	170,000	164,456
	218,337	205,800	208,346
Receivables from Exchange Transactions	56,020	35,800	37,669
Receivables from Non-Exchange Transactions	162,317	170,000	170,677
	218,337	205,800	208,346

10 Inventories

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	855	500	1,433
School Uniforms	5,363	4,500	4,670
	6,218	5,000	6,103

11 Investments

The School's investment activities are classified as follows:

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset	519,407	-	215,306
Short-term Bank Deposits	519,407	-	215,306

BDO Northland
ASSURANCE *BDO*

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

12 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2018						
Buildings	107,768	36,000	-	-	(13,340)	130,428
Furniture and equipment	438,000	21,842	-	-	(63,544)	396,298
Information and communication technology	80,358	21,510	-	-	(36,223)	65,645
Leased assets	26,524	4,419	-	-	(10,141)	20,802
Library resources	26,080	2,128	(2,110)	-	(3,262)	22,836
Balance at 31 December 2018	678,730	85,899	(2,110)	-	(126,510)	636,009

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2018			
Buildings	296,486	(166,058)	130,428
Furniture and equipment	805,703	(409,405)	396,298
Information and communication technology	658,913	(593,268)	65,645
Leased assets	33,249	(12,447)	20,802
Library resources	63,661	(40,825)	22,836
Balance at 31 December 2018	1,858,012	(1,222,003)	636,009

The net carrying value of equipment held under a finance lease is \$20,802 (2017: \$26,524).

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2017						
Buildings	120,623	-	-	-	(12,855)	107,768
Furniture and equipment	439,250	60,599	(51)	-	(61,798)	438,000
Information and communication technology	98,017	18,066	(5,111)	-	(30,614)	80,358
Leased assets	5,356	28,830	-	-	(7,662)	26,524
Library resources	28,653	2,321	(1,168)	-	(3,726)	26,080
Balance at 31 December 2017	691,899	109,816	(6,330)	-	(116,655)	678,730

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2017			
Buildings	260,486	(152,718)	107,768
Furniture and equipment	783,861	(345,861)	438,000
Information and communication technology	637,402	(557,044)	80,358
Leased assets	28,829	(2,305)	26,524
Library resources	66,950	(40,870)	26,080
Balance at 31 December 2017	1,777,528	(1,098,798)	678,730

BDO Northland
ASSURANCE *BR*

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

13 Accounts Payable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	37,082	50,000	38,349
Accruals	5,655	5,500	5,495
Employee Entitlements - salaries	207,327	170,000	167,083
Employee Entitlements - leave accrual	22,610	21,500	20,760
	<u>272,674</u>	<u>247,000</u>	<u>231,687</u>
Payables for Exchange Transactions	272,674	247,000	231,687
	<u>272,674</u>	<u>247,000</u>	<u>231,687</u>

The carrying value of payables approximates their fair value.

14 Revenue Received in Advance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Other	1,158	500	763
	<u>1,158</u>	<u>500</u>	<u>763</u>

15 Finance Lease Liability

The school has entered into a number of finance lease agreements for computer and office equipment.

Minimum lease payments payable (includes interest portion):

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	18,562	5,441	32,697
Later than One Year and no Later than Five Years	9,393	-	23,862
	<u>27,955</u>	<u>5,441</u>	<u>56,559</u>

16 Related Party Transactions

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

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

BDO Northland
ASSURANCE *BD*

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

17 Remuneration*Key management personnel compensation*

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

	2018 Actual \$	2017 Actual \$
<i>Board Members</i>		
Remuneration	3,590	3,775
Full-time equivalent members	0.34	0.40
<i>Leadership Team</i>		
Remuneration	444,870	344,337
Full-time equivalent members	4.00	3.00
Total key management personnel remuneration	448,460	348,112
Total full-time equivalent personnel	4.34	3.40

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	140-150	140-150
Benefits and Other Emoluments	3-4	3-4
Termination Benefits	-	-

Other Employees

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

Remuneration	2018 FTE Number	2017 FTE Number
\$000		
100-110	-	1
	-	1

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

18 Compensation and Other Benefits Upon Leaving

There were no compensation or other benefits paid or payable to persons upon leaving.



Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

19 Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2018.

(Contingent liabilities and assets as 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.

20 Commitments

(a) Capital Commitments

The Board considers there to be no contractual commitments at the above date other than those disclosed in the preceding financial statements and detailed below.

(Capital commitments as at 31 December 2017: nil)

(b) Operating Commitments

As at 31 December 2018 the Board has entered into the following contracts:

- Operating Lease for TELA Laptops
- Operating lease of a photocopier

No later than One Year

Later than One Year and No Later than Five Years

2018 Actual \$	2017 Actual \$
360	1,215
-	360
<u>360</u>	<u>1,575</u>

21 Managing Capital

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



Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

22 Financial Instruments

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

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Loans and Receivables			
Cash and Cash Equivalents	68,676	518,734	287,352
Receivables	218,337	205,800	208,346
Investments - Term Deposits	519,407	-	215,306
Total Loans and Receivables	806,420	724,534	711,004
 Financial liabilities measured at amortised cost			
Payables	272,674	247,000	231,687
Finance Leases	25,949	5,441	51,055
Total Financial Liabilities Measured at Amortised Cost	298,623	252,441	282,742

23 Events After Balance Date

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

24 Comparatives

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



Kiwisport 2018

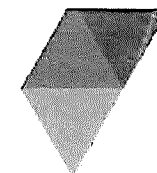
The school receives funding through the Operations Grant for Kiwisport.

Warkworth School applies 100% of their Kiwisport funding to pay for a trained teacher with specific expertise in sport to run sports programmes for students in Years 3 – 6.

The specialist sports teacher coordinates all aspects of the school sports programme. This covers two key areas – lunchtime sport and competitive sport. The sports teacher oversees the lunchtime timetable to ensure there is a game available every lunchtime for students to take part in, often running the game herself. This encourages physical activity and student enjoyment when participating. She also oversees competitive sport which includes local sport competitions and regional sports field days and tournaments. These competitions require a higher level of skill so our sports teacher coaches teams to develop code-specific skills and techniques. She runs trials, selects teams and trains them. She also trains parent helpers as coaches, developing their repertoire of training drills and their knowledge of the rules. This applies to the following sporting codes – rippa rugby, tackle rugby, soccer, hockey, netball, basketball, cricket and frisbee golf.

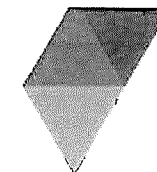
The sports teacher provides training for students in each area of skill in athletics – high jump, long jump, sprints, relays, discus and shot put both during lunch hours and during physical education lesson times. She acts as a resource person for other teachers providing guidance about taking effective lessons.

Analysis of Variance Reporting 2018



School Name:	Warkworth School		School Number:	1561												
Strategic Aim:	<ul style="list-style-type: none"> Raise student achievement by nurturing ACTIVE learners – Adventurous, Collaborative, Thoughtful, Innovative, Values, Empowered learners. We will provide programmes of learning in all areas, giving priority to literacy and numeracy, which promote educational success for all students. 															
Annual Aim:	<ul style="list-style-type: none"> Increase the number and percentage of students achieving above the National Standard in Reading to more than 85%. 															
Target:	<p>Reading:</p> <ul style="list-style-type: none"> All students in the 2017 Year 1 and cohort achieving below or well below the Standard will make accelerated progress, reducing the percentage of underachievers to fewer than 15%. All Maori students achieving below or well below the Standard will make accelerated progress, reducing the percentage of underachievers by at least 5% All Pasifika students achieving below or well below the Standard will make accelerated progress, reducing the percentage of underachievers by at least 5% 															
Baseline Data:	<table border="1"> <thead> <tr> <th>2017</th> <th>% Below & Well Below 2017</th> <th>% Below & Well Below 2018</th> </tr> </thead> <tbody> <tr> <td>Year 1 2017 – Year 2 2018</td> <td>28% (25/89)</td> <td>16% (13/82)</td> </tr> <tr> <td>All Maori students</td> <td>23% (23/101)</td> <td>23% (21/89)</td> </tr> <tr> <td>All Pasifika students</td> <td>51% (31/61)</td> <td>53% (33/62)</td> </tr> </tbody> </table>				2017	% Below & Well Below 2017	% Below & Well Below 2018	Year 1 2017 – Year 2 2018	28% (25/89)	16% (13/82)	All Maori students	23% (23/101)	23% (21/89)	All Pasifika students	51% (31/61)	53% (33/62)
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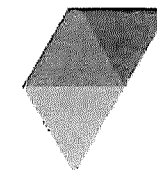
Analysis of Variance Reporting



Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<ul style="list-style-type: none"> Identified learners in Year 2 were included in Reading Recovery and Quick 60 programmes. Teacher aides were utilised to provide learning support for low learners. A Year 2 teacher enthusiast in literacy led internal PLD with her team using Jill Eggleton resources and the team adopted whole language as an approach to teaching literacy. Teachers of Year 1 and Year 2 students attended Sharp Reading PLD and adopted this approach for instructional reading. Teachers identified Maori and Pasifika students as priority learners to focus on in their Spiral of Inquiry. 	<ul style="list-style-type: none"> The target was almost met for the Year 2 cohort of students, falling short of the target by only one student. While the target was not met for Maori and Pasifika students, some students made accelerated progress (15/89 students, 17%). 	<ul style="list-style-type: none"> Teacher-led professional learning was effective in Year 2. Sharp Reading PLD was embraced by the teachers. Additional teachers running intervention programmes in Year 2 together with additional teacher aide assistance had a positive impact. Culturally responsive and relational pedagogy is still in its early days and has not yet impacted on teacher practice. The data is aggregated across all year levels, however, because the Year 1 data highlighted a lower achieving cohort with 7/9 students achieving below expectation by the end of the year, this statistic had a negative impact on the overall data. 	<ul style="list-style-type: none"> Identify at-risk Maori and Pasifika learners and develop sound tracking systems to ensure progress is made, overseen by the DP. Utilise internal literacy experts to support the development of effective literacy practice. Continue working with the facilitator of culturally responsive and relational pedagogy so that the observation tool has an impact on teacher practice.
Planning for next year:			
<ul style="list-style-type: none"> Budget for Reading Recovery, Quick 60 and additional Teacher Aides to support learning programmes. Budget for further PLD in Sharp Reading, Culturally responsive and relational pedagogy, relievers to assist with embedding the use of the observation tool and holding open-to-learning conversations. 			

Strategic Aim:	<ul style="list-style-type: none"> Raise student achievement by nurturing ACTIVE learners – Adventurous, Collaborative, Thoughtful, Innovative, Values, Empowered learners. We will provide programmes of learning in all areas, giving priority to literacy and numeracy, which promote educational success for <i>all</i> students. 																			
Annual Aim:	<ul style="list-style-type: none"> Increase the number and percentage of students achieving above the National Standard in Writing to more than 85%. 																			
Target:	Writing: <ul style="list-style-type: none"> All students in the 2017 Year 1, Year 2 and Year 4 cohorts achieving below or well below the Standard will make accelerated progress, reducing the percentage of underachievers to fewer than 15%. All Maori students achieving below or well below the Standard will make accelerated progress, reducing the percentage of underachievers by at least 5%. All Pasifika students achieving below or well below the Standard will make accelerated progress, reducing the percentage of underachievers by at least 5%. 																			
Baseline Data:	<table border="1"> <thead> <tr> <th>Students</th><th>% Below & Well Below 2017</th><th>% Below & Well Below 2018</th></tr> </thead> <tbody> <tr> <td>Year 1 2017 – Year 2 2018</td><td>29% (26/89)</td><td>9% (7/78)</td></tr> <tr> <td>Year 2 2017 – Year 3 2018</td><td>33% (30/90)</td><td>17% (15/87)</td></tr> <tr> <td>Year 4 2017 – Year 5 2018</td><td>28% (25/88)</td><td>25% (20/80)</td></tr> <tr> <td>All Maori students</td><td>38% (38/100)</td><td>23% (21/89)</td></tr> <tr> <td>All Pasifika students</td><td>52% (32/61)</td><td>44% (27/61)</td></tr> </tbody> </table>		Students	% Below & Well Below 2017	% Below & Well Below 2018	Year 1 2017 – Year 2 2018	29% (26/89)	9% (7/78)	Year 2 2017 – Year 3 2018	33% (30/90)	17% (15/87)	Year 4 2017 – Year 5 2018	28% (25/88)	25% (20/80)	All Maori students	38% (38/100)	23% (21/89)	All Pasifika students	52% (32/61)	44% (27/61)
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Analysis of Variance Reporting



Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<ul style="list-style-type: none"> The ALL programme was run for learners in Year 2, Year 3 and Year 4. Many teachers made writing the focus of their Spiral of Inquiry. The continuous review of their Spiral helped keep a sharp focus on ensuring at-risk learners made progress. 	<ul style="list-style-type: none"> The Year 2 and Year 3 cohorts made significant progress and met or exceeded the target. The Year 4 cohort made progress but did not meet the target. Maori and Pasifika students met the target with 15% and 8% reduction in underachievement respectively. 	<ul style="list-style-type: none"> Small group, targeted teaching (ALL) was effective for learners who needed to accelerate their learning. The 'double dose' approach had a positive impact on achievement. With a significant number of teachers having writing as the focus of their Spiral of Inquiry, multiple opportunities were provided for collaboration and discussion of effective practice to accelerate learning for at-risk students. This was enhanced by collaboration across the Mahurangi Kahui Ako. Teachers began using an integrated curriculum approach to teaching writing where meaningful contexts for writing were utilised and students wrote for a more relevant purpose than simply for the teacher to read. 	<ul style="list-style-type: none"> Utilise internal literacy experts to maintain the momentum of ALL programmes for at-risk learners. Provide opportunities for within school collaboration to strengthen Spirals of Inquiry that focus on writing and utilise the structure of Mahurangi Kahui Ako to support across school collaboration to lift achievement in writing. Staff meeting to review the use of asTTle for assessment of writing. Develop efficient electronic systems to monitor and track the progress of at-risk learners.
Planning for next year: <ul style="list-style-type: none"> Budget to provide some teacher release for those running ALL programmes. Budget to provide some release time so teachers are able to collaborate effectively and productively. 			

Strategic Aim:	<ul style="list-style-type: none">• Raise student achievement by nurturing ACTIVE learners – Adventurous, Collaborative, Thoughtful, Innovative, Values, Empowered learners.• We will provide programmes of learning in all areas, giving priority to literacy and numeracy, which promote educational success for <i>all</i> students.																	
Annual Aim:	<ul style="list-style-type: none">• Increase the number and percentage of students achieving above the National Standard in Reading to more than 85%.																	
Target:	Mathematics: <ul style="list-style-type: none">• All students in the 2017 Year 3 and Year 4 cohorts achieving below or well below the Standard will make accelerated progress, reducing the percentage of underachievers to fewer than 15%.• All Maori students achieving below or well below the Standard will make accelerated progress, reducing the percentage of underachievers by at least 5%• All Pasifika students achieving below or well below the Standard will make accelerated progress, reducing the percentage of underachievers by at least 5%																	
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Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<ul style="list-style-type: none"> • Provided intensive PLD with Lucie Cheeseman for Community 2 and Community 4. This PLD emphasises the use of problem-based rich tasks and relational pedagogy. • Provided continued support from an internal mathematics expert for those teachers who had previously worked with Lucie to embed the new pedagogy. 	<ul style="list-style-type: none"> • The Year 4 cohort almost met the target, falling short of it by one student. • The Year 5 cohort did not meet the target. • The target for Maori students was exceeded with a significant reduction in learners achieving below expectation. • There was a reduction in Pasifika underachievement of 2% which did not meet our target. 	<ul style="list-style-type: none"> • Teachers in the Year 4 cohort worked closely with Lucie Cheesman for intensive PLD and this had a positive impact on achievement. • The team leader of the Year 5 cohort was on extended leave. Her expertise was missed and this impacted on the outcome. • The rich task problem-based mixed ability pedagogy associated with the mathematics PLD is collaborative and supportive of learners and appears to suit Maori learners and therefore has had a positive impact. • Many Pasifika learners are first generation Kiribati learners and are ESOL. This makes mathematical language acquisition challenging for them and they need more time and experience with mathematical language in order to achieve greater success. 	<ul style="list-style-type: none"> • Provide mathematics PLD for all new teachers so they are able to utilise the collaborative problem-based mixed-ability group pedagogical approach skilfully. • Apply for Ministry funded PLD in mathematics to support the process of embedding pedagogy. • Strengthen the ESOL programme and support the Pasifika ESOL trainee to deliver a programme that accelerates the learning in mathematical language for Pasifika learners.
Planning for next year:			
<ul style="list-style-type: none"> • Budget to release the internal mathematics expert teacher and to release teachers learning the new pedagogy. • Budget to release teachers to participate in Ministry funded PLD, anticipating a successful application. 			



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INDEPENDENT AUDITOR'S REPORT

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

The Auditor-General is the auditor of Warkworth School (the School). The Auditor-General has appointed me, Adelle Allbon, using the staff and resources of BDO Northland, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 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 PBE Accounting Standards Reduced Disclosure Regime.

Our audit was completed on 31 May 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.

PARTNERS: Adelle Allbon Angela Edwards Scott Kennedy Robyn Terlesk

BDO New Zealand Ltd, a New Zealand limited liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO New Zealand is a national association of independent member firms which operate as separate legal entities.

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, the Kiwi Sport Statement, the List of Trustees and Statement of Responsibility which form part of the Annual 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.



Adelle Allbon
BDO Northland
On behalf of the Auditor-General
Whangarei, New Zealand