



Churton Park School

2017 Annual Report

and

Financial Statements

School Number: 2824

Table of Contents

Page

Annual Report

1.	Principal's Report	3
2.	Kiwi Sport	4
3.	Student Achievement Information	5
4.	Collaboration and Resilience Analysis of Variance	8
5.	Statement of Resources	12
6.	Members of the Board of Trustees	13

Financial Statements

1.	Statement of Responsibility	1
2.	Statement of Comprehensive Revenue and Expenditure	2
3.	Statement of Changes in Net Assets/Equity	3
4.	Statement of Financial Position	4
5.	Statement of Cash Flow	5
6.	Notes to the Financial Statements:	
	Statement of Accounting Policies	6 – 10
	Other Notes and Disclosures	11 - 18



Kia ora koutou



There have been numerous delights and achievements throughout the 2017 year, many of them shared with our school community through the weekly school newsletter or class blogs. There was so much to celebrate within the life of our school and I am extremely proud of what we offered and what our students achieved.



Thank you to each and every one of our school community for all that you have done to support learning during the year – you have made a difference in the lives of our children and our staff.



I am really thankful for the absolutely amazing and committed staff team we have here, who work so hard to provide the very best learning environment. Every staff member here is willing to go the extra mile and I thank them for their dedication to our children. A special thank you to those who are leaving for all they have contributed in the life of our school; we are grateful that we have been able to work alongside you. Of course, I am thankful also to the staff who are staying!



Our Board of Trustees and our Home and School Association also do an awesome job and we are very lucky that they contribute so much energy/support for all our children.



Together, as a connected team, we can have a sense of pride in the way we have worked together to 'develop our students to achieve personal excellence and a desire for life-long learning'.



Ngā mihi
Anne Lye
Principal



Kiwisport

Kiwisport is a Government funding initiative to support student's participation in organised sport. In 2017, the school received total Kiwisport funding of \$5,078.65 (excluding GST). The funding was spent on:

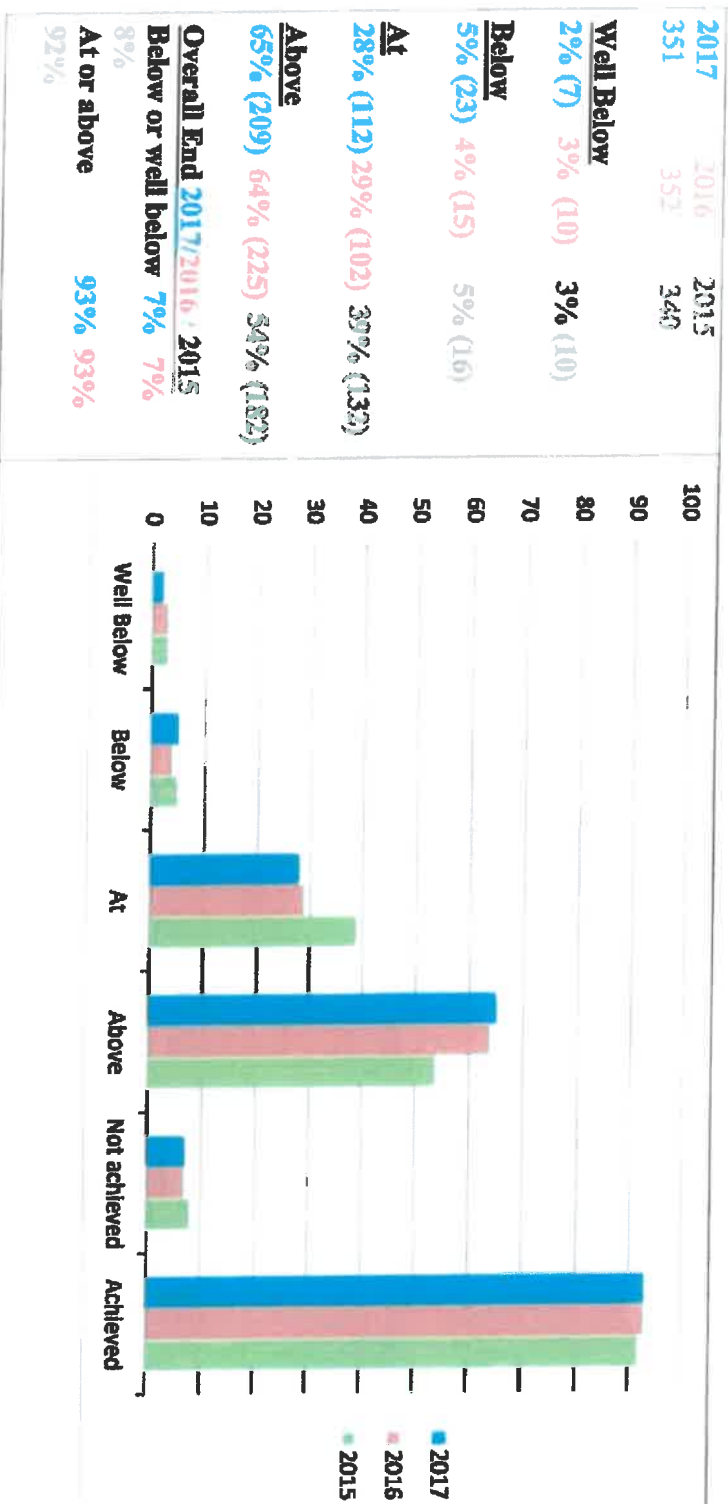
- **Subsidising 385 students to ensure full participation in a swimming programme provided through professional swimming services**
- **Subsidising Footsteps Dance (whole school),**

All children in our school participated in a wide range of programmes during the year as well as other organised sport.

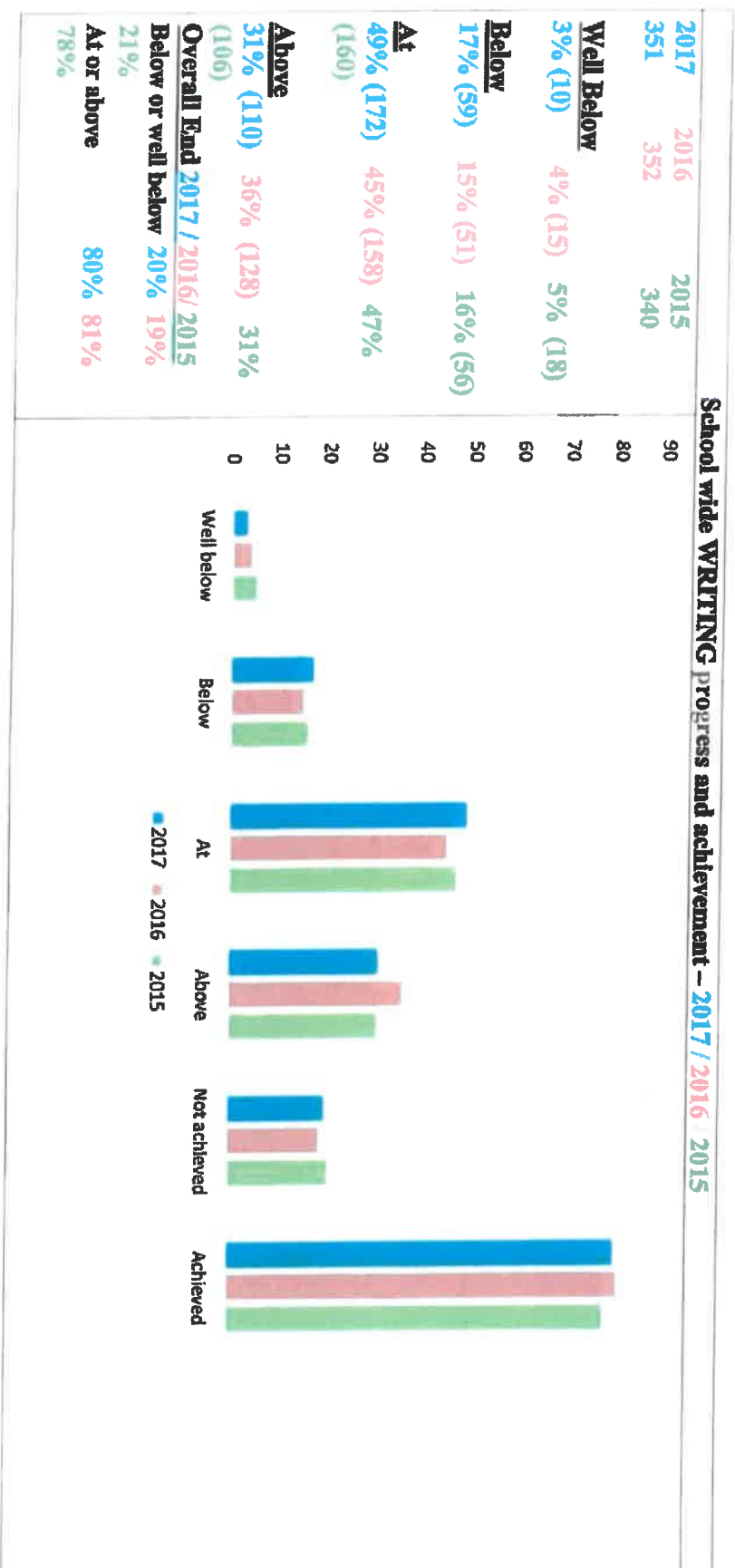
CHURTON PARK SCHOOL – 2017 ACHIEVEMENT IN RELATION TO NATIONAL STANDARDS

READING ACHIEVEMENT

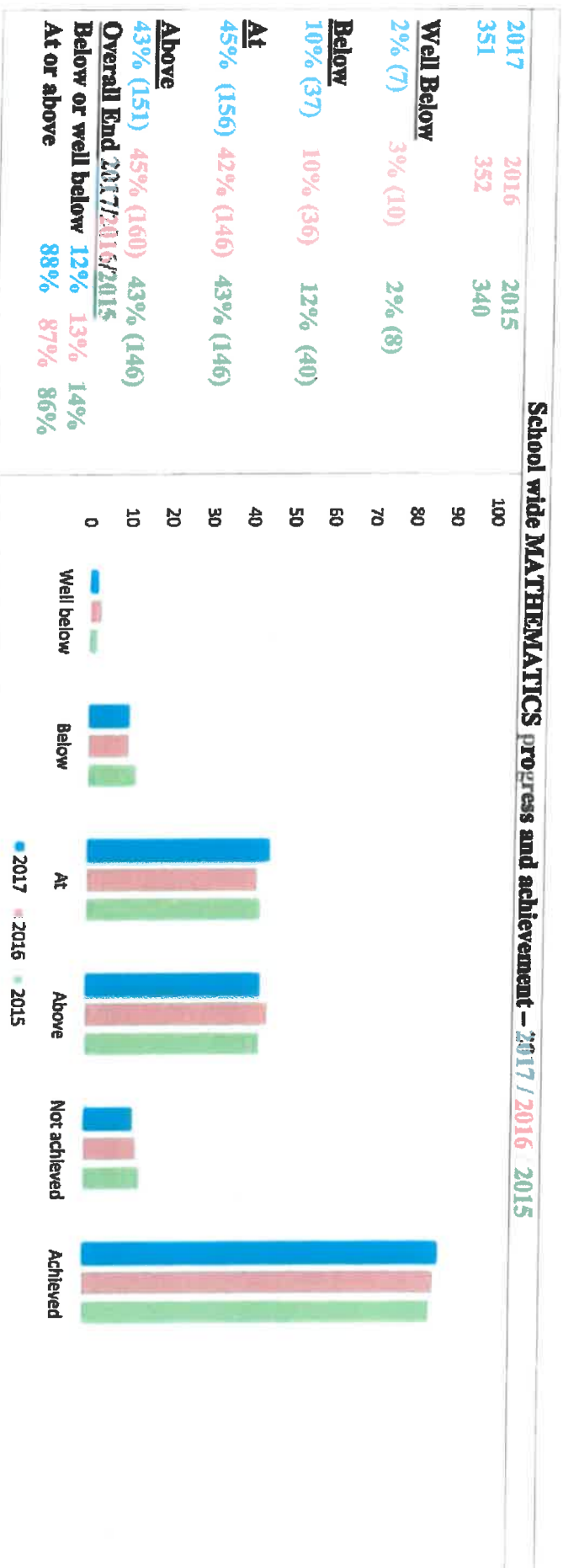
School wide READING progress and achievement – 2017 / 2016 / 2015



WRITING ACHIEVEMENT



MATHS ACHIEVEMENT



COLLABORATION AND RESILIENCE SCHOOL TARGET Analysis of Variance 2017

CONTEXT FOR IMPROVEMENT	<p>For a number of years we have sustained high levels of reading achievement, with a continued trend upwards. This has included significant shifts of achievement for students working "at" the National Standard to working "above".</p> <p>The NZ Curriculum notes that "key competencies require teachers to notice not just what students are learning, but how they are learning and their capacity to continue learning". While we have maintained high levels of reading achievement, as a staff we have noticed that in working across the curriculum many of our students do not show the competency of resilience and in fact the end of year school reviews for the past couple of years have had teachers commenting on the lack of resilience shown by our students.</p>
NOTICING	<p>Teachers noted that when students came to a learning situation that was challenging, they would easily give up and quickly ask for help (or the answer). They made excuses for not knowing what to do next, or would get someone else to complete the task for them. They often needed regular and ongoing encouragement to continue working on solving a problem. Examples of students getting upset when they got a task wrong, when they didn't get selected for an activity either by their teacher or a peer, when things 'didn't go their way' or when a consequence had been applied for an inappropriate action or behaviour. This has often resulted in parents coming into school in an effort to solve the problem for their child. Rather than relying on anecdotal information or our perception, we decided to 'notice' a randomised cross section of students from Year 1 to Year 6 (ensuring gender and ethnicity) who in 2016 were assessed in all levels of National Standards achievement to be monitored for achievement progress across the year. As well as achievement data, the "aspects of perseverance in problem-solving, resilience in adversity and collaborating with other to achieve common goals" (NZ Curriculum, Key Competencies) were prioritised.</p>
INVESTIGATING	<p>Different perspectives were sought</p> <ol style="list-style-type: none"> 1. Teachers getting to know and understand their target students by asking them to complete self-evaluations of their personal resilience and collaboration skills using a 1-5 rating scale. This included asking the students to give examples. 2. Asking the parents/whanau of the priority learners to give their child a 1-5 rating in terms of their resilience and collaboration. 3. In term 1, teachers also made a baseline OTJ using the same rating scale.
COLLABORATIVE SENSE MAKING	<p>Initially we had a staff meeting to really unpack and get a shared understanding of what resilience and collaboration would look like, so that our OTJ would be based on a shared understanding. We agreed on what sources of evidence we would need. Team and leadership meetings provided an ongoing forum to discuss and inquire into particular issues, and allowed teacher reflection and feedback. To support this initiative, every teacher was given one session (1½ hrs) release in term 1 to develop effective tools for collecting student and whanau feedback.</p> <p>We also agreed on how to keep the information so that there was easy access for all. This led to the development of a Resilience and Collaboration blog that was open to all teaching staff and professional development was provided to ensure it was usable for all.</p>
PRIORITISING TO TAKE ACTION	<p>The priority was to develop teacher understanding of how to implement an effective approach within a classroom programme to develop resilience within our students. Alongside this, the professional development focus for the year would be on teacher collaboration, allowing a shared and deeper understanding of collaborative skills.</p>
IMPROVEMENT ACTIONS	<ol style="list-style-type: none"> 1. The Leadership Team had all read the Carol S Dweck book the previous year and this had been shared with the staff throughout the year in 2016. Therefore the focus for developing resilience was built on our shared and growing knowledge of Growth Mindset – The New Psychology of Success (Carol S. Dweck) - and

Implementing this within class programmes.

2. We looked at the seven norms of collaboration, and the professional development focus for term 1 was on developing our teacher collaboration, and utilising this knowledge to develop and practise skills within collaborative teams. Then later in the year these teams visited other schools to view collaborative practices and then presented their thinking to the Board of Trustees. This enhanced and deepened our shared understanding of collaborative skills.
3. Walk-throughs, which timetabled every teacher both being visited and visiting other teachers to view collaborative maths lessons in practice in classrooms.
4. Practice was challenged through discussion, coaching, observation and reflection.
5. Students created a new poster for the value of resilience, defined what that would look like and shared it school wide with our students and also with our community.

SHIFTS IN PRACTICE

"Your brain is like a muscle
You need to exercise it to
make it grow!"

"It's okay to make mistakes.
That's how we learn!"

"It's not that I can't do it. It's
just that I can't do it YET!"

"It's good to do challenging
stuff! That's when our
neurons make new
connections."

"When we challenge
ourselves we help our brain
grow."

A definite shift from teacher directed to greater student agency in classroom learning programmes. This was accelerated because of the focus on teacher collaboration which was then incorporated into classroom practice.

- Children knowing themselves as learners
- Daily 5 and Daily 3 embedded into classroom numeracy and literacy programmes
- Learning through Play an integral part of the Year 1 programme
- Teachers experimenting with STEAM programmes from Year 2-6
- Students sharing their learning goals and evidence of achievement with their parents at 3 way conferences
- 1:1 computing in Blake Team giving students opportunity to collaborate through Google classroom
- Seesaw being used in Year 2/3 allowing students to share work and provide feedback

Continuing the collaborative approach to teacher professional development

Research has highlighted that often there is greater inconsistency of practice within schools than there is across schools. This year there has been a focus on sharing practice within our school, so that there is increasing consistency of practice across our school.

Some actions contributing to this has been:

- All teachers working in collaborative teams
- Coaching model used in QLCs
- Shared goals using Teaching as Inquiry
- Teams visiting other schools and sharing their learning
- Teachers observing each other in a structured, supported way
- Leadership networking across cluster of schools

Growth Mindset a stronger feature of classroom programmes

- Students using the Growth Mindset language (in their classroom, in the playground, in their reflections and in their personal comments on report forms)
- Classroom displays reinforcing the messages and students work sharing examples of Growth Mindset attitudes and behaviours
- Developing a schoolwide shared understanding (with a move to this being documented, with linked resources in 2018)

Parents more aware of Collaborative Practice and also Resilience as a Value

- Parents aware and accepting of collaborative teaching teams
- The Seesaw tool has more parents commenting on students work than in the past
- Parents feedback on targeted students giving specific examples of collaboration and resilience
- Maths open night gave parents the opportunity to see collaborative maths learning in action, with positive feedback

OUTCOMES FOR LEARNERS

- The community meeting regarding the new building initiative showed a positive acceptance of collaboration practice

We had evidence from many different perspectives. Teachers collected voice from whanau, students and colleagues in a range of different ways including surveys, videos, student self-assessment, photos, achievement data and observations.

During the year achievement was enhanced in all targeted areas – [Reading](#), [Resilience and Collaboration](#).

Students had more self-knowledge, were able to identify where they thought they were on the continuum, give examples and then articulate what they needed to do to improve. Teachers were also noticing attitudes and behaviours more closely, giving specific feedback to students and noticing higher levels of engagement.

Teacher: "Enjoys working with others more than individually. Doesn't work as well with people who are not in his friend group. More likely to sit back and let others do the work if not pushed to participate."

Student voice from same student: "Listen to others and talk when you have an idea, listening to others and helping do the work, I think I need to talk more in group work to share my ideas."

"...has shown great confidence in his reading socratic smackdowns and has a high involvement in these. By being in a mixed ability group for reading he has gained confidence and shown his true ability. ...still has some anxiety about writing however he perseveres and tries to improve every time."

"Continues to demonstrate great resilience. Understands when she has done the incorrect thing and accepts the consequences without hesitation."

[Further reflective comments.](#)

2017 Target Students - Cultural Identity and achievement

NZ European - 27 students	Maori - 6 students	Chinese – 9 students	Other European – 4 students	Indian - 5 students
African – 1 student	Middle Eastern – 1 student	British – 1 student	Pacifika – 1 student	Sri Lankan – 1 student

The biggest shifts were in in NZ European and Maori (although this was only measured on a small group). Gains were also evident with our Chinese students but not to the same extent. This would seem to match the research and statements in Ka Hikita which shows, in particular, that Maori students value collaborative learning.

Overall this was a worthwhile target because not only did it allow us to celebrate academic achievement and key competency development, it also reinforced for teachers that collaborative environments do provide positive outcomes for learners.

GOING FORWARD...

CONTEXT FOR IMPROVEMENT	All teachers are now enthusiastically committed to working in collaborative teams. Whilst exploring these new approaches to teaching and learning, and focusing on resilience and collaboration competencies within the classroom, it was pleasing to note that reading achievement was enhanced. We now need to embed this practice and this knowledge.
NOTICING	<p>School wide analysis of our 2017 end of year data indicates that our Maori, Pacifica and NZ European students have all made gains in achievement across all numeracy and literacy areas. Achievement however was most improved for our Maori students, partly due to their high engagement in learning within the collaborative environment. However it was noted that Asian achievement decreased slightly across all the numeracy and literacy areas. We need to explore how we can support our Asian learners (and families) within this new collaborative learning environment.</p> <p>Practices recommended going forward:</p> <ol style="list-style-type: none"> 1. A clear vision of 'Empowering connected lifelong learners' through Growth Mindset, A Sense of Belonging, Values and Wonder and Joy. 2. To establish focus groups to document the practice of Collaboration and Growth Mindset within the Churton Park School programme, to ensure it is embedded 3. To explore how we can become a more inclusive school, and support our Asian learners and families within this new collaborative learning environment. 4. Continue to develop student agency across the school.

Statement of Resources

Churton Park School buildings consist of:

- Two variable main teaching blocks equivalent in size to four ordinary classrooms. Within these two blocks there are four resource areas
- One main teaching block which includes variable space equivalent to four ordinary classrooms as well as two individual classroom spaces. Within this block there are two offices, one resource area and two toilet facilities
- One teaching block with two individual classrooms, a Reading Recovery room, a resource area and two toilet facilities
- A library, with two resource areas and two toilet facilities
- One teaching block consisting of two individual classrooms, one of which is a 1:15 teaching area
- One teaching block consisting of two classrooms, a large office withdrawal area, 1 staff toilet facility and two student toilet facilities
- The community hall as two toilet facilities, a shower, kitchen, foyer and meeting room
- The Administration block has: one staffroom, five office spaces, a sickbay with toilet, a further 2 toilet facilities plus a paraplegic toilet
- There are 2 stand-alone toilet blocks with both boys/girls facilities, a P.E. shed, and a Caretakers Shed
- The playground consists of two Tennis/Netball Courts, one Adventure Playground, a Tree Hut, four picnic table sets have been added to the senior part of the school, a playing field and an asphalt courtyard area
- Learning Through Play Storage Shed and a Greenies Equipment Shed
- There is some car parking space at the front of the school
- There are three pedestrian entrances to the school and drive on access from the front gate
- The school is well resourced with reading books, maths equipment, P.E. equipment, a well stocked library, and ICT equipment

The school appreciates the support of the Home and School Association who annually fund raise to support school resourcing.

Board of Trustees Members during 2017

Name	Position	How position on Board gained	Occupation	Term expired/expires
James Malden	Parent rep. Chairperson	Re-elected May 2016	Senior Investment Advisor	April 2019
Sharlene Martin	Parent rep. Treasurer	Re-elected May 2016	Chartered Accountant	April 2019
Billie Mudie	Parent rep.	Re-elected November 2014	Professional Practice Fellow	October 2017 Retired Dec 2017
Michael McCarthy	Parent rep.	Elected November 2014	Portfolio Manager	October 2017 Retired Dec 2017
Kelly Simmons	Parent rep.	Elected November 2014	National Property Manager	October 2017 Re-elected Dec 2017 Exp Nov 2020
Emma Churchman	Parent rep.	Elected May 2016	Homemaker	April 2019
Simon Hogg	Parent rep.	Elected Dec 2017	Investment Advisor	Nov 2020
Kevin Brown	Parent rep.	Elected Dec 2017	Assurance Partner	Nov 2020
Maree Goodall	Staff rep.	Re-elected May 2016	Deputy Principal	April 2019
Anne Lye	Principal	Appointed February 2010	Principal	

Churton Park School

Statement of Responsibility

For the year ended 31 December 2017

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 2017 fairly reflects the financial position and operations of the school.

The School's 2017 financial statements are authorised for issue by the Board.

James Fletcher Malden

Full Name of Board Chairperson

[Signature]

Signature of Board Chairperson

31/05/2018

Date:

Anne Louise Lye

Full Name of Principal

[Signature]

Signature of Principal

31/05/2018

Date:

Churton Park School
Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2017

		2017	2017	2016
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Revenue				
Government Grants	2	2,438,993	1,939,196	2,433,069
Locally Raised Funds	3	264,088	192,500	259,410
Interest Earned		14,333	3,000	11,332
		<u>2,717,414</u>	<u>2,134,696</u>	<u>2,703,831</u>
Expenses				
Locally Raised Funds	3	134,049	65,500	124,998
Learning Resources	4	1,877,346	1,693,950	1,961,553
Administration	5	134,007	147,150	120,982
Finance Costs		1,643	-	1,104
Property	6	413,115	145,300	343,982
Depreciation	7	88,008	80,000	96,871
Loss on Disposal of Property, Plant and Equipment		500	-	402
		<u>2,648,668</u>	<u>2,131,900</u>	<u>2,648,692</u>
Net Surplus / (Deficit)		67,748	2,796	54,139
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>67,748</u>	<u>2,796</u>	<u>54,139</u>

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

Churton Park School
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2017

	Actual 2017 \$	Budget (Unaudited) 2017 \$	Actual 2016 \$
Balance at 1 January	1,140,574	1,140,574	1,086,435
Total comprehensive revenue and expense for the year	67,748	2,796	54,139
Capital Contributions from the Ministry of Education			
Equity at 31 December	1,208,322	1,143,370	1,140,574
 Retained Earnings	 1,208,322	 1,143,370	 1,140,574
Equity at 31 December	1,208,322	1,143,370	1,140,574

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

Churton Park School
Statement of Financial Position
As at 31 December 2017

		2017	2017	2016
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Current Assets				
Cash and Cash Equivalents	8	192,897	246,376	113,881
Accounts Receivable	9	101,738	104,363	104,363
GST Receivable		7,468	7,682	7,682
Inventories	10	1,875	943	943
Investments	11	252,524	252,022	252,022
		<u>556,502</u>	<u>611,386</u>	<u>478,891</u>
Current Liabilities				
Accounts Payable	13	116,862	126,967	126,968
Revenue Received in Advance	14	-	7,960	7,960
Finance Lease Liability - Current Portion	16	8,150	-	9,185
Funds held for Capital Works Projects	17	3,795	-	450
		<u>128,827</u>	<u>134,927</u>	<u>144,563</u>
Working Capital Surplus/(Deficit)		<u>427,675</u>	<u>476,459</u>	<u>334,328</u>
Non-current Assets				
Property, Plant and Equipment	12	798,884	686,927	839,789
		<u>798,884</u>	<u>686,927</u>	<u>839,789</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	12,862	20,016	20,017
Finance Lease Liability	16	5,375	-	13,526
		<u>18,237</u>	<u>20,016</u>	<u>33,543</u>
Net Assets		<u>1,208,322</u>	<u>1,143,370</u>	<u>1,140,574</u>
Equity		<u>1,208,322</u>	<u>1,143,370</u>	<u>1,140,574</u>

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

Churton Park School
Statement of Cash Flows
For the year ended 31 December 2017

		2017	2017	2016
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
Cash flows from Operating Activities				
Government Grants		565,454	539,196	563,375
Locally Raised Funds		259,776	192,500	218,350
Goods and Services Tax (net)		214	-	1,217
Payments to Employees		(299,005)	(274,600)	(294,938)
Payments to Suppliers		(406,205)	(328,492)	(396,504)
Interest Paid		(1,643)	-	(1,104)
Interest Received		15,368	3,000	10,303
Net cash from / (to) the Operating Activities		133,959	133,604	100,699
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		(500)	-	-
Purchase of PPE (and Intangibles)		(48,101)	(1,109)	(92,788)
Purchase of Investments		(502)	-	(252,022)
Net cash from / (to) the Investing Activities		(49,103)	(1,109)	(344,810)
Cash flows from Financing Activities				
Finance Lease Payments		(9,185)	-	22,710
Funds Administered on Behalf of Third Parties		-	-	5,451
Funds Held for Capital Works Projects		3,345	-	-
Net cash from Financing Activities		(5,840)	-	28,161
Net increase/(decrease) in cash and cash equivalents		79,016	132,495	(215,950)
Cash and cash equivalents at the beginning of the year	8	113,881	113,881	329,831
Cash and cash equivalents at the end of the year	8	192,897	246,376	113,881

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

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

Churton Park School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2017

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2017 to 31 December 2017 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

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

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

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

i) Inventories

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

j) Investments

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

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

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

The School has met the requirements under section 28 of schedule 6 of the Education Act 1989 in relation to the acquisition of securities.

k) Property, Plant and Equipment

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

Land and buildings owned by the Proprietor are excluded from these financial statements. The Board's use of the land and 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 \$1000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

Leased Assets

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

Depreciation

Property, plant and equipment are depreciated over their estimated useful lives 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	10 - 75 Years
Furniture and Equipment	10 - 15 Years
Information and Communication	4 - 5 Years
Library Resources	5 Years

Leased assets are depreciated over the life of the lease.

l) Intangible Assets

Software costs

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

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

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

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

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

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

Non cash generating assets

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

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

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

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

n) Accounts Payable

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

o) Employee Entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

Long-term employee entitlements

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

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

p) Revenue Received in Advance

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

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

q) Funds Held In Trust

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

r) Shared Funds

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

s) Provision for Cyclical Maintenance

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

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

t) Financial Assets and Liabilities

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

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

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

u) Borrowings

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

v) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

w) Budget Figures

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

x) Services received in-kind

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

2. Government Grants

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operational grants	478,780	466,196	478,789
Teachers' salaries grants	1,585,062	1,400,000	1,612,007
Use of Land and Buildings grants	281,229	-	276,955
Other MoE Grants	93,922	73,000	65,338
	<u>2,438,993</u>	<u>1,939,196</u>	<u>2,433,089</u>

3. Locally Raised Funds

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Revenue			
Donations	56,208	60,000	65,308
Fundraising	11,889	6,000	3,900
Trading	874	1,000	1,461
Activities	69,804	10,500	59,516
Afterschool Care	125,313	115,000	129,225
	<u>264,088</u>	<u>192,500</u>	<u>259,410</u>
Expenses			
Activities	55,383	-	44,828
Trading	448	500	2,894
Hall	330	-	838
Afterschool Care	77,888	65,000	76,438
	<u>134,049</u>	<u>65,500</u>	<u>124,998</u>
<i>Surplus for the year Locally raised funds</i>	<u>130,039</u>	<u>127,000</u>	<u>134,412</u>

4. Learning Resources

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Curricular	19,445	23,650	22,686
Library resources	1,181	2,000	1,816
Employee benefits - salaries	1,809,440	1,595,300	1,854,714
Staff development	22,155	38,000	43,937
Information and Communication Technology	25,125	35,000	38,400
	<u>1,877,346</u>	<u>1,693,950</u>	<u>1,961,553</u>

5. Administration

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Audit Fee	8,473	7,500	6,473
Board of Trustees Fees	3,825	3,500	3,715
Board of Trustees Expenses	15,678	7,800	8,068
Communication	3,322	3,500	3,371
Consumables	16,162	19,000	11,535
Operating Lease	-	2,500	-
Other	7,061	12,250	60
Employee Benefits - Salaries	68,036	79,300	78,213
Insurance	6,933	6,300	6,277
Service Providers, Contractors and Consultancy	4,517	5,500	5,270
	<u>134,007</u>	<u>147,150</u>	<u>120,982</u>

6. Property

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	12,542	12,000	11,530
Cyclical Maintenance Expense	(7,154)	10,000	(74,389)
Grounds	9,435	5,500	10,607
Heat, Light and Water	23,387	23,700	23,207
Rates	2,559	2,500	2,491
Repairs and Maintenance	6,547	8,000	12,408
Use of Land and Buildings	281,229	-	276,955
Security	7,002	6,000	5,861
Consultancy & Contract Services	77,568	77,600	75,312
	<u>413,115</u>	<u>145,300</u>	<u>343,982</u>

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

7. Depreciation

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Building Improvements	19,047	16,793	20,292
Furniture and Equipment	23,101	21,486	25,964
Information and Communication Technology	36,538	33,754	40,788
Leased Assets	7,420	3,782	4,570
Library Resources	2,900	4,185	5,057
	<u>89,006</u>	<u>80,000</u>	<u>96,671</u>

8. Cash and Cash Equivalents

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
ASB - 00	92,321	33,705	61,597
ASB Call Account	-	51,074	1,210
ASB Call Account 51 suffix	-	61,597	51,074
ASB-T/D 75	100,576	100,000	-
Cash equivalents and bank overdraft for Cash Flow Statement	<u>192,897</u>	<u>246,376</u>	<u>113,881</u>

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

Of the \$192,897 Cash and Cash Equivalents, \$3,795 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2018 on Crown owned school buildings under the School's Five Year Property Plan.

9. Accounts Receivable

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Receivables	6,885	2,573	2,573
Receivables from the Ministry of Education	-	712	712
Interest Receivable	1,243	2,278	2,278
Teacher Salaries Grant Receivable	93,610	98,800	98,800
	<u>101,738</u>	<u>104,363</u>	<u>104,363</u>
Receivables from Exchange Transactions	8,128	4,850	4,850
Receivables from Non-Exchange Transactions	93,610	99,513	99,513
	<u>101,738</u>	<u>104,363</u>	<u>104,363</u>

10. Inventories

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Uniforms	1,875	943	735
Stationery	-	-	208
	<u>1,875</u>	<u>943</u>	<u>943</u>

11. Investments

The School's investment activities are classified as follows:

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Current Asset			
Short-term Bank Deposits	252,524	252,022	252,022

12. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2017						
Building Improvements	553,433	5,775	-	-	(19,047)	540,162
Furniture and Equipment	139,821	13,481	(206)	-	(23,101)	129,995
Information and Communication Tech	104,041	25,546	(294)	-	(36,538)	92,755
Leased Assets	22,262	-	-	-	(7,420)	14,842
Library Resources	20,231	3,799	-	-	(900)	21,130
Balance at 31 December 2017	<u>839,788</u>	<u>48,601</u>	<u>(500)</u>	<u>-</u>	<u>(87,008)</u>	<u>798,884</u>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2017			
Building Improvements	830,514	(290,352)	540,162
Furniture and Equipment	632,530	(502,535)	129,995
Information and Communication	344,458	(251,703)	92,755
Leased Assets	28,408	(13,566)	14,842
Library Resources	99,085	(77,955)	21,130
Balance at 31 December 2017	<u>1,934,995</u>	<u>(1,136,111)</u>	<u>798,884</u>

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2016						
Building Improvements	573,725	-	-	-	(20,292)	553,433
Furniture and Equipment	147,068	18,751	(33)	-	(25,964)	139,822
Information and Communication Tech	104,783	40,200	(154)	-	(40,788)	104,041
Leased Assets	-	26,832	-	-	(4,570)	22,262
Library Resources	18,498	7,005	(215)	-	(5,057)	20,231
Balance at 31 December 2016	<u>844,074</u>	<u>92,788</u>	<u>(402)</u>	<u>-</u>	<u>(96,671)</u>	<u>839,789</u>

12. Property, Plant and Equipment - continued

2016	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Building Improvements	824,739	(271,306)	553,433
Furniture and Equipment	833,189	(493,367)	139,822
Information and Communication	390,202	(286,161)	104,041
Leased Assets	28,408	(6,146)	22,262
Library Resources	95,286	(75,055)	20,231
Balance at 31 December 2016	1,971,824	(1,132,035)	839,789

13. Accounts Payable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operating creditors	14,148	10,817	10,818
Accruals	4,973	6,608	6,608
Employee Entitlements - salaries	93,610	105,493	105,493
Employee Entitlements - leave accrual	4,151	4,049	4,049
	116,882	126,967	126,968
Payables for Exchange Transactions	116,882	126,967	126,968
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	116,882	126,967	126,968

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Grants in Advance Ministry of Education	-	7,960	7,960
	-	7,960	7,960

15. Provision for Cyclical Maintenance

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Provision at the Start of the Year	20,017	10,016	98,928
Increase/(decrease) to the Provision During the Year	(7,155)	10,000	(74,389)
Use of the Provision During the Year	-	-	(4,522)
Provision at the End of the Year	12,862	20,016	20,017
Cyclical Maintenance - Current	-	-	-
Cyclical Maintenance - Term	12,862	20,016	20,017
	12,862	20,016	20,017

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:

	2017 Actual	2017 Budget (Unaudited)	2016 Actual
No Later than One Year	\$ 8,150	\$ -	\$ 9,185
Later than One Year and no Later than Five Years	5,375	-	8,150
Later than Five Years	-	-	5,375
	<u>13,525</u>	<u>-</u>	<u>22,710</u>

17. Funds Held (Owed) for Capital Works Projects

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

2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Property Modifications Funds Receive <i>in progress</i>	450	7,130	7,580	-	-
Preparation of 5YP <i>in progress</i>	-	3,795	-	-	3,795
Totals	<u>450</u>	<u>10,925</u>	<u>7,580</u>	<u>-</u>	<u>3,795</u>

Represented by:

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

3,795
-

3,795

2016	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Property Modifications Funds Receive <i>in progress</i>	(5,000)	30,600	(25,150)	-	450
Totals	<u>(5,000)</u>	<u>30,600</u>	<u>(25,150)</u>	<u>-</u>	<u>450</u>

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.

Christopher Mark Lye, the spouse of Principal Anne Lye was employed at the school - \$847. (2016: \$1,097)

19. Remuneration

Key management personnel compensation

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

	2017 Actual \$	2016 Actual \$
<i>Board Members</i>		
Remuneration	3,825	3,715
Full-time equivalent members	0.13	0.13
<i>Leadership Team</i>		
Remuneration	325,188	325,117
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	329,013	328,832
Total full-time equivalent personnel	3.13	3.13

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:

	2017 Actual \$000	2016 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	140-150	130-140
Benefits and Other Emoluments	3-4	3-4
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2017 FTE Number	2016 FTE Number
100 - 110	-	-
	0.00	0.00

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

20. Compensation and Other Benefits Upon Leaving

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

	2017 Actual	2016 Actual
Total	-	-
Number of People	-	-

21. Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2017 (Contingent liabilities and assets at 31 December 2016: nil).

22. Commitments

(a) Capital Commitments

There are no capital commitments as at 31 December 2017 (Capital commitments at 31 December 2016: nil).

(b) Operating Commitments

There are no operating commitments as at 31 December 2017 (Operating commitments at 31 December 2016: nil).

23. Managing Capital

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

24. Financial Instruments

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

Loans and receivables

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Cash and Cash Equivalents	192,897	246,376	113,881
Receivables	101,738	104,363	104,363
Investments - Term Deposits	252,524	252,022	252,022
Total Loans and Receivables	547,159	602,761	470,266

Financial liabilities measured at amortised cost

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Payables	116,882	126,967	126,968
Finance Leases	13,525	-	22,711
Total Financial Liabilities Measured at Amortised Cost	130,407	126,967	149,679

25. Events After Balance Date

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

Independent auditor's report

To the readers of the financial statements of Churton Park School for the year ended 31 December 2017

The Auditor-General is the auditor of Churton Park School (the School). The Auditor-General has appointed me, Michael Rania, using the staff and resources of Moore Stephens Wellington Audit, 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, which comprise the statement of financial position as at 31 December 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, 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 2017, and
 - its financial performance and its 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 (Public Sector PBE Standards RDR)

Our audit was completed on 31 May 2018. 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 Opinion

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

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

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

Responsibilities of the Board of Trustees for the financial statements

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.
- We communicate with the Board of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the information included on pages 3 to 13 of the Annual Report, but does not include the financial statements, and our auditor's report thereon.

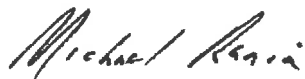
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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.



Michael Rania | **Moore Stephens Wellington Audit**
On behalf of the Auditor-General | Wellington, New Zealand