

# TE AUTE COLLEGE

## Annual Report

FOR THE YEAR ENDED 31 DECEMBER 2020



### School Directory

**Ministry Number:** 232  
**Principal:** S Hiha  
**School Address:** 100 State Highway 2, Pukehou, Central Hawkes Bay  
**School Postal Address:** Private Bag 6030, Napier, 4142  
**School Phone:** 06 856 8016  
**School Email:** [admin@teaute.school.nz](mailto:admin@teaute.school.nz)

### Members of the Board of Trustees

Name	Position	How position gained	Term expires/expired
S Hiha	Principal	Appointed	
A King	Commissioner	Statutory Appointment	January 2021

**Accountant / Service Provider:**

Eclipse Solutions 4 Schools Ltd



# TE AUTE COLLEGE

Annual Report - For the year ended 31 December 2020

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**Te Aute College**

**Statement of Responsibility**

For the year ended 31 December 2020

The Commissioner accepts responsibility for the preparation of the annual financial statement and the judgement used in these financial statements.


The management (including the principal and others as directed by the Commissioner) 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 Commissioner and management that the annual financial statements for the financial year ended 31 December 2020 fairly reflects the financial position and operations of the school.

The School's 2020 financial statements are authorised for issue by the Commissioner.

Paul William Howison  
Full Name of Commissioner

WIKTORIA OSBORNE  
Full Name of Principal

  
Signature of Commissioner

W. Osborne.  
Signature of Principal

31 May 2021  
Date:

31 May 2021  
Date:

**Te Aute College**  
**Statement of Comprehensive Revenue and Expense**  
For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Revenue</b>				
Government Grants	2	1,628,090	1,664,435	1,752,011
Locally Raised Funds	3	171,702	107,900	219,385
Use of Land and Buildings Integrated		109,021	109,021	109,021
Interest Earned		682	2,500	3,144
		<u>1,909,495</u>	<u>1,883,856</u>	<u>2,083,561</u>
<b>Expenses</b>				
Locally Raised Funds	3	83,259	68,112	117,864
Learning Resources	4	1,115,788	1,173,325	1,250,432
Administration	5	294,847	276,950	258,196
Amortisation of Equitable Lease		2,977	1,966	2,977
Finance Costs		988	2,000	2,031
Property	6	340,032	321,121	390,692
Depreciation	7	54,073	60,000	56,749
Loss on Disposal of Property, Plant and Equipment		-	-	-
Loss on Uncollectable Accounts Receivable		100	-	3,200
		<u>1,892,064</u>	<u>1,903,474</u>	<u>2,082,141</u>
<b>Net Surplus / (Deficit)</b>		17,431	(19,618)	1,420
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u><u>17,431</u></u>	<u><u>(19,618)</u></u>	<u><u>1,420</u></u>

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

**Te Aute College**  
**Statement of Changes in Net Assets/Equity**  
For the year ended 31 December 2020

	Note	Actual 2020 \$	Budget (Unaudited) 2020 \$	Actual 2019 \$
<b>Balance at 1 January</b>		<u>325,805</u>	<u>325,805</u>	<u>320,513</u>
Total Comprehensive Revenue and Expense for the Year		17,431	(19,618)	1,420
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		5,139	5,000	3,872
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9		-	-	-
<b>Equity at 31 December</b>	23	<u>348,375</u>	<u>311,187</u>	<u>325,805</u>
Retained Earnings		348,375	311,187	325,805
Reserves		-	-	-
<b>Equity at 31 December</b>		<u>348,375</u>	<u>311,187</u>	<u>325,805</u>

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

**Te Aute College**  
**Statement of Financial Position**  
As at 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Current Assets</b>				
Cash and Cash Equivalents	8	198,310	145,048	92,602
Accounts Receivable	9	220,165	214,036	206,873
GST Receivable		-	-	1,813
Prepayments		3,742	3,000	4,024
Inventories	10	49,233	45,000	47,844
Investments	11	-	-	41,733
		<u>471,450</u>	<u>407,084</u>	<u>394,889</u>
<b>Current Liabilities</b>				
GST Payable		14,131	10,000	-
Accounts Payable	13	140,933	132,463	126,486
Revenue Received in Advance	14	30,898	25,000	10,597
Provision for Cyclical Maintenance - Current Portion	15	47,268	47,268	20,764
Finance Lease Liability - Current Portion	16	11,842	11,842	7,394
Funds Held in Trust	17	71,227	60,000	56,540
		<u>316,299</u>	<u>286,573</u>	<u>221,781</u>
<b>Working Capital Surplus/(Deficit)</b>		155,151	120,511	173,108
<b>Non-Current Assets</b>				
Property, Plant and Equipment	12	232,548	230,000	219,400
Equitable Leasehold Interest	25	31,128	31,128	34,105
		<u>263,676</u>	<u>261,128</u>	<u>253,505</u>
<b>Non-Current Liabilities</b>				
Provision for Cyclical Maintenance	15	58,391	58,391	96,620
Finance Lease Liability	16	12,061	12,061	4,188
		<u>70,452</u>	<u>70,452</u>	<u>100,808</u>
<b>Net Assets</b>		<u>348,375</u>	<u>311,187</u>	<u>325,805</u>
<b>Equity</b>	23	<u>348,375</u>	<u>311,187</u>	<u>325,805</u>

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

**Te Aute College**  
**Statement of Cash Flows**  
For the year ended 31 December 2020

		2020	2020 Budget	2019
	Note	Actual \$	(Unaudited) \$	Actual \$
<b>Cash Flows from Operating Activities</b>				
Government Grants		672,224	700,579	740,840
Locally Raised Funds		185,190	160,449	170,929
Goods and Services Tax (net)		15,944	12,000	(7,641)
Payments to Employees		(389,531)	(402,412)	(475,521)
Payments to Suppliers		(384,780)	(390,289)	(373,664)
Interest Paid		(988)	(3,966)	(2,031)
Interest Received		990	2,500	3,505
<b>Net Cash from/(to) the Operating Activities</b>		<b>99,049</b>	<b>78,861</b>	<b>56,417</b>
<b>Cash Flows from Investing Activities</b>				
Proceeds from Sale of PPE (and Intangibles)		(42,981)	(85,000)	(26,746)
Purchase of PPE (and Intangibles)				
Purchase of Investments		41,733	5,000	(1,733)
Proceeds from Sale of Investments		-	2,977	-
<b>Net Cash from/(to) the Investing Activities</b>		<b>(1,248)</b>	<b>(77,023)</b>	<b>(28,479)</b>
<b>Cash Flows from Financing Activities</b>				
Furniture and Equipment Grant		5,139	-	3,872
Finance Lease Payments		(11,918)	12,321	(14,833)
Funds Administered on Behalf of Third Parties		14,687	40,000	40,186
<b>Net Cash from Financing Activities</b>		<b>7,908</b>	<b>52,321</b>	<b>29,225</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>105,709</b>	<b>54,159</b>	<b>57,163</b>
Cash and Cash Equivalents at the Beginning of the Year	8	92,602	90,889	35,440
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>8</b>	<b>198,310</b>	<b>145,048</b>	<b>92,603</b>

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

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



# Te Aute College

## Notes to the Financial Statements

For the year ended 31 December 2020

### 1. Statement of Accounting Policies

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

Te Aute College (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. The Board 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 2020 to 31 December 2020 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 and Training Act 2020 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as "having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders".

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

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

##### **Measurement Base**

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

##### **Presentation Currency**

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

##### **Specific Accounting Policies**

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

##### **Critical Accounting Estimates And Assumptions**

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

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

#### *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.

#### *Cyclical maintenance provision*

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

#### **Critical Judgements in Applying Accounting Policies**

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

#### *Classification of leases*

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

#### *Recognition of grants*

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to 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.

#### **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.

Grants for the use of land and buildings are also 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 Proprietor. Use of land and building grants are recorded as income in the period the school uses the land and building.

**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 Proprietor. The expense is based on an assumed market rental yield on the land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Proprietor.

**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**

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

**i) Inventories**

Inventories are consumable items held for sale and comprise of 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 are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

### **k) Property, Plant and Equipment**

Land and buildings owned by the Proprietor 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 Proprietor are recorded at cost, less accumulated depreciation and impairment losses.

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

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

### **Finance Leases**

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

### **Depreciation**

Property, plant and equipment except for library resources and textbooks are depreciated over their estimated useful lives on a straight line basis. Library resources and textbooks 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:

Furniture and Equipment	5–20 years
Information and Communication Technology	3–10 years
Textbooks	12.5% Diminishing value
Leased Assets Held Under a Finance Lease	3–5 years
Library resources	12.5% Diminishing value

### **l) Intangible Assets**

#### **Software costs**

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

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

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

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

##### *Non cash generating assets*

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

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

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

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

#### **n) Accounts Payable**

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

#### **o) Employee Entitlements**

##### *Short-term employee entitlements*

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

#### **p) Revenue Received in Advance**

Revenue received in advance relates to fees received from student 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.

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

#### **r) Provision for Cyclical Maintenance**

The property from which the school operates is owned by the Proprietor. The Board is responsible for maintaining the land, building 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 provisions for cyclical maintenance represents the obligations the Board has to the Proprietor and is based on the Board's ten year property plan (10YPP).

**s) Financial Instruments**

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

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

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

**t) 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.

**u) Budget Figures**

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

**v) 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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operational Grants	581,658	683,579	698,248
Teachers' Salaries Grants	955,866	955,856	1,011,171
Other MoE Grants	90,566	25,000	38,720
Other Government Grants	-	-	3,872
	<u>1,628,090</u>	<u>1,664,435</u>	<u>1,752,011</u>

The school has opted in to the donations scheme for this year. Total amount received was \$13,050.

Other MOE Grants total includes additional COVID-19 funding totalling \$6,756 for the year ended 31 December 2020.

## 3. Locally Raised Funds

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Revenue</b>			
Donations	44,708	-	19,614
Fundraising	6,061	-	6,573
Transport Revenue	12,348	12,000	12,015
Trading	27,688	-	49,758
Activities	80,897	95,900	131,425
	<u>171,702</u>	<u>107,900</u>	<u>219,385</u>
<b>Expenses</b>			
Activities	60,236	68,112	96,746
Trading	23,023	-	21,118
	<u>83,259</u>	<u>68,112</u>	<u>117,864</u>
<i>Surplus/(Deficit) for the year Locally Raised Funds</i>	<u>88,443</u>	<u>39,788</u>	<u>101,521</u>

## 4. Learning Resources

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Curricular	27,000	52,057	43,750
Equipment Repairs	6,600	1,500	441
Information and Communication Technology	1,817	-	706
Employee Benefits - Salaries	1,079,005	1,111,768	1,198,420
Staff Development	1,366	8,000	7,115
	<u>1,115,788</u>	<u>1,173,325</u>	<u>1,250,432</u>

## 5. Administration

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Audit Fee	9,880	9,880	9,590
Board of Trustees Fees	165	3,000	4,252
Board of Trustees Expenses	86,249	28,000	18,774
Communication	7,243	8,500	8,309
Consumables	28,788	37,995	33,912
Operating Lease	4,370	4,370	4,370
Other	10,397	12,105	7,863
Employee Benefits - Salaries	134,956	155,500	158,511
Insurance	799	600	615
Service Providers, Contractors and Consultancy	12,000	17,000	12,000
	<u>294,847</u>	<u>276,950</u>	<u>258,196</u>

## 6. Property

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Caretaking and Cleaning Consumables	13,524	8,800	9,296
Cyclical Maintenance Provision	11,115	8,000	73,403
Grounds	17,850	11,100	12,816
Heat, Light and Water	44,141	49,700	50,889
Rates	6,585	6,000	5,363
Repairs and Maintenance	5,889	11,000	9,255
Use of Land and Buildings	109,021	109,021	109,021
Security	-	500	113
Employee Benefits - Salaries	131,907	117,000	120,536
	<u>340,032</u>	<u>321,121</u>	<u>390,692</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.

## 7. Depreciation

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Furniture and Equipment	35,391	41,000	34,471
Information and Communication Technology	3,959	10,000	7,407
Textbooks	215	1,000	246
Leased Assets	14,477	7,000	14,589
Library Resources	31	1,000	36
	<u>54,073</u>	<u>60,000</u>	<u>56,749</u>



## 8. Cash and Cash Equivalents

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash on Hand	80	-	-
Bank Current Account	48,993	45,048	19,770
Bank Call Account	149,237	100,000	72,832
Cash and Cash Equivalents for Statement of Cash Flows	<u>198,310</u>	<u>145,048</u>	<u>92,602</u>

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

## 9. Accounts Receivable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Receivables	156,129	150,000	149,416
Accrued Income	-	-	308
Teacher Salaries Grant Receivable	64,036	64,036	57,149
	<u>220,165</u>	<u>214,036</u>	<u>206,873</u>
Receivables from Exchange Transactions	156,129	150,000	149,724
Receivables from Non-Exchange Transactions	64,036	64,036	57,149
	<u>220,165</u>	<u>214,036</u>	<u>206,873</u>

## 10. Inventories

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
School Uniforms	49,233	45,000	47,844
	<u>49,233</u>	<u>45,000</u>	<u>47,844</u>

## 11. Investments

The School's investment activities are classified as follows:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Asset			
Short-term Bank Deposits	-	-	41,733
Non-current Asset			
Long-term Bank Deposits	-	-	-
Total Investments	<u>-</u>	<u>-</u>	<u>41,733</u>

## 12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2020</b>						
Furniture and Equipment	197,894	42,983	-	-	(35,391)	205,486
Information and Communication Technology	6,450	-	-	-	(3,959)	2,491
Textbooks	1,721	-	-	-	(215)	1,506
Leased Assets	12,933	24,238	-	-	(14,477)	22,694
Library Resources	402	-	-	-	(31)	371
<b>Balance at 31 December 2020</b>	<b>219,400</b>	<b>67,221</b>	<b>-</b>	<b>-</b>	<b>(54,073)</b>	<b>232,548</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2020</b>			
Furniture and Equipment	667,035	(461,550)	205,485
Information and Communication Technology	28,794	(26,303)	2,491
Textbooks	4,428	(2,922)	1,506
Leased Assets	70,886	(48,191)	22,695
Library Resources	64,134	(63,763)	371
<b>Balance at 31 December 2020</b>	<b>835,277</b>	<b>(602,729)</b>	<b>232,548</b>

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2019</b>						
Furniture and Equipment	207,231	25,134	-	-	(34,471)	197,894
Information and Communication Technology	12,244	1,614	-	-	(7,407)	6,451
Textbooks	1,967	-	-	-	(246)	1,721
Leased Assets	24,400	3,121	-	-	(14,589)	12,932
Library Resources	438	-	-	-	(36)	402
<b>Balance at 31 December 2019</b>	<b>246,280</b>	<b>29,869</b>	<b>-</b>	<b>-</b>	<b>(56,749)</b>	<b>219,400</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2019</b>			
Furniture and Equipment	624,085	(426,191)	197,894
Information and Communication Technology	32,038	(25,588)	6,450
Textbooks	4,428	(2,707)	1,721
Leased Assets	46,647	(33,714)	12,933
Library Resources	64,134	(63,732)	402
<b>Balance at 31 December 2019</b>	<b>771,332</b>	<b>(551,932)</b>	<b>219,400</b>

### 13. Accounts Payable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operating Creditors	23,369	25,000	33,136
ASB Visa	963	500	572
Accruals	26,055	16,927	9,590
Employee Entitlements - Salaries	64,036	64,036	57,149
Employee Entitlements - Leave Accrual	26,510	26,000	26,039
	<u>140,933</u>	<u>132,463</u>	<u>126,486</u>
Payables for Exchange Transactions	140,933	132,463	126,486
Payables for Non-Exchange Transactions - Taxes Payable (PAYE and rates)	-	-	-
Payables for Non-Exchange Transactions - Other	-	-	-
	<u>140,933</u>	<u>132,463</u>	<u>126,486</u>

The carrying value of payables approximates their fair value.

### 14. Revenue Received in Advance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Other	30,898	25,000	10,597
	<u>30,898</u>	<u>25,000</u>	<u>10,597</u>

### 15. Provision for Cyclical Maintenance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Provision at the Start of the Year	117,384	117,384	43,981
Increase/(Decrease) to the Provision During the Year	11,115	8,000	73,403
Use of the Provision During the Year	(22,840)	(19,725)	-
Provision at the End of the Year	<u>105,659</u>	<u>105,659</u>	<u>117,384</u>
Cyclical Maintenance - Current	47,268	47,268	20,764
Cyclical Maintenance - Term	58,391	58,391	96,620
	<u>105,659</u>	<u>105,659</u>	<u>117,384</u>

**16. Finance Lease Liability**

The School has entered into a finance lease agreement for a van. Minimum lease payments payable:

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
No Later than One Year	\$ 15,393	\$ 15,393	\$ 7,394
Later than One Year and No Later than Five Years	8,993	8,993	4,188
Later than Five Years	-	-	-
	24,386	24,386	11,582

**17. Funds Held in Trust**

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
Funds Held in Trust on Behalf of Third Parties - Current	\$ 71,227	\$ 60,000	\$ 56,540
Funds Held in Trust on Behalf of Third Parties - Non-current	-	-	-
	71,227	60,000	56,540

These funds are held in trust for student scholarships and International trips.

**18. Related Party Transactions**

The Principal, Shane Hiha is one of the key management personnel of the school. He is provided with a schoolhouse for which the school pays the market rental and is charged fringe benefit tax. Rent paid by the school in 2020 was \$9,880 with FBT paid.

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.

The Proprietor of the School, the Te Aute Trust Board, is a related party of the Board because the proprietor appoints representatives to the Board, giving the proprietor significant influence over the Board. Any services or contributions between the Board and Proprietor have been disclosed appropriately, if the proprietor collects funds on behalf of the school (or vice versa) the amounts are disclosed.

The Proprietor provides land and buildings free of charge for use by the Board as noted in Note 1(c). The estimated value of this use during 2020 is included in the Statement of Comprehensive Revenue and Expense as "Use of land and buildings".

## Related Party Financial Transactions

### Te Aute College Hostel

During 2020, Te Aute College received the following funding on behalf of the hostel:

Mapihi Ponamu and Boarding Bursaries \$410,150 (2019: \$560,638), at balance date nil was payable to the Hostel (2019: nil).

Hostel fees paid to the school \$5,398 (2019: \$1,521), at balance date nil was payable to the Hostel (2019: nil).

Hire of Facility Fees \$500 (2019: \$1,600), at balance date \$500 was payable to the Hostel (2019: nil).

During 2020, Te Aute College received scholarship funding from Auckland Private Education Charitable Trust on behalf of students. A portion of the scholarship was allocated towards the students hostel fees as follows:

APECT scholarships transferred to hostel fees: \$6,665 (2019: \$nil), at balance date nil (2019: nil) was payable to the hostel.

During 2020, Te Aute College received scholarship funding from H & W Williams on behalf of students. A portion of the scholarship was allocated towards the students hostel fees as follows:

H & W scholarships transferred to hostel fees: \$5,408 (2019: \$14,000), at balance date \$nil (2019: nil) was payable to the hostel.

During 2020, Te Aute College received scholarship funding from Perpetual Guardian - Brightwell on behalf of students. A portion of the scholarship was allocated towards the students hostel fees as follows:

Brightwell Scholarships transferred to hostel fees: \$15,500 (2019: \$4,524), at balance date nil (2019: nil) was payable to the hostel.

During 2020 the school made payments totalling \$82,261 (2019: \$82,261) on behalf of the hostel. This comprises:

The hostel's share of grounds costs \$57,500 (2019: \$57,500), at balance date \$119,054 (2019: \$94,896) was still payable.

The hostel's share of vehicle costs \$13,800 (2019: \$13,800), at balance date \$27,600 (2019: \$20,700) was still payable.

The hostel's share of miscellaneous costs nil (2019: \$10,961), at balance date \$6,378 (2019: \$10,961) was still payable.

During 2020 the hostel made payments on behalf of the school:

Electricity totalling \$32,882 incl (2019: \$11,826), at balance date \$3,500 (2019: nil) was payable to the Hostel.

Miscellaneous costs totalling \$1,671 incl (2019: \$5,923), at balance date \$203 (2019: nil) was payable to the Hostel.

## 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.

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	165	4,252
Full-time equivalent members	-	0.12
<i>Leadership Team</i>		
Remuneration	248,322	330,735
Full-Time Equivalent Members	2.00	3.00
Total Key Management Personnel Remuneration	248,487	334,987
Total Full-Time Equivalent Personnel	2.00	3.12

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:

	2020 Actual \$000	2019 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	130 - 140	120 - 130
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	2020 FTE Number	2019 FTE Number
100 - 110	1	1
	1	1

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 a trustee, committee member, or employee 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:

	2020 Actual	2019 Actual
Total	\$13	\$0
Number of People	1	-

## 21. Contingencies

There are no contingent liabilities as at 31 December 2020 (Contingent liabilities and assets at 31 December 2019: 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's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. The current phase of this review is to design potential solutions for any compliance breaches discovered in the initial phase of the Programme. Final calculations and potential impact on any specific individual will not be known until further detailed analysis and solutions have been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2020, a contingent liability for the school may exist.

## 22. Commitments

### (a) Capital Commitments

As at 31 December 2020 the Board had not entered into contract agreements for capital works.

(Capital commitments at 31 December 2019: \$nil)

### (a) Operating Commitments

As at 31 December 2020 the Board has not entered into any operating contracts:

(Operating commitments at 31 December 2019: \$nil)

## 23. Managing Capital

The School's capital is its equity and comprises of 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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash and Cash Equivalents	198,310	145,048	92,602
Receivables	220,165	214,036	206,873
Investments - Term Deposits	-	-	41,733
<b>Total Loans and Receivables</b>	<b>418,475</b>	<b>359,084</b>	<b>341,208</b>

### Financial Liabilities Measured at Amortised Cost

Payables	140,933	132,463	126,486
Finance Leases	23,903	23,903	11,582
<b>Total Financial Liabilities Measured at Amortised Cost</b>	<b>164,836</b>	<b>156,366</b>	<b>138,068</b>

## 25. Equitable Leasehold Interest

An equitable leasehold interest recognises an interest in an asset without transferring ownership or creating a charge over the asset. This equitable leasehold interest represents the board's interest in capital works assets owned by the proprietor but paid for in whole or in part by the Board of Trustees, either from Government funding or from community raised funds.

A lease between the board and the proprietor records the terms of the equitable leasehold interest and includes a detailed schedule of capital works assets. The equitable leasehold interest is amortised over 20 years based on the economic life of the capital works asset's involved. The interest may be realised on the sale of the capital works by the proprietor of the closure of the school.

The major capital works assets included in the equitable leasehold interest are:

Building Improvements

Total

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Building Improvements	31,128	31,128	34,105
<b>Total</b>	<b>31,128</b>	<b>31,128</b>	<b>34,105</b>

## 26. Events After Balance Date

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



# **Te Aute College**

## **Kiwisport Report**

For the year ended 31 December 2020

During the year the Board was the recipient of additional Government funding for specific purposes:

Kiwisport is a Government funded initiative to support students' participation in organised sport. In 2020 the school received total Kiwisport funding of \$793 (excluding GST). The funding was spent on students attending sporting events.



# Analysis of variance reporting - 2020

**School name: Te Aute College**

**School number: 232**

**Focus:**

Te Aute College exemplifies a school designed to meet the challenges of a changing world. It marks the chosen site of a creative village, an experimental marae community college in Māori education, of a sacred place given to God.

Te Aute College, an educational institution from which will be sent our young men, academically qualified, strong in knowledge and practice of Māoritanga, with an insight into the Christian conception of being an influence for good among their fellows during their lifetime...

**Strategic Aim:**

- Quality student outcomes

**Annual Aim:**

- Raise literacy and numeracy achievement in the junior school
- Raise achievement in NCEA
- The Mihinare will be seen and felt within the school

**Target:**

- By the end of the year raise the average Literacy and Numeracy Easttle results for Year 9 &10 by 3 or more steps (eg. From 3p to 4p)
- 85% of Year 13 students will achieve Level 3 NCEA
- By the end of the year, all Year 9 boys will be comfortable attending chapel, will be able to perform at least 4 karakia and 4 waiata (hymns) and will demonstrate tika, pono and aroha in their daily lives.



## Tātaritanga raraunga

### Baseline data:

- In February 2020 Easttle reading data was collected for Year 9 &10 students.
  - Year 9 average = ??
  - Year 10 average = 2A
- In February 2020 Easttle mathematics data was collected for Year 9 &10 students.
  - Year 9 average = 2A
  - Year 10 average = 2A
- NCEA 2019 Year 13 Level 3 achievement = 40%
- New students enter Te Aute with different levels of knowledge of our special character. There is a wide range, from no knowledge of te reo me ngā tikanga or the Mihinare to those who are steeped in them both.

## Summary 2020

### My personal reflection:

The start to 2020 was vastly different from 2019. New students and their whānau participated in a wananga before being welcomed into the school.

This wananga achieved 3 important things;

1. The new students started to form relationships and bond with each other.
2. The new whānau also bonded with each other.
3. The student, whānau and school relationship started on a positive note which was evident throughout the rest of the year.

Unfortunately, we had several current students and their whānau choose not to return to Te Aute in 2020. This impacted on our roll which was down significantly. Three staff members didn't return in 2019 and another left halfway through 2020. What we found however, was the students, whānau and staff, who were still at Te Aute, really wanted to be here. This was evident in the positive atmosphere, shared focus and almost non-existent serious behavioural issues in both school and hostel.

COVID-19 was a disruption at the time though not insurmountable. We managed to provide a digital learning platform for most students in a very short time. The uptake by the students was varied with some working religiously every day on their tasks, others looking at their work periodically and some not at all. At the time the main focus was to ensure all the students and staff were safe and in a good space mentally.

It was business as usual when the boys returned to school once we reached Alert Level 2. Once back, the boys continued the good start to the year and worked hard in class. Interim NCEA results are good with most boys achieving their goals. Vocational pathways are still prominent for our boys with most boys attending EIT in 2020.



Actions (what did we do?)	Outcomes (what happened?)	Reasons for the variance (why did it happen?)	Evaluation (where to next?)
<ul style="list-style-type: none"> <li>• Easttle testing was carried out at the end of 2019 and beginning of 2020 to ascertain baseline data.</li> <li>• Easttle testing at end of 2020 for Year 9 &amp; 10s to ascertain progress.</li> <li>• Targeted programmes for individual students based on their vocational pathways and learning needs.</li> <li>• Digital Learning platforms utilised during and after COVID lockdown.</li> <li>• Year 10s given opportunity to sit NCEA credits.</li> <li>• Teachers worked with individual NCEA students to ensure they</li> </ul>	<ul style="list-style-type: none"> <li>• Easttle results; <u>Reading</u> Y9 finished the year at 3A Y10 moved 3 steps from 2A to 3A <u>Maths</u> Y9 moved 3 steps from 2A to 3A Y10 moved 2 steps from 2A to 3P</li> <li>• NCEA Interim results 2020 Level 1 – 80% Level 2 – 86.7% Level 3 – 100% UE – 28.6%</li> <li>• Staff and students engaged in use of Digital Platforms as a learning medium.</li> <li>• Visitors can “see and hear” the school’s Special Character when onsite. Chapel and powhiri, are points where our Special Character are particularly evident. There is room however, for te reo to be used throughout the whole school community on many more occasions.</li> </ul>	<ul style="list-style-type: none"> <li>• Year 9s did not sit Easttle reading test at the beginning of 2020, however overall, both Y9 and 10 cohorts made good progress in both literacy and numeracy.</li> <li>• A very few individuals did not engage fully once back from Lockdown which impacted on the stats at their NCEA level.</li> <li>• COVID-19 impacted on a small scale but it is hard to quantify – could the boys have achieved better results had they been at school for a full year? Maybe!</li> </ul>	<ul style="list-style-type: none"> <li>• Focus for Junior school in 2021 is to strengthen individual learning plans and inquiry learning.</li> <li>• Ongoing PD for staff to better develop the links between inquiry learning and the NZC achievement objectives for each learning area.</li> <li>• Continue collaboration between junior and senior schoolteachers to ascertain the skills in each learning area required to achieve in NCEA</li> <li>• Continue to provide additional support for students with learning needs.</li> <li>• Continue to increase the mana of our special character “Māori Anglican Boarding School” by offering related credits as part of our academic programme and not just an add on.</li> </ul>

# Tātaritanga raraunga



<p>were given the best opportunity to pass.</p> <ul style="list-style-type: none"> <li>• Students attended chapel, chapel practices and Te Reo classes regularly.</li> <li>• The school values are discussed with the boys often and in many different forum.</li> </ul>			<ul style="list-style-type: none"> <li>• Staff to engage in personal develop in Te Reo Māori             <ul style="list-style-type: none"> <li>- Regular slots at staff PD</li> <li>- MOE digital course</li> <li>- Other courses.</li> </ul> </li> <li>• Te Reo compulsory up to Year 12. May be some boys at NCEA Level 1 &amp; 2 who take te reo but not as a NCEA subject.</li> <li>• Focus on Health and Wellbeing for both staff and students.             <ul style="list-style-type: none"> <li>- Fitness programme in both school and hostel</li> <li>- Nutritional guidance in hostel</li> </ul> </li> <li>• Continue to support boys new to NCEA by developing individual programmes for them. Some programmes may involve;             <ul style="list-style-type: none"> <li>○ Two years to pass NCEA Level 2</li> <li>○ Capitalising on some boys ability to gain literacy credits through Te Reo</li> </ul> </li> </ul>
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# Tātaritanga raraunga

			<ul style="list-style-type: none"><li>○ Vocational Pathways at Trades Academy</li><li>○ Forming partnerships with other providers and industries</li></ul>
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## Planning for 2021:

- Continue to whakamana (Validate) our Special Character, through Ngā Poutama and NCEA framework
- Continue the collaboration between all teachers
  - between senior school teachers to develop units of bodies of work which can apply to several learning areas
  - between junior and senior staff to identify foundation skills, relevant to the Te Aute context, to promote students ability to be successful in NCEA.
- PLD for staff –
  - Te Reo Māori me ngā Tikanga
  - Evidence based inquiry – Junior school in particular
  - Localised Curriculum
  - Further develop connections with whānau, hapū and iwi
  - Strengthening Literacy, Numeracy and Te Reo Māori facilitation skills across all staff
  - Empowering teachers and students in Restorative Practice
- Professional Growth Cycle –
  - Regular teaching observations and feedback meetings
  - Align with Standards for Teaching profession
- Regular self-review for all activities school involved in
  - Base decisions on evidence



## Independent auditor's report

To the readers of Te Aute College's Financial Statements for the year ended  
31 December 2020

The Auditor-General is the auditor of Te Aute College (the School). The Auditor-General has appointed me, Maxwell John Dixon, using the staff and resources of PricewaterhouseCoopers, 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 21, that comprise the statement of financial position as at 31 December 2020, 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 2020; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued in New Zealand (PBE Standards RDR).

Our audit was completed on 31 May 2021. This is the date at which our opinion is expressed.

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

### Basis for our opinion

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

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

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

### Responsibilities of the Board for the financial statements

The Board is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board 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 is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

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



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

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

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

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

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

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

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

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

A handwritten signature in black ink, appearing to read 'M. John Dixon', written in a cursive style.

**Maxwell John Dixon  
PricewaterhouseCoopers  
On behalf of the Auditor-General  
Napier, New Zealand**