

# HAURAKI PLAINS COLLEGE

## ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022



# HAURAKI PLAINS COLLEGE

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### FOR THE YEAR ENDED 31 DECEMBER 2022

#### School Directory

<b>Ministry Number:</b>	112
<b>Principal:</b>	Ngaire Harris
<b>School Address:</b>	2 Kalhere Road, Ngatea
<b>School Postal Address:</b>	P O Box 44, Ngatea
<b>School Phone:</b>	07 8677029
<b>School Email:</b>	exec@haurakiplains.school.nz

#### Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Carl van Hellemond	Presiding Member	Elected	Sep-25
Ngaire Harris	Principal	ex Officio	
Kirsty Petersen	Parent Representative	Elected	Sep-25
Matt Reichenbach	Parent Representative	Elected	Sep-25
Stephen Morrison	Parent Representative	Re-elected	Sep-25
Timothy Williams	Parent Representative	Elected	Sep-25
Doug Cresswell	Staff Representative	Elected	Sep-22
Marcus Bennett	Student Representative	Elected	Sep-23
Alesha-Ann de Penning	Student Representative	Elected	Sep-22
Andrew Gordon	Presiding Member	Re-elected	Sep-22
Roger Hunter	Parent Representative	Co-opted	Sep-22
Penny Claridge(Buchanan)	Parent Representative	Elected	Sep-22
Anita Llewellyn	Parent Representative	Elected	Sep-22
Simon Main	Parent Representative	Elected	Sep-22
Ian Clark	Staff Representative	Elected	Sep-22

#### Accountant / Service Provider:



#### Auditor:

Owen McLeod & Co Chartered Accountants & Auditors

# HAURAKI PLAINS COLLEGE

Annual Report - For the year ended 31 December 2022

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# Hauraki Plains College

## Statement of Responsibility

For the year ended 31 December 2022

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2022 fairly reflects the financial position and operations of the school.

The School's 2022 financial statements are authorised for issue by the Board.

Carl Van Hellemond  
Full Name of Presiding Member

CvH.  
Signature of Presiding Member

24/4/23  
Date:

Sharon Moller  
Full Name of Principal

S. Moller  
Signature of Principal

24/4/23  
Date:

# Hauraki Plains College

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Revenue</b>				
Government Grants	2	8,780,973	8,342,525	8,598,478
Locally Raised Funds	3	701,408	725,026	518,298
Interest Income		26,056	18,000	9,760
<b>Total Revenue</b>		<b>9,508,437</b>	<b>9,085,551</b>	<b>9,126,536</b>
<b>Expenses</b>				
Locally Raised Funds	3	297,135	336,500	376,084
Learning Resources	4	6,748,055	6,635,752	6,903,828
Administration	5	591,636	451,700	498,136
Finance		6,195	-	4,931
Property	6	1,667,653	1,502,455	1,471,819
Loss on Disposal of Property, Plant and Equipment		747	-	5,264
		<b>9,311,421</b>	<b>8,926,407</b>	<b>9,260,062</b>
<b>Net Surplus / (Deficit) for the year</b>		<b>197,016</b>	<b>159,144</b>	<b>(133,526)</b>
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b>197,016</b>	<b>159,144</b>	<b>(133,526)</b>

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



# Hauraki Plains College

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Equity at 1 January</b>		2,530,025	2,530,025	2,769,505
Total comprehensive revenue and expense for the year		197,016	159,144	(133,526)
Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		1,875	-	43,709
Contribution - School Building				(149,663)
<b>Equity at 31 December</b>		2,728,916	2,689,169	2,530,025
Accumulated comprehensive revenue and expense		2,333,718	2,293,971	2,134,827
Reserves		395,198	395,198	395,198
<b>Equity at 31 December</b>		2,728,916	2,689,169	2,530,025

### Reserved Equity

Reserved equity comprises funds that have been received by the School for a specific purpose. The School guarantees to hold sufficient monies to enable the funds to be used for their intended purpose at any time.

The school is not required to repay these funds, however.

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Douglas Scholarship	372,572	372,572	372,572
Prizegiving Trust	22,626	22,626	22,626
	395,198	395,198	395,198

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.



# Hauraki Plains College

## Statement of Financial Position

As at 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	7	269,226	77,984	143,706
Accounts Receivable	8	518,106	493,500	493,500
GST Receivable		37,160	44,317	44,317
Prepayments		47,860	-	-
Inventories	9	53,500	51,358	51,358
Investments	10	807,119	197,916	797,916
Funds Receivable for Capital Works Projects	19	12,663	-	-
		<u>1,745,634</u>	<u>865,075</u>	<u>1,530,797</u>
<b>Current Liabilities</b>				
Accounts Payable	12	559,408	661,463	661,463
Borrowings	13	33,775	33,758	33,758
Revenue Received in Advance	14	25,995	12,608	12,608
Provision for Cyclical Maintenance	15	8,229	9,723	9,723
Painting Contract Liability	16	76,044	-	76,044
Finance Lease Liability	17	28,501	25,605	28,738
Funds held in Trust	18	11,979	12,724	12,724
Funds held for Capital Works Projects	19	74,819	-	112
		<u>818,750</u>	<u>755,881</u>	<u>835,170</u>
<b>Working Capital Surplus/(Deficit)</b>		926,884	109,194	695,627
<b>Non-current Assets</b>				
Investments		-	-	-
Property, Plant and Equipment	11	2,147,296	2,955,549	2,235,577
		<u>2,147,296</u>	<u>2,955,549</u>	<u>2,235,577</u>
<b>Non-current Liabilities</b>				
Borrowings	13	67,846	101,623	101,623
Provision for Cyclical Maintenance	15	129,542	85,421	85,421
Painting Contract Liability	16	106,879	152,610	152,610
Finance Lease Liability	17	40,997	35,920	61,525
		<u>345,264</u>	<u>375,574</u>	<u>401,179</u>
<b>Net Assets</b>		<u>2,728,916</u>	<u>2,689,169</u>	<u>2,530,025</u>
<b>Equity</b>		<u>2,728,916</u>	<u>2,689,169</u>	<u>2,530,025</u>

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



# Hauraki Plains College

## Statement of Cash Flows

For the year ended 31 December 2022

	Note	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		2,568,529	1,723,682	2,343,090
Locally Raised Funds		714,757	684,221	460,850
International Students		(7,246)	(5,739)	10,904
Goods and Services Tax (net)		7,157	30,170	30,170
Payments to Employees		(1,111,948)	(987,900)	(987,741)
Payments to Suppliers		(1,756,583)	(1,528,817)	(1,383,874)
Interest Paid		(6,195)	-	(4,931)
Interest Received		18,414	21,109	12,869
Net cash from/(to) Operating Activities		426,885	(63,274)	481,337
<b>Cash flows from Investing Activities</b>				
Purchase of Property Plant & Equipment (and Intangibles)		(230,036)	(158,887)	(324,498)
Purchase of Investments		(9,203)	-	(10,150)
Proceeds from Sale of Investments		-	348,404	93,666
Net cash from/(to) Investing Activities		(239,239)	189,517	(240,982)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		1,875	-	43,709
Finance Lease Payments		(15,496)	(28,737)	(20,384)
School Building BOT Contribution		-	-	(149,663)
Painting contract payments		(76,044)	(45,731)	(144,900)
Repayment of Loans		(33,760)	(33,760)	(32,199)
Funds Administered on Behalf of Third Parties		61,299	(13,015)	(12,903)
Net cash from/(to) Financing Activities		(62,126)	(121,243)	(316,340)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>125,520</b>	<b>5,000</b>	<b>(75,985)</b>
Cash and cash equivalents at the beginning of the year	7	143,706	72,984	219,691
<b>Cash and cash equivalents at the end of the year</b>	<b>7</b>	<b>269,226</b>	<b>77,984</b>	<b>143,706</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 excluded.

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





# Hauraki Plains College

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

Hauraki Plains 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 is of the view that the School is a public benefit entity for financial reporting purposes.

##### b) Basis of Preparation

###### **Reporting Period**

The financial statements have been prepared for the period 1 January 2022 to 31 December 2022 and in accordance with the requirements of the Education and Training Act 2020.

###### **Basis of Preparation**

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

###### **Financial Reporting Standards Applied**

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

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

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

###### **Measurement Base**

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

###### **Presentation Currency**

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

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

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

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

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

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

###### **Cyclical maintenance**

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition. During the year, the Board assesses the reasonableness of its painting maintenance plan on which the provision is based. Cyclical maintenance is disclosed at note 15.

###### **Useful lives of property, plant and equipment**

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the significant accounting policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 11.



### ***Critical Judgements in applying accounting policies***

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

#### ***Classification of leases***

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised. Finance lease liability disclosures are contained in note 17. Future operating lease commitments are disclosed in note 24b.

#### ***Recognition of grants***

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

### **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 Ministry Grants for directly funded programs are recorded as revenue when the School has the rights to the funding in the period they relate to. The grants are not received in cash by the School and are paid directly by the Ministry of Education.

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

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

#### ***Other Grants where conditions exist***

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 recognised as an asset and revenue when the right to receive funding or the asset has been established unless there is an obligation to return funds if conditions are not met. If conditions are not met funding is recognised as revenue in advance and recognised as revenue when conditions are satisfied.

#### ***Interest Revenue***

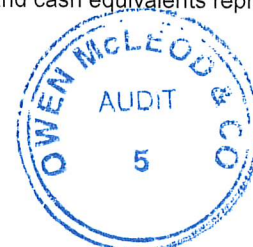
Interest Revenue earned on cash and cash equivalents and investments is recorded as revenue in the period it is earned.

### **d) 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.

### **e) 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.



#### **f) Accounts Receivable**

Short-term receivables are recorded at the amount due, less an allowance for expected 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.

#### **g) Inventories**

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

#### **h) 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.

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

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

Improvements (funded by the Board) to buildings owned by the Crown or directly by the board are recorded at cost, less accumulated depreciation and impairment losses.

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

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

#### **Finance Leases**

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

#### **Depreciation**

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

The estimated useful lives of the assets are:

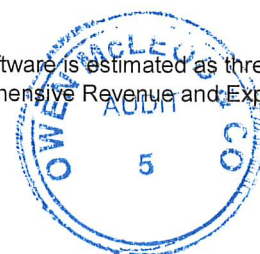
Building improvements	50 years
Board Owned Buildings	50 years
Furniture and equipment	15 years
Information and communication technology	5 years
Motor vehicles	5-7 years
Electronic Equipment	5-10 years
Minor Equipment	10 years
Plant & Machinery	10 years
Sports Equipment	5-10 years
Textbooks	10 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

#### **j) 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 and research expenditure are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

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.



**k) 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. If such indication exists, the School estimates the asset's recoverable service amount. 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.

In determining fair value less costs to sell the school engages an independent valuer to assess market value based on the best available 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. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognised.

**l) 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.

**m) Employee Entitlements***Short-term employee entitlements*

Employee entitlements that are expected to be settled within 12 months after the end of the reporting period in which the employees provide 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, by non teaching staff, to but not yet taken at balance date.

*Long-term employee entitlements*

Employee benefits that are not expected to be settled wholly before 12 months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis.

The calculations are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows. Remeasurements are recognised in surplus or deficit in the period in which they arise.

**n) Revenue Received in Advance**

Revenue received in advance relates to fees received from international 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.

**o) 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.



**p) Funds held for Capital works**

The school directly receives funding from the Ministry of Education for capital works projects that are included in the School five year capital works agreement. These funds are held on behalf and for a specified purpose as such 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.

**q) Shared Funds**

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. In instances where funds are outside of the School's control, these amounts are not recorded in the Statement of Revenue and Expense. In instances where the school is determined to be the principal for providing the service related to the Shared Funds (such as the RTLB programme), all income and expenditure related to the provision of the service is recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

**r) Provision for Cyclical Maintenance**

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

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision is a reasonable estimate, based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition.

The schools carries out painting maintenance of the whole school over a 7 to 10 year period, the economic outflow of this is dependent on the plan established by the school to meet this obligation and is detailed in the notes and disclosures of these accounts.

**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 initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

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. On initial recognition of an equity investment that is not held for trading, the School may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive revenue and expense. This election has been made for investments that are shares. Subsequent to initial recognition, these assets are measured at fair value. Dividends are recognised as income in surplus or deficit unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive revenue and expense and are never reclassified to surplus or deficit.

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in surplus or deficit.

**t) Borrowings**

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. 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 balance date.

**u) 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.

**v) Budget Figures**

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

**w) 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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Government Grants - Ministry of Education	2,382,630	2,025,299	2,214,867
Teachers' Salaries Grants	5,288,545	5,340,000	5,343,820
Use of Land and Buildings Grants	935,820	872,067	872,067
Other Government Grants	173,978	105,159	167,724
	<u>8,780,973</u>	<u>8,342,525</u>	<u>8,598,478</u>

The school has opted in to the donations scheme for this year. Total amount received was \$120,900.

## 3. Locally Raised Funds

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Revenue</b>			
Donations & Bequests	170,382	80,000	80,797
Fundraising & Community Grants	203,462	290,000	3,864
Other Revenue	135,526	137,526	165,381
Trading	26,679	88,000	99,028
Fees for Extra Curricular Activities	161,735	123,500	146,585
International Student Fees	3,624	6,000	22,643
	<u>701,408</u>	<u>725,026</u>	<u>518,298</u>
<b>Expenses</b>			
Extra Curricular Activities Costs	236,333	261,000	202,795
Trading	18,435	20,000	152,009
Fundraising and Community Grant Costs	29,194	50,000	12,548
Other Locally Raised Funds Expenditure	11,782	5,000	3,525
International Student - Other Expenses	1,391	500	5,207
	<u>297,135</u>	<u>336,500</u>	<u>376,084</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>404,273</u>	<u>388,526</u>	<u>142,214</u>

## 4. Learning Resources

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Curricular	526,994	619,739	586,349
Equipment Repairs	-	-	1,987
Information and Communication Technology	107,376	140,000	111,269
Library Resources	7,586	8,000	156
Employee Benefits - Salaries	5,765,344	5,833,013	5,825,002
Staff Development	14,047	35,000	21,683
Depreciation	326,708	-	357,382
	<u>6,748,055</u>	<u>6,635,752</u>	<u>6,903,828</u>



## 5. Administration

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Audit Fee	7,606	8,000	7,384
Board Fees	4,724	6,000	4,635
Board Expenses	16,398	10,000	3,652
Communication	10,608	20,000	27,319
Consumables	3,076	3,000	2,362
Other	25,339	23,200	24,985
Employee Benefits - Salaries	498,821	360,500	409,343
Insurance	16,970	20,000	18,456
Service Providers, Contractors and Consultancy	8,094	1,000	-
	<u>591,636</u>	<u>451,700</u>	<u>498,136</u>

## 6. Property

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Caretaking and Cleaning Consumables	161,041	155,000	140,517
Consultancy and Contract Services	30,313	-	30,312
Cyclical Maintenance Provision	42,627	100,000	53,970
Grounds	3,173	5,000	3,725
Heat, Light and Water	61,552	82,906	84,874
Rates	9,710	12,000	10,623
Repairs and Maintenance	297,661	160,482	156,681
Use of Land and Buildings	935,820	872,067	872,067
Security	4,228	5,000	7,574
Employee Benefits - Salaries	121,528	110,000	111,476
	<u>1,667,653</u>	<u>1,502,455</u>	<u>1,471,819</u>

The use of land and buildings figure represents 5% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

## 7. Cash and Cash Equivalents

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Bank Accounts	269,226	77,984	143,706
Cash and cash equivalents for Statement of Cash Flows	<u>269,226</u>	<u>77,984</u>	<u>143,706</u>

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

Of the \$269,226 Cash and Cash Equivalents, \$74,819 is held by the School on behalf of the Ministry of Education. These funds have been provided by the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2023 on Crown owned school buildings.



**8. Accounts Receivable**

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Receivables	7,284	-	-
Interest Receivable	12,080	4,438	4,438
Banking Staffing Underuse	66,501	53,225	53,225
Teacher Salaries Grant Receivable	432,241	435,837	435,837
	518,106	493,500	493,500
Receivables from Exchange Transactions	19,364	4,438	4,438
Receivables from Non-Exchange Transactions	498,742	489,062	489,062
	518,106	493,500	493,500

**9. Inventories**

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
School Uniforms	53,500	51,358	51,358
	53,500	51,358	51,358

**10. Investments**

The School's investment activities are classified as follows:

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Current Asset			
Short-term Bank Deposits	807,119	197,916	797,916
Total Investments	807,119	197,916	797,916





## 11. Property, Plant and Equipment

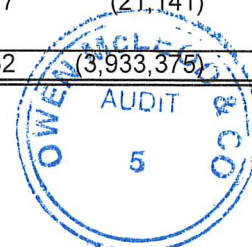
	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2022	\$	\$	\$	\$	\$	\$
Buildings	805,691	-	-	-	(21,882)	783,809
Building Improvements	183,476	-	-	-	(3,743)	179,733
Furniture and Equipment	207,727	27,182	-	-	(26,342)	208,567
Information and Communication Technology	267,567	25,404	-	-	(98,206)	194,765
Motor Vehicles	110,331	54,363	-	-	(29,916)	134,778
Electronic Equipment	45,207	31,071	-	-	(22,893)	53,385
Minor & Music Equipment	24,975	7,810	-	-	(3,961)	28,824
Plant & Machinery	138,457	73,782	-	-	(37,001)	175,238
Sports Equipment	63,348	2,501	-	-	(25,738)	40,111
Textbooks	51,721	6,251	-	-	(12,446)	45,526
Leased Assets	86,625	9,138	-	-	(31,210)	64,553
Library Resources	23,834	1,672	(747)	-	(3,095)	21,664
Furnishings	3,103	-	-	-	(249)	2,854
School House Assets	111,139	-	-	-	(3,348)	107,791
Turf	112,376	-	-	-	(6,678)	105,698
		-	-	-		
<b>Balance at 31 December 2022</b>	<b>2,235,577</b>	<b>239,174</b>	<b>(747)</b>	<b>-</b>	<b>(326,708)</b>	<b>2,147,296</b>

The net carrying value of furniture and equipment held under a finance lease is \$64,553 (2021: \$86,625)

### Restrictions

There are no restrictions over the title of the school's property, plant and equipment, nor are any property, plant and equipment pledged as security for liabilities.

	2022	2022	2022	2021	2021	2021
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Buildings	1,098,661	(314,852)	783,809	1,098,661	(292,970)	805,691
Building Improvements	187,139	(7,406)	179,733	187,139	(3,663)	183,476
Furniture and Equipment	592,637	(384,070)	208,567	565,455	(357,728)	207,727
Information and Communication Technology	1,337,211	(1,142,446)	194,765	1,311,806	(1,044,239)	267,567
Motor Vehicles	528,995	(394,217)	134,778	474,632	(364,301)	110,331
Electronic Equipment	588,930	(535,545)	53,385	557,859	(512,652)	45,207
Minor & Music Equipment	107,631	(78,807)	28,824	99,821	(74,846)	24,975
Plant & Machinery	669,098	(493,860)	175,238	595,316	(456,859)	138,457
Sports Equipment	326,160	(286,049)	40,111	323,659	(260,311)	63,348
Textbooks	483,133	(437,607)	45,526	476,882	(425,161)	51,721
Leased Assets	115,740	(51,187)	64,553	115,916	(29,291)	86,625
Library Resources	57,031	(35,367)	21,664	57,150	(33,316)	23,834
Furnishings	3,721	(867)	2,854	3,721	(618)	3,103
School House Assets	167,418	(59,627)	107,791	167,418	(56,279)	111,139
Turf	133,517	(27,819)	105,698	133,517	(21,141)	112,376
<b>Balance at 31 December</b>	<b>6,397,022</b>	<b>(4,249,726)</b>	<b>2,147,296</b>	<b>6,168,952</b>	<b>(3,933,375)</b>	<b>2,235,577</b>



## 12. Accounts Payable

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Creditors	59,619	183,133	183,133
Accruals	8,746	8,492	8,492
Banking Staffing Overuse	-	-	-
Employee Entitlements - Salaries	456,589	445,237	445,237
Employee Entitlements - Leave Accrual	34,454	24,601	24,601
	<u>559,408</u>	<u>661,463</u>	<u>661,463</u>
Payables for Exchange Transactions	559,408	661,463	661,463
	<u>559,408</u>	<u>661,463</u>	<u>661,463</u>

The carrying value of payables approximates their fair value.

## 13. Borrowings

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Loans due in one year	33,775	33,758	33,758
Loans due after one year	67,846	101,623	101,623
	<u>101,621</u>	<u>135,381</u>	<u>135,381</u>

The school has borrowings at 31 December 2022 of \$100,548 (31 December 2021 \$134,064). This loan is from the Energy Efficiency & Conservation Authority (EECA) for the purpose of upgrading and replacing existing lighting with LED alternatives. The loan is unsecured, no interest is payable. The loan is repayable in equal quarterly instalments of \$8,379 until November 2025.

The school has borrowings at 31 December 2022 of \$1,075 (31 December 2021 \$1,317). This loan is from Canon for the purpose of the early settlement of previous copier lease. The loan is unsecured, and interest is payable at 17.38%. The loan is repayable in equal monthly instalments of \$27 until September 2025.

## 14. Revenue Received in Advance

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
International Student Fees in Advance	-	10,870	10,870
Other revenue in Advance	25,995	1,738	1,738
	<u>25,995</u>	<u>12,608</u>	<u>12,608</u>



## 15. Provision for Cyclical Maintenance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Provision at the Start of the Year	95,144	95,144	41,174
Increase to the Provision During the Year	52,350	100,000	53,970
Use of the Provision During the Year	(9,723)	-	-
Other Adjustments	-	-	-
Provision at the End of the Year	<u>137,771</u>	<u>195,144</u>	<u>95,144</u>
Cyclical Maintenance - Current	8,229	9,723	9,723
Cyclical Maintenance - Non current	129,542	85,421	85,421
	<u>137,771</u>	<u>95,144</u>	<u>95,144</u>

The schools cyclical maintenance schedule details annual painting to be undertaken, the costs associated to this annual work will vary dependent on the requirements during the year. This plan is based on the schools 10 Year Property plan and painting quotes from local contractors.

## 16. Painting Contract Liability

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Due within one year	76,044	-	76,044
Due after one year	106,879	152,610	152,610
	<u>182,923</u>	<u>152,610</u>	<u>228,654</u>

In 2020 the Board signed an agreement with Carus Ltd (the contractor) for an agreed programme of work covering a ten year period. The programme provides for an interior and exterior repaint of the Ministry owned buildings in 2020, with regular maintenance in subsequent years. The agreement has an annual commitment of \$76,044. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid fully at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

## 17. Finance Lease Liability

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
No Later than One Year	32,608	29,605	34,541
Later than One Year and no Later than Five Years	44,405	39,420	68,040
Future Finance Charges	(7,515)	(7,500)	(12,318)
	<u>69,498</u>	<u>61,525</u>	<u>90,263</u>
<b>Represented by</b>			
Finance lease liability - Current	28,501	25,605	28,738
Finance lease liability - Non current	40,997	35,920	61,525
	<u>69,498</u>	<u>61,525</u>	<u>90,263</u>



## 18. Funds held in Trust

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	11,979	12,724	12,724
	11,979	12,724	12,724

These funds relate to arrangements where the school is acting as an agent. These amounts are not revenue or expense of the school and therefore are not included in the Statement of Comprehensive Revenue and Expense.

## 19. Funds Held for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects. The amount of cash held on behalf of the Ministry for capital works project is included under cash and cash equivalents in note 7.

2022	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
A Block Refurbishment (223528)	112	203,667	(206,173)	-	(2,394)
Consultancy 5YA	-	-	(10,269)	-	(10,269)
Block C & F Roofing (237724)	-	95,652	(20,833)	-	74,819
Totals	112	299,319	(237,275)	-	62,156

### Represented by:

Funds Held on Behalf of the Ministry of Education	74,819
Funds Receivable from the Ministry of Education	(12,663)

2021	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
New Classrooms (201916 & 201915)	-	-	(149,663)	149,663	-
A Block Refurbishment (223528)	-	35,000	(34,888)	-	112
Totals	-	35,000	(184,551)	149,663	112

### Represented by:

Funds Held on Behalf of the Ministry of Education	112
Funds Receivable from the Ministry of Education	-

## 20. Related Party Transactions

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

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



## 21. Remuneration

### Key management personnel compensation

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

	<b>2022 Actual \$</b>	<b>2021 Actual \$</b>
<i>Board Members</i> Remuneration	4,724	4,635
<i>Leadership Team</i> Remuneration	539,369	539,528
Full-time equivalent members	3.42	4.00
Total key management personnel remuneration	544,093	544,163

There are seven members of the Board excluding the Principal. The Board had held ten full meetings of the Board in the year. The Board also has Finance (6 members) that meet monthly. As well as these regular meetings, including preparation time, the Presiding member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

### Principal

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

	<b>2022 Actual \$000</b>	<b>2021 Actual \$000</b>
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	180 - 190	170 - 180
Benefits and Other Emoluments	-	0 - 5
Termination Benefits	-	-

### Other Employees

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

<b>Remuneration \$000</b>	<b>2022 FTE Number</b>	<b>2021 FTE Number</b>
100 - 110	12.00	12.00
110 - 120	4.00	5.00
120 - 130	0.00	2.00
130 - 140	1.00	0.00
	17.00	19.00

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



## 22. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be board members, committee members, 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:

	2022 Actual	2021 Actual
Total	\$0	\$23,667
Number of People	Nil	3

## 23. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets (except as noted below) as at 31 December 2022 (Contingent liabilities and assets at 31 December 2021: nil).

Holidays Act Compliance – schools payroll

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

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

To the extent that any obligation cannot reasonably be quantified at 31 December 2022, a contingent liability for the school may exist.

Additional funding wash up (TAPES/SCA)

In 2022 the Ministry of Education provided additional funding for both the Support Staff in Schools' Collective Agreement (CA) Settlement and the Teacher Aide Pay Equity Settlement. The School is still yet to receive a final wash up that adjusts the estimated quarterly instalments for the actual teacher aides employed in 2022. The Ministry is in the process of determining the amount of the final wash up payment for the year ended 31 December 2022. Even though the payment is [confirmed/probable], the amount to be received is not known with a high level of certainty. The School has therefore not recognised the expected receipt (asset) and income in its financial statements. The payment is expected to be received in July 2023.

## 24. Commitments

### (a) Capital Commitments

As at 31 December 2022 the Board has entered into contract agreements for capital works as follows:

- (a) Contract for Upgrade of A Block to be completed in 2023 including Air System Upgrade, which will be fully funded by the Ministry of Education. As at balance date \$238,667 had been received of which \$241,061 had been spent on the project; and
- (b) Contract for block C & F Roofing to be completed in 2023, which will be fully funded by the Ministry of Education. As at balance date \$95,652 had been received of which \$20,833 had been spent on the project

(Capital commitments at 31 December 2021: Contract for Upgrade of A Block to be completed in 2022, which will be fully funded by the Ministry of Education. As at balance date \$35,000 had been received of which \$34,888 had been spent on the project)



## (b) Operating Commitments

As at 31 December 2022 the Board has entered into the following contracts:

(a) Painting the exterior of the school buildings;

	<b>2022 Actual</b>	<b>2021 Actual</b>
No later than One Year	\$ 30,313	\$ 30,313
Later than One Year and No Later than Five Years	90,940	121,253
	<u>121,253</u>	<u>151,566</u>

## 25. Financial Instruments

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

### Financial assets measured at amortised cost

	<b>2022 Actual</b>	<b>2022 Budget (Unaudited)</b>	<b>2021 Actual</b>
	\$	\$	\$
Cash and Cash Equivalents	269,226	77,984	143,706
Receivables	518,106	493,500	493,500
Investments - Term Deposits	807,119	197,916	797,916
Total Financial assets measured at amortised cost	<u>1,594,451</u>	<u>769,400</u>	<u>1,435,122</u>

### Financial liabilities measured at amortised cost

Payables	559,408	661,463	661,463
Borrowings - Loans	101,621	135,381	135,381
Finance Leases	69,498	61,525	90,263
Painting Contract Liability	182,923	152,610	228,654
Total Financial Liabilities Measured at Amortised Cost	<u>913,450</u>	<u>1,010,979</u>	<u>1,115,761</u>

## 26. Events After Balance Date

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

## 27. Comparatives

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



# **Hauraki Plains College**

## **Kiwisport Statement**

For the year ended 31 December 2022

Kiwisport is a government funded initiative to support students participation in organised sport. In 2022, the school received Kiwisport funding of \$20,368.28 excl GST (2021: \$20,341). This funding was used to support an ongoing lunchtime programme of Give It A Go and River Group Challenge programme for all students.

## **Statement of Compliance with Employment Policy**

For the year ended 31 December 2022

For the year ended 31 December 2022: the Hauraki Plains School Board:

Has developed and implemented personnel policies, within policy and procedural frameworks to ensure fair and proper treatment of employees in all aspects of their employment.

Has reviewed its compliance against both its personnel policy and procedure and can report that it meets all requirements and has identified best practice.

Is a good employer and complies with the conditions contained in the employment contracts of all staff employed by the Board.

Ensures all employees and applicants for employment are treated according to their skills, qualifications and abilities, without bias or discrimination.

Meets all Equal Employment Opportunities requirements.



**TO THE READERS OF HAURAKI PLAINS COLLEGE'S FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Auditor-General is the auditor of Hauraki Plains College (the School). The Auditor-General has appointed me, R K Owen, using the staff and resources of Owen McLeod & Co Limited, 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 20, that comprise the statement of financial position as at 31 December 2022, 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 2022; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime.

Our audit was completed on 2 May 2023. 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 Members are 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.

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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 arise from the Public Audit Act 2001.

### **Other information**

The Board is responsible for the other information. The other information comprises the information included on page 1 Statement of Responsibility, Members of the Board schedule, Kiwisport note and Statement of Compliance with Employment Policy, Analysis of Variance report on pages 1 to 13, cover page and index page, 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.



R K Owen  
Owen McLeod & Co Limited  
On behalf of the Auditor-General  
Hamilton, New Zealand