



West Melton SCHOOL

Te Kura o Papatahoro

Driving a Passion for Learning

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

School Directory

Ministry Number: 3587

Principal: Tracey Riley

School Address: 743 Weedons Ross Road, West Melton, 7618

School Phone: (03) 347 8448

School Email: office@westmelton.school.nz

Accountant / Service Provider:

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Christchurch
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WEST MELTON SCHOOL

Annual Report - For the year ended 31 December 2021

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West Melton School

Members of the Board

For the year ended 31 December 2021

Name	Position	How position on Board gained	Term expires
John Willats	Presiding Manager	Elected June 2019	Sep 2022
Sara Paris	Parent Rep	Re-elected June 2019	Jan 2021
Lyndon Endicott-Davies	Parent Rep	Re-elected June 2019	Jan 2021
Neil Duncan	Parent Rep	Co-Opted June 2020	Sep 2022
Lissa Birse	Parent Rep	Elected June 2019	Jan 2021
Karey Hardcastle	Parent Rep	Co-Opted June 2020	Sep 2022
Jo Buckenham	Staff Rep	Elected Feb 2021	Jan 2024



West Melton School

Statement of Responsibility

For the year ended 31 December 2021

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

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

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

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

John Willats

Full Name of Presiding Member

Tracey Riley

Full Name of Principal

DocuSigned by:

A stylized signature of John Willats in black ink.

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Signature of Presiding Member

DocuSigned by:

A stylized signature of Tracey Riley in black ink.

25C50D1F0EB0414...

Signature of Principal

29 May 2022

Date:

29 May 2022

Date:



West Melton School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

		2021	2021	2020
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
Revenue				
Government Grants	2	3,535,729	3,362,902	3,775,248
Locally Raised Funds	3	171,065	153,940	145,211
Interest income		4,660	2,300	8,651
		<u>3,711,454</u>	<u>3,519,142</u>	<u>3,929,110</u>
Expenses				
Locally Raised Funds	3	12,877	6,950	64,607
Learning Resources	4	2,631,890	2,506,962	2,571,042
Administration	5	170,052	162,708	165,333
Finance		4,391	5,241	6,549
Property	6	845,031	769,250	956,204
Depreciation	6	143,422	144,141	146,615
Loss on Disposal of Property, Plant and Equipment		1,340	-	5,519
		<u>3,809,003</u>	<u>3,595,252</u>	<u>3,915,869</u>
Net Surplus / (Deficit) for the year		(97,549)	(76,110)	13,241
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(97,549)</u>	<u>(76,110)</u>	<u>13,241</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.



West Melton School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2021

	Notes	Actual 2021 \$	Budget (Unaudited) 2021 \$	Actual 2020 \$
Balance at 1 January		<u>1,042,740</u>	<u>1,042,740</u>	<u>1,027,624</u>
Total comprehensive revenue and expense for the year		(97,549)	(76,110)	13,241
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		9,901	-	1,875
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9				
Equity at 31 December	22	<u>955,092</u>	<u>966,630</u>	<u>1,042,740</u>
Retained Earnings		955,092	966,630	1,042,740
Reserves		-	-	-
Equity at 31 December		<u>955,092</u>	<u>966,630</u>	<u>1,042,740</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.



West Melton School

Statement of Financial Position

As at 31 December 2021

		2021	2021	2020
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	7	233,979	114,044	104,440
Accounts Receivable	8	180,267	175,249	183,661
GST Receivable		12,585	19,999	27,026
Prepayments		14,136	10,000	15,029
Inventories	9	504	500	848
Investments	10	450,000	400,000	510,000
		<u>891,471</u>	<u>719,792</u>	<u>841,004</u>
Current Liabilities				
Accounts Payable	12	266,151	230,382	344,078
Revenue Received in Advance	13	23,858	5,000	4,795
Provision for Cyclical Maintenance	14	79,855	-	-
Finance Lease Liability	15	32,510	32,510	39,129
Funds held in Trust	16	-	-	(507)
Funds held for Capital Works Projects	17	67,457	-	(36,579)
Funds held on behalf of Kiwi Park Cluster	18	-	-	64,893
		<u>469,831</u>	<u>267,892</u>	<u>415,809</u>
Working Capital Surplus/(Deficit)		421,640	451,900	425,195
Non-current Assets				
Property, Plant and Equipment	11	612,278	594,817	705,312
		<u>612,278</u>	<u>594,817</u>	<u>705,312</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	58,192	59,453	52,908
Finance Lease Liability	15	20,634	20,634	34,859
		<u>78,826</u>	<u>80,087</u>	<u>87,767</u>
Net Assets		<u>955,092</u>	<u>966,630</u>	<u>1,042,740</u>
Equity	22	<u>955,092</u>	<u>966,630</u>	<u>1,042,740</u>



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



West Melton School

Statement of Cash Flows

For the year ended 31 December 2021

		2021	2021	2020
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		833,328	679,122	759,394
Locally Raised Funds		188,881	153,940	152,481
Goods and Services Tax (net)		14,441	-	(6,095)
Funds Administered on Behalf of Third Parties		(64,386)	(50,000)	8,870
Payments to Employees		(474,538)	(345,680)	(395,266)
Payments to Suppliers		(470,367)	(377,375)	(235,202)
Cyclical Maintenance Payments in the year		-	(215)	-
Interest Paid		(4,391)	(5,241)	(6,549)
Interest Received		5,206	3,300	9,197
Net cash from/(to) Operating Activities		28,174	57,851	286,830
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		(1,340)	-	(5,519)
Purchase of Property Plant & Equipment (and Intangibles)		(25,692)	(8,985)	(35,188)
Purchase of Investments		60,000	-	(200,000)
Net cash from/(to) Investing Activities		32,968	(8,985)	(240,707)
Cash flows from Financing Activities				
Furniture and Equipment Grant		9,901	-	1,875
Finance Lease Payments		(45,540)	(39,262)	(45,706)
Funds Held for Capital Works Projects		104,036	-	(30,160)
Net cash from/(to) Financing Activities		68,397	(39,262)	(73,991)
Net increase/(decrease) in cash and cash equivalents		129,539	9,604	(27,868)
Cash and cash equivalents at the beginning of the year	7	104,440	104,440	132,308
Cash and cash equivalents at the end of the year	7	233,979	114,044	104,440

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.



West Melton School

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

a) Reporting Entity

West Melton School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. The Board 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 2021 to 31 December 2021 and in accordance with the requirements of the Education and Training Act 2020

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 14.

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

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

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 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.

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

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

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

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	10–50 years
Furniture and equipment	5-10 years
Information and communication technology	3–5 years
Leased assets held under a Finance Lease	As per Lease agreement
Library resources	12.5% Diminishing value

l) 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.



m) 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.

n) Employee Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

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

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

o) Revenue Received in Advance

Revenue received in advance relates to fees received from parent payments and grants 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.

p) 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.

q) Shared Funds

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

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 for cyclical maintenance represents the obligation the Board has to the Ministry 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

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	633,409	569,000	612,119
Teachers' Salaries Grants	2,146,674	2,146,674	2,248,187
Use of Land and Buildings Grants	552,222	552,222	771,172
Other MoE Grants	194,096	95,006	143,770
Other Government Grants	9,328	-	-
	3,535,729	3,362,902	3,775,248

3. Locally Raised Funds

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

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations & Bequests	136,948	118,150	59,579
Curriculum related Activities - Purchase of goods and services	4,155	4,800	-
Fees for Extra Curricular Activities	4,399	3,500	56,319
Trading	14,440	18,490	20,057
Fundraising & Community Grants	8,680	7,000	4,362
Other Revenue	2,443	2,000	4,894
	171,065	153,940	145,211
Expenses			
Extra Curricular Activities Costs	3,460	3,500	53,653
Trading	4,051	3,450	5,866
Fundraising and Community Grant Costs	5,366	-	5,088
	12,877	6,950	64,607
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	158,188	146,990	80,604

4. Learning Resources

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	114,014	115,938	43,934
Information and Communication Technology	17,543	14,500	13,361
Library Resources	2,038	2,350	1,816
Employee Benefits - Salaries	2,479,128	2,350,674	2,495,730
Staff Development	19,167	23,500	16,201
	2,631,890	2,506,962	2,571,042





5. Administration

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Audit Fee	5,500	3,712	3,604
Board of Trustees Fees	3,240	4,050	2,475
Board of Trustees Expenses	5,528	4,350	5,840
Communication	11,708	10,720	12,908
Consumables	6,109	8,250	6,102
Operating Lease	-	-	2,350
Other	31,160	23,856	20,870
Employee Benefits - Salaries	93,474	95,000	105,663
Insurance	5,856	5,490	5,521
Service Providers, Contractors and Consultancy	7,477	7,280	-
	170,052	162,708	165,333

6. Property

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Caretaking and Cleaning Consumables	6,545	6,800	6,874
Consultancy and Contract Services	57,825	63,000	58,447
Cyclical Maintenance Provision	85,139	6,760	2,614
Grounds	1,193	10,000	12,465
Heat, Light and Water	32,572	32,868	27,557
Rates	6,162	6,000	4,137
Repairs and Maintenance	49,125	40,300	30,543
Use of Land and Buildings	552,222	552,222	771,172
Security	2,518	1,500	-
Employee Benefits - Salaries	51,730	49,800	42,395
	845,031	769,250	956,204

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

7. Cash and Cash Equivalents

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash	1,020	-	-
Bank Current Account	183,252	114,044	24,780
Bank Call Account	49,707	-	79,660
Cash and cash equivalents for Statement of Cash Flows	233,979	114,044	104,440

Of the \$233,979 Cash and Cash Equivalents, \$144,293 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2022 on Crown owned school buildings under the School's Five Year Property Plan.

Of the \$233,979 Cash and Cash Equivalents, \$22,820 of unspent grant funding is held by the School. This funding is subject to restrictions which specify how the grant is required to be spent in providing specified deliverables of the grant arrangement.



8. Accounts Receivable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Receivables	14,659	10,000	9,907
Interest Receivable	1,359	1,000	1,905
Teacher Salaries Grant Receivable	164,249	164,249	171,849
	<u>180,267</u>	<u>175,249</u>	<u>183,661</u>
Receivables from Exchange Transactions	16,018	11,000	11,812
Receivables from Non-Exchange Transactions	164,249	164,249	171,849
	<u>180,267</u>	<u>175,249</u>	<u>183,661</u>

9. Inventories

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
School Uniforms	504	500	848
	<u>504</u>	<u>500</u>	<u>848</u>

10. Investments

The School's investment activities are classified as follows:

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Asset			
Short-term Bank Deposits	450,000	400,000	510,000
CES Shares	-	-	-
Total Investments	<u>450,000</u>	<u>400,000</u>	<u>510,000</u>

11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2021						
Buildings - School	178,922				(5,288)	173,634
Furniture and Equipment	427,842	15,038	(40)		(83,114)	359,726
Information and Communication Technology	15,283	8,888			(8,528)	15,643
Leased Assets	72,716	24,696			(44,948)	52,464
Library Resources	10,549	3,106	(1,300)		(1,544)	10,811
Balance at 31 December 2021	<u>705,312</u>	<u>51,728</u>	<u>(1,340)</u>	<u>-</u>	<u>(143,422)</u>	<u>612,278</u>





	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2021			
Buildings - School	277,139	(103,505)	173,634
Furniture and Equipment	1,089,109	(729,383)	359,726
Information and Communication Technology	358,004	(342,361)	15,643
Motor Vehicles	10,503	(10,503)	-
Leased Assets	115,521	(63,057)	52,464
Library Resources	42,201	(31,390)	10,811
Balance at 31 December 2021	1,892,477	(1,280,199)	612,278

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2020						
Buildings - School	181,915	2,294		(2,525)	(2,762)	178,922
Furniture and Equipment	482,564	31,093		2,525	(88,340)	427,842
Information and Communication Technology	18,214	4,577			(7,508)	15,283
Leased Assets	92,732	26,482			(46,498)	72,716
Library Resources	14,832	2,742	(5,518)		(1,507)	10,549
Balance at 31 December 2020	790,257	67,188	(5,518)	-	(146,615)	705,312

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2020			
Buildings - School	277,139	(98,217)	178,922
Furniture and Equipment	1,074,111	(646,269)	427,842
Information and Communication Technology	349,513	(334,230)	15,283
Motor Vehicles	10,503	(10,503)	-
Leased Assets	136,272	(63,556)	72,716
Library Resources	44,589	(34,040)	10,549
Balance at 31 December 2020	1,892,127	(1,186,815)	705,312

12. Accounts Payable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Creditors	85,769	50,000	160,662
Accruals	5,850	5,850	4,404
Employee Entitlements - Salaries	164,249	164,249	171,849
Employee Entitlements - Leave Accrual	10,283	10,283	7,163
	266,151	230,382	344,078
Payables for Exchange Transactions	266,151	230,382	344,078
	266,151	230,382	344,078

The carrying value of payables approximates their fair value.



13. Revenue Received in Advance

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Grants in Advance - Ministry of Education	-	-	3,505
Other revenue in Advance	23,858	5,000	1,290
	<u>23,858</u>	<u>5,000</u>	<u>4,795</u>

14. Provision for Cyclical Maintenance

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	52,908	52,908	50,294
Increase/ (decrease) to the Provision During the Year	85,139	6,760	2,614
Use of the Provision During the Year	-	(215)	-
Provision at the End of the Year	<u>138,047</u>	<u>59,453</u>	<u>52,908</u>
Cyclical Maintenance - Current	79,855	-	-
Cyclical Maintenance - Term	58,192	59,453	52,908
	<u>138,047</u>	<u>59,453</u>	<u>52,908</u>

15. Finance Lease Liability

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

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
No Later than One Year	35,401	35,401	30,116
Later than One Year and no Later than Five Years	21,984	21,984	26,340
Future Finance Charges	(4,241)		
	<u>53,144</u>	<u>57,386</u>	<u>56,456</u>
Represented by			
Finance lease liability - Current	32,510	32,510	39,129
finance lease liability - Term	20,634	20,634	34,859
	<u>53,144</u>	<u>53,144</u>	<u>73,988</u>

16. Funds held in Trust

	2021	2021	2020
	Actual	Budget	Actual
	\$	\$	\$
Funds Held in Trust on Behalf of Third Parties - Current	-	-	(507)
	<u>-</u>	<u>-</u>	<u>(507)</u>



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

17. Funds Held for Capital Works Projects

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

	2021	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
GSE	<i>in progress</i>	(7,689)	3,903	-	-	(3,786)
Swimming Pool Upgrade	<i>in progress</i>	(8,673)	7,004	(8,450)	-	(10,118)
Irrigation	<i>in progress</i>	(2,761)	3,475	(2,400)	-	(1,686)
Heatpumps	<i>in progress</i>	(1,310)	-	-	-	(1,310)
Field Remediation	<i>in progress</i>	(850)	2,025	-	-	1,175
Pool Blankets	<i>in progress</i>	(1,602)	2,906	-	-	1,304
LSC Refurbishment	<i>in progress</i>	(2,528)	36,844	(64,809)	-	(30,494)
ILE Breakout Space Block 4	<i>in progress</i>	(11,166)	-	-	-	(11,166)
Balcony	<i>in progress</i>	-	17,946	(18,130)	-	(184)
Admin	<i>in progress</i>	-	-	(14,224)	-	(14,224)
Pool 2021	<i>in progress</i>	-	146,207	(4,393)	-	141,814
Ti Koura	<i>in progress</i>	-	-	(3,868)	-	(3,868)
Totals		(36,579)	220,310	(116,274)	-	67,457

Represented by:

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

144,293
72,968

71,325

	2020	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
GSE	<i>completed</i>	(6,419)	-	(1,270)	-	(7,689)
Swimming Pool Upgrade	<i>completed</i>	-	63,036	(71,709)	-	(8,673)
Irrigation	<i>in progress</i>	-	31,275	(34,036)	-	(2,761)
Heatpumps	<i>in progress</i>	-	13,590	(14,900)	-	(1,310)
Field Remediation	<i>in progress</i>	-	18,224	(19,075)	-	(850)
Pool Blankets	<i>in progress</i>	-	26,378	(27,980)	-	(1,602)
LSC Refurbishment	<i>in progress</i>	-	-	(2,529)	-	(2,528)
ILE Breakout Space Block 4	<i>in progress</i>	-	-	(11,166)	-	(11,166)
Totals		(6,419)	152,503	(182,665)	-	(36,579)



18. Funds Held on Behalf of Cluster

West Melton School is the lead school and holds funds on behalf of the cluster, a group of schools funded by the Ministry.

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Funds Held at Beginning of the Year	64,893	64,893	55,516
Funds Received from Cluster Members	35		22,808
Funds Received from MoE	5,456		7,587
Funds Spent on Behalf of the Cluster	(14,908)		(21,017)
Distribution of Funds			
Clearview School - New funds holder distribution	(55,476)	(64,893)	
Funds Held at Year End	-	-	64,893

These assets and liabilities form part of the school's assets and liabilities and are presented on the school's statement of financial position.

Current Assets

Cash at bank	-	63,820
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Non Current Assets

Property Plant and Equipment	-	1,073
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Equity

-	-	64,893
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19. 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.



20. Remuneration

Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	3,240	2,475
<i>Leadership Team</i>		
Remuneration	328,829	381,322
Full-time equivalent members	3	3
Total key management personnel remuneration	332,069	383,797
Total full-time equivalent personnel	3.00	3.00

There are 6 members of the Board excluding the Principal. The Board had held 11 full meetings of the Board in the year. The Board also has property team (2 members) that meet monthly.. As well as these regular meetings, including preparation time, the Chair and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

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

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	140-150	160-170
Benefits and Other Emoluments	0-5	0-5
Termination Benefits	-	-

Other Employees

No other employees received remuneration greater than \$100,000.

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

Remuneration \$000	2021 FTE Number	2020 FTE Number
100-110	2.00	1.00
110-120	0.00	1.00
	2.00	2.00

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



21. Contingencies

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

Holidays Act Compliance – schools payroll

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

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

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

22. Commitments

(a) Capital Commitments

As at 31 December 2021 the Board has entered into no contract agreements for capital works .

(a) \$372,813 contract for various projects to be completed in 2022, which will be fully funded by the Ministry of Education. \$372,813 has been received of which \$298,939 has been spent on the project to date.

(Capital commitments at 31 December 2020: \$nil)

23. Financial Instruments

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

Financial assets measured at amortised cost

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash and Cash Equivalents	233,979	114,044	104,440
Receivables	180,267	175,249	183,661
Investments - Term Deposits	450,000	400,000	510,000
Total Financial assets measured at amortised cost	864,246	689,293	798,101

Financial liabilities measured at amortised cost

Payables	266,151	230,382	344,078
Finance Leases	53,144	53,144	73,988
Total Financial Liabilities Measured at Amortised Cost	319,295	283,526	418,066

24. Events After Balance Date

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



25. COVID 19 Pandemic on going implications

Impact of Covid-19

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

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

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

Impact on operations

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

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

Increased Remote learning additional costs

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

Analysis of Variance Reporting



School Name:	West Melton School	School Number:	3587
Strategic Aim:	Learners to be achieving 'at or above' the National Standards for Reading, Writing and Mathematics		
Annual Aim:	<ul style="list-style-type: none"> 80% of learners will be achieving 'at or above' the National Standards for Writing 		
Target:	<p>Target 1. To accelerate the progress of 12 Year 3 learners from below to at the expected curriculum level in Writing by the end of 2021</p> <p>Target 2. To accelerate the progress of 7 Year 4 learners from below to at the expected curriculum level in Writing by the end of 2021</p> <p>Target 3. To accelerate the progress of 11 Year 5 learners from below to at the expected curriculum level in Writing by the end of 2021</p> <p>Target 4. To accelerate the progress of 12 Year 6 learners from below to at the expected curriculum level in Writing by the end of 2021</p> <p>Target 5. To accelerate the progress of 6 Year 7 learners from below to at the expected curriculum level in Writing by the end of 2021</p>		
Baseline Data:	<p>Writing The aim for the end of 2020 was to increase the number of learners achieving 'at or above' the expected curriculum level for Writing to 83%. This was not achieved, with 78% of learners meeting the aim – a deficit of 2%</p> <ul style="list-style-type: none"> 77% of Māori learners are working 'at or above' the expected curriculum level 75% of Pasifika learners are working 'at or above' the expected curriculum 86% of Female learners were 'at or above' the expected curriculum level in Writing 69% of Male learners were working 'well below or below' the expected curriculum level in Writing 22% of Year 3 learners were working 'well below or below' the expected curriculum level in Writing 13% of Year 4 learners were working 'well below or below' the expected curriculum level in Writing 37% of Year 5 learners were working 'well below or below' the expected curriculum level in Writing 40% of Year 6 learners were working 'well below or below' the expected curriculum level in Writing 47% of Year 7 learners were working 'well below or below' the expected curriculum level in Writing 26% of Year 8 learners were working 'well below or below' the expected curriculum level in Writing 		

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<p>Refer to the action plan in 2021 charter</p>	<p>Refer to 2021 Student Achievement Report to the Board for further details.</p> <p>We increased to 81% of our learners achieving at or above the expected curriculum level for writing</p> <p>Target 1. Of the 12 Year 3 learners who were achieving ‘below’</p> <ul style="list-style-type: none"> • 4 learners are working ‘at’ the expected curriculum level • 8 learners continue to be ‘below’ expectation <ul style="list-style-type: none"> ○ 3 learners accelerated two sub levels ○ 6 learners made progress of one sub level <p>Target 2. Of the 7 Years 4 learners who were achieving ‘below’</p> <ul style="list-style-type: none"> • 3 learners are working ‘at’ the expected curriculum level • 4 learners continue to be working ‘below’ <ul style="list-style-type: none"> ○ 5 learners made progress of one sub level <p>Target 3. Of the 11 Years 5 learners who were achieving ‘below’</p>	<p>We were very excited to reach our target of 81%. Writing is an area that we have been working on for a number of years.</p> <p>We implemented Structured Literacy at the Year 0 – 2 end of the school and are pleased with the results. We are likely to see the progress/achievement moving through the school in the next 2 years.</p> <p>We had significant improvement at Years 5 and 6 (not only with our target group but with the cohort. This was as a result of some structured literacy approaches, specific targeted programmes (eg Heggarty) and an accelerated learning approach.</p> <p>Whilst we had mixed success with our target groups – 54% of learners did meet expectation. Most students in these groups progressed.</p> <p>Strategies that were successful:</p> <ul style="list-style-type: none"> • Dedicated small group focus and very strong routines for at-risk writers, with a focus on the basics • Providing high-interest, student driven writing themes, with lots of provision for learner choice • The introduction of Structured Literacy approach 	<p>The teaching of Writing will be a key component of learning programmes</p> <p>Continue to use a Structured Literacy approach and implement throughout the school</p> <p>Differentiated learning programmes will continue to be put in place in order to cater for individual needs</p> <p>Track all students not achieving the expected curriculum level</p> <p>Share individual student achievement with parents and students with options for reciprocal feedback (Hero)</p> <p>Target school resources towards identified students: learning assistant support, ESOL teacher and LSC</p> <p>Literacy Focus team to support teachers to collaboratively plan to raise teacher capability</p> <p>Employ formative assessment practices in order to provide feedback to learners and identify next learning step</p> <p>Work with parents, families and whanau around ways to support children’s learning</p> <p>Professional development – Literacy Focus</p>

	<ul style="list-style-type: none"> • 11 learners are working 'at' the expected curriculum level ○ 6 learners accelerated two sub levels ○ 5 learners made progress of one sub level <p>Target 4. Of the 12 Years 6 learners who were achieving 'below'</p> <ul style="list-style-type: none"> • 11 learners are working 'at' the expected curriculum level • 1 learner is working 'above' the expected curriculum level ○ 6 learners accelerated two sub levels ○ 6 learners made progress of one sub level <p>Target 5. Of the 6 Year 7 learners who were achieving 'below'</p> <ul style="list-style-type: none"> • 5 learners are working 'at' the expected curriculum level • 1 learner continues to be working 'below' ○ 5 learners accelerated two sub levels ○ 1 learner made progress of one sub level 	<p>Where there hasn't been success we have identified the following:</p> <ul style="list-style-type: none"> • Lack of teacher understanding of curriculum level and criteria from less experienced staff • The need to moderate and get a common understanding • Continue lack of engagement of boys towards writing • Selection of target learners lacked understanding and needs to be more robust 	<p>Team to lead Professional learning conversations around best writing practice</p> <p>Moderate writing across the school and potentially the Kāhui Ako – consistency is needed</p> <p>Use appropriate ignite activities that are targeted at the interests of reluctant writers</p> <p>Utilise Literacy progressions to set goals and plan</p>
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Planning for next year:

Writing will continue to be the school wide focus for 2022.

Annual Aims:

- 83% of learners will be achieving at or above the curriculum level in Writing

Targets:

- Maintain and increase the level of achievement of Year 4 – 6 learners in writing (will be more specific)

We will also have a maths target that will increase the level of achievement in number knowledge for our Years 1 – 4 learners

Refer to 2022 charter.

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2021, the school received \$6399.86

The funding was spent on employing a staff member to manage Sport across the school.

The number of children that participated in organised sport was 456.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF WEST MELTON SCHOOL'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

The Auditor-General is the auditor of West Melton School (the School). The Auditor-General has appointed me, Warren Johnstone, using the staff and resources of BDO Christchurch, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 3 to 21, that comprise the statement of financial position as at 31 December 2021, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

Our audit was completed on 29 May 2022. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements

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

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

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

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

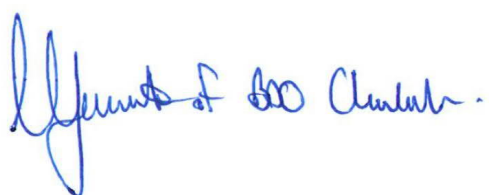
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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 blue ink, which appears to read 'Warren Johnstone'.

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