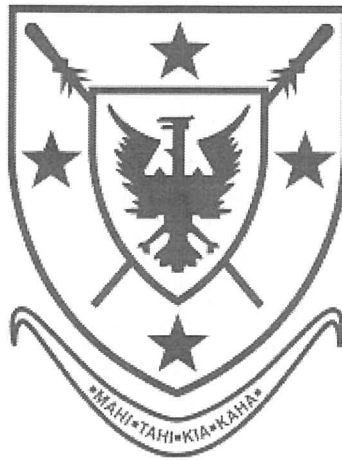


2023 Annual Report Paeroa College



For your first Annual Report under the new regulations, reporting on the 2023 year (due 31 May 2024), this will be based on what was in your last charter which was created prior to the new Education (School Planning and Reporting) Regulations 2023. Your local Te Mahau office can support you to meet the new requirements as much as possible for this first Annual Report however we understand that this is a time of change and therefore will be a process of continuous improvement over time.

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Presiding member/principal's report (optional)

Our students, staff and senior leadership team have been able to focus, to a much greater degree, on the learning that is a key part of life at Paeroa College. Our students' academic and sporting achievement have again been something to be proud of. Lunch has again been provided to all students during the year, and breakfast is available to any student who would like it. Encouraging regular attendance continues to be a focus. The efforts being made are making a difference, and we compare well to national levels, but it's important to remember that regular attendance is key for all students to benefit from their time at Paeroa College.

Following on from the total upgrade of the Science area last year, D Block has been refurbished and a number of other teaching spaces have been upgraded. Particular thanks to the Paeroa College Charitable Trust and Larn Wilkinson for the work to resurface the old netball courts.

Strategically, we continue to focus on "Excelling as a courageous, innovative, can-do community, with focus on Learning, Culture, Pathways, Partnering and Leadership." The growing numbers of local students is positive for both our school and community.

List of all school board members (optional)

You may like to list the names of each school board member who have served on the school board during the year, and the date on which each member will finish their term.

Board member names	Date that the board member's term finishes
Conall Buchanan (Presiding Member)	September 2025
John Dustow	September 2025
Chrissy Te Teira	September 2025
Jo Tilsey	September 2025
Grant Van De Wetering (Staff Rep)	September 2025
Seth Serrup (Student Rep)	September 2024
Kieran Udy (Acting Principal)	January 2025

Evaluation and analysis of the school's students' progress and achievement (required)

2023 Charter Strategic Goals	Outcome															
<p>Target 1- Attendance: 60% of PC students will attend >90% of the time and an additional 15% (75% total) will attend >80%.</p>	<p>This target was not met. The percentage of students attending regularly was highest in term 1 of 2023 (48.4%) Fewer students were attending regularly in term 3 of 2023 (38.7%) than in the same term of 2022 (42.7%). Term 4 had attendance of 44.1% at 90% or above. Approximately 70% of students attend >80%</p>															
<p>Target 2- Māori student engagement: Māori student attendance will be equal to non- Māori</p>	<p>This target was not met. We must continue to consult with our community to see what more we can do and to work to foster community-wide understanding of the importance of regular attendance to achievement. We also need to better understand and remove barriers to attendance.</p> <p style="text-align: center;">% students with >90% attendance</p> <table border="1" data-bbox="826 869 1501 1039"> <thead> <tr> <th></th> <th>Māori</th> <th>Non-Māori</th> </tr> </thead> <tbody> <tr> <td>Term 1</td> <td>40%</td> <td>56%</td> </tr> <tr> <td>Term 2</td> <td>32%</td> <td>51%</td> </tr> <tr> <td>Term 3</td> <td>28%</td> <td>46%</td> </tr> <tr> <td>Term 4</td> <td>28%</td> <td>43%</td> </tr> </tbody> </table>		Māori	Non-Māori	Term 1	40%	56%	Term 2	32%	51%	Term 3	28%	46%	Term 4	28%	43%
	Māori	Non-Māori														
Term 1	40%	56%														
Term 2	32%	51%														
Term 3	28%	46%														
Term 4	28%	43%														
<p>Target 3- Literacy: 70% of all year 9 and 10 Māori and non- Māori students who enter Paeroa College below the expected curriculum level (4P) in writing will make expected progress. 40% will make accelerated progress.</p>	<p>This target was not met This is an ambitious target, given the attendance challenges we are currently facing. However, all teachers taught literacy across the junior learning areas. 44% of students made progress and 4% accelerated progress when it came to reading. In writing we had 34% make progress and 48% accelerated progress.</p>															
<p>Target 4- Numeracy: 70% of all year 9 and 10 Māori and non- Māori students who enter Paeroa College below the expected curriculum level (4P) in numeracy will make expected progress. 40% will make accelerated progress.</p>	<p>This target was not met. This is an ambitious target, given the attendance challenges we are currently facing. However, our maths teachers are working well as a team and have developed a deep understanding of mathematics at each curriculum level. The appointment of a lead numeracy role has been critical in raising school-wide focus. 50% of students made progress and 3% accelerated progress.</p>															
<p>Target 5- Inclusive Education: All SEN students in years 9 and 10 will have IEPs and identified pathways that will enable them to be work- and life-ready upon completion of their secondary education</p>	<p>This target was met. The appointment of a Head of Learning Support and the establishment of an Achievement Team (under the facilitation of DP-Curriculum) has enabled strategic resourcing of this area. All SEN students have been identified and most have Individual Education Plans (IEPs). These IEPs are both process and outcomes focussed to enable each student to identify and pursue an authentic educational pathway leading towards employment or further training.</p>															

How we have given effect to Te Tiriti o Waitangi (required)

- Paeroa College currently provide students with the opportunity to learn Te Reo and Tikanga Māori. This also includes opportunities to engage in Kapa Haka.
- Our HOD Māori provides advice and guidance to the College around Tikanga and ensuring that a Te Ao Māori worldview is brought to school structures.
- Another teacher has responsibility to support staff around implementing Maturanga Māori and supporting our teachers with this.
- The whole staff has engaged with PLD provided by an external expert around Maturanga Māori and localised curriculum.
- One member of staff undertook a year long course of full-time study to further develop knowledge of Te Reo Māori in 2023.
- As a school we held a Māori Achievement Awards at a local marae to celebrate the success of our Māori students in NCEA. This is well attended by whanau.
- Paeroa College continues to ensure that every year new staff and students are welcomed into the College community with a powhiri.
- Paeroa College offers students the opportunity to learn in a Rumaki Reo.

Statement of compliance with employment policy (required)

Your board is required to operate an employment policy that complies with the principle of being a good employer. Your board must ensure compliance with this policy (including your equal employment opportunities programme) and report in your annual report on the extent of compliance (section 597(1) of the Education and Training Act 2020).

Your board may wish to complete and include the following tables in your annual report to meet requirements under s597 of the Education and Training Act 2020. The use of the tables is optional.

Under s597 of the Act a good employer is one who operates a personnel policy containing provisions generally accepted as necessary for the fair and proper treatment of employees in all aspects of their employment.

The board should look to confirm what actions or policies are already in place and what actions are being undertaken to meet the provisions.

The following questions address key aspects of compliance with a good employer policy:

Reporting on the principles of being a Good Employer	
How have you met your obligations to provide good and safe working conditions?	<i>We have a functioning health and safety committee with staff representation. Any hazards are identified and steps taken to reduce or eliminate etc.</i>
What is in your equal employment opportunities programme? How have you been fulfilling this programme?	<i>We have a policy that was reviews on 25/7/22. This outlines the schools commitment to providing equal employment opportunities. This is reviewed triennially by the BOT.</i>
How do you practise impartial selection of suitably qualified persons for appointment?	<i>Candidates are only asked questions relevant to the particular position and personal details that are not necessary are never asked. The shortlisting and selection process is always conducted by a panel. Feedback is sought from current Māori staff and BOT Members around systems and improvements. We have increased the number of Māori staff over the past few years.</i>
How are you recognising, – The aims and aspirations of Māori, – The employment requirements of Māori, and – Greater involvement of Māori in the Education service?	<i>Staff have engaged with PLD as a whole and individually. This has included a years study leave to pursue study of Te Reo Māori. We also have a Māori rep for PPTA branch.</i>
How have you enhanced the abilities of individual employees?	<i>We have a PPTA Women's Rep for our branch. Equal opportunities are provided to all staff.</i>
How are you recognising the employment requirements of women? How are you recognising the employment requirements of persons with disabilities?	<i>We provide what support we can to staff with disabilities including providing specialised chairs.</i>

Good employer policies should include provisions for an Equal Employment Opportunities (EEO) programme/policy. The Ministry of Education monitors these policies:

Reporting on Equal Employment Opportunities (EEO) Programme/Policy	YES	NO
Do you operate an EEO programme/policy?	<input type="checkbox"/>	<input type="checkbox"/>
Has this policy or programme been made available to staff?	<input type="checkbox"/>	<input type="checkbox"/>
Does your EEO programme/policy include training to raise awareness of issues which may impact EEO?	<input type="checkbox"/>	<input type="checkbox"/>
Has your EEO programme/policy appointed someone to coordinate compliance with its requirements?	<input type="checkbox"/>	<input type="checkbox"/>
Does your EEO programme/policy provide for regular reporting on compliance with the policy and/or achievements under the policy?	<input type="checkbox"/>	<input type="checkbox"/>
Does your EEO programme/policy set priorities and objectives?	<input type="checkbox"/>	<input type="checkbox"/>

Financial statements (required)

The following is a summary of the financial statements that must be included in your annual report.

For further information, including examples (Kiwi Park model), see our [Schools Annual Financial Statement Resources webpage](#).

Statement of responsibility signed and dated

This statement is signed by the principal and the presiding member. It acknowledges that the school board is responsible for the preparation and accuracy of the financial statements and states that the school board has established and maintained a system of internal control to safeguard the assets of the school or kura.

Statement of comprehensive revenue and expense

This statement summarises the revenue and expense of the school or kura over the financial year. It shows whether the school or kura has managed to operate within the funding they have received.

Statement of changes in net assets/equity

This statement shows the value and movements of the Government's investment over the course of financial year in the school or kura, (this is known as 'equity') in the financial statement.

Statement of financial position

This statement shows everything the school or kura owns (assets) and everything it owes (liabilities) as at 31 December of that year.

Statement of cash flows

This statement shows all cash received and all cash paid by the school or kura over the financial year.

Notes to the financial statements

The notes to the financial statements provide an extra level of detail that supports the information shown in the front of the accounts.

Independent auditor's report signed and dated.

This report is prepared by the auditor of the school or kura and must be included in the annual report. It provides an opinion to the readers of the annual report whether the financial statements comply with generally accepted accounting practice, and fairly represent the financial position, financial performance and cash flows of the school or kura.

Report on other special and contestable funding (required)

We did not receive any special or contestable funding in the 2023 school year.

Kiwisport funding (required)

Kiwisport funding was used to provide students with greater access to sporting endeavours. This included reducing the cost of team sports, funding some of the costs associated with sending teams away and providing the necessary support. In 2023 we received \$7857.26 (excluding GST).

PAEROA COLLEGE

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

School Directory

Ministry Number: 113
Principal: Amy Hacker
School Address: Te Aroha Road, Paeroa
School Postal Address: PO Box 144, Paeroa, 3640
School Phone: 07 862 7579
School Email: DebbieG@paeroacollege.school.nz

Members of the Board:

Name	Position	How Position Gained	Term Expired/ Expires
Conall Buchanan	Presiding Member	Re-Elected August 2022	Sep-25
Amy Hacker	Principal ex Officio	ex Officio	
Jo Tilsley	Parent Representative	Re-Elected August 2022	Sep-25
Larr Wilkinson	Parent Representative	Elected August 2022	Oct-23
John Dustow	Parent Representative	Elected August 2022	Sep-25
Chrissy Te Teira	Parent Representative	Elected August 2022	Sep-25
Grant van de Wetering	Staff Representative	Elected August 2022	Sep-25
Seth Seerup	Student Representative	Elected September 2023	Sep-24

Accountant / Service Provider: PKF Tauranga Ltd

PAEROA COLLEGE

Consolidated Annual Financial Statements - For the year ended 31 December 2023

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<u>3</u>	Statement of Changes in Net Assets/Equity
<u>4</u>	Statement of Financial Position
<u>5</u>	Statement of Cash Flows
<u>6 - 19</u>	Notes to the Group Financial Statements
	Independent Auditor's Report

Paeroa College

Statement of Responsibility

For the year ended 31 December 2023

The Board accepts responsibility for the preparation of the annual consolidated financial statements and the judgements used in these consolidated 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 group's financial reporting.

It is the opinion of the Board and management that the consolidated annual financial statements for the financial year ended 31 December 2023 fairly reflects the financial position and operations of the group.

The Group's 2023 consolidated financial statements are authorised for issue by the Board.

Conall Kucit Anan
Full Name of Presiding Member

Kieran Udy
Full Name of Principal

[Signature]
Signature of Presiding Member

[Signature]
Signature of Principal

2/12/24
Date:

2/12/24
Date:

Paeroa College
Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2023

	Notes	2023 Actual \$	School 2023 Budget (Unaudited) \$	2022 Actual \$	2023 Actual \$	Group 2023 Budget (Unaudited) \$	2022 Actual \$
Revenue							
Government Grants	2	5,933,296	1,995,500	5,177,076	5,933,296	1,995,500	5,177,076
Locally Raised Funds	3	234,985	153,136	152,593	382,485	153,136	152,593
Government Grants - Resource Teachers: Learning and Behaviour	4	1,988,223	252,684	1,632,973	1,988,223	252,684	1,632,973
Interest		33,054	4,200	14,287	33,787	4,200	14,287
Total Revenue		8,189,558	2,405,520	6,976,930	8,337,791	2,405,520	6,976,930
Expense							
Locally Raised Funds	3	55,461	35,850	68,076	55,461	35,850	68,076
Resource Teachers: Learning and Behaviour	4	1,957,223	331,788	1,663,981	1,957,223	331,788	1,663,981
Learning Resources	5	4,074,772	1,194,629	3,596,105	4,085,430	1,194,629	3,596,105
Administration	6	682,009	615,999	490,804	582,280	615,999	490,804
Interest		4,396	-	7,257	4,396	-	7,257
Property	7	1,196,641	299,588	978,787	1,196,641	299,588	978,787
Loss on Disposal of Property, Plant and Equipment		4,542	-	275	4,542	-	275
Total expense		7,975,045	2,477,854	6,805,285	7,885,974	2,477,854	6,805,285
Net Surplus / (Deficit) for the year		214,513	(72,334)	171,646	451,817	(72,334)	171,646
Other Comprehensive Revenue and Expense							
<i>Item that will not be reclassified to surplus(deficit)</i>							
Gain on equity investment revaluations		-	-	-	-	-	-
Total other comprehensive revenue and expense		-	-	-	-	-	-
Total Comprehensive Revenue and Expense for the Year		214,513	(72,334)	171,646	451,817	(72,334)	171,646

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



Paeroa College
Statement of Changes in Net Assets/Equity

For the year ended 31 December 2023

Notes	2023	School	2022	2023	Group	2022
	Actual	2023	Actual	Actual	2023	Actual
	\$	Budget (Unaudited) \$	\$	\$	Budget (Unaudited) \$	\$
Equity at 1 January	1,190,758	1,190,758	1,019,112	1,200,523	1,190,758	1,028,877
Total comprehensive revenue and expense for the year	214,513	(72,334)	171,646	451,817	(72,334)	171,646
Contributions from/ (Distributions to) the Ministry of Education	-	-	-	-	-	-
Contribution - Furniture and Equipment Grant	38,728	-	-	38,728	-	-
Equity at 31 December	1,443,999	1,118,424	1,190,758	1,691,068	1,118,424	1,200,523
Accumulated comprehensive revenue and expense	1,443,999	1,118,424	1,190,758	1,691,068	1,118,424	1,200,523
Reserves	-	-	-	-	-	-
Equity at 31 December	1,443,999	1,118,424	1,190,758	1,691,068	1,118,424	1,200,523
Reserve Movements Analysis						
Accumulated comprehensive revenue and expense						
Balance at 1 January	1,190,758	1,190,758	1,019,112	1,200,523	1,190,758	1,028,877
Equity investment revaluation reserve transfer on disposal	-	-	-	-	-	-
Furniture & Equipment grant	38,728	-	-	38,728	-	-
Surplus/(deficit) for the year	214,513	(72,334)	171,646	451,817	(72,334)	171,646
Balance 31 December	1,443,999	1,118,424	1,190,758	1,691,068	1,118,424	1,200,523
Total equity	1,443,999	1,118,424	1,190,758	1,691,068	1,118,424	1,200,523

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



Paeroa College Statement of Financial Position

As at 31 December 2023

	Notes	2023 Actual \$	School 2023 Budget (Unaudited) \$	2022 Actual \$	2023 Actual \$	Group 2023 Budget (Unaudited) \$	2022 Actual \$
Current Assets							
Cash and Cash Equivalents	8	647,946	455,384	604,270	649,877	455,384	624,034
Accounts Receivable	9	473,480	370,000	365,282	473,480	370,000	365,282
GST Receivable		42,959	40,000	42,867	42,959	40,000	42,867
Prepayments		15,269	20,000	35,381	15,269	20,000	35,381
Inventories	10	26,542	25,500	26,735	26,542	25,500	26,735
Investments	11	363,645	431,373	299,561	363,645	431,373	299,561
Funds receivable for Capital Works Projects	19	7,318	-	-	7,318	-	-
		<u>1,577,159</u>	<u>1,342,257</u>	<u>1,374,096</u>	<u>1,579,090</u>	<u>1,342,257</u>	<u>1,393,860</u>
Current Liabilities							
Accounts Payable	13	536,580	450,000	438,455	536,580	450,000	438,455
Revenue Received in Advance	14	170,692	314,104	213,903	170,692	314,104	223,903
Provision for Cyclical Maintenance	15	-	163,586	-	-	163,586	-
Painting Contract Liability	16	-	-	39,594	-	-	39,594
Finance Lease Liability	17	33,879	35,000	37,961	33,879	35,000	37,961
Funds held in Trust	18	25,200	-	-	25,200	-	-
Funds held for Capital Works Projects	19	7,994	-	130,041	7,994	-	130,041
		<u>774,345</u>	<u>962,690</u>	<u>859,954</u>	<u>774,345</u>	<u>962,690</u>	<u>869,954</u>
Working Capital Surplus/(Deficit)		802,814	379,567	514,142	804,745	379,567	523,906
Non-current Assets							
Property, Plant and Equipment	12	860,681	793,857	831,274	1,105,818	793,857	831,274
		<u>860,681</u>	<u>793,857</u>	<u>831,274</u>	<u>1,105,818</u>	<u>793,857</u>	<u>831,274</u>
Non-current Liabilities							
Provision for Cyclical Maintenance	15	163,586	-	136,322	163,586	-	136,322
Finance Lease Liability	17	55,910	55,000	18,336	55,910	55,000	18,336
		<u>219,496</u>	<u>55,000</u>	<u>154,658</u>	<u>219,496</u>	<u>55,000</u>	<u>154,658</u>
Net Assets		1,443,999	1,118,424	1,190,758	1,691,068	1,118,424	1,200,523
Equity:							
Accumulated comprehensive revenue and expense		1,443,999	1,118,424	1,190,758	1,691,068	1,118,424	1,200,523
Total equity		1,443,999	1,118,424	1,190,758	1,691,068	1,118,424	1,200,523

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



Paeroa College
Statement of Cash Flows
For the year ended 31 December 2023

	Notes	2023 Actual \$	School 2023 Budget (Unaudited) \$	2022 Actual \$	2023 Actual \$	Group 2023 Budget (Unaudited) \$	2022 Actual \$
Cash flows from Operating Activities							
Government Grants		1,896,254	1,985,500	2,150,517	1,896,254	1,985,500	2,150,517
Locally Raised Funds		139,900	155,854	174,709	377,400	155,854	194,473
RTLB		(42,652)	96,940	-	(42,652)	96,940	-
International Students		26,087	-	-	26,087	-	-
Goods and Services Tax (net)		(154)	(40,000)	(26,151)	(154)	(40,000)	(26,151)
Payments to Employees		(782,657)	(924,397)	(904,441)	(782,657)	(924,397)	(904,441)
Payments to Suppliers		(884,324)	(962,261)	(1,025,513)	(884,595)	(962,261)	(1,025,513)
Interest Paid		(4,396)	-	(7,257)	(4,396)	-	(7,257)
Interest Received		30,490	3,785	11,919	31,223	3,785	11,919
Net cash from / (to) the Operating Activities		378,548	315,422	373,783	616,510	315,422	393,547
Cash flows from Investing Activities							
Purchase of Property Plant & Equipment (and Intangibles)		(125,076)	(112,582)	(153,957)	(380,871)	(112,582)	(153,957)
Purchase of Investments		(64,084)	(131,812)	84,444	(64,084)	(131,812)	84,444
Net cash from / (to) the Investing Activities		(189,160)	(244,394)	(69,513)	(444,955)	(244,394)	(69,513)
Cash flows from Financing Activities							
Furniture and Equipment Grant		38,728	-	-	38,728	-	-
Finance Lease Payments		(40,688)	(50,279)	(38,020)	(40,688)	(50,279)	(38,020)
Painting Contract payments		(39,594)	(39,594)	(39,594)	(39,594)	(39,594)	(39,594)
Funds Administered on Behalf of Other Parties		(104,158)	(130,041)	(372,901)	(104,158)	(130,041)	(372,901)
Net cash from / (to) Financing Activities		(145,712)	(219,914)	(450,515)	(145,712)	(219,914)	(450,515)
Net increase/(decrease) in cash and cash equivalents		43,676	(148,886)	(146,245)	25,843	(148,886)	(126,481)
Cash and cash equivalents at the beginning of the year	8	604,270	604,270	750,515	624,034	604,270	750,515
Cash and cash equivalents at the end of the year	8	647,946	455,384	604,270	649,877	455,384	624,034

The Consolidated Statement of Cash Flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries, use of land and buildings grant and expense and other notional items have been excluded.

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



Paeroa College

Notes to the Group Financial Statements

For the year ended 31 December 2023

1. Statement of Accounting Policies

a) Reporting Entity

Paeroa College 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 Paeroa College (the 'Group') consists of Paeroa College and its subsidiary. The subsidiary is Paeroa College Charitable Trust ('Trust') which supports the school by raising funds and making donations for the school.

The School's subsidiary is incorporated and domiciled in New Zealand.

b) Basis of Preparation

Reporting Period

The consolidated financial statements have been prepared for the period 1 January 2023 to 31 December 2023 and in accordance with the requirements of the Education and Training Act 2020.

Basis of Preparation

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

Basis of Consolidation

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses, and cash flows of entities in the group on a line-by-line basis. All intra-group balances, transactions, revenue, and expenses are eliminated on consolidation.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed, or has rights, to variable benefits from its involvement with the other entity and has the ability to affect the nature or amount of those benefits through its power over the other entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in surplus or deficit. Any interest retained in the former subsidiary is measured at fair value when control is lost.

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 consolidated 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 Group 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 Group qualifies for Tier 2 as the group 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 consolidated financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

Presentation Currency

These consolidated 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 consolidated 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 Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The Group believes that the estimated useful lives of the property, plant and equipment as disclosed in the significant accounting policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 12.

Critical Judgements in applying accounting policies

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

Classification of leases

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 24.

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.

Consolidation of entities

The Group consolidates entities based on whether the School has established control of the subsidiary. The subsidiaries which are controlled are disclosed at Note 27.

c) Revenue Recognition

Government Grants

The Group 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 Group 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 Group has the rights to the funding in the salary period they relate to. The grants are not received in cash by the Group 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. 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. 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 Group 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. Interest revenue is accrued using the effective interest method.

c) Operating Lease Payments

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

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 are 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 Consolidated 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 material.

Equity investments are designated at initial recognition at fair value through other comprehensive revenue and expense because they are investments that the group intends to hold for long term strategic purposes. They are initially measured at fair value plus transaction costs. They are subsequently measured at their fair value with gains and losses recognised in other comprehensive revenue and expense. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred within equity to accumulated surplus/(deficit).

i) Property, Plant and Equipment

Land and buildings owned by the Crown are excluded from these consolidated 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 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 Consolidated 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 Consolidated Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Building improvements	40 years
Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Motor vehicles	4-10 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

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

The Group 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 Group 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 Group engages an independent valuer to assess market value based on the best available information. The valuation is based on [details of the valuer's approach to determining market value (i.e. what valuation techniques have been employed, comparison to recent market transaction etc.)].

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.

k) Accounts Payable

Accounts Payable represents liabilities for goods and services provided to the Group 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.

l) 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 annual leave earned, by non teaching staff, 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.

m) Revenue Received in Advance

Revenue received in advance relates to fees received from International Students, Student IT Bonds and funds held on behalf of the RTL Cluster where there are unfulfilled obligations for the Group to provide services in the future. The fees or grants are recorded as revenue as the obligations are fulfilled and the fees or grants are earned.

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

n) Funds Held in Trust

Funds are held in trust where they have been received by the Group for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Consolidated Statement of Comprehensive Revenue and Expense.

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

o) 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 Consolidated Statement of Comprehensive Revenue and Expense.

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



2. Government Grants

	2023 Actual \$	School 2023 Budget (Unaudited) \$	2022 Actual \$	2023 Actual \$	Group 2023 Budget (Unaudited) \$	2022 Actual \$
Government Grants - Ministry of Education	2,111,901	1,934,565	1,843,049	2,111,901	1,934,565	1,843,049
Teachers' Salaries Grants	2,926,543	-	2,609,446	2,926,543	-	2,609,446
Use of Land and Buildings Grants	831,450	-	665,277	831,450	-	665,277
Other Government Grants	63,401	60,935	59,304	63,401	60,935	59,304
	<u>5,933,296</u>	<u>1,995,500</u>	<u>5,177,076</u>	<u>5,933,296</u>	<u>1,995,500</u>	<u>5,177,076</u>

The school has opted in to the donations scheme for this year. Total amount received was \$49,935.

3. Locally Raised Funds

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

	2023 Actual \$	School 2023 Budget (Unaudited) \$	2022 Actual \$	2023 Actual \$	Group 2023 Budget (Unaudited) \$	2022 Actual \$
Revenue						
Donations and Bequests	62,213	1,500	19,621	209,713	1,500	19,621
Fundraising & Community Grants	3,354	1,000	834	3,354	1,000	834
Curriculum related activities - Purchase of goods and services	49,340	60,319	25,162	49,340	60,319	25,162
Other Revenue	50,810	40,200	39,888	50,810	40,200	39,888
Trading	38,176	37,350	36,976	38,176	37,350	36,976
Fees for Extra Curricular Activities	31,091	12,767	30,112	31,091	12,767	30,112
	<u>234,985</u>	<u>153,136</u>	<u>152,593</u>	<u>382,485</u>	<u>153,136</u>	<u>152,593</u>
Expenses						
Extra Curricular Activities Costs	20,127	-	19,682	20,127	-	19,682
Trading	35,334	35,850	48,394	35,334	35,850	48,394
	<u>55,461</u>	<u>35,850</u>	<u>68,076</u>	<u>55,461</u>	<u>35,850</u>	<u>68,076</u>
Surplus/ (Deficit) for the year Locally Raised Funds	<u>179,524</u>	<u>117,286</u>	<u>84,517</u>	<u>327,024</u>	<u>117,286</u>	<u>84,517</u>

Donations include \$247,500 which was used for the Netball Courts upgrade.

4. Resource Teachers: Learning and Behaviour Services Revenue and Expense

The School is the lead school funded by the Ministry of Education to provide the services of Resource Teachers: Learning and Behaviour to its group of schools.

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Revenue			
Teachers' Salary Grant	1,660,624	-	1,386,953
Administration Grant	50,610	56,644	49,256
Learning Support Funding	91,459	101,802	101,803
Year 11-13 Funding	-	-	-
Travel Grant	93,130	90,638	90,638
Other Revenue	18,756	3,600	4,323
	<u>1,914,579</u>	<u>252,684</u>	<u>1,632,973</u>
Revenue received in advance	73,644	-	-
Revenue recognised	<u>1,988,223</u>	<u>252,684</u>	<u>1,632,973</u>
Expense			
Employee Benefit - Salaries	1,710,819	23,000	1,409,617
Administration	83,721	110,750	94,566
Learning Support	86,042	101,800	92,166
Travel	75,374	90,638	60,157
Other Expenses	1,267	-	7,475
Total Expense	<u>1,957,223</u>	<u>326,188</u>	<u>1,663,981</u>
Surplus/ (Deficit) for the year - RTL B Service	<u>31,000</u>	<u>(73,504)</u>	<u>(31,008)</u>



5. Learning Resources

	2023 Actual \$	School 2023 Budget (Unaudited) \$	2022 Actual \$	2023 Actual \$	Group 2023 Budget (Unaudited) \$	2022 Actual \$
Curricular	325,449	455,776	290,856	325,449	455,776	290,856
Information and Communication Technology	-	-	87	-	-	87
Employee Benefits - Salaries	3,551,221	571,853	3,130,032	3,551,221	571,853	3,130,032
Staff Development	24,368	17,000	13,709	24,368	17,000	13,709
Depreciation	173,734	150,000	161,421	184,392	150,000	161,421
	<u>4,074,772</u>	<u>1,194,629</u>	<u>3,596,105</u>	<u>4,085,430</u>	<u>1,194,629</u>	<u>3,596,105</u>

p) 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 Group's control, these amounts are not recorded in the Consolidated Statement of Comprehensive Revenue and Expense. The Group holds sufficient funds to enable the funds to be used for their intended purpose.

q) 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 Group sites 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, 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 School 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.

r) Financial Instruments

The Group'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.

The Group'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.

s) Goods and Services Tax (GST)

The consolidated 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 consolidated statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

t) Budget Figures

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

u) Services received in-kind

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



6. Administration

	2023 Actual \$	School 2023 Budget (Unaudited) \$	2022 Actual \$	2023 Actual \$	Group 2023 Budget (Unaudited) \$	2022 Actual \$
Audit Fee	8,101	8,101	7,868	8,101	8,101	7,868
Board Fees	3,780	4,000	3,180	3,780	4,000	3,180
Board Expenses	10,195	5,737	10,575	10,195	5,737	10,575
Communication	4,628	4,275	4,550	4,628	4,275	4,550
Consumables	5,505	4,300	3,833	5,505	4,300	3,833
Legal Fees	-	-	-	227	-	-
Other	142,447	106,583	227,848	42,491	106,583	227,848
Employee Benefits - Salaries	215,361	196,203	210,652	215,361	196,203	210,652
Insurance	14,981	10,800	9,947	14,981	10,800	9,947
School Lunches	264,038	263,000	-	264,038	263,000	-
Service Providers, Contractors and Consultancy	12,974	13,000	12,351	12,974	13,000	12,351
	<u>682,009</u>	<u>615,999</u>	<u>490,804</u>	<u>582,280</u>	<u>615,999</u>	<u>490,804</u>

School lunches expenditure relates to lunches for our students and for students of one local school. We prepare and distribute lunches to this school through a Partnership Model. The college receives funding for all the lunches it provides (for all schools) from the Ministry of Education which is included in Ministry grants disclosed in note 1. It has not been possible to reliably estimate the proportion of funding that relates to the one local schools, but we are providing lunches for about 83 students and received funding for those lunches at an average rate of \$4.84 for years 0-3 and \$5.67 for years 4-8 per student per day.

7. Property

	2023 Actual \$	School 2023 Budget (Unaudited) \$	2022 Actual \$	2023 Actual \$	Group 2023 Budget (Unaudited) \$	2022 Actual \$
Caretaking and Cleaning Consumables	17,973	18,500	16,525	17,973	18,500	16,525
Consultancy and Contract Services	-	1,000	-	-	1,000	-
Cyclical Maintenance Provision	88,967	30,000	62,689	88,967	30,000	62,689
Grounds	41,848	35,500	29,184	41,848	35,500	29,184
Heat, Light and Water	27,921	28,300	24,537	27,921	28,300	24,537
Rates	3,862	5,500	4,613	3,862	5,500	4,613
Repairs and Maintenance	13,870	11,000	12,621	13,870	11,000	12,621
Use of Land and Buildings	831,450	-	665,277	831,450	-	665,277
Security	2,188	6,000	5,854	2,188	6,000	5,854
Employee Benefits - Salaries	168,561	163,788	157,487	168,561	163,788	157,487
	<u>1,196,641</u>	<u>299,588</u>	<u>978,787</u>	<u>1,196,641</u>	<u>299,588</u>	<u>978,787</u>

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

8. Cash and Cash Equivalents

	2023 Actual \$	School 2023 Budget (Unaudited) \$	2022 Actual \$	2023 Actual \$	Group 2023 Budget (Unaudited) \$	2022 Actual \$
Bank Accounts	647,946	455,384	493,000	649,877	455,384	512,764
Short-term Bank Deposits	-	-	111,270	-	-	111,270
Cash equivalents and cash equivalents for Consolidated Statement of Cash Flows	<u>647,946</u>	<u>455,384</u>	<u>604,270</u>	<u>649,877</u>	<u>455,384</u>	<u>624,034</u>

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

Of the \$647,946 Cash and Cash Equivalents, \$7,994 is held by the Group on behalf of the Ministry of Education. These funds have been provided for 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 2024 on Crown owned Group buildings.

Of the \$647,946 Cash and Cash Equivalents, \$50,786 is held by the School for International Students and Homestay Fees.

Of the \$647,946 Cash and Cash Equivalents, \$36,093 is held by the School on behalf of Students and IT Bonds.

9. Accounts Receivable

	2023 Actual \$	School 2023 Budget (Unaudited) \$	2022 Actual \$	2023 Actual \$	Group 2023 Budget (Unaudited) \$	2022 Actual \$
Receivables	13,895	15,000	14,457	13,895	15,000	14,457
Receivables from the Ministry of Education	72,435	10,000	-	72,435	10,000	-
Interest Receivable	7,148	5,000	4,585	7,148	5,000	4,585
Banking Staffing Underuse	-	-	11,942	-	-	11,942
Teacher Salaries Grant Receivable	380,003	340,000	334,298	380,003	340,000	334,298
	<u>473,480</u>	<u>370,000</u>	<u>365,282</u>	<u>473,480</u>	<u>370,000</u>	<u>365,282</u>
Receivables from Exchange Transactions	21,042	20,000	19,043	21,042	20,000	19,043
Receivables from Non-Exchange Transactions	452,438	350,000	346,240	452,438	350,000	346,240
	<u>473,480</u>	<u>370,000</u>	<u>365,282</u>	<u>473,480</u>	<u>370,000</u>	<u>365,282</u>



10. Inventories

	2023 Actual \$	School 2023 Budget (Unaudited) \$	2022 Actual \$	2023 Actual \$	Group 2023 Budget (Unaudited) \$	2022 Actual \$
Stationery	543	500	569	543	500	569
School Uniforms	25,999	25,000	26,166	25,999	25,000	26,166
	<u>26,542</u>	<u>25,500</u>	<u>26,735</u>	<u>26,542</u>	<u>25,500</u>	<u>26,735</u>

11. Investments

The Group and School's investments are classified as follows:

	2023 Actual \$	School 2023 Budget (Unaudited) \$	2022 Actual \$	2023 Actual \$	Group 2023 Budget (Unaudited) \$	2022 Actual \$
Current Asset						
Short-term Bank Deposits	363,645	431,373	299,561	363,645	431,373	299,561
	<u>363,645</u>	<u>431,373</u>	<u>299,561</u>	<u>363,645</u>	<u>431,373</u>	<u>299,561</u>
Total Investments	<u>363,645</u>	<u>431,373</u>	<u>299,561</u>	<u>363,645</u>	<u>431,373</u>	<u>299,561</u>

12. Property, Plant and Equipment

GROUP

2023	Opening Balance (Net Book Value) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Buildings	65,482	23,356	-	-	(2,076)	86,761
Building Improvements	83,756	-	-	-	(3,429)	80,327
Furniture and Equipment	464,639	320,613	(3,072)	-	(82,816)	699,364
Information and Communication Technology	87,622	20,059	(1,332)	-	(39,355)	66,995
Motor Vehicles	33,772	-	-	-	(5,390)	28,383
RTLB Assets	41,852	16,843	-	-	(8,201)	50,495
Leased Assets	45,020	82,606	(138)	-	(41,984)	85,504
Library Resources	9,130	-	-	-	(1,141)	7,989
Balance at 31 December 2023	<u>831,275</u>	<u>463,477</u>	<u>(4,542)</u>	<u>-</u>	<u>(184,392)</u>	<u>1,105,818</u>

GROUP

	2023 Cost or Valuation \$	2023 Accumulated Depreciation \$	2023 Net Book Value \$	2022 Cost or Valuation \$	2022 Accumulated Depreciation \$	2022 Net Book Value \$
Buildings	104,341	(17,580)	86,761	80,985	(15,504)	65,481
Building Improvements	124,659	(44,331)	80,327	124,659	(40,902)	83,757
Furniture and Equipment	1,556,230	(856,866)	699,364	1,269,799	(805,159)	464,640
Information and Communication Technology	234,952	(167,958)	66,994	251,498	(163,876)	87,622
Motor Vehicles	138,501	(110,118)	28,383	138,501	(104,729)	33,772
RTLB Assets	66,832	(16,337)	50,495	49,989	(8,137)	41,852
Leased Assets	147,859	(62,354)	85,505	145,941	(100,921)	45,020
Library Resources	129,344	(121,355)	7,989	129,344	(120,214)	9,130
Balance at 31 December	<u>2,502,719</u>	<u>(1,396,901)</u>	<u>1,105,818</u>	<u>2,190,716</u>	<u>(1,359,442)</u>	<u>831,274</u>

SCHOOL

2023	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Buildings	65,482	23,356	-	-	(2,076)	86,761
Building Improvements	83,756	-	-	-	(3,429)	80,327
Furniture and Equipment	464,639	64,818	(3,072)	-	(72,158)	454,227
Information and Communication Technology	87,622	20,059	(1,332)	-	(39,355)	66,995
Motor Vehicles	33,772	-	-	-	(5,390)	28,383
RTLB Assets	41,852	16,843	-	-	(8,201)	50,495
Leased Assets	45,020	82,606	(138)	-	(41,984)	85,504
Library Resources	9,130	-	-	-	(1,141)	7,989
Balance at 31 December 2023	<u>831,275</u>	<u>207,682</u>	<u>(4,542)</u>	<u>-</u>	<u>(173,734)</u>	<u>860,681</u>

SCHOOL

	2023 Cost or Valuation \$	2023 Accumulated Depreciation \$	2023 Net Book Value \$	2022 Cost or Valuation \$	2022 Accumulated Depreciation \$	2022 Net Book Value \$
Buildings	104,341	(17,580)	86,761	80,985	(15,504)	65,481
Building Improvements	124,659	(44,331)	80,327	124,659	(40,902)	83,757
Furniture and Equipment	1,300,435	(846,208)	454,227	1,269,799	(805,159)	464,640
Information and Communication Technology	234,952	(167,958)	66,994	251,498	(163,876)	87,622
Motor Vehicles	138,501	(110,118)	28,383	138,501	(104,729)	33,772
Textbooks	66,832	(16,337)	50,495	49,989	(8,137)	41,852
Leased Assets	147,859	(62,354)	85,505	145,941	(100,921)	45,020
Library Resources	129,344	(121,355)	7,989	129,344	(120,214)	9,130
Balance at 31 December	<u>2,246,924</u>	<u>(1,386,243)</u>	<u>860,681</u>	<u>2,190,716</u>	<u>(1,359,442)</u>	<u>831,274</u>



The net carrying value of furniture and equipment held under a finance lease is \$85,504 (2022: \$45,021)

Restrictions

With the exception of the contractual restrictions related to the above noted finance leases, 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.

13. Accounts Payable

	2023 Actual \$	School 2023 Budget (Unaudited) \$	2022 Actual \$	2023 Actual \$	Group 2023 Budget (Unaudited) \$	2022 Actual \$
Creditors	91,605	60,000	61,604	91,605	60,000	61,604
Employee Entitlements - Salaries	421,666	365,000	354,056	421,666	365,000	354,056
Employee Entitlements - Leave Accrual	23,309	25,000	22,795	23,309	25,000	22,795
	<u>536,580</u>	<u>450,000</u>	<u>438,455</u>	<u>536,580</u>	<u>450,000</u>	<u>438,455</u>
Payables for Exchange Transactions	536,580	450,000	438,455	536,580	450,000	438,455
	<u>536,580</u>	<u>450,000</u>	<u>438,455</u>	<u>536,580</u>	<u>450,000</u>	<u>438,455</u>

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2023 Actual \$	School 2023 Budget (Unaudited) \$	2022 Actual \$	2023 Actual \$	Group 2023 Budget (Unaudited) \$	2022 Actual \$
International Student Fees in Advance	26,087	-	-	26,087	-	-
Grants in Advance - RTLB	108,512	279,104	182,164	108,512	279,104	182,164
Other revenue in Advance	36,093	35,000	31,739	36,093	35,000	41,739
	<u>170,692</u>	<u>314,104</u>	<u>213,903</u>	<u>170,692</u>	<u>314,104</u>	<u>223,903</u>

15. Provision for Cyclical Maintenance

	2023 Actual \$	School and Group 2023 Budget (Unaudited) \$	2022 Actual \$
Provision at the Start of the Year	136,322	136,322	109,058
Increase to the Provision During the Year	32,857	30,000	27,264
Other Adjustments	(5,593)	-	-
Provision at the End of the Year	<u>163,586</u>	<u>166,322</u>	<u>136,322</u>
Cyclical Maintenance - Current	-	163,586	-
Cyclical Maintenance - Non current	163,586	-	136,322
	<u>163,586</u>	<u>163,586</u>	<u>136,322</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 painting quote and inflation adjustment included.

16. Painting Contract Liability

	2023 Actual \$	School 2023 Budget (Unaudited) \$	2022 Actual \$	2023 Actual \$	Group 2023 Budget (Unaudited) \$	2022 Actual \$
Due within one year	-	-	39,594	-	-	39,594
Due after one year	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>39,594</u>	<u>-</u>	<u>-</u>	<u>39,594</u>

In 2017, the School Board signed an agreement with Programme Maintenance Services Ltd (the contractor) for an agreed programme of work covering a seven year period. The programme provides for an interior and exterior repaint of the Ministry owned buildings in 2017, with regular maintenance in subsequent years. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid 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 Group has entered into a number of finance lease agreements for computers and other ICT equipment. Minimum lease payments payable:

	2023 Actual \$	School 2023 Budget (Unaudited) \$	2022 Actual \$	2023 Actual \$	Group 2023 Budget (Unaudited) \$	2022 Actual \$
No Later than One Year	38,613	40,000	41,110	38,613	40,000	41,110
Later than One Year and no Later than Five Years	61,983	60,000	19,422	61,983	60,000	19,422
Future Finance Charges	(10,806)	(10,000)	(4,235)	(10,806)	(10,000)	(4,235)
	89,790	90,000	56,297	89,790	90,000	56,297
Represented by						
Finance lease liability - Current	33,879	35,000	37,961	33,879	35,000	37,961
Finance lease liability - Non-current	55,910	55,000	18,336	55,910	55,000	18,336
	89,789	90,000	56,297	89,789	90,000	56,297

18. Funds held in Trust

	2023 Actual \$	School 2023 Budget (Unaudited) \$	2022 Actual \$	2023 Actual \$	Group 2023 Budget (Unaudited) \$	2022 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	25,200	-	-	25,200	-	-
Funds Held in Trust on Behalf of Third Parties - Non-current	-	-	-	-	-	-
	25,200	-	-	25,200	-	-

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

19. Funds Held for Capital Works Projects

During the year the School and Group 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 per note 8.

School and Group

	2023	Opening Balances \$	Receipts from MOE \$	Payments \$	Board Contribution \$	Closing Balances \$
Combined Block Refurbishment -Science	201646	117,173	-	(110,116)	-	7,057
5ya Replace Flooring/Wall Linings	237109	911	16,437	(17,348)	-	-
5ya Drainage	227142	11,957	-	(11,957)	-	-
5YA LED Lighting Upgrade	23990	-	60,023	(60,023)	-	-
Pavilion Upgrade	239931	-	14,000	(13,063)	-	937
Roofing Project	227141	-	56,875	(64,192)	-	(7,318)
Totals		130,041	147,335	(276,699)	-	677

Represented by:

Funds Held on Behalf of the Ministry of Education	7,994
Funds Receivable from the Ministry of Education	(7,318)

	2022	Opening Balances \$	Receipts from MOE \$	Payments \$	Board Contribution \$	Closing Balances \$
Combined Block Refurbishment -Science	201646	469,395	308,796	(661,018)	-	117,173
Plumbing Works	227143	2,538	-	(2,538)	-	-
5ya Replace Flooring/Wall Linings	237109	-	98,467	(97,556)	-	911
5ya Drainage	227142	-	11,957	-	-	11,957
Totals		471,933	419,219	(761,112)	-	130,041

Represented by:

Funds Held on Behalf of the Ministry of Education	130,041
Funds Receivable from the Ministry of Education	-

20. Related Party Transactions

The Group is a controlled entity of the Crown, and the Crown provides the major source of revenue to the Group. The Group 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 Group 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 Group would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

The Trust is a controlled entity of the School. During the year, the School donated \$100,000 to the Trust towards the development of the Paeroa College's turf court. Subsequently, in August 2024, the Trust donated to the School the turf court as stated in Note 28.



21. Remuneration

Key management personnel compensation (School)

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

	2023 Actual \$	2022 Actual \$
<i>Board Members</i> Remuneration	3,780	3,180
<i>Leadership Team</i> Remuneration Full-time equivalent members	561,936 4	527,447 4
Total key management personnel remuneration	565,716	530,627

There are 6 members of the Board excluding the Principal. The Board has held 10 full meetings of the Board in the year. The Board also has Finance (2 members) and Property (2 members) committees that meet monthly and quarterly respectively. 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:

	2023 Actual \$000	2022 Actual \$000
Salaries and Other Short-term Employee Benefits: Salary and Other Payments	170-180	160-170
Benefits and Other Emoluments	5-6	4-5
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2023 FTE Number	2022 FTE Number
100-110	18.00	6.00
110-120	4.00	2.00
120-130	4.00	2.00
	26.00	10.00

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:

School Total	2023 Actual	2022 Actual
Number of People	-	-

23. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2023 (Contingent liabilities and assets at 31 December 2022: nil).

Holidays Act Compliance – Schools Payroll

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

The Ministry continues to review the Schools Sector Payroll to ensure compliance with the Holidays Act 2003. An initial remediation payment has been made to some current school employees. The Ministry is continuing to perform detailed analysis to finalise calculations and the potential impacts of specific individuals. As such, this is expected to resolve the liability for school boards.

24. Commitments

(a) Capital Commitments

At 31 December 2023, the Board had no capital commitment. (2022:\$130,041)

Contract Name	Contract Amount	Spend To Date	Remaining
	\$	\$	\$
Pavillion Upgrade	14,000	13,063	937
Roofing Project	56,874	64,192	(7,318)
Total	70,874	77,255	(6,381)

(b) Operating Commitments

As at 31 December 2023 the School Board has entered into no Operating Contracts.



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

	2023 Actual \$	School 2023 Budget (Unaudited) \$	2022 Actual \$	2023 Actual \$	Group 2023 Budget (Unaudited) \$	2022 Actual \$
Cash and Cash Equivalents	647,946	455,384	604,270	649,877	455,384	624,034
Receivables	473,480	370,000	365,282	473,480	370,000	365,282
Investments - Term Deposits	363,645	431,373	299,561	363,645	431,373	299,561
Total financial assets measured at amortised cost	1,485,071	1,256,757	1,269,113	1,487,002	1,256,757	1,288,877

Financial liabilities measured at amortised cost

Payables	536,580	450,000	438,455	536,580	450,000	438,455
Finance Leases	89,790	90,000	56,297	89,790	90,000	56,297
Painting Contract Liability	-	-	39,594	-	-	39,594
Total financial liabilities measured at amortised cost	626,369	540,000	534,346	626,369	540,000	534,346

26. Events After Balance Date

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

27. Investment in Subsidiaries

Details of the Group's material subsidiaries at the end of the reporting period are as follows.

Name of Subsidiary	Principal Activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group		Value of investment \$000	
			2023	2022	2023	2022
Paeroa College Charitable Trust	Raising Funds	Paeroa, New Zealand	100%	100%	-	-

All subsidiaries have 31 December balance dates, are 100% owned by the School, and are incorporated and domiciled in New Zealand.

The School controls the Trust for financial reporting purposes because, in substance, the school predetermined the objectives of the Trust at establishment and benefits from the Trust's complementary activities.

The Trust is a registered charity. Under its Deed, the trust is prohibited to carry any business for the private pecuniary profit of any individual.

28. Beneficial Ownership of the Turf Court

The Trust was granted approval by the Ministry of Education on 16 September 2022 to proceed with the development of turf court area in Paeroa College. The School is using the turf court and responsible for its maintenance cost. On 26 August 2024, the Trust donated the turf court to the School, this explicitly acknowledges that the ownership of the turf court has been transferred to the School subsequently.

29. Comparatives

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

30. Breached on 31 May Deadline

The Board of Trustees were unable to comply with section 137 of the Education and Training Act in that it did not submit its audited annual financial statements to the Ministry of Education by 31 May 2024.



Paeroa College
 For the year ended 31 December 2023
 Appendix 1

Adjusted Errors:

1. To correct the classification of term deposit 017.

Code	Name	Group	Debit	Credit
	Short-term Bank Deposits	assets	-	13,139.00
	Investments - between 3 months & 1 year	assets	13,139.00	-
			13,139.00	13,139.00

2. To correct the classification of Other Salaries.

Code	Name	Group	Debit	Credit
	Teachers salaries grant	income	101,762.00	-
	Government Grants - MOE	income	-	101,762.00
			101,762.00	101,762.00

3. To disclose separately the school lunch expenses as the amount is significant.

Code	Name	Group	Debit	Credit
	Healthy School Lunches	expenses	264,038.00	-
	Other	expenses	-	264,038.00
			264,038.00	264,038.00

4. To correct the cyclical maintenance provision based on Marshall Coatings painting assessment.

Code	Name	Group	Debit	Credit
	Cyclical maintenance provision - current	liabilities/ equity	163,586.00	-
	Cyclical maintenance provision - noncurrent	liabilities/ equity	-	163,586.00
			163,586.00	163,586.00

5. To correct the RTLB grant in advance.

Code	Name	Group	Debit	Credit
	RTLB Grant	income	-	73,644.00
	Grants in advance - RTLB	liabilities/ equity	73,644.00	-

73,644.00 73,644.00

6. To correct the RTLB grant (RTLB Teachers' salaries).

Code	Name	Group	Debit	Credit
	RTLB Grant	income	-	189,810.00
	RTLB	expenses	189,810.00	-
			189,810.00	189,810.00

7. To correct the presentation of RTLB Teachers' Salaries.

Code	Name	Group	Debit	Credit
	Teachers salaries grant	income	1,660,624.00	-
	Employee benefits salaries - LR	expenses	-	1,660,624.00
			1,660,624.00	1,660,624.00

8. To account for the Non teacher support PE and CA funding wash up received in July 2024.

Code	Name	Group	Debit	Credit
	Government Grants - MOE	income	-	37,906.00
	GST Receivable	liabilities/ equity	-	5,686.00
	Receivables from MOE	assets	43,592.00	-
			43,592.00	43,592.00

INDEPENDENT AUDITOR'S REPORT

**TO THE READERS OF PAEROA COLLEGE'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

The Auditor-General is the auditor of Paeroa College and its controlled entity (collectively referred to as "the Group"). 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 Group on his behalf.

Opinion

We have audited the consolidated financial statements of the Group on pages 2 to 19, that comprise the statement of financial position as at 31 December 2023, 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 Group:

- present fairly, in all material respects:
 - its financial position as at 31 December 2023; 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 4 December 2024. 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 consolidated 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 consolidated financial statements

The Board is responsible on behalf of the Group for preparing consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board is responsible on behalf of the Group for assessing the Group'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 Group, or there is no realistic alternative but to do so.

The Board's responsibilities arise from section 134 of the Education and Training Act 2020.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the Group'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 Group'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 Group'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 Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the consolidated financial statements of the entities or business activities within the group to express an opinion on the

consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

- We assess the risk of material misstatement arising from the EdPay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board 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, statement of Compliance with Employment Policy, Evaluation of the school's students' progress and achievement, Report on how the school has given effect to Te Tiriti o Waitangi, cover page and index page, but does not include the consolidated financial statements, and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the consolidated 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 Group 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 (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

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



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