

# Royal Road School

## ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

### School Directory

<b>Ministry Number:</b>	1476
<b>Principal:</b>	Wayne Leighton
<b>School Address:</b>	112 Royal Road, Massey Auckland
<b>School Postal Address:</b>	112 Royal Road, Massey Auckland 0614
<b>School Phone:</b>	09 2337675
<b>School Email:</b>	principal@royalroad.school.nz
<b>Accountant / Service Provider:</b>	Canterbury Education Services (CES)

# ROYAL ROAD SCHOOL

Annual Report - For the year ended 31 December 2022

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# Royal Road School

## Statement of Responsibility

For the year ended 31 December 2022

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

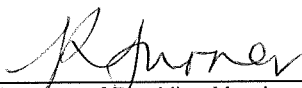
The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

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

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

KATHERINE ANNE TURNER

Full Name of Presiding Member



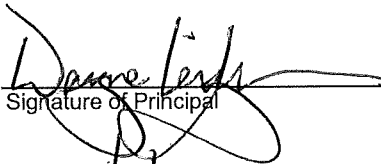
Signature of Presiding Member

31/5/23

Date:

Wayne Gordon Leighton

Full Name of Principal



Signature of Principal

31/5/23

Date:

# Royal Road School

## Members of the Board of Trustees

For the year ended 31 December 2022

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Term Expires</b>
Katie Turner	Chairperson	Elected Aug 2022	2025
Wayne Leighton	Principal	Ex officio	
Louise Hill	Parent Representative	Elected Aug 2022	June 2025
Helen Mowat	Staff Representative	Elected	
Taniora Tauariki	Parent Representative	Elected Aug 2022	2025
Raenada Nicholas	Parent Representative	Elected Aug 2022	2025
Renee Dew	Parent Representative	Elected Aug 2022	2025

# Royal Road School

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Revenue</b>				
Government Grants	2	3,498,453	3,075,042	3,438,860
Locally Raised Funds	3	73,965	51,800	71,978
Interest Income		13,594	5,000	4,989
<b>Total Revenue</b>		<b>3,586,012</b>	<b>3,131,842</b>	<b>3,515,827</b>
<b>Expenses</b>				
Locally Raised Funds	3	13,557	28,000	19,296
Learning Resources	4	2,104,332	2,003,264	2,092,192
Administration	5	491,599	183,627	388,646
Finance		815	1,981	1,382
Property	6	947,950	972,276	984,182
		<b>3,558,253</b>	<b>3,189,148</b>	<b>3,485,698</b>
<b>Net Surplus / (Deficit) for the year</b>		<b>27,759</b>	<b>(57,306)</b>	<b>30,129</b>
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b>27,759</b>	<b>(57,306)</b>	<b>30,129</b>

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

# Royal Road School

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Equity at 1 January</b>		949,534	949,534	909,927
Total comprehensive revenue and expense for the year		27,759	(57,306)	30,129
Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	9,478
<b>Equity at 31 December</b>		977,293	892,228	949,534
Accumulated comprehensive revenue and expense		977,293	892,228	949,534
<b>Equity at 31 December</b>		977,293	892,228	949,534

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.

# Royal Road School

## Statement of Financial Position

As at 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	7	503,572	291,105	415,514
Accounts Receivable	8	139,213	127,595	127,595
GST Receivable		7,342	-	-
Prepayments		10,798	10,100	10,100
Inventories	9	874	1,188	1,188
Investments	10	480,204	476,555	476,555
Funds Receivable for Capital Works Projects	16	8,728	-	8,728
		<u>1,150,731</u>	<u>906,543</u>	<u>1,039,680</u>
<b>Current Liabilities</b>				
GST Payable		-	117	117
Accounts Payable	12	177,249	154,539	150,291
Revenue Received in Advance	13	348	-	4,248
Provision for Cyclical Maintenance	14	60,000	79,658	79,658
Finance Lease Liability	15	3,131	-	8,135
Funds held for Capital Works Projects	16	222,205	-	183,343
		<u>462,933</u>	<u>234,314</u>	<u>425,792</u>
<b>Working Capital Surplus</b>		687,798	672,229	613,888
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	389,307	323,383	423,383
		<u>389,307</u>	<u>323,383</u>	<u>423,383</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	14	98,408	98,848	83,201
Finance Lease Liability	15	1,404	4,536	4,536
		<u>99,812</u>	<u>103,384</u>	<u>87,737</u>
<b>Net Assets</b>		<u>977,293</u>	<u>892,228</u>	<u>949,534</u>
<b>Equity</b>		<u>977,293</u>	<u>892,228</u>	<u>949,534</u>

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

# Royal Road School

## Statement of Cash Flows

For the year ended 31 December 2022

	Note	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		1,129,063	801,635	1,054,120
Locally Raised Funds		74,325	51,812	75,049
Goods and Services Tax (net)		(7,459)	-	27,732
Payments to Employees		(493,893)	(456,578)	(419,840)
Payments to Suppliers		(602,531)	(341,187)	(620,480)
Interest Paid		(815)	(1,981)	(1,382)
Interest Received		10,602	4,640	4,792
Net cash from Operating Activities		109,292	58,341	119,991
<b>Cash flows from Investing Activities</b>				
Purchase of Property Plant & Equipment		(48,311)	(52,342)	(103,117)
Purchase of Investments		(3,649)	-	(2,362)
Net cash to Investing Activities		(51,960)	(52,342)	(105,479)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		-	-	9,478
Finance Lease Payments		(8,136)	44,207	(8,841)
Funds Administered on Behalf of Third Parties		38,862	(174,615)	177,624
Net cash from/(to) Financing Activities		30,726	(130,408)	178,261
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>88,058</b>	<b>(124,409)</b>	<b>192,773</b>
Cash and cash equivalents at the beginning of the year	7	415,514	415,514	222,741
<b>Cash and cash equivalents at the end of the year</b>	<b>7</b>	<b>503,572</b>	<b>291,105</b>	<b>415,514</b>

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

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



# Royal Road School

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

Royal Road 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 is of the view that the School is a public benefit entity for financial reporting purposes.

##### b) Basis of Preparation

###### *Reporting Period*

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

###### *Basis of Preparation*

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

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

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

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

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

###### *Measurement Base*

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

###### *Presentation Currency*

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

###### *Specific Accounting Policies*

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

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

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

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

###### *Cyclical maintenance*

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

#### **Recognition of grants**

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

### **c) Revenue Recognition**

#### **Government Grants**

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

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

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

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

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

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

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

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

#### **Donations, Gifts and Bequests**

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

#### **Interest Revenue**

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

### **d) 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.

### **e) 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.

### **f) 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.

**g) 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.

**h) 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.

**i) 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.

**j) Property, Plant and Equipment**

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

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

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

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

**Finance Leases**

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

**Depreciation**

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

The estimated useful lives of the assets are:

Building improvements	20 years
Board owned buildings	20 years
Furniture and equipment	10 years
Information and communication technology	5 years
Leased assets held under a finance lease	Term of Lease
Library resources	12.5% Diminishing value

**k) Impairment of property, plant, and equipment**

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

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

In determining fair value less costs to sell the school engages an independent valuer to assess market value based on the best available information. The valuation is based on comparison to recent market transactions.

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

The reversal of an impairment loss is recognised in the surplus or deficit. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognised.

**l) Accounts Payable**

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

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

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

**n) Revenue Received in Advance**

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

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

**o) Funds held for Capital works**

The school directly receives funding from the Ministry of Education for capital works projects that are included in the School five year capital works agreement. These funds are held on behalf and for a specified purpose as such these transactions are not recorded in the Statement of Revenue and Expense.

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

**p) Provision for Cyclical Maintenance**

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

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

The School carries out painting maintenance of the whole school over a 7 to 15 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.

**q) Financial Instruments**

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

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

**r) 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.

**s) Budget Figures**

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

**u) Services received in-kind**

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

## 2. Government Grants

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Government Grants - Ministry of Education	1,132,963	805,535	1,099,007
Teachers' Salaries Grants	1,662,754	1,493,323	1,689,622
Use of Land and Buildings Grants	702,736	776,184	649,219
Other Government Grants	-	-	1,012
	<u>3,498,453</u>	<u>3,075,042</u>	<u>3,438,860</u>

The School has opted in to the donations scheme for this year. Total amount received was \$47,700.

## 3. Locally Raised Funds

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Revenue</b>			
Donations & Bequests	28,437	500	602
Fees for Extra Curricular Activities	30,800	30,800	30,519
Trading	12,471	15,500	12,476
Other Revenue	2,257	5,000	28,381
	<u>73,965</u>	<u>51,800</u>	<u>71,978</u>
<b>Expenses</b>			
Extra Curricular Activities Costs	4,035	17,000	10,738
Trading	9,522	11,000	8,558
	<u>13,557</u>	<u>28,000</u>	<u>19,296</u>
<i>Surplus for the year Locally raised funds</i>	<u>60,408</u>	<u>23,800</u>	<u>52,682</u>

## 4. Learning Resources

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Curricular	42,133	59,070	36,920
Information and Communication Technology	7,482	10,000	2,950
Library Resources	4,119	4,500	3,429
Employee Benefits - Salaries	1,957,347	1,813,329	1,941,877
Staff Development	10,864	16,365	10,383
Depreciation	82,387	100,000	96,633
	<u>2,104,332</u>	<u>2,003,264</u>	<u>2,092,192</u>

## 5. Administration

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Audit Fee	8,565	7,820	7,447
Board Fees	2,502	4,500	2,841
Board Expenses	5,053	5,600	4,131
Communication	3,704	4,500	2,950
Consumables	1,832	3,000	4,411
Operating Lease	232	-	170
Other	32,678	47,880	23,083
Healthy Lunch Expense	262,444	-	216,888
Employee Benefits - Salaries	153,687	89,127	107,580
Insurance	7,776	8,000	7,516
Service Providers, Contractors and Consultancy	13,126	13,200	11,629
	<u>491,599</u>	<u>183,627</u>	<u>388,646</u>

## 6. Property

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Caretaking and Cleaning Consumables	61,848	61,000	57,483
Cyclical Maintenance Provision	50,455	15,647	143,886
Grounds	6,065	10,300	9,624
Heat, Light and Water	19,154	18,500	19,932
Rates	122	200	62
Repairs and Maintenance	48,323	38,000	52,455
Use of Land and Buildings	702,736	776,184	649,219
Security	7,482	5,000	4,107
Employee Benefits - Salaries	51,765	47,445	47,414
	<u>947,950</u>	<u>972,276</u>	<u>984,182</u>

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

## 7. Cash and Cash Equivalents

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Bank Accounts	503,572	291,105	415,514
Cash and cash equivalents for Statement of Cash Flows	<u>503,572</u>	<u>291,105</u>	<u>415,514</u>

Of the \$503,572 Cash and Cash Equivalents, \$222,205 is held by the School on behalf of the Ministry of Education. These funds have been provided by the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2023 on Crown owned school buildings.

## 8. Accounts Receivable

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Receivables	-	-	360
Interest Receivable	4,281	1,649	1,289
Teacher Salaries Grant Receivable	134,932	125,946	125,946
	<u>139,213</u>	<u>127,595</u>	<u>127,595</u>
Receivables from Exchange Transactions	4,281	1,649	1,649
Receivables from Non-Exchange Transactions	134,932	125,946	125,946
	<u>139,213</u>	<u>127,595</u>	<u>127,595</u>

## 9. Inventories

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Stationery	574	1,188	1,188
School Uniforms	300	-	-
	<u>874</u>	<u>1,188</u>	<u>1,188</u>

## 10. Investments

The School's investment activities are classified as follows:

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	480,204	476,555	476,555
	<u>480,204</u>	<u>476,555</u>	<u>476,555</u>
Total Investments			

## 11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2022	\$	\$	\$	\$	\$	\$
Building Improvements	117,212	6,981	-	-	(12,235)	111,958
Furniture and Equipment	199,275	8,473	-	-	(31,027)	176,721
Information and Communication Technology	78,595	30,000	-	-	(29,160)	79,435
Leased Assets	13,038	-	-	-	(7,700)	5,338
Library Resources	15,263	18,121	(15,264)	-	(2,265)	15,855
<b>Balance at 31 December 2022</b>	<u>423,383</u>	<u>63,575</u>	<u>(15,264)</u>	<u>-</u>	<u>(82,387)</u>	<u>389,307</u>

The net carrying value of equipment held under a finance lease is \$5,338 (2021: \$13,038)



*Restrictions*

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

	2022	2022	2022	2021	2021	2021
	Cost or	Accumulated	Net Book	Cost or	Accumulated	Net Book
	Valuation	Depreciation	Value	Valuation	Depreciation	Value
	\$	\$	\$	\$	\$	\$
Building Improvements	544,251	(432,293)	111,958	537,271	(420,059)	117,212
Furniture and Equipment	523,809	(347,088)	176,721	515,336	(316,061)	199,275
Information and Communication Technology	236,703	(157,268)	79,435	210,783	(132,188)	78,595
Leased Assets	52,342	(47,004)	5,338	52,342	(39,304)	13,038
Library Resources	39,577	(23,722)	15,855	39,054	(23,791)	15,263
<b>Balance at 31 December</b>	<b>1,396,682</b>	<b>(1,007,375)</b>	<b>389,307</b>	<b>1,354,786</b>	<b>(931,403)</b>	<b>423,383</b>

**12. Accounts Payable**

	2022	2022	2021
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Creditors	19,649	14,316	10,068
Accruals	7,820	5,581	5,581
Employee Entitlements - Salaries	134,932	125,946	125,946
Employee Entitlements - Leave Accrual	14,848	8,696	8,696
	<u>177,249</u>	<u>154,539</u>	<u>150,291</u>
Payables for Exchange Transactions	177,249	154,539	150,291
	<u>177,249</u>	<u>154,539</u>	<u>150,291</u>

The carrying value of payables approximates their fair value.

**13. Revenue Received in Advance**

	2022	2022	2021
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Grants in Advance - Ministry of Education	-	-	3,900
Other revenue in Advance	348	-	348
	<u>348</u>	<u>-</u>	<u>4,248</u>

#### 14. Provision for Cyclical Maintenance

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Provision at the Start of the Year	162,859	162,859	18,973
Increase to the Provision During the Year	34,867	15,647	143,886
Use of the Provision During the Year	(54,906)	-	-
Other Adjustments	15,588	-	-
Provision at the End of the Year	<u>158,408</u>	<u>178,506</u>	<u>162,859</u>
Cyclical Maintenance - Current	60,000	79,658	79,658
Cyclical Maintenance - Non current	98,408	98,848	83,201
	<u>158,408</u>	<u>178,506</u>	<u>162,859</u>

Per the cyclical maintenance schedule the school is next expected to undertake painting works during 2023. This plan is based on the schools 10 Year Property plan.

#### 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:

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
No Later than One Year	3,383	3,500	8,931
Later than One Year and no Later than Five Years	1,467	1,351	4,850
Future Finance Charges	(315)	(315)	(1,110)
	<u>4,535</u>	<u>4,536</u>	<u>12,671</u>
<b>Represented by</b>			
Finance lease liability - Current	3,131	-	8,135
Finance lease liability - Non current	1,404	4,536	4,536
	<u>4,535</u>	<u>4,536</u>	<u>12,671</u>

#### 16. Funds Held for Capital Works Projects

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

2022	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
5YA Project - Hall Re-Piling	(8,728)	-	-	-	(8,728)
SIP - Shades	183,343	-	-	-	183,343
1,2 Teaching Space & Toilet Block (project 233559)	-	38,862	-	-	38,862
Totals	<u>174,615</u>	<u>38,862</u>	<u>-</u>	<u>-</u>	<u>213,477</u>

**Represented by:**

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

222,205  
 (8,728)

2021	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
5YA Project - Hall Re-Piling	(8,728)	-	-	-	(8,728)
SIP - Shades	(508)	189,605	(5,754)	-	183,343
Block 6 Rooms 7-10	82	-	-	(82)	-
Heating Upgrade	7,416	3,467	(8,153)	(2,730)	-
New LSC Office Build	(1,271)	-	-	1,271	-
Totals	<u>(3,009)</u>	<u>193,072</u>	<u>(13,907)</u>	<u>(1,541)</u>	<u>174,615</u>

**Represented by:**

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

183,343  
 (8,728)

**17. 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.

**18. Remuneration***Key management personnel compensation*

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

	2022 Actual \$	2021 Actual \$
<i>Board Members</i>		
Remuneration	2,502	2,841
<i>Leadership Team</i>		
Remuneration	264,848	261,086
Full-time equivalent members	2	2
Total key management personnel remuneration	<u>267,350</u>	<u>263,927</u>

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

*Principal*

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

	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$000</b>	<b>\$000</b>
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	150-160	150-160
Benefits and Other Emoluments	-	-
Termination Benefits	-	-

*Other Employees*

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

<b>Remuneration</b>	<b>2022</b>	<b>2021</b>
<b>\$000</b>	<b>FTE Number</b>	<b>FTE Number</b>
100-110	2	1
	<hr/>	<hr/>
	2	1
	<hr/>	<hr/>

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

**19. 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:

	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Actual</b>
Total	-	-
Number of People	-	-

**20. Contingencies**

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

**Holidays Act Compliance – schools payroll**

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

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

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

## 21. Commitments

### (a) Capital Commitments

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

(a) Hall re-piling project on behalf of the Ministry of Education. A balance of \$8,728 was paid in 2020. No further work has been done since then.

(b) SIP project to erect shade sails on behalf of the Ministry of Education. The project is budgeted to cost \$213,516. To date \$189,605 has been received with a total of \$6,262 paid for this project; and

(c) Project for teaching space and toilet block (Blocks 1 & 2) as agent for the Ministry of Education. Funds of \$38,862 were received from the Ministry. The project is expected to cost \$388,610.

(Capital commitments at 31 December 2021: \$183,343)

## 22. 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

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Cash and Cash Equivalents	503,572	291,105	415,514
Receivables	139,213	127,595	127,595
Investments - Term Deposits	480,204	476,555	476,555
Total Financial assets measured at amortised cost	<u>1,122,989</u>	<u>895,255</u>	<u>1,019,664</u>

### Financial liabilities measured at amortised cost

Payables	177,249	154,539	150,291
Finance Leases	4,535	4,536	12,671
Total Financial Liabilities Measured at Amortised Cost	<u>181,784</u>	<u>159,075</u>	<u>162,962</u>

## 23. Events After Balance Date

Subsequent events - extreme weather events

During February 2023 the North Island of New Zealand was struck by several extreme weather events which resulted in widespread flooding, road closures, slips, and prolonged power and water outages for many communities in the Northland, Auckland, Coromandel, Bay of Plenty, Gisborne, and Hawkes Bay/Tairāwhiti regions.

While many schools were able to reopen soon after the extreme weather events, some schools have remained closed for a prolonged period.

The damage caused by extreme weather events in the Auckland *region* and the full financial impact has not yet been determined, but it is not expected to be significant to the school. The school continued to receive funding from the Ministry of Education, even while closed.

## 24. Comparatives

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



## Royal Road School Variance Report 2022

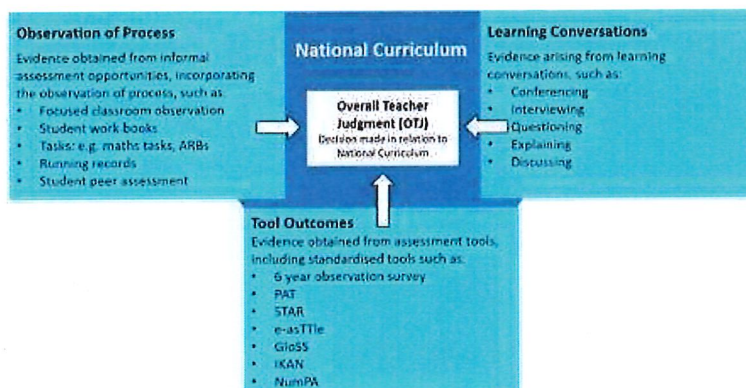
Because of COVID lockdowns it was not possible to measure school progress against the 2021 targets in Reading, Writing and Maths in a meaningful way. Because of this the decision was made to leave these targets largely the same for 2022. The impact of COVID cannot be denied but we felt it was still important to measure the progress of students against these targets that were set before the lock downs.

The school had concerns about the impact that COVID, lockdowns and non-attendance had on student learning. The decision was made to track the progress of all students who were identified as achieving 'well below' or 'below' their chronological age Reading, Writing and Maths. This document was shared with all staff, and with the Board of Trustees with student names removed.

### Overall Teacher Judgements

Teachers use OTJ's to judge a child's progress at the end of the year. Below is an explanation.

An overall teacher judgement (OTJ) involves drawing on and applying the evidence gathered up to a particular point in time, in order to make an overall judgement about a student's progress and achievement.



No single source of information can accurately summarise a student's achievement or progress. A range of approaches is necessary in order to compile a comprehensive picture of the areas of progress, areas requiring attention, and what a student's unique progress looks like. Using a range of approaches also allows the student to participate throughout the assessment process, building their assessment capability. Because of this, to assess a student in relation to National Curriculum levels, teachers need to bring together a range of evidence in order to form an overall teacher judgement.

Overall teacher judgments of achievement and progress involve combining information from a variety of sources, using a range of approaches. Evidence may be gathered in the following three ways:

- **Observing** the process a student uses to complete a learning task.
- **Conversing** with the student to find out what they know, understand and can do.
- **Gathering** results from formal assessments, including standardised tools.

This gathering of information from a range of sources increases the dependability of the OTJ. The diagram above explains in more detail.

## 2022 Targets

### Writing

*By the end of 2022 we want 75% of all students writing at or above their age appropriate level. This will be an increase of 3% from 2020.*

72% of all students achieved this target in 2022. This is the same as 72% that achieved this in 2020.

*By the end of 2022 we want 70% of boys writing at or above their age appropriate level. This will be an increase of 4% from 2020.*

63% of all boys achieved this target in 2022. This is 3% lower than the 66% that achieved this in 2020.

*By the end of 2022 we want 70% of Pacific students writing at or above their age appropriate level. This will be an increase of 6% from 2020.*

62% of Pacific students achieved this target in 2022. This is 2% lower than the 64% that achieved this in 2020.

*By the end of 2022 we want 75% Maori students to be writing at or above their age level. This will be an increase of 5% from 2020.*

67% of Maori students achieved this target in 2022. This is 3% lower than the 70% that achieved this in 2020.

*By the end of 2022 we want 70% of year 8 students writing at or above their age level. This will be an increase of 9%.*

70% of year 8 students achieved this target in 2022. This was an increase of 9%.

### Comment

While it is important to have high expectations and high standards I think it is important to acknowledge the work students, staff and Whanau have put in to see only small drops from 2020 considering the impact of COVID on two years of learning.

### Reading

*By the end of 2022 we want 75% of all students reading at or above their age appropriate level. This will be an increase of 6% from 2020.*

71% of students achieved this target in 2022. This is 2% higher than the 69% that achieved this in 2020.

*By the end of 2022 we want 70% of boys reading at or above their age appropriate level. This will be an increase of 4% in 2020.*

64% of boys achieved this target in 2022. This is 2% lower than the 66% that achieved this in 2020.

*By the end of 2022 we want 70% of Pacific students reading at or above their age appropriate level. This will be an increase of 6% from 2020.*

63% of Pacific students achieved this target in 2022. This is 1% lower than the 64% that achieved this in 2020.

*By the end of 2022 we want 75% of Maori students reading at or above appropriate age level. This will be an increase of 6% from 2020.*

70% of Maori students achieved this target in 2022. This is an increase of 2% from the 68% that achieved this in 2020.

### Comment

Again it is a credit to the students, teachers and parents of the school that the 2022 results in Reading are comparable to the results in 2020.

### **Maths**

*By the end of 2022 we want 75% of all students achieving within or above an age appropriate level in maths. This will be an increase of 7%.*

70% of all students achieved this in 2022. This is an increase of 2% from the 68% who achieved this in 2020.

*By the end of 2022 we want 70% of girls to be achieving within or above their age appropriate level in maths. This will be an increase of 6% from 2020.*

67% of girls achieved this in 2022. This is an increase of 3% from the 64% that achieved this in 2020.

*By the end of 2022 we want 60% of Pacific students to be achieving within or above their age appropriate level in maths. This will be an increase of 7%.*

54% of Pacific students achieved this in 2022. This is an increase of 1% from the 53% that achieved this in 2020.

### **Comment**

Once more it is a credit to the school and its community that the Maths results in 2022 are comparable to the results in 2020.

**Tracking of progress of children in 2022 that were identified as achieving below or well below at the start of the year.**

### **Reading**

81 children were identified as Reading 'below' and some 'well below' their chronological age in 2022.

38 out of the 81 children achieved 'at' by the end of the year.

Here is a breakdown of the progress that the children made over the 2022 year;

- 1 child moved 3.5 years in their Reading age.
- 9 children moved 3.0 years in their Reading age.
- 4 children moved 2.5 years in their Reading age.
- 15 children moved 2.0 years in their Reading age.
- 16 children moved 1.5 years in their Reading age.
- 19 children moved 1.0 year in their Reading age.
- 16 children moved less than 1.0 year in their Reading age.
- 1 child shifted to another school.

It should be celebrated that 65 of the 81 children identified as achieving below or well below in reading met or exceeded expected progress over the year.

It could be that some of the progress in 2022 was particularly exaggerated because of prior disrupted learning caused by COVID. Students, Teachers and family have made the most of being able to attend regularly and the impact that it has on learning.

Teachers provide robust Reading sessions in class. They inquire into their practice and into the learning needs of their students.

Teachers demonstrate a love of books and Reading. They read to their class daily at all levels.

Royal Road School has an inviting library space matched by a quality collection of books that is maintained and grown. Children visit their library with their class. It is also open during breaks for a range of activities. The annual book week is a popular school tradition.

Royal Road School has now been part of Duffy books since 2022. The books from the programme have been well received by students and parents. More books are in homes and the home collections will continue to grow.

16 children made less than 1-year progress in Reading in 2022.

It is a concern that 16 children made less than one year of progress.

Some of these children are already identified as having learning needs which are supported through programmes.

We will consider the factors that may be contributing to the lack of progress of each child and where appropriate we will meet with Parents to discuss ways we can work together with them to maximise progress in 2023.



### Writing

77 children were identified as Writing 'below' and some 'well below' their chronological age in 2022.

39 out of the 77 children achieved 'at' by the end of the year.

31 children achieved accelerated progress in writing.

23 children achieved expected progress in writing.

23 children achieved less than expected progress in writing.

It should be celebrated that 54 of the 77 children identified as achieving below or well below in writing met or exceeded expected progress over the year.

It could be that some of the progress in 2022 was particularly exaggerated because of prior disrupted learning caused by COVID. Students, Teachers and family have made the most of being able to attend regularly and the impact that it has on learning.

Writing remains complex. It is critical that children are given daily opportunities to write in a number of contexts and formats. Teachers inquire into their practice and into the learning needs of their students. The school provides ongoing internal professional development in writing and is considering external PD for writing in 2024.

It is a concern that 23 children achieved less than expected progress in writing.

Some of these children are already identified as having learning needs which are supported through programmes.

We will consider the factors that may be contributing to the lack of progress of each child and where appropriate we will meet with Parents to discuss ways we can work together with them to maximise progress in 2023.

### Maths

82 children were identified as achieving 'below' and some 'well below' their chronological age in Maths in 2022.

40 out of the 82 children achieved 'at' by the end of the year.

49 children achieved accelerated progress in maths.

24 children achieved expected progress in maths.

8 children achieved less than expected progress in maths.

It should be celebrated that 73 of the 82 children identified as achieving below or well below in Maths met or exceeded expected progress over the year.

It could be that some of the progress in 2022 was particularly exaggerated because of prior disrupted learning caused by COVID. Students, Teachers and family have made the most of being able to attend regularly and the impact that it has on learning.

The school continues with internal PD in Maths. The DP and Lead maths teacher observing class maths lessons and providing feedback. The school had two teachers participate in Just in Time Maths PD in 2022. They are taking teachers through PD. Each year staff are given the opportunity to attend the PMA one maths workshops on a Saturday. Attendees are given the opportunity to share new learning with staff.

### Targets 2023

It is proposed that the school targets in 2023 focus on all students that are identified as achieving well below and below in Reading, Writing and Maths.

#### **There will be three aims;**

That children identified as achieving 'well below' or 'below' in Reading, Writing and Maths achieve 'at' by the end of 2023.

That children identified as achieving 'well below' or 'below' in Reading, Writing and Maths achieve accelerated progress in 2023.

That the children who were identified as achieving 'well below' and 'below' in Reading, Writing and Maths and achieved 'at' by the end of 2022 maintain this progress.

### How do we plan to achieve this?

#### **Inquiry into practice**

Target students are discussed at most syndicate meetings. Minutes of meetings are made and shared with the Principal weekly.

The Principal will sit in on at least two syndicate meetings a term, for each of the three syndicates, and observe the quality of the learning conversations and inquiry into practice regarding target students taking place.

Teachers will highlight the names of their target students in their planning over the year.

Ongoing literacy review and development and sharing of writing focus document.

#### **Professional Development**

Internal professional development will be carried out in maths.

The Principal and Deputy Principal will observe and give feedback to staff in Reading and Writing.

Plan for *Writers Toolbox* PD for 2024.

TOP course - two teachers.

#### **Review**

Literacy

Maths

RRS Curriculum document implementation

#### **NPDL**

This continues to be the main focus in 2023. The focus in 2023 is use of the 7C's including 'Culture' developed by Royal Road School.

The school will build to take part in national NPDL moderations this year.

Develop a visual model for student inquiry.

Connect the school website to the local curriculum.

Further engage parents and the community with NPDL.

#### **Tracking 'at'**

The Deputy Principal will track those children who were identified as achieving 'well below' and 'below' in 2022 and achieved 'at'. We want to make sure that these children maintain this progress in 2023.

#### **Focus on those that did not achieve one-year progress in Reading, Writing and Maths**

16 children in Reading, 23 children in Writing, and 8 in Maths were identified as making less than one year's progress.

Some of these children are already identified as having learning needs which are supported through programmes.

We will consider the factors that may be contributing to the lack of progress of each child and where appropriate we will meet with Parents to discuss ways we can work together with them to maximise progress in 2023.

Wayne Leighton  
Principal



# Royal Road School

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Auckland  
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March 2023

## Kiwisport Funding

Kiwisport is a Government funding initiative to support students' participation in organized sport. In 2022 the school received a total Kiwisport funding of \$4,820.00 (inclusive GST)

The funding was spent on the following:

Inner Fit	\$2,415.00
Repairs & Maintenance on school bikes	\$3,435.00

Kind regards,

Wayne Leighton

Principal

## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF ROYAL ROAD SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The Auditor-General is the auditor of Royal Road School (the School). The Auditor-General has appointed me, Junita Sen, using the staff and resources of BDO Auckland, 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 19, that comprise the statement of financial position as at 31 December 2022, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
  - its financial position as at 31 December 2022; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector - Public Benefit Entity Standards, Reduced Disclosure Regime as applicable to entities that qualify as Tier 2.

Our audit was completed on 31 May 2023. This is the date at which our opinion is expressed.

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

#### Basis for our opinion

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

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

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

#### Responsibilities of the Board for the financial statements

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

The Board 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 information included on pages 20 to 25 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.



Junita Sen  
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On behalf of the Auditor-General  
Auckland, New Zealand