

KAPANUI SCHOOL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



School Address:	23 Rimu Road, Waikanae, 5036
School Postal Address:	23 Rimu Road, Waikanae, 5036
School Phone:	(04) 902-5015
School Email:	admin@kapanui.school.nz
Ministry Number:	2871
Accounting Provider:	Accounting for Schools Limited

KAPANUI SCHOOL

Financial Statements - For the year ended 31 December 2019

Index

Page	Statement
1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expense
3	Statement of Changes in Net Assets/Equity
4	Statement of Financial Position
5	Statement of Cash Flows
6 - 11	Statement of Accounting Policies
12 - 20	Notes to the Financial Statements

Other Information

21	Members of the Board of Trustees
22	Kiwisport Statement
23 - 25	Independent Auditors Report

KAPANUI SCHOOL

Statement of Responsibility

For the year ended 31 December 2019

The Board of Trustees 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 2019 fairly reflects the financial position and operations of the school.

The School's 2019 financial statements are authorised for issue by the Board.

Ben Addington

Full Name of Board Chairperson

[Signature]

Signature of Board Chairperson

27/5/20

Date:

CRASH VEDULICH

Full Name of Principal

[Signature]

Signature of Principal

27/5/20

Date:

KAPANUI SCHOOL

Statement of Comprehensive Revenue and Expense For the year ended 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	3,960,146	3,761,430	3,839,928
Locally Raised Funds	3	163,122	141,000	92,833
Interest Earned		13,816	9,000	16,916
		<u>4,137,084</u>	<u>3,911,430</u>	<u>3,949,677</u>
Expenses				
Locally Raised Funds	3	110,145	104,400	47,503
Learning Resources	4	3,034,641	2,905,243	2,905,823
Administration	5	166,142	181,274	150,638
Property	6	751,712	725,500	721,761
Finance Costs		2,139	-	2,767
Depreciation	7	78,646	90,000	102,579
		<u>4,143,425</u>	<u>4,006,417</u>	<u>3,931,071</u>
Net Surplus / (Deficit) for the year		(6,341)	(94,987)	18,606
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(6,341)</u>	<u>(94,987)</u>	<u>18,606</u>

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

KAPANUI SCHOOL

Statement of Changes in Net Assets/Equity For the year ended 31 December 2019

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Balance at 1 January	795,440	795,438	741,485
Total comprehensive revenue and expense for the year	(6,341)	(94,987)	18,606
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	35,349
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9	-	-	-
Equity at 31 December	789,099	700,451	795,440
Retained Earnings	789,099	700,451	795,440
Equity at 31 December	789,099	700,451	795,440

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.

KAPANUI SCHOOL

Statement of Financial Position

As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	8	317,304	168,065	190,356
Accounts Receivable	9	189,022	164,000	165,246
GST Receivable		1,648	13,000	13,176
Inventories	10	2,535	1,700	1,725
Investments	11	321,893	370,000	368,124
Prepayments		1,239	5,000	4,891
		<u>833,641</u>	<u>721,765</u>	<u>743,518</u>
Current Liabilities				
Accounts Payable	13	214,200	203,500	204,438
Finance Lease Liability - Current Portion	16	15,398	-	22,656
Funds held for Capital Works Projects	17	62,760	-	-
Provision for Cyclical Maintenance	15	25,455	36,950	36,950
Revenue Received in Advance	14	-	5,000	4,743
		<u>317,813</u>	<u>245,450</u>	<u>268,787</u>
Working Capital Surplus/(Deficit)		<u>515,828</u>	<u>476,315</u>	<u>474,732</u>
Non-current Assets				
Property, Plant and Equipment	12	358,552	290,000	379,856
		<u>358,552</u>	<u>290,000</u>	<u>379,856</u>
Non-current Liabilities				
Finance Lease Liability	16	12,466	-	10,284
Provision for Cyclical Maintenance	15	72,813	65,864	48,864
		<u>85,280</u>	<u>65,864</u>	<u>59,148</u>
Net Assets		<u>789,099</u>	<u>700,451</u>	<u>795,440</u>
Equity		<u>789,099</u>	<u>700,451</u>	<u>795,440</u>

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

KAPANUI SCHOOL

Statement of Cash Flows

For the year ended 31 December 2019

	Note	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash flows from Operating Activities				
Government Grants		901,283	836,212	888,698
Locally Raised Funds		157,628	141,257	93,576
Goods and Services Tax (net)		11,530	176	(15,319)
Payments to Employees		(495,452)	(467,798)	(494,117)
Payments to Suppliers		(504,543)	(506,177)	(360,768)
Interest Paid		(2,134)	-	(2,767)
Interest Received		12,065	9,000	13,134
Net cash from / (to) the Operating Activities		80,377	12,670	122,437
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(37,448)	(94,237)	(42,915)
Purchase of Investments		46,231	(1,876)	(245,292)
Net cash from / (to) the Investing Activities		8,783	(96,113)	(288,207)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	35,349
Finance Lease Payments		(24,971)	61,152	(30,168)
Funds Held for Capital Works Projects		62,760	-	(111,317)
Net cash from Financing Activities		37,789	61,152	(106,136)
Net increase/(decrease) in cash and cash equivalents		126,948	(22,291)	(271,907)
Cash and cash equivalents at the beginning of the year	8	190,356	190,356	462,263
Cash and cash equivalents at the end of the year	8	317,304	168,065	190,356

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

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

KAPANUI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

Kapanui School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2019 to 31 December 2019 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

The Education Act 1989 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".

Standard early adopted

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 26.

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 12.

KAPANUI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

KAPANUI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for credit losses. The school applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

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.

KAPANUI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

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 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.

Property, plant and equipment acquired with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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:

Buildings & Grounds	10 - 75 years
Furniture & Fittings	4 - 25 years
Information and communication technology	1 - 5 years
Plant & Equipment	5 - 10 years
Library resources	12.5% Diminishing value

KAPANUI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

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

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

Non cash generating assets

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

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

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

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

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 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, annual leave earned to but not yet taken at balance date.

n) Revenue Received in Advance

Revenue received in advance relates to fees received from students 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) Provision for Cyclical Maintenance

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

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).

KAPANUI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

p) Financial Assets and Liabilities

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

Investments that are shares are categorised as "fair value through profit or loss" for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

q) 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.

r) Budget Figures

The budget figures are extracted from the School budget that was approved by the Board at the start of the year.

s) 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.

KAPANUI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2019

2. Government Grants

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	762,307	710,430	745,723
Other MoE Grants	135,194	126,000	142,271
Teachers' Salaries Grants	2,495,472	2,400,000	2,426,439
Use of Land and Buildings Grants	567,173	525,000	525,495
	<u>3,960,146</u>	<u>3,761,430</u>	<u>3,839,928</u>

3. Locally Raised Funds

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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Activities	103,122	93,000	30,330
Donations	32,294	26,000	31,296
Fundraising	3,804	4,000	4,523
Grant - New Zealand Community Trust	4,000	-	4,000
Hire of Facilities	10,492	10,000	10,780
Other Revenue	4,263	5,000	7,734
Trading	5,147	3,000	4,170
	<u>163,122</u>	<u>141,000</u>	<u>92,833</u>
Expenses			
Activities	104,737	102,900	44,574
Fundraising (costs of raising funds)	1,524	1,500	1,552
Trading	3,884	-	1,377
	<u>110,145</u>	<u>104,400</u>	<u>47,503</u>
<i>Surplus for the year Locally raised funds</i>	<u>52,977</u>	<u>36,600</u>	<u>45,330</u>

4. Learning Resources

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	120,866	110,743	98,893
Information and Communication Technology	32,421	30,000	31,168
Employee Benefits - Salaries	2,846,251	2,727,000	2,758,856
Staff Development	35,103	37,500	16,906
	<u>3,034,641</u>	<u>2,905,243</u>	<u>2,905,823</u>

KAPANUI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2019

5. Administration

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	5,487	6,100	5,327
Board of Trustees Expenses	10,594	4,000	12,469
Board of Trustees Fees	3,160	3,000	3,530
Communication	3,455	5,000	2,875
Employee Benefits - Salaries	93,367	93,000	89,992
Insurance	4,421	5,624	4,722
Operating Lease	1,077	29,000	4,000
Other	41,486	33,050	24,998
Service Providers, Contractors and Consultancy	3,095	2,500	2,725
	<u>166,142</u>	<u>181,274</u>	<u>150,638</u>

6. Property

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	7,265	8,000	7,781
Consultancy and Contract Services	49,338	50,000	56,157
Cyclical Maintenance Provision	12,454	17,000	11,538
Employee Benefits - Salaries	51,631	48,000	43,144
Grounds	11,035	16,000	15,621
Heat, Light and Water	22,515	22,000	21,123
Rates	6,488	8,000	5,709
Repairs and Maintenance	20,634	27,500	30,813
Security	3,179	4,000	4,380
Use of Land and Buildings	567,173	525,000	525,495
	<u>751,712</u>	<u>725,500</u>	<u>721,761</u>

The use of land and buildings figure represents 8% of the school's total property value. This is used as a 'proxy' for the market rental of the property. 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. Depreciation of Property, Plant and Equipment

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Buildings - School	10,607	9,500	10,607
Furniture and Equipment	13,739	11,000	12,374
Information Technology	21,386	31,000	35,517
Leased Assets	24,168	27,000	30,738
Library Resources	2,937	3,000	3,357
Plant & Equipment	5,809	8,500	9,986
	<u>78,646</u>	<u>90,000</u>	<u>102,579</u>

KAPANUI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2019

8. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Account	80,722	136,065	157,955
PTA Fundraising Account	14,051	10,000	10,443
Savings Account	222,531	22,000	21,958
Net cash and cash equivalents for Cash Flow Statement	317,304	168,065	190,356

Of the \$317,305 Cash and Cash Equivalents, \$62,760 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2020 on Crown owned school buildings under the School's Five Year Property Plan.

9. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	751	-	-
Interest Receivable	1,751	4,000	3,782
Teacher Salaries Grant Receivable	186,520	160,000	161,464
	189,022	164,000	165,246
Receivables from Exchange Transactions	2,503	4,000	3,783
Receivables from Non-Exchange Transactions	186,520	160,000	161,463
	189,022	164,000	165,246

10. Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Sunhats	2,535	1,700	1,725
	2,535	1,700	1,725

11. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	321,893	370,000	368,124

KAPANUI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2019

12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Buildings	150,735	-	-	-	(10,607)	140,128
Furniture and Equipment	96,886	10,983	-	-	(13,739)	94,130
Information Technology	45,911	22,186	-	-	(21,386)	46,711
Leased Assets	30,613	19,895	-	-	(24,168)	26,340
Library Resources	23,496	-	-	-	(2,937)	20,559
Plant & Equipment	32,215	4,278	-	-	(5,809)	30,685
Balance at 31 December 2019	379,856	57,342	-	-	(78,646)	358,552

The net carrying value of equipment held under a finance lease is \$26,340 (2018: \$30,613).

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Buildings	193,953	(53,825)	140,128
Furniture and Equipment	204,804	(110,673)	94,131
Information Technology	262,424	(215,714)	46,710
Leased Assets	113,987	(87,647)	26,340
Library Resources	160,005	(139,446)	20,559
Plant & Equipment	336,329	(305,645)	30,684
Balance at 31 December 2019	1,271,502	(912,950)	358,552

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Buildings	161,342	-	-	-	(10,607)	150,735
Furniture and Equipment	91,167	18,093	-	-	(12,374)	96,886
Information Technology	58,430	22,998	-	-	(35,517)	45,911
Leased Assets	52,265	9,086	-	-	(30,738)	30,613
Library Resources	26,853	-	-	-	(3,357)	23,496
Plant & Equipment	40,374	1,827	-	-	(9,986)	32,215
Balance at 31 December 2018	430,431	52,004	-	-	(102,579)	379,856

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Buildings	193,953	(43,218)	150,735
Furniture and Equipment	193,820	(96,934)	96,886
Information Technology	240,239	(194,328)	45,911
Leased Assets	94,092	(63,480)	30,613
Library Resources	160,005	(136,509)	23,496
Plant & Equipment	332,051	(299,836)	32,215
Balance at 31 December 2018	1,214,160	(834,305)	379,856

KAPANUI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2019

13. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	6,370	22,500	22,349
Accruals	8,187	8,000	7,827
Employee Entitlements - Salaries	186,520	160,000	161,464
Employee Entitlements - Leave Accrual	13,123	13,000	12,798
	<u>214,200</u>	<u>203,500</u>	<u>204,438</u>
Payables for Exchange Transactions	201,077	190,500	191,640
Payables for Non-exchange Transactions - Other	13,123	13,000	12,798
	<u>214,200</u>	<u>203,500</u>	<u>204,438</u>

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
McCarthy Grant	-	-	-
Student Fees	-	5,000	4,743
	<u>-</u>	<u>5,000</u>	<u>4,743</u>

15. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	85,814	85,814	74,276
Increase to the Provision During the Year	12,454	17,000	11,538
Use of the Provision During the Year	-	-	-
Provision at the End of the Year	<u>98,268</u>	<u>102,814</u>	<u>85,814</u>
Cyclical Maintenance - Current	25,455	36,950	36,950
Cyclical Maintenance - Term	72,813	65,864	48,864
	<u>98,268</u>	<u>102,814</u>	<u>85,814</u>

KAPANUI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2019

16. Finance Lease Liability

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	15,398	-	22,656
Later than One Year and no Later than Five Years	12,466	-	10,284
	<u>27,864</u>	<u>-</u>	<u>32,940</u>

17. Funds Held for Capital Works Projects

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

2019		Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M) \$	Closing Balances \$
Block B H & T	<i>Completed</i>	-	28,000	(28,000)	-	-
Block S	<i>In progress</i>	-	75,738	(12,978)	-	62,760
Totals		<u>-</u>	<u>103,738</u>	<u>(40,978)</u>	<u>-</u>	<u>62,760</u>

Represented by:

Funds Held on Behalf of the Ministry of Education

62,760

Funds Due from the Ministry of Education

-

62,760

2018		Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M) \$	Closing Balances \$
Block J Modification	<i>Completed</i>	109,418	135,384	(244,802)	-	-
Special Needs Modifications	<i>Completed</i>	1,899	16,421	(18,320)	-	-
Totals		<u>111,317</u>	<u>151,805</u>	<u>(263,122)</u>	<u>-</u>	<u>-</u>

KAPANUI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2019

18. 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.

19. Remuneration

Key management personnel compensation

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	3,160	3,530
Full-time equivalent members	0.25	0.25
<i>Leadership Team</i>		
Remuneration	347,513	287,801
Full-time equivalent members	3.00	2.50
Total key management personnel remuneration	350,673	291,331
Total full-time equivalent personnel	3.25	2.75

The full time equivalent for Board members has been determined based on attendance at Board meetings, Committee meetings and for other obligations of the Board, such as stand downs and suspensions, plus the estimated time for Board members to prepare for meetings.

Principals

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

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments - Principal 1	140-150	30 - 40
Benefits and Other Emoluments - Principal 1	4 - 5	1 - 2
Salary and Other Payments - Principal 2		40 - 50
Benefits and Other Emoluments - Principal 2		1 - 2

Other Employees

There were no other employees with remuneration greater than \$100,000 (2018: 1 FTE).

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

KAPANUI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2019

20. Compensation and Other Benefits Upon Leaving

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

	2019 Actual	2018 Actual
Total	-	-
Number of People	-	-

21. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2019 (Contingent liabilities and assets at 31 December 2018: nil).

Holidays Act Compliance – schools payroll

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

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance. The Ministry has recognised an estimated provision based on the analysis of sample data, which may not be wholly representative of the total dataset for Teacher and Support Staff Entitlements. A more accurate estimate will be possible after further analysis of non-compliance has been completed, and this work is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis has been completed

To the extent that any obligation cannot reasonably be quantified at 31 December 2019, a contingent liability for the school may exist.

22. Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has entered into the following contract agreements for capital works:

- To refurbish Block B, H & T at a total cost of \$28,000 of which \$28,000 was received and spent at balance date.
- To refurbish Block S at a total cost of \$753,597 of which \$75,738 was received and \$12,978 spent at balance date.

(Capital commitments at 31 December 2018: \$Nil)

(b) Operating Commitments

As at 31 December 2019 the Board has not entered into any contracts.

23. Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but "attempts" to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.

KAPANUI SCHOOL

Notes to the Financial Statements For the year ended 31 December 2019

24. Financial Instruments

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

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
Financial assets measured at amortised cost (2018: Loans and receivables)	\$	\$	\$
Cash and Cash Equivalents	317,304	168,065	190,356
Receivables	189,022	164,000	165,246
Investments - Term Deposits	321,893	370,000	368,124
Total Financial Assets Measured at Amortised Cost	828,219	702,065	723,726
Financial liabilities measured at amortised cost			
Payables	214,200	203,500	204,438
Finance Leases	27,864	-	32,940
Total Financial Liabilities Measured at Amortised Cost	242,064	203,500	237,378

25. Events After Balance Date

On March 11, 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26 March, New Zealand increased its' COVID-19 alert level to level 4 and a nationwide lockdown commenced. As part of this lockdown all schools were closed. Subsequently all schools and kura opened on the 18th of May 2020.

At the date of issuing the financial statements, the school has been able to absorb the majority of the impact from the nationwide lockdown as it was decided to start the annual Easter School holidays early. In the periods the school is open for tuition, the school has switched to alternative methods of delivering the curriculum, so students can learn remotely.

At this time the full financial impact of the COVID-19 pandemic is not able to be determined, but it is not expected to be significant to the school. The school will continue to receive funding from the Ministry of Education, even while closed.

26. Adoption of PBE IFRS 9 Financial Instruments

In accordance with the transitional provisions of PBE IFRS 9, the school has elected not to restate the information for previous years to comply with PBE IFRS 9. Adjustments arising from the adoption of PBE IFRS 9 are recognised in opening equity at 1 January 2019. Accounting policies have been updated to comply with PBE IFRS 9. The main updates are:

- Note 9 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.
- Note 11 Investments: Term deposits: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

Upon transition to PBE IFRS9 there were no material adjustments to these financial statements.

KAPANUI SCHOOL

Members of the Board of Trustees
For the year ended 31 December 2019

Name	Position	How position on Board gained	Occupation	Term expired/expires
Ben Addington	Parent Rep, Chairperson	Elected Dec 2017	Town Planner	Dec 2020
Charles Norwoord	Parent Rep, Chairperson	Re-elected May 2016	CEO	Retired June 2019
Craig Vidulich	Principal	Appointed Oct 2018	Principal	
Michael Roberts	Parent Rep	Elected June 2019		June 2022
Michelle von Keisenberg	Parent Rep	Elected June 2019		June 2022
Jane Tesoriero	Staff Rep	Elected June 2019	Teacher	June 2022
Meredith Pearson	Staff Rep	Elected June 2019	Teacher	June 2022
Janet Doughty	Parent Rep	Elected May 2016	Funding Manager	Retired June 2019
Kirsty Green	Parent Rep	Elected May 2016	Preschool Teacher	Retired June 2019
Gordon McKenzie	Parent Rep	Elected Dec 2017	Manager	Retired June 2019
Diane Richards	Staff Rep	Re-elected May 2016	Teacher	Retired June 2019

KAPANUI SCHOOL

Kiwisport Funding

For the year ended 31 December 2019

Kiwisport is a Government funding initiative to support student participation in organised sport.

In 2019 the School received funding of \$8,049 (2018: \$8,180) initiative to increase our student participation in organised sport.

This funding went towards Kiwisport funding was used partly to fund a sports administrator to oversee the sporting administration within the school and assist with the funding of the school wide sports programme, purchasing equipment and providing educational activities outside the classroom.

Kapakapanui School

Analysis of Variance

For the year ended 31 December 2019

The purpose of this report is to outline the variance of achievement in relation to the 2019 school wide goals

2018 Achievement Goals – Annual Aim - To increase the number of students achieving at or above the National Standard for reading, writing and mathematics

1. To increase the number of boys achieving at or above the Curriculum levels for Writing. Writing has been the PD focus for the previous 3 years.

Baseline Data: Analysis of the 2018 writing data showed that 76.9% of students were writing at or above the National Standard. Only 72.1% of boys were achieving at or above the National Standard compared to 81.6% of girls. This is a gap of 9.2% points. At the end of 2017 the gap was 12.4% points.

2. To increase the number of students achieving at or above the appropriate Curriculum Level for their year group in all foundation learning areas.

Baseline Data: NB- 2017 & 2018 based on National Standards information.

	2017- % of students At or Above	2018- % of students At or Above
Reading	87.3%	87.8%
Writing	75.2%	76.9%
Maths	81.1%	80.6%

3. To ensure Maori and Pasifika students continue to achieve at a similar level to other cohorts in ALL foundation learning areas.

Baseline Data: NB- based on National Standards information.

	2018- % of students Maori Students At or Above	2018- % of students Pasifika students At or Above
Reading	83.5%	79.1%
Writing	70.9%	79.2%
Maths	80.6%	83.4%

Findings:

Historical Position	Goal 1		
Noted above and also using National Standards data for 2018.	To increase the number of boys achieving at or above the Curriculum levels for Writing. Writing has been the PD focus for the previous 3 years.		
	Focus Area	Gender	Ethnicity
	Writing	Boys	All

Outcome	Analysis	Evaluation
<ul style="list-style-type: none"> OTJ data was analysed in Terms 2 and 4. A final assessment occurred in Term 4 and an OTJ was made. The final results showed that 76.2% of ALL students are achieving at or above the curriculum level. Boys=70.5% compared to 72.1% in 2018 was a decrease of 1.6% points. 	<p>Analysis of the data indicates:</p> <p>Schoolwide 76.2% of all students were at or above the standard compared to 76.9% in 2018.</p> <p>Maori and Pasifika Students •Maori=68.8%, Pasifika=68.2% students are achieving at or above the curriculum level in writing. This was a slight decrease on 2018 results 70.9% of Maori students and 79,2% of Pasifika students</p> <p>Boys and Girls • Boys=70.5%, Girls=81.9% were at or above the curriculum level for writing.</p> <p>Year 1 2018 to Year 2 2019 2018=33.3% below or well below. 2019=17% below or well below.</p>	<ul style="list-style-type: none"> A decrease in the schoolwide data of 0.7% compared to 2018 school wide data. And a decrease of 1.6% in the boys' data. ALL writing PD produced positive results throughout the school. This was supported by the Lead Teachers 'writing survey' feedback from target students and teachers. BYOD continued this year and we felt that boys, in particular, continue to take more risks with their writing and are more motivated to write. This will continue in 2020 and target groups will be monitored. The gap in the achievement levels between Girls and Boys in writing is 11.4% points compared to 12.4% points in 2017 and to 9.3% points in 2018. Staff believe that moderation processes continue to get stronger however this continues to be something which we will work on in 2020. The change from reporting against the NS to curriculum levels will take a period of bedding in.. Staff meetings and PD to improve the teaching of writing practice. Writing was a school wide focus and linked into teachers personal inquiries-TAIs.. We continue to focus on early intervention programmes such as Kick Start for pre school children, play based learning, 5+, 7+ literacy support

		programmes taught by experienced Teacher Aides, ESOL support, PMP and oral literacy programmes.
--	--	---

Historical Position	Goal 2		
Noted in table above and also using National Standards data for 2018.	To increase the number of students achieving at or above the appropriate Curriculum Level for their year group in all foundation learning areas.		
	Focus Area	Gender	Ethnicity
	All	Both	All

Outcome	Analysis	Evaluation
<p>At or above the curriculum levels for (whole school)</p> <ul style="list-style-type: none"> • Reading=87.3% • Writing=76.2% • Maths=77.4% 	<p>Analysis of the data indicates:</p> <p>Reading-Within or Above Boys=87.1%, Girls=87.4%, Maori =79.2%, Pasifika=83.4%, Asian= 79.4%</p> <p>Writing-Within or Above Boys=70.5%, Girls=81.9%, Maori=68.8%, Pasifika=68.2%, Asian= 64.7%</p> <p>Within or Above Boys=83.3%, Girls=72.3%, Maori=71.9%, Pasifika=68.1%, Asian=65.5%</p> <p>Year 1 2018 to Year 2 2019 Below and Well Below Reading -2018=33.3% to 8% in 2019 Writing-24.6% to 17% in 2019 Maths-17.4% to 18% in 2019.</p>	<ul style="list-style-type: none"> • We dropped a few % points in each of the areas however we believe that the change in moving from using the NS to report against compared to the curriculum levels is part of this reason as teachers become familiar with the levels. • We are exploring the PACT tool in 2020 which may help in this process. • Confirmation that the play based learning programme is accelerating student achievement from Year 1 to Year 2. • Moderation in syndicates and across the school will continue • We are also developing a consistent approach to tracking student progress.

Goal 3			
Historical Position	To ensure Maori and Pasifika students continue to achieve at a similar level to other cohorts in ALL foundation learning areas.		
Noted in table above and also using National Standards data for 2018.			
	Focus Area	Gender	Ethnicity
	All	Both	Maori & Pasifika

Outcome	Analysis	Evaluation
<p>Result for Maori students- % at or above the curriculum levels</p> <p>Reading-79.2%</p> <p>Writing-68.8%</p> <p>Maths-71.9%</p> <p>Result for Pasifika students- % at or above the curriculum levels</p> <p>Reading-83.4%</p> <p>Writing-68.2%</p> <p>Maths-68.1%</p>	<p>Maori children are 17.7% of the total school roll</p> <p>Pasifika children are 4.7% of the total school roll</p> <p>Pasifika students were 4% lower and Maori students were 8% lower than school schoolwide reading results.</p> <p>For writing both Maori and Pasifika recorded similar results which was 8% lower than the schoolwide data.</p> <p>For maths the gap was 5% lower for Maori and 9.3% lower for Pasifika than schoolwide data.</p>	<p>We recorded lower results compared to 2018 in most areas however we believe that the change in moving from using the NS to report against compared to the curriculum levels is part of this reason as teachers become familiar with the levels. Pasifika numbers are still relatively small.</p> <p>We are exploring the PACT tool in 2020 which may help with moderation processes.</p> <p>Additional new interventions are 7+, increased reading recovery monitoring, reading recovery + new teacher training on RR, specialist ESOL TA.</p> <p>Continue to fund Kaiarahi Te Reo to assist with kapa haka, powhiri, te reo and tikanga Maori. Continue to support Maori lead team of teachers. These actions celebrate Māori culture and what it means to be Māori.</p> <p>A cultural ambassador is being established in 2020 which will include a working group to maintain and enhance positive, meaningful and respectful relationships across the school and wider school community/iwi and marae.</p>
<p>Actions for 2020:</p> <ul style="list-style-type: none"> In 2020 we will target and track specific groups, as well as whole school data, to measure progress and achievement. We will confirm this in our annual plan for 2020 however these groups may be Maori students in our kapa haka group, play based learning, dyslexic students-TBC. We are introducing a range of intervention and support programmes such as 5+, 7+ and MSL. 		

- Reading recovery training + additional monitoring.
- Continue to refine and develop our reporting and assessment conversations with children and families such as Seesaw, e-portfolios and student led conferences.
- Ensure we continue to provide rich, varied and engaging holistic learning experiences for our students right across the curriculum.
- Ensuring moderation and assessment tracking conversations are scheduled into syndicate meetings at least once a term for all core areas.
- Implement the school strategic documents including the various working groups such as
 - Cultural ambassador
 - Te reo Maori
 - Environment-local, sustainable practices
 - Curriculum and Assessment including key competencies and development of Year 8 leavers profile and pathways through school, investigation into the [PACT tool](#)
- We have held 2 whole school play based learning mornings. We will repeat this in 2020. Development of play based learning indicators of success/progress.
- We have revised our work with our ESOL students to ensure more practical experiences are included in their learning eg cooking, around school etc. One teacher aide will work with our ESOL students. This will ensure greater consistency and delivery of our programmes.
- Along with our interventions we will continue with Kick Start for pre school children, play based learning, PMP and oral literacy programmes.
- Classes will continue to use and explore flexi grouping of children. Research indicates that student achievement is often higher when children are not placed in ability groupings.
- Continue to develop collaborative/team teaching across the school. Whole staff Teacher Only Day is booked for Feb 4 2020 on collaborative teaching.
- Continue to promote how parents can support learning at home with children.
- We will work closely with our 'immigrant' families to strengthen links with school. This year has seen an increasing number of Afrikaner speaking children begin Kapanui School. In recent years our Asian numbers have increased-particularly from the Philippines and more recently India. We want to better connect with these families to assist with transition into our school, and support english language.
- We have purchased a new diagnosing dyslexia tool. This is allowing us to identify children with dyslexic tendencies. We will continue to improve our ability to effectively teach children with learning disabilities eg dyslexia, dyspraxia etc. Our SENCO has compiled a dyslexic register of children who display these traits. We are better able to plan appropriate interventions and teaching programmes.
- Classes will continue to promote Growth Mindset thinking and strategies with all learners.
- Select reading text with a cultural focus.
- Continue to fund Rangi Halbert -Kaiarahi Te Reo to assist with kapa haka, powhiri, te reo and tikanga Maori. Continue to support Maori lead team of teachers.
- All of our syndicates will continue to receive some form of teacher aide support during literacy and/or numeracy time to assist with classroom programmes.
- Outside agencies will continue to support a number of our students in 2020 such as RTLB, Literacy Support, Hearing and Vision etc
- Teachers have identified a drop in the Number Knowledge of the children. This will be addressed in 2020.

**INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF KAPANUI SCHOOL'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

The Auditor-General is the auditor of Kapanui School (the School). The Auditor-General has appointed me, Chrissie Murray, using the staff and resources of Baker Tilly Staples Rodway Audit Limited, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 20, that comprise the statement of financial position as at 31 December 2019, 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 2019; 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 the Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 27 May 2020. 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 of Trustees and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Emphasis of Matter – COVID-19

Without modifying our opinion, we draw attention to the disclosures in note 25 on page 20 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

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 of Trustees for the financial statements

The Board of Trustees is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Trustees is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board of Trustees 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 of Trustees' responsibilities arise from 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 of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

We communicate with the Board of Trustees 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 of Trustees is responsible for the other information. The other information obtained at the date of our report is the analysis of variance, a Kiwisport statement and a list of the Trustees, but does not include the financial statements, and our auditor's report thereon.

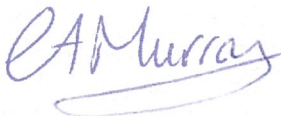
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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 (Revised): *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.



Chrissie Murray
Baker Tilly Staples Rodway Audit Limited

On behalf of the Auditor-General
Wellington, New Zealand

Kapanui School Kiwisport

Student participation and accessibility from fundamental skills to sporting opportunities:

Kapanui School will endeavour to increase the number of school-aged children participating in organised sport both school wide and community based.

Kapanui School will support children to develop skills that enable them to participate confidently in sport increasing the availability and accessibility of sporting opportunities.

Kapanui School has financially supported these opportunities for participation in fundamental movement skills:

PMP (Perceptual Motor Programme)

This is offered to all our year 0-1 students and is undertaken four times a week for half an hour per class. The PMP programme for our year 0-1 students builds on student motor and co-ordination skills.

The transfer of these skills has helped in the cross over to both aquatic, locomotion, rotation, and balance activities. This has been noted through the participation in both swimming lessons and the gym fun programme.

PMP has a focus on eye co-ordination and this has transferred into the teaching of ball skills.

Gym Fun

Each class is instructed once a week for a six week period. Instruction is undertaken by gymnastic facilitators at the Waikanae Gymnasium.

Gym Fun is offered to year 2 children and up. The focus of these lessons is around the fundamental movement skills of balance, locomotion, rotation and statics.

The skills here transfer to an increase in confidence in particular body awareness.

This in turn has initiated further participation in fitness activities, P/E and sporting programmes.

Swimming

Each syndicate is allocated one month. Lessons are undertaken by teachers and parents at the Waikanae Pool.

Swimming is offered to every child at Kapanui School during terms 1 and 4.

Learn to swim initiatives and stroke perfection as well as life-saving skills are incorporated into lessons.

Kiwisport funding has also supported the employment of an outside administrator to co-ordinate and organise all Inter-School events held on the Kapiti Coast. This cost is shared by all Kapiti Coast Schools.

Kapanui School has a representative that attends Sport Association meetings once a term.

Kiwisport funding is used to help with subscriptions to this association.