

PAKURANGA COLLEGE

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

School Directory

Ministry Number:	80
Principal:	Michael Williams
School Address:	Pigeon Mountain Road, Half Moon Bay, Auckland 2012
School Postal Address:	P O Box 82090, Highland Park, Auckland 2143
School Phone:	09 534 7159
School Email:	info@pakuranga.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Term Expired/ Expires
Nicola Troughear	Chair Person	Elected May 2019	May 2022
Michael Williams	Principal ex Officio		
Adam Bannister	Parent Rep	Co-opted July 2019	May 2022
Kelly Bigwood	Parent Rep	Elected May 2019	May 2022
Jason Fletcher	Parent Rep	Elected May 2019	May 2022
Jacqui Maclean	Parent Rep	Elected May 2019	May 2022
Palatina Sagato-Brown	Parent Rep	Elected May 2019	May 2022
Philip Schmidt	Parent Rep	Elected May 2019	May 2022
Michael Turinsky	Parent Rep	Co-opted July 2019	May 2022
Brian Payne	Staff Rep	Elected May 2019	May 2022
Khusrav Bhajiwalla	Student Rep	Elected Sept 2020	Septemebr 2021

PAKURANGA COLLEGE

Annual Report - For the year ended 31 December 2020

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Section 1

Pakuranga College
Statement of KiwiSport
For the year ended 31 December 2020

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2020, the school received total Kiwisport funding of \$51533.67 (excluding GST). The funding was spent on additional staffing.

Pakuranga College

2020 Analysis of Variance

2020 Student Achievement Targets

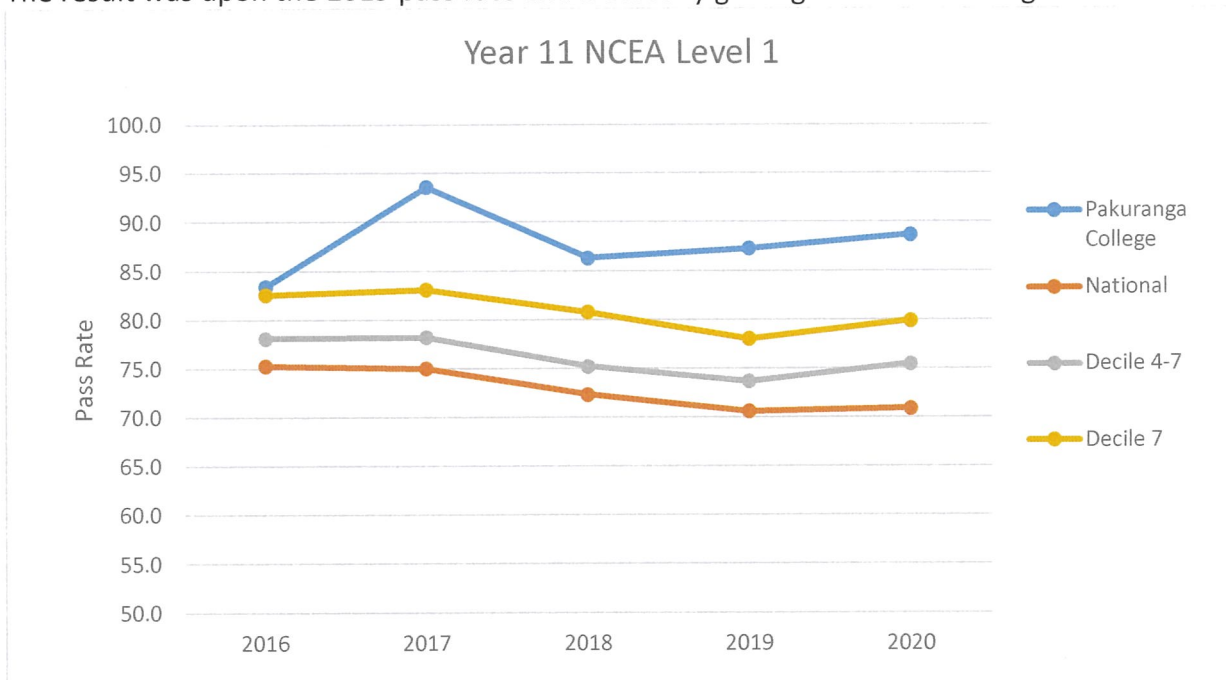
- NCEA Level 1 – 90% of **all** Year 11 students gain NCEA Level 1
- NCEA Level 2 – 85% of **all** Year 12 Students gain NCEA level 2
- NCEA Endorsements across all levels is at least 55% (average of the three levels)
- Māori and Pasifika achievement is as high, or higher, as the school-wide averages
- Co-curricular participation rate exceeds 75%

Target One

“NCEA Level 1 – 90% of all Year 11 students gain NCEA Level 1”

We failed to meet the target. The passed pass rate was 88.7%.

The result was upon the 2019 pass rate and is steadily getting closer to the target.



We had continued with the same range of interventions as in 2019:

- Time and support for high quality Professional Learning and Development focusing on inquiry, student voice and growth mindset.
- Data tracking and targeted interventions
- Mentoring
- Reviews of course design

However, the disruption caused by Covid-19 did mean that more work went into the tracking and targeted interventions, of particular use was a strategy of getting engagement data from teachers regularly.

The data was subjective, based on how well the teacher thought the student was engaging.

We were able to use this to quickly identify students who were struggling with the disruptions and disengaging from learning.

We were also able to use this data to report back to parents at all levels (disengaged to highly engaged)

All of these strategies combine to produce the results we are achieving, in 2021 we will continue to refine processes.

2021 Target:

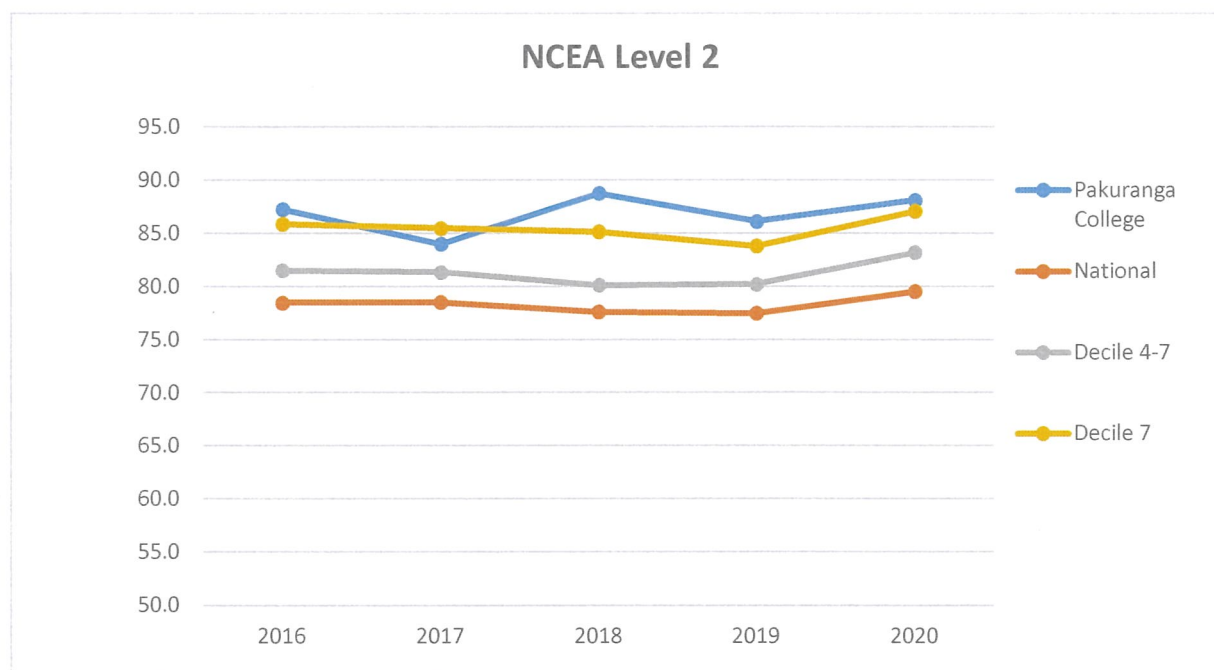
“NCEA Level 1 – 90% of all Year 11 students gain NCEA Level 1”

Target Two

“NCEA Level 2 – 85% of all Year 12 students gain NCEA Level 2”

We meet the target with a pass rate was 88.1%.

The pass rate was up from 2019 and is still ahead of all the higher Decile National averages.



The strategies outlined for Level 1 above are equally as important for the whole senior school, the focus in 2020 was to add the use of engagement data to supplement our tracking systems and to further target interventions.

2021 Target

NCEA Level 2 – 85% of all Year 12 Students gain NCEA level 2

Target Three

“NCEA Endorsements across all Levels is at least 55% (average of the three levels)”

Endorsement Rates

	2020	2019
Level 1	66.7	62.2
Level 2	56.7	53.4
Level 3	57.1	51.0

Average level of endorsements 60.1% **Target met.**

These were outstanding results with significant improvement at all levels.

2021 Target

NCEA Endorsements across all levels is at least 55% (average of the three levels)

Target Four

“Māori and Pasifika achievement is as high, or higher, as the school-wide average”

	Whole school	Maori	Pasifika
Level 1	88.7%	81%	91.4%
Level 2	88.1%	84.2%	88.6%
Level 3	89.8%	75.7%	79.4%
UE	74.4%	54.1%	44.1%

While we **failed to meet this target** overall:

- For Pasifika we met the target at Level 1 and Level 2
- For Maori we are getting closer, but our challenge is clearly exposed in the UE pass rates

2021 Target

Māori and Pasifika achievement is as high, or higher, as the school-wide averages

Target Five

“Co-curricular participation rate exceeds 75%”

The impact of COVID and lockdown in 2020 has obviously impacted on our co-curricular programme and activity levels. However, the impact is not as significant as predicted. It is incredibly pleasing to see that a significant number of activities and students continued to get involved in the co-curricular life of the college in this challenging year. Engagement was only down 5.0% on 2019 levels.

The target for 2020 was for the co-curricular participation rate to exceed 75%. Overall, 1,182 students were involved in over 100 co-curricular activities – this represents 54% of the student population at the college. This is a trending decrease of -5.0% on 2019, -6.0% on 2018 participation rates.

We failed to meet the target. Not surprisingly the disruption caused by Covid-19 had an impact of students' engagement with the co-curricular programme, however this was also on a nationwide trend of dropping participation in sport. We still place importance on engagement in co-curricular activities and will continue to have an aspirational target to focus our efforts.

2021 Target

Co-curricular participation rate exceeds 75%

Overall comment regarding 2021 Targets

2020 was severely disrupted by Covid-19, the Learning recognition credits and changes to University Entrance were designed to ensure students were not disadvantaged but clearly, they distorted the statistics artificially inflating pass rates.

It is widely accepted that the impact of Covid will be felt for some time and we are unsure of how this will affect students in 2021, already we have had two lockdowns in Auckland and students learning has been impacted. But more importantly we don't know how the physiological impacts of the disruptions, particularly for our most vulnerable students, will affect students NCEA results.

A second factor to consider in setting the targets is the change from NZQA regarding re-submissions, this may have an impact of on the endorsement rates.

Covid -19 undoubtedly had an impact on the 2020 NCEA data, generally there was an increase in pass rate across the board nationally. With longitudinal tracking it will probably become a “blip” in the data, it would be unrealistic to expect the sudden jump in pass rates at some levels to be the norm.

When setting the 2021 student achievement targets, we have acknowledged the uncertain environment we are working in.

Section 2

Pakuranga College

Statement of Responsibility

For the year ended 31 December 2020

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.

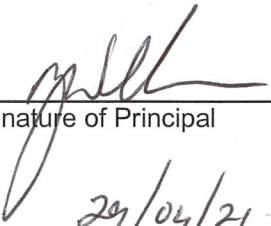
It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2020 fairly reflects the financial position and operations of the school.

The School's 2020 financial statements are authorised for issue by the Board.

Nicola Troghear
Full Name of Board Chairperson

Michael Williams
Full Name of Principal


Signature of Board Chairperson


Signature of Principal

29/04/21
Date:

29/04/21
Date:

Pakuranga College

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue				
Government Grants	2	20,987,690	19,466,270	19,306,727
Locally Raised Funds	3	622,917	612,622	1,703,994
Interest income		101,430	100,350	169,840
Gain on Sale of Property, Plant and Equipment		1,111	-	-
International Students	4	1,978,256	1,984,793	3,026,546
		<u>23,691,404</u>	<u>22,164,035</u>	<u>24,207,107</u>
Expenses				
Locally Raised Funds	3	614,965	747,177	1,228,187
International Students	4	687,910	827,653	945,773
Learning Resources	5	14,494,236	14,033,396	14,026,021
Administration	6	758,861	788,670	808,807
Finance		7,886	8,279	15,844
Property	7	5,683,456	5,272,354	5,346,074
Depreciation	8	732,112	800,000	798,862
		<u>22,979,426</u>	<u>22,477,529</u>	<u>23,169,568</u>
Net Surplus / (Deficit) for the year		711,978	(313,494)	1,037,539
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>711,978</u>	<u>(313,494)</u>	<u>1,037,539</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.

Pakuranga College

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

	Notes	Actual 2020 \$	Budget (Unaudited) 2020 \$	Actual 2019 \$
Balance at 1 January		<u>10,755,339</u>	<u>10,092,226</u>	<u>9,639,070</u>
Total comprehensive revenue and expense for the year		711,978	(313,494)	1,037,539
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		74,625	-	78,730
Distribution to Ministry of Education	26	(800,000)	(800,000)	-
Equity at 31 December	27	<u>10,741,942</u>	<u>8,978,732</u>	<u>10,755,339</u>
Retained Earnings		10,741,942	8,978,732	10,755,339
Equity at 31 December		<u>10,741,942</u>	<u>8,978,732</u>	<u>10,755,339</u>

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

Pakuranga College

Statement of Financial Position

As at 31 December 2020

		2020	2020	2019
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Current Assets				
Cash and Cash Equivalents	9	3,820,662	59,491	3,419,642
Accounts Receivable	10	966,778	879,454	932,956
GST Receivable		25,547	-	-
Prepayments		67,123	101,485	21,613
Inventories	11	11,586	14,000	13,133
Investments	12	2,000,000	4,200,000	3,500,000
		<u>6,891,696</u>	<u>5,254,430</u>	<u>7,887,344</u>
Current Liabilities				
GST Payable		-	40,601	41,717
Accounts Payable	14	1,392,972	1,271,416	1,229,696
Revenue Received in Advance	15	1,532,943	2,406,231	2,864,530
Provision for Cyclical Maintenance	16	-	42,628	-
Painting Contract Liability	17	111,991	118,019	113,196
Finance Lease Liability - Current Portion	18	30,382	29,210	89,202
Funds held for Capital Works Projects	19	(21,304)	150,000	-
Funds held on behalf of CoL Cluster	20	23,176	-	-
		<u>3,070,160</u>	<u>4,058,105</u>	<u>4,338,341</u>
Working Capital Surplus/(Deficit)		3,821,536	1,196,325	3,549,003
Non-current Assets				
Property, Plant and Equipment	13	7,476,477	8,236,328	7,812,469
Work in Progress		148,694	-	14,310
		<u>7,625,171</u>	<u>8,236,328</u>	<u>7,826,779</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	16	647,585	412,947	481,082
Painting Contract Liability	17	46,050	32,668	112,999
Finance Lease Liability	18	11,130	8,306	26,362
		<u>704,765</u>	<u>453,921</u>	<u>620,443</u>
Net Assets		<u>10,741,942</u>	<u>8,978,732</u>	<u>10,755,339</u>
Equity	27	<u>10,741,942</u>	<u>8,978,732</u>	<u>10,755,339</u>

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

Pakuranga College

Statement of Cash Flows

For the year ended 31 December 2020

		2020	2020	2019
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		5,268,751	4,445,337	4,213,591
Locally Raised Funds		617,212	255,692	1,637,910
International Students Fees		571,474	1,402,965	2,834,861
Goods and Services Tax (net)		(67,264)	1,500	3,764
Funds Administered on Behalf of Third Parties		23,176	-	-
Payments to Employees		(3,036,303)	(2,496,366)	(2,952,228)
Payments to Suppliers		(3,162,303)	(3,117,534)	(4,506,388)
Cyclical Maintenance Payments in the year		-	(119,276)	(158,668)
Interest Paid		(7,886)	(8,279)	(15,844)
Interest Received		130,082	100,350	197,917
Net cash from/(to) Operating Activities		336,939	464,389	1,254,915
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		1,111	-	-
Purchase of Property Plant & Equipment (and Intangibles)		(529,396)	(477,872)	(1,306,758)
Proceeds from sale of Investments		1,500,000	0	1,500,000
Purchase of Investments		-	(739,400)	-
Net cash from/(to) Investing Activities		971,715	(1,217,272)	193,242
Cash flows from Financing Activities				
Furniture and Equipment Grant		74,625	-	78,734
Finance Lease Payments		(49,186)	(172,613)	(116,502)
Painting contract payments		(111,769)	(66,725)	(115,705)
Payment to Ministry of Education		(800,000)	-	-
Funds Held for Capital Works Projects		(21,304)	150,000	(159,628)
Net cash from/(to) Financing Activities		(907,634)	(89,338)	(313,101)
Net increase/(decrease) in cash and cash equivalents		401,020	(842,221)	1,135,056
Cash and cash equivalents at the beginning of the year	9	3,419,642	901,712	2,284,586
Cash and cash equivalents at the end of the year	9	3,820,662	59,491	3,419,642

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.

Pakuranga College

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

a) Reporting Entity

Pakuranga College (the College) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. The Board of Trustees (the Board) is of the view that the College 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 2020 to 31 December 2020 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 and Training Act 2020 requires the College, 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 College 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 College qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the expenditure threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 16.

Useful lives of property, plant and equipment

The College reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The College 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 13.

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 College reviews the grants monies received at the end of each reporting period and whether any require a provision to carry forward amounts unspent. The College 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 College receives funding from the Ministry of Education. The following are the main types of funding that the College receives.

Operational grants are recorded as revenue when the College 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 College has the rights to the funding in the salary period they relate to. The grants are not received in cash by the College 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 College uses the land and buildings. These are not received in cash by the College 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 College 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.

Grants for the use of land and buildings are also not received in cash by the College as they equate to the deemed expense for using the land and buildings which are owned by the Proprietor. Use of land and building grants are recorded as income in the period the school uses the land and building.

Donations, Gifts and Bequests

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

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

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for credit losses (uncollectable debts). The College's receivables are largely made up of funding from the Ministry of Education, therefore the level of uncollectable debts is not considered to be material. However, short-term receivables are written off when there is no reasonable expectation of recovery.

i) Inventories

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

j) Investments

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

k) Property, Plant and Equipment

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

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

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

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Buildings and improvements	50 years
Furniture and equipment	10 years
Ground Improvement	20 years
Information and communication technology	3 years
Motor vehicles	5 years
Music Equipment	20 years
Sports Equipment	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

l) Accounts Payable

Accounts Payable represents liabilities for goods and services provided to the College 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, and also annual leave earned, by non teaching staff, to but not yet taken at balance date.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

n) Revenue Received in Advance

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

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

o) Shared Funds

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

p) Provision for Cyclical Maintenance

The property from which the College 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 College site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the College, 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).

q) Financial Instruments

The College's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are categorised as 'financial assets measured at amortised cost' for accounting purposes in accordance with financial reporting standards.

The College'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.

r) Borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the school has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Borrowings include but are not limited to bank overdrafts, operating leases, finance leases, painting contracts and term loans.

s) 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.

t) Budget Figures

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

u) Services received in-kind

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

2. Government Grants

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	4,147,367	4,010,860	3,747,312
Teachers' Salaries Grants	11,703,831	11,035,000	11,010,723
Use of Land and Buildings Grants	4,108,246	3,985,935	3,985,935
Other MoE Grants	43,160	43,407	43,142
Other Government Grants	985,086	391,068	519,615
	<u>20,987,690</u>	<u>19,466,270</u>	<u>19,306,727</u>

The College has opted in to the donations scheme for this year. Total amount received was \$304,500.

3. Locally Raised Funds

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

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations	54,009	62,000	298,563
Activities	323,868	210,931	652,835
Trading	191,238	289,691	295,916
Fundraising	53,802	50,000	107,618
Other Revenue	-	-	349,062
	<u>622,917</u>	<u>612,622</u>	<u>1,703,994</u>
Expenses			
Activities	509,135	617,198	773,435
Trading	105,830	129,979	105,690
Other Locally Raised Funds Expenditure	-	-	349,062
	<u>614,965</u>	<u>747,177</u>	<u>1,228,187</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>7,952</u>	<u>(134,555)</u>	<u>475,807</u>

4. International Student Revenue and Expenses

	2020	2020	2019
	Actual	Budget	Actual
	Number	(Unaudited)	Number
International Student Roll	120	125	186
	<u>2020</u>	<u>2020</u>	<u>2019</u>
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
International Student Fees	1,978,256	1,984,793	3,026,546

Expenses

Advertising	-	1,000	240
Commissions	204,538	255,978	348,429
Recruitment	9,502	15,000	25,870
International Student Levy	54,788	47,850	69,450
Employee Benefit - Salaries	315,486	285,825	332,530
Overseas Travel -Marketing	-	100,000	49,764
Other Expenses	103,596	122,000	119,490
	687,910	827,653	945,773

Surplus/ (Deficit) for the year International Students

1,290,346	1,157,140	2,080,773
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5. Learning Resources

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	537,139	614,089	474,743
Equipment Repairs	13,403	29,748	10,771
Information and Communication Technology	215,956	217,239	207,373
Extra-Curricular Activities	98,386	63,992	243,018
Library Resources	8,752	11,420	10,044
Employee Benefits - Salaries	13,571,986	13,002,908	12,997,662
Staff Development	48,614	94,000	82,410
	14,494,236	14,033,396	14,026,021

6. Administration

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	11,750	11,750	11,460
Board of Trustees Fees	4,620	6,000	5,550
Board of Trustees Expenses	4,188	6,000	22,578
Communication	39,321	54,870	44,020
Consumables	11,659	28,000	27,839
Legal Fees	1,526	1,500	-
Other	56,486	69,260	77,074
Employee Benefits - Salaries	580,097	550,926	560,958
Insurance	49,214	60,364	59,328
	758,861	788,670	808,807

7. Property

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	279,691	266,605	261,787
Cyclical Maintenance Provision	210,118	119,176	96,801
Grounds	142,391	130,124	168,566
Heat, Light and Water	254,138	260,000	240,196
Repairs and Maintenance	533,647	352,750	440,668
Use of Land and Buildings	4,108,246	3,985,935	3,985,935
Security	16,111	15,000	20,324
Employee Benefits - Salaries	139,114	142,764	131,797
	5,683,456	5,272,354	5,346,074

The use of land and buildings figure represents 8% 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.

8. Depreciation

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Buildings and improvements	140,762	132,000	131,763
Furniture and Equipment	158,934	158,000	157,770
Ground Improvements	15,592	15,500	15,593
Information and Communication Technology	242,786	294,000	292,410
Motor Vehicles	7,861	20,700	20,722
Music Equipment	5,945	5,800	5,797
Sports Equipment	41,206	36,000	35,788
Textbooks	13,845	12,500	12,723
Leased Assets	88,358	110,000	110,602
Library Resources	16,823	15,500	15,694
	<u>732,112</u>	<u>800,000</u>	<u>798,862</u>

9. Cash and Cash Equivalents

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	1,764	-	1,764
Bank Current Account	3,688,962	29,491	1,853,840
Bank Call Account	125,870	25,000	555,736
Bank Omni Account	4,066	5,000	6,001
Short-term Bank Deposits	-	-	1,002,301
Cash and cash equivalents for Statement of Cash Flows	<u>3,820,662</u>	<u>59,491</u>	<u>3,419,642</u>

Of the \$3,820,662 Cash and Cash Equivalents, \$115,510 of unspent grant funding is held by the College. This funding is subject to restrictions which specify how the grant is required to be spent in providing specified deliverables of the grant arrangement.

Of the \$3,820,622 Cash and Cash Equivalents, \$23,176 is held by the College on behalf of the Communities of Learning cluster. See note 20 for details of how the funding received for the cluster has been spent in the year.

10. Accounts Receivable

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	17,318	38,924	51,928
Receivables from the Ministry of Education	-	-	20,788
Interest Receivable	6,049	35,000	34,701
Teacher Salaries Grant Receivable	943,411	805,530	825,539
	<u>966,778</u>	<u>879,454</u>	<u>932,956</u>
Receivables from Exchange Transactions	23,367	73,924	86,629
Receivables from Non-Exchange Transactions	943,411	805,530	846,327
	<u>966,778</u>	<u>879,454</u>	<u>932,956</u>

11. Inventories

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Stationery	11,586	14,000	13,133
	<u>11,586</u>	<u>14,000</u>	<u>13,133</u>

12. Investments

The College's investment activities are classified as follows:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Asset Short-term Bank Deposits	2,000,000	4,200,000	3,500,000
Total Investments	<u>2,000,000</u>	<u>4,200,000</u>	<u>3,500,000</u>

13. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2020						
Buildings & Improvements	5,844,454	2,085	-	-	(140,762)	5,705,777
Furniture and Equipment	922,598	59,092	1,110	-	(158,934)	823,866
Ground Improvements	208,317	-	-	-	(15,592)	192,725
Information and Communication Technology	301,067	238,454	-	-	(242,786)	296,735
Motor Vehicles	6,701	16,163	-	-	(7,861)	15,003
Music Equipment	42,657	5,105	-	-	(5,945)	41,817
Sports Equipment	229,585	21,841	-	-	(41,206)	210,220
Textbooks	27,093	12,825	-	-	(13,845)	26,073
Leased Assets	105,599	19,067	-	-	(88,358)	36,308
Library Resources	124,398	20,378	-	-	(16,823)	127,953
Balance at 31 December 2020	<u>7,812,469</u>	<u>395,010</u>	<u>1,110</u>	<u>-</u>	<u>(732,112)</u>	<u>7,476,477</u>

The net carrying value of equipment held under a finance lease is \$36,308 (2019: \$105,599)

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2020			
Buildings & Improvements	6,585,680	(879,903)	5,705,777
Furniture and Equipment	2,606,168	(1,782,302)	823,866
Ground Improvements	417,364	(224,639)	192,725
Information and Communication Technology	2,804,243	(2,507,508)	296,735
Motor Vehicles	210,854	(195,851)	15,003
Music Equipment	153,546	(111,729)	41,817
Sports Equipment	351,970	(141,750)	210,220
Textbooks	218,205	(192,132)	26,073
Leased Assets	351,495	(315,187)	36,308
Library Resources	394,834	(266,881)	127,953
Balance at 31 December 2020	<u>14,094,359</u>	<u>(6,617,882)</u>	<u>7,476,477</u>

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Buildings & Improvements	5,069,324	906,893	-	-	(131,763)	5,844,454
Furniture and Equipment	938,432	141,936	-	-	(157,770)	922,598
Ground improvements	223,910	-	-	-	(15,593)	208,317
Information and Communication Technology	323,544	269,933	-	-	(292,410)	301,067
Motor Vehicles	27,423	-	-	-	(20,722)	6,701
Music Equipment	48,454	-	-	-	(5,797)	42,657
Sports Equipment	225,886	39,487	-	-	(35,788)	229,585
Textbooks	25,555	14,261	-	-	(12,723)	27,093
Leased Assets	205,729	10,472	-	-	(110,602)	105,599
Library Resources	111,021	29,071	-	-	(15,694)	124,398
Balance at 31 December 2019	7,199,278	1,412,053	-	-	(798,862)	7,812,469

The net carrying value of equipment held under a finance lease is \$105,599 (2018: \$205,730)

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2019			
Buildings & Improvements	6,583,595	(739,141)	5,844,454
Furniture and Equipment	2,601,970	(1,679,372)	922,598
Ground Improvements	417,364	(209,047)	208,317
Information and Communication Technology	3,511,478	(3,210,411)	301,067
Motor Vehicles	194,691	(187,990)	6,701
Music Equipment	149,021	(106,364)	42,657
Sports Equipment	371,987	(142,402)	229,585
Textbooks	207,441	(180,348)	27,093
Leased Assets	405,608	(300,009)	105,599
Library Resources	374,456	(250,058)	124,398
Balance at 31 December 2019	14,817,611	(7,005,142)	7,812,469

14. Accounts Payable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operating Creditors	154,267	128,294	185,435
Accruals	113,161	78,078	79,984
Employee Entitlements - Salaries	1,066,175	1,020,044	920,190
Employee Entitlements - Leave Accrual	59,369	45,000	44,087
	1,392,972	1,271,416	1,229,696
Payables for Exchange Transactions	1,392,972	1,271,416	1,229,696
	1,392,972	1,271,416	1,229,696

The carrying value of payables approximates their fair value.

15. Revenue Received in Advance

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Grants in Advance - Ministry of Education	115,510	-	-
International Student Fees	1,371,324	2,399,780	2,778,106
Other	46,109	6,451	86,424
	<u>1,532,943</u>	<u>2,406,231</u>	<u>2,864,530</u>

16. Provision for Cyclical Maintenance

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Provision at the Start of the Year	481,082	481,082	611,054
Increase/ (decrease) to the Provision During the Year	166,503	119,176	101,053
Use of the Provision During the Year	-	(144,683)	(231,025)
Provision at the End of the Year	<u>647,585</u>	<u>455,575</u>	<u>481,082</u>
Cyclical Maintenance - Current	-	42,628	-
Cyclical Maintenance - Term	647,585	412,947	481,082
	<u>647,585</u>	<u>455,575</u>	<u>481,082</u>

17. Painting Contract Liability

	2020	2020	2019
	Actual	Budget	Actual
	\$	\$	\$
Current Liability	111,991	118,019	113,196
Non Current Liability	46,050	32,668	112,999
	<u>158,041</u>	<u>150,687</u>	<u>226,195</u>

In June 2008 the Board signed an agreement with Programmed Property Services Limited (the contractor) for an agreed programme of work covering a fourteen year period. The programme provides for an interior and exterior repaint of the Ministry owned buildings in 2008 and 2019, with regular maintenance in subsequent years. The agreement has an annual commitment of \$89,988. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

18. Finance Lease Liability

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

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
No Later than One Year	32,369	29,210	96,477
Later than One Year and no Later than Five Years	11,839	8,306	27,111
	<u>44,208</u>	<u>37,516</u>	<u>123,588</u>

19. Funds Held for Capital Works Projects

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

	2020	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
Library Temperzone Unit	<i>in progress</i>	-	-	4,572	-	(4,572)
Roofing Replacements	<i>in progress</i>	-	-	1,240	-	(1,240)
Student Toilet Blocks	<i>in progress</i>	-	-	12,586	-	(12,586)
Dust Extraction System	<i>in progress</i>	-	-	581	-	(581)
Montrose Boxes replacement	<i>in progress</i>	-	-	581	-	(581)
O Block Window Replacement	<i>in progress</i>	-	-	1,744	-	(1,744)
Totals		-	-	21,304	-	(21,304)

Represented by:

Funds Held on Behalf of the Ministry of Education

Funds Due from the Ministry of Education

-

21,304

(21,304)

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
Rive Block	<i>completed</i>	117,893	20,000	(240,305)	102,412	-
Tech Block	<i>completed</i>	49,139	34,855	(83,994)	-	-
Security System	<i>completed</i>	(7,404)	-	-	7,404	-
Totals		159,628	54,855	(324,299)	109,816	-

20. Funds Held on Behalf of Cluster

Pakuranga College is the lead school and holds funds on behalf of the cluster, a group of schools funded by the Ministry.

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Distribution of Funds			
Pakuranga College	11,588	-	-
Farm Cove Intermediate	5,794	-	-
Sunnyhills School	5,794	-	-
Funds Held at Year End	23,176	-	-

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

Current Assets

Cash at bank	25,231	-	-
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Non Current Assets

Property Plant and Equipment	-	-	-
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Current Liabilities

Operating Creditors	(2,055)	-	-
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Non Current Liabilities

Borrowings	-	-	-
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Equity

23,176	-	-
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21. Related Party Transactions

The College is a controlled entity of the Crown, and the Crown provides the major source of revenue to the school. The College 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.

Gary Brinsden is a teacher at the College and also owns Innovative 3D Technologies. During the year the College purchased 3D printers and consumables at market rates. The total value of all transactions for the year was \$8,033 (2019: \$2,797) and no amount is outstanding as at balance date (Prior Period: nil). Because this amount is less than \$25,000 (excl GST) for the year the contract does not require Ministry approval under Schedule 23 Clause 10 of the Education and Training Act 2020.

22. Remuneration

Key management personnel compensation

Key management personnel of the College include all trustees of the Board, Principal, Deputy Principals and other members of senior management.

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	4,620	5,550
Full-time equivalent members	0.14	0.18
<i>Leadership Team</i>		
Remuneration	894,093	1,060,590
Full-time equivalent members	7	8
Total key management personnel remuneration	898,713	1,066,140
Total full-time equivalent personnel	7.14	8.18

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.

Principal

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

	2020 Actual \$000	2019 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	270-280	240-250
Benefits and Other Emoluments	15-20	15-20
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2020 FTE Number	2019 FTE Number
110-120	0	3.00
100-110	25.00	5.00
	25.00	8.00

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

23. 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:

	2020 Actual	2019 Actual
Total	-	-
Number of People	-	-

24. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at **31 December 2020** (Contingent liabilities and assets at **31 December 2019**: 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's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. The current phase of this review is to design potential solutions for any compliance breaches discovered in the initial phase of the Programme. 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 2020, a contingent liability for the school may exist.

25. Commitments

(a) Capital Commitments

As at 31 December 2020 the Board has entered into contract agreements for capital works as follows:

(a) \$103,951 contract for the 2021 ICT Development plan with New Era IT.

(b) Fuji Xerox New Zealand Limited print solutions contract commencing 1 January 2021 for a period of 60 months for \$2,902 per month fixed fee plus per page impression rate.

(Capital commitments at 31 December 2019: \$1,046,830)

(b) Operating Commitments

As at 31 December 2020 the Board has entered into the following contracts:

(a) operating lease with Maxxia Limited

	2020 Actual \$	2019 Actual \$
No later than One Year	13,095	50,632
Later than One Year and No Later than Five Years	16,369	-
		-
	<u>29,464</u>	<u>50,632</u>

26. Distribution to Ministry of Education

During the financial year the College paid \$800,000 (GST exclusive) to the Ministry of Education towards replacement of 12 classrooms (2019: \$nil). The Ministry of Education will have 100% ownership of the 12 classrooms.

27. 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.

28. 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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash and Cash Equivalents	3,820,662	59,491	3,419,642
Receivables	966,778	879,454	932,956
Investments - Term Deposits	2,000,000	4,200,000	3,500,000
Total Financial assets measured at amortised cost	<u>6,787,440</u>	<u>5,138,945</u>	<u>7,852,598</u>

Financial liabilities measured at amortised cost

Payables	1,392,972	1,271,416	1,229,696
Finance Leases	41,512	37,516	115,564
Painting Contract Liability	158,041	150,687	226,195
Total Financial Liabilities Measured at Amortised Cost	<u>1,592,525</u>	<u>1,459,619</u>	<u>1,571,455</u>

29. Events After Balance Date

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

Independent Auditor's Report

To the readers of Pakuranga College's Financial statements For the year ended 31 December 2020

The Auditor-General is the auditor of Pakuranga College (the School). The Auditor-General has appointed me, Elaine Yong, using the staff and resources of RSM Hayes Audit, 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 19, that comprise the statement of financial position as at 31 December 2020, 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 2020; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime.

Our audit was completed on 30 April 2021. 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 of 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 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 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 Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information includes the statement of responsibility, board member list, analysis of variance, and kiwisport report, but does not include the financial statements, and our auditor's report thereon.

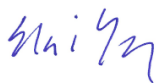
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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 Pakuranga College.



Elaine Yong
RSM Hayes Audit
On behalf of the Auditor-General
Auckland, New Zealand