

# WADESTOWN SCHOOL

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### School Directory

**Ministry Number:** 3055

**Principal:** Amanda Frater

**School Address:** 2-6 Rose Street, Wadestown

**School Postal Address:** Rose Street, Wadestown, Wellington, 6012

**School Phone:** 04 472 4779

**School Email:** [megan@wadestown.school.nz](mailto:megan@wadestown.school.nz)

**Accountant / Service Provider:**

**Education Services.**  
*Dedicated to your school*

# WADESTOWN SCHOOL

Annual Report - For the year ended 31 December 2022

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# Wadestown School

## Statement of Responsibility

For the year ended 31 December 2022

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

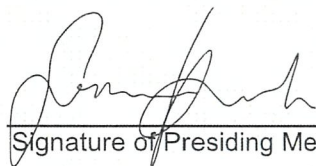
The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

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

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

Genevieve Hancock

Full Name of Presiding Member



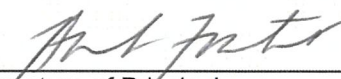
Signature of Presiding Member

7/11/2023

Date:

AMANDA ELIZABETH FRATER

Full Name of Principal



Signature of Principal

7/11/2023

Date:

**Wadestown School**  
**Statement of Comprehensive Revenue and Expense**  
For the year ended 31 December 2022

		2022	2022	2021
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Revenue</b>				
Government Grants	2	2,351,616	3,670,603	2,415,294
Locally Raised Funds	3	264,392	60,850	162,209
Interest Income		5,387	8,500	4,117
		<u>2,621,395</u>	<u>3,739,953</u>	<u>2,581,620</u>
<b>Expenses</b>				
Locally Raised Funds	3	26,144	28,600	20,315
Learning Resources	4	1,819,569	2,524,607	1,767,405
Administration	5	159,691	163,462	136,498
Finance		1,660	-	-
Property	6	784,500	1,055,750	744,599
Loss on Disposal of Property, Plant and Equipment	11	1,339	-	1,738
		<u>2,792,903</u>	<u>3,772,419</u>	<u>2,670,555</u>
<b>Net Surplus / (Deficit) for the year</b>		(171,508)	(32,466)	(88,935)
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>(171,508)</u>	<u>(32,466)</u>	<u>(88,935)</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.



**Wadestown School**

**Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2022

		2022	2022	2021
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Equity at 1 January</b>		984,010	675,275	1,063,789
Total comprehensive revenue and expense for the year		(171,508)	(32,466)	(88,935)
Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	9,156
<b>Equity at 31 December</b>		812,502	642,809	984,010
Accumulated comprehensive revenue and expense		812,502	642,809	984,010
<b>Equity at 31 December</b>		812,502	642,809	984,010

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.

**Wadestown School**  
**Statement of Financial Position**  
As at 31 December 2022

		2022	2022	2021
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Current Assets</b>				
Cash and Cash Equivalents	7	499,281	144,230	243,140
Accounts Receivable	8	135,397	77,303	118,852
GST Receivable		19,667	9,598	29,791
Prepayments		11,695	11,896	-
Inventories	9	1,361	-	509
Investments	10	16,227	563,570	345,684
		683,628	806,597	737,976
<b>Current Liabilities</b>				
Accounts Payable	12	165,743	113,062	197,469
Revenue Received in Advance	13	5,779	22,266	-
Provision for Cyclical Maintenance	14	19,250	14,288	67,048
Finance Lease Liability	15	9,549	11,084	5,058
Funds held for Capital Works Projects	16	101,609	-	10,686
		301,930	160,700	280,261
<b>Working Capital Surplus/(Deficit)</b>		381,698	645,897	457,715
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	485,714	72,235	529,220
		485,714	72,235	529,220
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	14	34,740	46,744	-
Finance Lease Liability	15	20,170	28,579	2,925
		54,910	75,323	2,925
<b>Net Assets</b>		812,502	642,809	984,010
<b>Equity</b>		812,502	642,809	984,010

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

**Wadestown School**  
**Statement of Cash Flows**  
For the year ended 31 December 2022

		2022	2022	2021
	Note	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		543,962	855,553	530,259
Locally Raised Funds		271,436	64,350	187,112
Goods and Services Tax (net)		10,124	-	(15,144)
Payments to Employees		(373,314)	(561,773)	(311,965)
Payments to Suppliers		(601,529)	(306,466)	(366,171)
Interest Paid		(1,660)	-	-
Interest Received		5,979	8,500	2,895
Net cash from/(to) Operating Activities		(145,002)	60,164	26,986
<b>Cash flows from Investing Activities</b>				
Purchase of Property Plant & Equipment (and Intangibles)		(15,035)	-	(13,872)
Purchase of Investments		(16,227)	-	(146,761)
Proceeds from Sale of Investments		345,684	-	101,000
Net cash from/(to) Investing Activities		314,422	-	(59,633)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		-	-	9,156
Finance Lease Payments		(4,202)	-	(7,303)
Funds Administered on Behalf of Third Parties		90,923	-	(273,582)
Net cash from/(to) Financing Activities		86,721	-	(271,729)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>256,141</b>	<b>60,164</b>	<b>(304,376)</b>
Cash and cash equivalents at the beginning of the year	7	243,140	84,066	547,516
<b>Cash and cash equivalents at the end of the year</b>	<b>7</b>	<b>499,281</b>	<b>144,230</b>	<b>243,140</b>

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

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



# Wadestown School

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

Wadestown School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. The Board is of the view that the School is a public benefit entity for financial reporting purposes.

##### b) Basis of Preparation

###### *Reporting Period*

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

###### *Basis of Preparation*

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

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

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

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

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

###### *Measurement Base*

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

###### *Presentation Currency*

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

###### *Specific Accounting Policies*

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

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

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

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

###### *Cyclical maintenance*

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition. During the year, the Board assesses the reasonableness of its painting maintenance plan on which the provision is based. Cyclical maintenance is disclosed at note 14.

#### *Useful lives of property, plant and equipment*

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the significant accounting policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 11.

#### **Critical Judgements in applying accounting policies**

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

##### *Classification of leases*

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised. Finance lease liability disclosures are contained in note 15. Future operating lease commitments are disclosed in note 21b.

##### *Recognition of grants*

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

#### **c) Revenue Recognition**

##### **Government Grants**

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

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

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

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

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

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

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

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

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

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



### **Interest Revenue**

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

### **d) Operating Lease Payments**

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

### **e) Finance Lease Payments**

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

### **f) Cash and Cash Equivalents**

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

### **g) Accounts Receivable**

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

### **h) Inventories**

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

### **i) Investments**

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

### **j) Property, Plant and Equipment**

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

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

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

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

### **Finance Leases**

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



### **Depreciation**

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

The estimated useful lives of the assets are:

Building Improvements	50 years
Furniture and equipment	5 - 15 years
Information technology	5 years
Library resources	12.5% Diminishing value
Leased assets held under a Finance Lease	Term of Lease

### **k) Intangible Assets**

#### *Software costs*

Computer software acquired by the School are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance and research expenditure are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

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

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

#### *Non cash generating assets*

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

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

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

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

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

### **m) Accounts Payable**

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

#### **n) Employee Entitlements**

##### *Short-term employee entitlements*

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

##### *Long-term employee entitlements*

Employee benefits that are not expected to be settled wholly before 12 months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis.

The calculations are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows. Remeasurements are recognised in surplus or deficit in the period in which they arise.

#### **o) Revenue Received in Advance**

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

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

#### **p) Funds Held in Trust**

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

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

#### **q) Funds held for Capital works**

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

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

#### **r) Shared Funds**

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. In instances where funds are outside of the School's control, these amounts are not recorded in the Statement of Comprehensive Revenue and Expense. In instances where the school is determined to be the principal for providing the service related to the Shared Funds (such as the RTL programme), all income and expenditure related to the provision of the service is recorded in the Statement of Comprehensive Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.



#### **s) Provision for Cyclical Maintenance**

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

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

The schools carries out painting maintenance of the whole school over a 7 to 10 year period, the economic outflow of this is dependent on the plan established by the school to meet this obligation and is detailed in the notes and disclosures of these accounts.

#### **t) Financial Instruments**

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

Investments that are shares are categorised as 'financial assets at fair value through other comprehensive revenue and expense' for accounting purposes in accordance with financial reporting standards. On initial recognition of an equity investment that is not held for trading, the School may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive revenue and expense. This election has been made for investments that are shares. Subsequent to initial recognition, these assets are measured at fair value. Dividends are recognised as income in surplus or deficit unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive revenue and expense and are never reclassified to surplus or deficit.

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in surplus or deficit.

#### **u) 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.

#### **v) 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.

#### **w) Budget Figures**

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

#### **x) Services received in-kind**

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

## 2. Government Grants

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Government Grants - Ministry of Education	542,359	855,553	523,957
Teachers' Salaries Grants	1,304,072	1,980,000	1,403,797
Use of Land and Buildings Grants	505,185	835,050	481,238
Other Government Grants	-	-	6,302
	<u>2,351,616</u>	<u>3,670,603</u>	<u>2,415,294</u>

## 3. Locally Raised Funds

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

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Revenue</b>			
Donations & Bequests	215,695	8,500	128,249
Fees for Extra Curricular Activities	34,951	10,350	19,591
Trading	4,710	32,000	1,843
Fundraising & Community Grants	8,036	10,000	8,969
Other Revenue	1,000	-	3,557
	<u>264,392</u>	<u>60,850</u>	<u>162,209</u>
<b>Expenses</b>			
Extra Curricular Activities Costs	23,080	-	9,973
Trading	3,064	28,600	2,281
Fundraising & Community Grant Costs	-	-	8,061
	<u>26,144</u>	<u>28,600</u>	<u>20,315</u>
<i>Surplus for the year Locally raised funds</i>	<u>238,248</u>	<u>32,250</u>	<u>141,894</u>

## 4. Learning Resources

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	131,549	95,004	71,641
Library Resources	1,909	1,100	2,423
Employee Benefits - Salaries	1,553,847	2,329,373	1,567,991
Staff Development	11,709	21,500	11,385
Depreciation	96,498	77,630	81,008
Information & Communication Technology	24,057	-	32,957
	<u>1,819,569</u>	<u>2,524,607</u>	<u>1,767,405</u>

## 5. Administration

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	2,952	7,495	6,723
Board Fees	2,040	-	825
Board Expenses	8,300	19,367	4,044
Communication	2,400	2,500	2,321
Consumables	1,168	1,800	1,005
Operating Lease	1,129	-	826
Other	26,789	34,800	25,865
Employee Benefits - Salaries	109,147	82,500	92,410
Insurance	3,036	15,000	1,129
Service Providers, Contractors and Consultancy	2,730	-	1,350
	<u>159,691</u>	<u>163,462</u>	<u>136,498</u>

## 6. Property

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	19,598	11,000	7,098
Cyclical Maintenance Provision	63,904	15,000	67,686
Grounds	8,810	9,000	12,569
Heat, Light and Water	20,205	26,500	17,451
Rates	8,754	3,700	8,787
Repairs and Maintenance	31,223	18,600	23,551
Use of Land and Buildings	505,185	835,050	481,238
Security	6,838	7,000	4,896
Employee Benefits - Salaries	12,924	-	14,046
Contractor & Consultancy	107,059	129,900	107,277
	<u>784,500</u>	<u>1,055,750</u>	<u>744,599</u>

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

## 7. Cash and Cash Equivalents

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Accounts	29,383	144,230	243,140
Short-term Bank Deposits	469,898	-	-
Cash and cash equivalents for Statement of Cash Flows	<u>499,281</u>	<u>144,230</u>	<u>243,140</u>

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

Of the \$499,281 Cash and Cash Equivalents \$101,609 is held by the School on behalf of the Ministry of Education. These funds have been provided by the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2023 on Crown owned school buildings.



## 8. Accounts Receivable

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Receivables	4,048	6,138	15,366
Interest Receivable	630	1,140	1,222
Teacher Salaries Grant Receivable	130,719	70,025	102,264
	<u>135,397</u>	<u>77,303</u>	<u>118,852</u>
Receivables from Exchange Transactions	4,678	7,278	16,588
Receivables from Non-Exchange Transactions	130,719	70,025	102,264
	<u>135,397</u>	<u>77,303</u>	<u>118,852</u>

## 9. Inventories

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Stationery	921	-	509
Uniform	440	-	-
	<u>1,361</u>	<u>-</u>	<u>509</u>

## 10. Investments

The School's investment activities are classified as follows:

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Current Asset Short-term Bank Deposits	16,227	563,570	345,684
Total Investments	<u>16,227</u>	<u>563,570</u>	<u>345,684</u>



## 11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2022	\$	\$	\$	\$	\$	\$
Building Improvements	420,343	-	-	-	(47,695)	372,648
Furniture and Equipment	43,351	16,399	(1,339)	-	(17,721)	40,689
Information and Communication Technology	37,619	5,230	-	-	(17,061)	25,788
Leased Assets	7,571	29,004	-	-	(11,024)	25,550
Library Resources	20,336	3,700	-	-	(2,997)	21,039
<b>Balance at 31 December 2022</b>	<b>529,220</b>	<b>54,333</b>	<b>(1,339)</b>	<b>-</b>	<b>(96,498)</b>	<b>485,714</b>

The net carrying value of equipment held under a finance lease is \$25,550 (2021: \$7,571)

### Restrictions

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

	2022	2022	2022	2021	2021	2021
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Building Improvements	776,332	(403,684)	372,648	776,332	(355,989)	420,343
Furniture and Equipment	509,997	(469,308)	40,689	497,157	(453,806)	43,351
Information and Communication Technology	354,151	(328,363)	25,788	349,438	(311,819)	37,619
Leased Assets	75,507	(49,957)	25,550	46,503	(38,932)	7,571
Library Resources	95,973	(74,934)	21,039	92,273	(71,937)	20,336
<b>Balance at 31 December</b>	<b>1,811,960</b>	<b>(1,326,246)</b>	<b>485,714</b>	<b>1,761,703</b>	<b>(1,232,483)</b>	<b>529,220</b>

## 12. Accounts Payable

	2022	2022	2021
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Creditors	26,252	29,102	77,524
Accruals	6,925	5,749	10,696
Banking Staffing Overuse	-	4,855	6,657
Employee Entitlements - Salaries	130,719	70,025	102,264
Employee Entitlements - Leave Accrual	1,847	3,331	328
	<u>165,743</u>	<u>113,062</u>	<u>197,469</u>

Payables for Exchange Transactions	165,743	113,062	197,469
	<u>165,743</u>	<u>113,062</u>	<u>197,469</u>

The carrying value of payables approximates their fair value.

## 13. Revenue Received in Advance

	2022	2022	2021
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Income in Advance	388	1,000	-
Grant Income Received in Advance	2,000	21,266	-
MOE Grants in Advance	3,391	-	-
	<u>5,779</u>	<u>22,266</u>	<u>-</u>

## 14. Provision for Cyclical Maintenance

	2022	2022	2021
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Provision at the Start of the Year	67,048	46,032	59,681
Increase to the Provision During the Year	36,140	15,000	67,687
Use of the Provision During the Year	(76,962)	-	(60,320)
Other Adjustments	27,764	-	-
Provision at the End of the Year	<u>53,990</u>	<u>61,032</u>	<u>67,048</u>
Cyclical Maintenance - Current	19,250	14,288	67,048
Cyclical Maintenance - Non current	34,740	46,744	-
	<u>53,990</u>	<u>61,032</u>	<u>67,048</u>

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

## 15. Finance Lease Liability

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
No Later than One Year	11,546	11,084	5,058
Later than One Year and no Later than Five Years	22,274	28,579	2,925
Future Finance Charges	(4,101)	-	-
	<u>29,719</u>	<u>39,663</u>	<u>7,983</u>

### Represented by

Finance lease liability - Current	9,549	11,084	5,058
Finance lease liability - Non current	20,170	28,579	2,925
	<u>29,719</u>	<u>39,663</u>	<u>7,983</u>

## 16. Funds Held (Owed) for Capital Works Projects

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

2022	Project No.	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions	Closing Balances \$
C Block (Rata) Project	211066	10,686	206,482	(115,559)	-	101,609
Lightning Strike Blks C&E	completed	-	5,616	(5,616)	-	-
Totals		<u>10,686</u>	<u>212,098</u>	<u>(121,175)</u>	<u>-</u>	<u>101,609</u>

### Represented by:

Funds Held on Behalf of the Ministry of Education	101,609
Funds Receivable from the Ministry of Education	-

2021	Project No.	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions	Closing Balances \$
C Block (Rata) Project	211066	-	58,520	(47,834)	-	10,686
Totals		<u>-</u>	<u>58,520</u>	<u>(47,834)</u>	<u>-</u>	<u>10,686</u>

### Represented by:

Funds Held on Behalf of the Ministry of Education	10,686
Funds Receivable from the Ministry of Education	-

## 17. Related Party Transactions

The School is a controlled entity of the Crown, and the Crown provides the major source of revenue to the school. The school enters into transactions with other entities also controlled by the Crown, such as government departments, state-owned enterprises and other Crown entities. Transactions with these entities are not disclosed as they occur on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted if dealing with that entity at arm's length.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

## 18. Remuneration

### Key management personnel compensation

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

	2022 Actual \$	2021 Actual \$
<i>Board Members</i>		
Remuneration	2,040	825
<i>Leadership Team</i>		
Remuneration	657,152	352,621
Full-time equivalent members	6.07	0.03
Total key management personnel remuneration	659,192	353,446

There are 7 members of the Board excluding the Principal. The Board had held 6 full meetings of the Board in the year. The Board also has Finance (0 members) and Property (2 members) that met 0 and 0 times respectively. As well as these regular meetings, including preparation time, the Presiding Member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

### Principal 1

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

	2022 Actual \$000	2021 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	140 - 150	130 - 140
Benefits and Other Emoluments	4 - 5	4 - 5
Termination Benefits	-	-

### Other Employees

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

Remuneration \$000	2022 FTE Number	2021 FTE Number
100 - 110	3.00	5.00
	3.00	5.00

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



## 19. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be board members, committee members, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

	2022 Actual	2021 Actual
Total	-	-
Number of People	-	-

## 20. Contingencies

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

In 2022 the Ministry of Education provided additional funding for both the Support Staff in Schools' Collective Agreement (CA) Settlement and the Teacher Aide Pay Equity Settlement. The school is still yet to receive a final wash up that adjusts the estimated quarterly instalments for the actual teacher aides employed in 2022.

The Ministry is in the Process of determining the amount of the final wash up payment for the year ended 31 December 2022. Even though the payment is probable, the amount to be received is not known with a high level of certainty. The school has therefore not recognised the expected receipt (asset) and income in its financial statements. The payment is expected to be received in July 2023.

### Holidays Act Compliance – schools payroll

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

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

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

## 21. Commitments

### (a) Capital Commitments

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

\$2,072,932 contract for the C Block (Rata) Project as agent for the Ministry of Education. This project is fully funded by the Ministry and \$265,002 has been received of which \$163,393 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments as at 31 December 2021:

\$0 contract for the C Block (Rata) Project as agent for the Ministry of Education. This project is fully funded by the Ministry and \$58,520 has been received of which \$47,834 has been spent on the project to balance date. This project has been approved by the Ministry.)

### (b) Operating Commitments

There are no operating commitments as at 31 December 2022 (Operating commitments at 31 December 2021: nil).

## 22. Financial Instruments

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

### Financial assets measured at amortised cost

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Cash and Cash Equivalents	499,281	144,230	243,140
Receivables	135,397	77,303	118,852
Investments - Term Deposits	16,227	563,570	345,684
Total Financial assets measured at amortised cost	650,905	785,103	707,676

### Financial liabilities measured at amortised cost

Payables	165,743	113,062	197,469
Finance Leases	29,719	39,663	7,983
Total Financial Liabilities Measured at Amortised Cost	195,462	152,725	205,452

## 23. Events After Balance Date

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

## 24. Comparatives

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



## Wadestown School

### Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Genevieve Hancock	Presiding Member	Elected	Sep 2025
Amanda Frater	Principal	ex Officio	
Madeleine Setchell	Parent Representative	Elected	Sep 2025
Nadine Gray	Parent Representative	Elected	Jul 2023
Tania Williams	Parent Representative	Elected	Sep 2025
Anya Zohrab	Parent Representative	Elected	Sep 2025
Michelle Crutchley	Parent Representative	Elected	Sep 2025
Robyn Grover	Staff Representative	Elected	Sep 2025

## **Wadestown School**

### **Kiwisport**

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2022, the school received total Kiwisport funding of \$4,492 (excluding GST). The funding was spent on sporting endeavours.

## **Statement of Compliance with Employment Policy**

For the year ended 31st December 2022 the Wadestown School Board:

- Has developed and implemented personnel policies, within policy and procedural frameworks to ensure the fair and proper treatment of employees in all aspects of their employment
- Has reviewed its compliance against both its personnel policy and procedures and can report that it meets all requirements and identified best practice.
- Is a good employer and complies with the conditions contained in the employment contracts of all staff employed by the Board.
- Ensures all employees and applicants for employment are treated according to their skills, qualifications and abilities, without bias or discrimination.
- Meets all Equal Employment Opportunities requirements.



## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE READERS OF WADESTOWN FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

The Auditor-General is the auditor of Wadestown School (the School). The Auditor-General has appointed me, Pam Thompson, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements of the School on her 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 2022, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

Our audit was completed on 7 November 2023. This is the date at which our opinion is expressed.

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

#### **Basis for our opinion**

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

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

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

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

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

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

In preparing the financial statements, the Board is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.



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

### **Responsibilities of the auditor for the audit of the financial statements**

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

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

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

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

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

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

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



Our responsibilities arise from the Public Audit Act 2001.

### **Other information**

The Board is responsible for the other information. Other information has not been received by the auditor at the date of the report is signed. Other information does not include the financial statements, and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Independence**

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

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

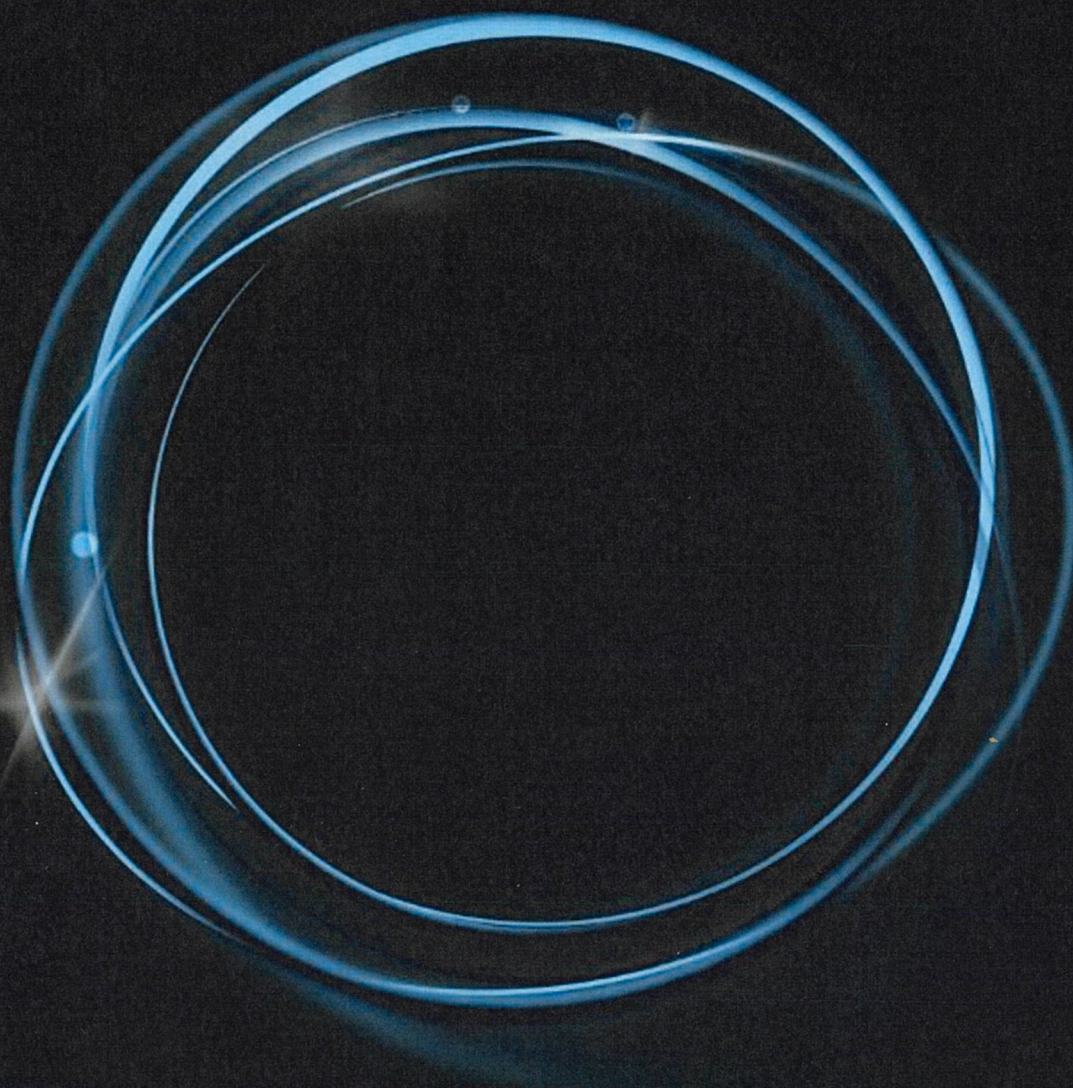
A handwritten signature in black ink that reads "Pam Thompson".

Pam Thompson,  
Deloitte Limited  
On behalf of the Auditor-General  
Wellington, New Zealand





**Deloitte.**



**Wadestown School**

Report to the Board of Trustees  
for the year ended 31 December 2022





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10 November 2023

The Board of Trustees  
Wadestown School  
2-6 Rose Street  
Wadestown  
Wellington 6012

Dear Trustees

In accordance with our normal practice, we include in the attached report all matters arising from our audit of the School's financial statements for the year ended 31 December 2022 which we consider appropriate for the attention of the Board of Trustees ("the Board"). These matters have been discussed with management and their comments have been included, where appropriate.

We look forward to the opportunity to discuss these at a Board meeting should you wish to discuss this report. In the interim should you require clarification on any matter in this report please do not hesitate to contact us.

This report is intended for the Board only and should not be distributed further.

We would like to take this opportunity to extend our appreciation to management and EdServices for their assistance and cooperation during the course of our audit.

If you would like to discuss any matters raised in this report please do not hesitate to contact us.

Yours faithfully  
**DELOITTE LIMITED**

Pam Thompson  
**Appointed Auditor**  
On behalf of the Auditor-General

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## 1. Purpose of report and responsibility statement

This report has been prepared for the Board and is part of our ongoing discussions as auditor in accordance with our engagement letter and as required by the Office of the Auditor General requirements, which include New Zealand auditing standards.

This report is intended for the Board and should not be distributed further. We do not accept any responsibility for reliance that a third party might place on this report should they obtain a copy without our consent.

This report includes only those matters that have come to our attention as a result of performing our audit procedures and which we believe are appropriate to communicate to the Board. The ultimate responsibility for the preparation of the financial statements rests with the Board.

We are responsible for conducting an audit of the School for the year ended 31 December 2022 in accordance with New Zealand auditing standards issued by the New Zealand Auditing and Assurance Standards Board. Our audit is performed pursuant to the requirements of the Education and Training Act 2020 with the objective of forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of the Board. The audit of the financial statements does not relieve management or the Board of their responsibilities.

Our audit is not designed to provide assurance as to the overall effectiveness of the School's controls but we will provide you with any recommendations on controls that we might have identified during the course of our audit work.

## 2. Status of the audit and areas of focus

Our audit of the financial statements is substantially complete, subject to the completion of the following matters:

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### Items outstanding

- Appropriate procedures relating to subsequent events up to the date of our audit opinion;
- Receipt of the signed management representation letter; and
- Adoption of the financial statements and signing of the financial statements by the Board.

We understand that these may be approved by the Board under delegation to specified Trustees.

## Area of focus

## Audit Response

### 2.1 Provision for Cyclical Maintenance

The provision for cyclical maintenance balance requires a significant level of management judgement, and the balance is often material to the financial statements. These judgements are made through the 10 year property plan (10YPP). To audit the provision for cyclical maintenance, the Board should:

- Ensure that your 10YPP has been professionally reviewed in the past three years, or more recently if there has been changes in the properties since the last review; and
- Ensure that the 10YPP aligns with your provision for cyclical maintenance calculation.

We have examined the School's 10YPP and calculation of the cyclical maintenance provision and confirmed that:

- the 10YPP has been subject to necessary levels of professional review;
- the calculation of the cyclical maintenance provision is reasonable and accurate; and
- disclosures included in the financial statements are materially in line with the underlying calculation and with financial reporting requirements.

You are reminded that it is important to ensure sufficient funds can be set aside each year to manage the impact these costs will have on the School's cashflow during the period where works are undertaken.

No specific concerns or findings were noted.

### 2.2 Office of the Auditor-General ("OAG") audit brief matters

As you are aware our audit is completed under contract from the OAG and annually we are asked to specifically consider certain potential matters of interest. Schools are required to publish its Annual Report online. We have been asked to remind you of this requirement.

Our audit procedures considered these matters as relevant and in accordance with OAG expectations.

No specific concerns or findings were noted.

These areas of focus remain similar to previous years including:

- classification of associated entities such as fundraising trusts;
- overseas travel;
- sensitive expenditure;
- financial difficulty risk factors; and
- legislative compliance.



Area of focus	Audit Response
<p><b>2.3 Statement of compliance with employment policy</b></p> <p>Section 597 of the Education and Training Act 2020 requires the Board to have an employment policy that complies with the principle of being a good employer.</p> <p>The Board must make the policy available to employees, ensure its compliance with the policy, and report on the extent of that compliance in its annual report. The annual report is the information that is attached to the financial statements.</p>	<p>Our audit procedures considered these matters as relevant and in accordance with OAG expectations.</p> <p>No specific concerns or findings were noted.</p>

## 3. Assessment of internal controls

Our audit requires us to obtain an undertaking of the School's internal controls, sufficient to identify and assess the risks of material misstatement in the financial statements.

We remind you that our audit is not designed to express an opinion on the effectiveness of the controls operating within the School, although we have reported to management any recommendations on controls that we identified during the course of our audit work. Any of our recommendations for improvement should be assessed by you for their full commercial implications before they are implemented.

We have not identified any significant deficiencies in internal controls which would impact upon our ability to provide our opinion.

### 3.1 Segregation of duties

As is the case for most schools, the number of people involved in the administration and accounting functions is very limited, meaning that there is an increased inherent risk that errors and omissions may occur and go undetected.

The number of people involved in the school's administration and accounting functions also imposes limitations on the controls and processes schools have in place to monitor and approve changes made to information technology ("IT") systems responsible for processing transactions. These systems include but are not limited to the Edpay system, creditor processes and bank payment systems. The absence of controls to monitor and approve changes within these systems increases the risk of assets being misappropriated.

It is important that you are aware of these risks as it is your responsibility to ensure the School's internal controls operate effectively and that the resultant financial statements are accurate. You should ensure that sufficient financial oversight is exercised by the Board or a delegated nominee on a regular basis in order to reduce the likelihood of error or omission to a level that the Board is comfortable with.

This oversight should include consideration of payment approval and bank authorisation monitoring. As a simple example, we encourage all Boards to specifically review the electronic banking system authorities and levels as part of their consideration of the delegated authority considerations. Our experience is that the frauds being perpetrated are often arising from changes to bank account details after invoice approval. The historical lack of oversight in this area should be specifically considered by the Board as part of its regular financial monitoring.

## 3.2 Update on matters raised in the prior year

We have made enquiries and observations about the remedial action taken on last year's management letter observations and report as follows:

Issue raised in the prior year	Current year update
Absence of a Statement of Financial Position Budget	Matter remains open. Refer to 4.2 below.
Policies were due for review	Policies were reviewed. Finding considered closed.

## 4. Accounting matters arising

### 4.1 Payroll controls

We consider the main risk to the accuracy of payroll payments is transactions being incorrectly processed, because of either fraud or error. The EdPay system relies on Schools checking the accuracy of the payroll transactions processed by the school, as this information is not checked centrally.

To ensure the accuracy of payroll payments, our expectation has been that schools had the following key controls:

- effective access controls to EdPay, limiting access to "authorised users";
- changes to masterfile data – such as bank account changes, new starters, or payments to non-salaried staff (such as relievers) - have appropriate supporting documentation and are appropriately authorised;
- checking of the fortnightly draft payroll (SUE) report and Novopay Online transactions report for accuracy; and
- review of the final fortnightly payroll (SUE) report by someone independent of staff who has access to EdPay.

The Novopay Online transaction report was discontinued (in October 2021), and from about mid-2021 had not been a complete record of all transactions.

We do not consider that the review of the SUE report on its own is a strong enough control for schools to rely on to detect fraud or error, because it does not include details of changes to pay, or Masterfile changes. The lack of a complete Masterfile change report could also potentially provide an opportunity for a fraud to go undetected.

### Updated guidance on payroll controls is now available

Updated guidance on the controls within EdPay that should be operating at schools has recently been published on the EdPay website. The main change is that the Novopay Online transaction report has been replaced by several reports. To review and approve pay changes the following transaction histories should be saved, checked, and signed, ideally after transactions have been processed and prior to payment:

- timesheet history
- leave history
- activity history.

To ensure controls are effective schools also need to ensure that:

- there is segregation of duties between the processing and approval of payroll transactions;
- access to EdPay is controlled;
- payroll transactions are approved in line with delegations; and
- approvals are appropriately documented.

The guidance and resources on payroll controls for schools are available on the training page of the EdPay website (<https://www.edpay.govt.nz/Site/Training/default.aspx>). They consist of:

- A checklist of best practice payroll controls.
- A video on how to use EdPay transaction histories (for checking and approving transactions).
- A printable 'how to' guide showing the transaction checking process.

#### **No current report in EdPay to check and approve Masterfile changes**

The online activity history for masterfile changes, such as bank account and other changes to personal details within EdPay is still in development. The updated payroll guidance (referred to above) does suggest some interim procedures, consisting of taking screen shots of changes and having those approved. However, as this will not provide a list of all changes made, the Board needs to consider how it gets comfort that all changes are made with appropriate authorisation. Without a list of all masterfile changes that can be approved by a second person (as segregation of duties is required for an effective control), this remains an area susceptible to fraud.

#### **Recommendation**

We recommend that the Board ask management for assurance that appropriate controls are in place at the school over payroll transactions, consistent with the updated guidance.

#### **4.2 Absence of a Statement of Financial Position Budget**

##### **Observation**

We note that budgeted amounts have correctly been disclosed in the statement of financial position, however, we note that the approved budget provided to us does not include budgeted amounts for this statement. Based on discussions held with management, the budgeted amounts included in the statement of financial position are estimated based on the budgeted income, expenses and asset purchases.

##### **Implication**

It is important to consider the budgeted financial position of the school as part of the budgeting setting process to ensure that the Board can effectively manage its working capital as well as possible legislative requirements, such as borrowing limits throughout the financial year.

##### **Recommendation**

We recommend that the Board produce a budgeted balance sheet at the start of each year as part of the budget setting routine, to enable this to easily be included in the annual financial statements.



## 5. Summary of financial statement matters arising

In performing our audit for the year ended 31 December 2022 we have not identified any uncorrected misstatements or omitted disclosures that management believe could, either individually or in aggregate, have a material effect on the financial statements for the year ended 31 December 2022.

## 6. Other professional communications

The following matters relevant to our audit for the year ended 31 December 2022 are communicated in accordance with the requirements of New Zealand auditing standards.

Matter to be communicated	Response
Written representations	A copy of the representation letter to be signed on behalf of the Board has been circulated separately.
Non-compliance with applicable laws and regulations	We did not become aware of any non-compliance with applicable laws and regulations that may have an impact on the determination of material amounts and disclosures in the financial statements.
Fraud	No matters relating to fraud, concerning either employees or management have been advised or came to our attention.
Accounting policies and financial reporting	There were no changes in the accounting policies during the year ended 31 December 2022.  We have not become aware of any significant qualitative aspects of the School's accounting practices, including judgements about accounting policies, accounting estimates and financial statement disclosures that need to be communicated to the Board, other than those already communicated in this report.
Related parties	No significant related party matters other than those reflected in the financial statements came to our attention that, in our professional judgement, needs to be communicated to the Board.

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**Wadestown School Sports Coordinators**  
**End of Year Board Report 2022**

**A summary of the Wadestown School Sporting Events and Activities on offer**

- **Western Zone Cricket (Years 5-8)**
  - No event this year due to Covid restrictions
- **Western Zone Football Tournament (Years 5-8)**
  - No event this year due to Covid restrictions
- **Wadestown School Cross Country**
  - (Years 3-8) - Held at Rose Street with the assistance of the Sports Leaders
  - (Years 1-2) - Weld Street event
- **Western Zone Cross Country**
  - A team of 60 Year 4-8 athletes represented Wadestown School at Karori Park
  - 29 Students were placed in the top 10
- **Inter Zone Cross Country**
  - 31 Students represented the Western Zone (including 2 students with medical dispensations)
  - 10 athletes finished in the top 10
- **Regional Cross Country**
  - 10 students qualified for this event at Harcourt Park, Upper Hutt
- **Inter-Regional Cross Country (Nelson)**
  - 4 Wadestown Athletes were invited to compete at this event. Three attended, with a 5th, 11th and 13th final placing. All three brought Team medals home.
- **Wadestown School Swimming Sports (Year 4-8)**
  - Due to the limited availability of pool bookings and the non-competitive pool space being unavailable, the event was optional and catered for competitive swimmers only.
  - Year 8 Student leaders assisted with the officiating.
- **Western Zone Swimming Sports (Year 4-8)**
  - 45 students represented Wadestown School
- **Inter Zone Swimming Sports**
  -
- **Wadestown School Athletic Sports (Year 4- 8)**
  - Held at Nairnville Park. A limited number of parents were available to support so Year 7 & 8 students were offered the option of assisting in the running of events.
- **Western Zone Athletics**
  - A team of 88 students represented Wadestown at Newtown Park. Three teachers in attendance managing and officiating. Two buses hired
- **Inter Zone Athletics**
  - A team of 32 athletes. Two teachers in attendance managing and officiating. One bus hired
- **Regional Athletics**
  - 12 athletes gained selection for the Primary Sport Wellington team. Travel in parent cars to Masterton.
- **Year 3 Sports Festival**
  - Wadestown had two teams taking part in this event. All Year 3 students participated
- **Western Zone Hockey Tournament**
  - A 'have-a-go' tournament to increase participation and offer coaching and umpiring opportunities for senior students

- 2 x Year 7 and 8 teams
- 2 x Year 5 and 6 teams
- **Western Zone Netball Tournament**
  - A 'have-a-go' tournament to increase participation and offer coaching and umpiring opportunities for senior students
  - 2 x Year 7 and 8 teams
  - 2 x Year 5 and 6 teams

### Wadestown School Sports Teams: 2022

- **Netball (Terms 2 and 3)**
  - Future Ferns Skill sessions for Year 1 and 2 netballers
    - coached by 3 Year 8 students every Wednesday afternoon at Weld Street,
  - Saturday competition teams - Terms 2 and 3 (Wellington West Competition)
    - Year 8
    - Year 7 & 6
    - Year 5
    - Year 4
    - Year 3
- **Hockey (Terms 2 and 3)**
  - Year 3 and 4 - 1 team entered in the Wellington Hockey Association competition
  - Years 5 - 8 players are now opting to play for the Karori Hockey Club. We were unable to secure coaches for school teams.
- **Basketball (Terms 1 and 4)**
  - Year 3 and 4 - 1 team
  - Year 5 and 6 - 2 teams
  - Year 7 and 8 - 2 team
- **Touch (Terms 1 and 4)**
  - Year 5 and 6 - 1 team
  - Year 7 and 8 - 2 teams

### Sporting Activities offered to the Wadestown School Students

- **AIMS Games**
  - Two athletes were entered to compete as individuals SW gained 1st place in the Year 8 Girls' mountain biking and WW was placed 4th in the Year 7 Boys' mountain biking events.
- **Wellington Rugby Coaching skills lessons**
  - Year 1 and 2
- **Wellington Cricket Coaching Sessions**
  - Year 1- 4 classes

### Swimming Lessons

- All students from Years 1-8 participated in a series of lessons this year.
  - Years 7- 8 (7 weekly lessons in Term 3: water safety and swimming skills)
  - Years 5 - 6 (7 weekly lessons in Term 3: water safety and swimming skills)
  - Years 3 - 4 (6 weekly lessons in Term 3 - swimming skills)
  - Years 1 - 2 (6 lessons over 2 weeks Term 4)

- Cost per year child: including lessons and bus costs
  - Year 7-8 -\$65
  - Year 5-6: \$65
  - Year 3-4: \$65
  - Year 1-2: \$67.50
- Break down of outstanding fees:
  - Kōwhai = \$798.60
  - Pohutukawa = \$585.00
  - Rimu = \$650.00
  - Rata = \$130.00
- Kiwi Sport funding has covered \$1320.00 of the unpaid fees totalling - \$2163.60 (Still needing to recover costs of \$843.60 - student statements will continue to be issued to families)
- **Evaluation**
  - Consider removing lessons for Kōwhai students as the curriculum states that swimming instruction should be offered for students in Years 1 - 6 and the Kōwhai Team with the largest amount of unpaid fees.
  - Offer lessons every alternate year, which will mean each student as a series of lessons in each Teaching Team.
  - Beach Education for the senior classes every alternate year, is a possibility.
  - Buses are the biggest expense, although difficult to reduce.
  - Keith Spry Pool (Johnsonville) is ideally suited with the diving pool, library and playground. However, we were limited to the number of instructors available at one time.
  - Booking spaces are limited due to schools having rollover bookings. Winter lessons make no difference as the pool is heated to the same temperature all year round. The minor issue is not being able to use the outdoor area (playground) while waiting. The library would still be available.
  - Lessons are valuable as we are currently taking non-confident and non-swimmers to camps, where water activities are a large part of the camp programmes.
  - Difficult to continue offering these lessons with so many outstanding fees.
  - A number of students are also having private lessons. School lessons are considerably cheaper. Do we consider making it an optional activity, although this would not be an ideal scenario?
  - Do we increase the cost and add in a 'buffer', which is likely to create greater numbers of unpaid fees.

Team	Lessons	Format	Cost per student: lessons & bus	Outstanding payments	Notes
Kōwhai (Year 7 & 8)	7 weekly lessons Term 3	Swimming instruction and water-safety lessons	\$65.00	\$798.60	2 non-attendance on swimming days 3 opted out 6 medical/injuries/illness 1 absent on holiday for portion
Rimu (Year 5 & 6)	7 weekly lessons Term 3	Swimming instruction and water-safety lessons	\$65.00	\$650	All students participated
Rata (Year 3 & 4)	6 weekly lessons Term 3	Swimming instruction	\$65.00	\$130	1 opted out
Pohutukawa (Year 1 & 2)	6 lessons over 2 weeks Term 4	Swimming instruction	\$67.50	\$585.00	Full participation



### Kiwi Sports Funding

- An annual budget of \$4492.17
  - Affiliation Fee for 2021 Primary Sport Wellington - \$940.00
  - Sporting equipment purchased - \$2232.17
  - Contribution to outstanding fees for swimming lessons - \$1320.00

### Forward Planning for 2023

- Purchases beyond the Kiwisport budget:
  - football goals for the bottom fields
  - portable hockey/football goals for the turf area
- Full basketball court markings and portable backboards on the main court area
- Sports shed door is in need of repair and/or replacement

Cathrine Wilkinson  
(Wadestown School Sports Coordinator)

December 2022