

# SCOTT POINT PRIMARY SCHOOL

## ANNUAL REPORT

### FOR THE PERIOD ENDED 31 DECEMBER 2020

#### School Directory

**Ministry Number:** 725

**Principal:** Pamela King

**School Address:** 11 Scott Road, Hobsonville Point, Auckland

**School Phone:** 09 5536810

#### Members of the Board of Trustees

<b>Name</b>	<b>Position</b>	<b>Expires</b>
Erica Wills	Chair Person	Sep-22
Pam King	Principal ex Officio	
Alan Curtis	Governance Facilitator	Sep-22
Dianne Cook	Establishment Board Member	Sep-22
Daniel Birch	Establishment Board Member	Sep-22
Te Rongapai Morehu	Establishment Board Member	Sep-22
Jane Wells	Establishment Board Member	Sep-22
Lisa Whyte	Establishment Board Member	Sep-22

**Accountant / Service Provider:** Shore Chartered Accountants Limited

# SCOTT POINT PRIMARY SCHOOL

Annual Report - For the Period ended 31 December 2020

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# Scott Point Primary School

## Statement of Responsibility

For the period 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 period 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.

*Erica Ruth Wills*

Full Name of Board Chairperson

*Pamela Joy Hine King*

Full Name of Principal

*Erica Ruth Wills*

Signature of Board Chairperson

*P. Hine King*

Signature of Principal

*30/5/22*

Date:

*30/05/2022*

Date:

# Scott Point Primary School

## Statement of Comprehensive Revenue and Expense

For the period ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$
<b>Revenue</b>			
Government Grants	2	677,468	52,807
Locally Raised Funds	3	560	-
Interest income		972	500
		<hr/>	<hr/>
		679,000	53,307
<b>Expenses</b>			
Learning Resources	4	529,291	123,015
Administration	5	55,447	34,700
Finance		626	1,600
Depreciation	6	3,622	-
		<hr/>	<hr/>
		588,986	159,315
<b>Net Surplus / (Deficit) for the year</b>		90,014	(106,008)
Other Comprehensive Revenue and Expense		-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<hr/> <hr/>	<hr/> <hr/>
		90,014	(106,008)

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

# Scott Point Primary School

## Statement of Changes in Net Assets/Equity

For the period ended 31 December 2020

	Notes	Actual 2020 \$	Budget (Unaudited) 2020 \$
<b>Balance at 1 January</b>		-	-
Total comprehensive revenue and expense for the year		90,014	(106,008)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		72,756	-
<b>Equity at 31 December</b>	16	<u>162,770</u>	<u>(106,008)</u>
Retained Earnings		162,770	(106,008)
<b>Equity at 31 December</b>		<u>162,770</u>	<u>(106,008)</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.

# Scott Point Primary School

## Statement of Financial Position

As at 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$
<b>Current Assets</b>			
Cash and Cash Equivalents	7	195,557	-
Accounts Receivable	8	70,919	-
GST Receivable		1,454	-
Prepayments		483	-
		<u>268,413</u>	<u>-</u>
<b>Current Liabilities</b>			
Accounts Payable	10	127,151	122,268
Finance Lease Liability - Current Portion	11	5,645	-
		<u>132,796</u>	<u>122,268</u>
<b>Working Capital Surplus/(Deficit)</b>		135,617	(122,268)
<b>Non-current Assets</b>			
Property, Plant and Equipment	9	36,984	16,260
		<u>36,984</u>	<u>16,260</u>
<b>Non-current Liabilities</b>			
Finance Lease Liability	11	9,831	-
		<u>9,831</u>	<u>-</u>
<b>Net Assets</b>		<u>162,770</u>	<u>(106,008)</u>
<b>Equity</b>	16	<u>162,770</u>	<u>(106,008)</u>

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

# Scott Point Primary School

## Statement of Cash Flows

For the period ended 31 December 2020

	2020	2020
Note	Actual	Budget
	\$	(Unaudited)
		\$
<b>Cash flows from Operating Activities</b>		
Government Grants	232,819	52,807
Locally Raised Funds	311	-
Goods and Services Tax (net)	(1,454)	-
Payments to Employees	(10,668)	-
Payments to Suppliers	(73,423)	(35,447)
Interest Paid	(626)	(1,600)
Interest Received	972	500
Net cash from/(to) Operating Activities	147,931	16,260
<b>Cash flows from Investing Activities</b>		
Purchase of Property Plant & Equipment	(22,807)	(16,260)
Net cash from/(to) Investing Activities	(22,807)	(16,260)
<b>Cash flows from Financing Activities</b>		
Finance Lease Payments	(2,323)	-
Net cash from/(to) Financing Activities	70,433	-
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>195,557</b>	<b>-</b>
Cash and cash equivalents at the beginning of the period	7	-
<b>Cash and cash equivalents at the end of the period</b>	<b>7</b>	<b>-</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.

# Scott Point Primary School

## Notes to the Financial Statements

### For the period ended 31 December 2020

#### 1. Statement of Accounting Policies

##### **a) Reporting Entity**

Scott Point Primary 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 of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

##### **b) Basis of Preparation**

###### **Reporting Period**

The financial reports have been prepared for the period 1 October 2019 to 31 December 2020 and in accordance with the requirements of the Public Finance Act 1989. The school has been newly established and is not fully operational until 2021 when it will be open for students on 31 January 2021.

###### **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 expenditure threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

###### **Measurement Base**

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

###### **Presentation Currency**

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

###### **Specific Accounting Policies**

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

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

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

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

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

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the significant accounting policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 9.

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

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

#### **Classification of leases**

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

#### **Recognition of grants**

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

### **c) Revenue Recognition**

#### **Government Grants**

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

Operational and establishment 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

#### **Other Grants**

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

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

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

#### **Interest Revenue**

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

### **d) Finance Lease Payments**

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

### **e) Cash and Cash Equivalents**

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

### **f) Accounts Receivable**

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

### **g) 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:

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

### **h) Impairment of property, plant, and equipment**

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

#### *Non cash generating assets*

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

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

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

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

### **i) 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.

### **j) 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.

### **k) Financial Instruments**

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

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

**l) 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.

**m) Budget Figures**

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

**n) 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

	2020 Actual \$	2020 Budget (Unaudited) \$
Operational Grants	-	-
Teachers' Salaries Grants	444,649	-
Other MoE Grants	1,000	-
Establishment Grant	231,819	52,807
	<u>677,468</u>	<u>52,807</u>

## 3. Locally Raised Funds

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

	2020 Actual \$	2020 Budget (Unaudited) \$
<b>Revenue</b>		
Donations	560	-
	<u>560</u>	<u>-</u>
<b>Expenses</b>		
	<u>-</u>	<u>-</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>560</u>	<u>-</u>

## 4. Learning Resources

	2020 Actual \$	2020 Budget (Unaudited) \$
Curricular	32,575	42,967
Information and Communication Technology	29,269	-
Library Resources	15,024	60,048
Employee Benefits - Salaries	444,649	-
Staff Development	7,774	20,000
	<u>529,291</u>	<u>123,015</u>

## 5. Administration

	2020 Actual \$	2020 Budget (Unaudited) \$
Audit Fee	4,000	-
Board of Trustees Fees	13,262	600
Board of Trustees Expenses	618	2,500
Communication	709	2,000
Other	26,190	24,600
Employee Benefits - Salaries	10,668	-
Service Providers, Contractors and Consultancy	-	5,000
	<u>55,447</u>	<u>34,700</u>

## 6. Depreciation

	2020 Actual \$	2020 Budget (Unaudited) \$
Furniture and Equipment	196	-
Information and Communication Technology	575	-
Leased Assets	2,617	-
Library Resources	234	-
	3,622	-
	3,622	-

## 7. Cash and Cash Equivalents

	2020 Actual \$	2020 Budget (Unaudited) \$
Bank Current Account	195,207	-
Bank Call Account	350	-
	195,557	-
	195,557	-

## 8. Accounts Receivable

	2020 Actual \$	2020 Budget (Unaudited) \$
Receivables	249	-
Teacher Salaries Grant Receivable	70,670	-
	70,919	-
	70,919	-
Receivables from Exchange Transactions	249	-
Receivables from Non-Exchange Transactions	70,670	-
	70,919	-
	70,919	-

## 9. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2020</b>						
Furniture and Equipment	-	5,979	-	-	(196)	5,783
Information and Communication Technology	-	14,951	-	-	(575)	14,376
Leased Assets	-	17,799	-	-	(2,617)	15,182
Library Resources	-	1,877	-	-	(234)	1,643
<b>Balance at 31 December 2020</b>	-	40,606	-	-	(3,622)	36,984
	-	40,606	-	-	(3,622)	36,984

	<b>Cost or Valuation</b>	<b>Accumulated Depreciation</b>	<b>Net Book Value</b>
<b>2020</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Furniture and Equipment	5,979	(196)	<b>5,783</b>
Information and Communication Technology	14,951	(575)	<b>14,376</b>
Leased Assets	17,799	(2,617)	<b>15,182</b>
Library Resources	1,878	(235)	<b>1,643</b>
<b>Balance at 31 December 2020</b>	<u>40,607</u>	<u>(3,623)</u>	<u><b>36,984</b></u>

#### 10. Accounts Payable

	<b>2020 Actual</b>	<b>2020 Budget (Unaudited)</b>
	<b>\$</b>	<b>\$</b>
Operating Creditors	52,481	122,268
Accruals	4,000	-
Employee Entitlements - Salaries	70,670	-
	<u>127,151</u>	<u>122,268</u>
Payables for Exchange Transactions	127,151	122,268
	<u>127,151</u>	<u>122,268</u>

The carrying value of payables approximates their fair value.

## 11. Finance Lease Liability

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

	2020 Actual \$	2020 Budget (Unaudited) \$
No Later than One Year	7,038	-
Later than One Year and no Later than Five Years	10,724	-
	<u>17,762</u>	<u>-</u>

## 12. Related Party Transactions

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

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

## 13. Remuneration

### *Key management personnel compensation*

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

	2020 Actual \$
<i>Board Members</i>	
Remuneration	13,262
Full-time equivalent members	0.16
<i>Leadership Team</i>	
Remuneration	137,487
Full-time equivalent members	1
Total key management personnel remuneration	<u>150,749</u>
Total full-time equivalent personnel	<u>1.16</u>

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:

	<b>2020 Actual \$000</b>
Salaries and Other Short-term Employee Benefits:	
Salary and Other Payments	130 - 140
Benefits and Other Emoluments	0 - 5
Termination Benefits	-

### *Other Employees*

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

<b>Remuneration \$000</b>	<b>2020 FTE Number</b>
-	-
-	-
	<hr/> <hr/> <b>0.00</b> <hr/> <hr/>

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

## **14. Contingencies**

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2020.

### *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.

## 15. Commitments

### (a) Capital Commitments

As at 31 December 2020 the Board has not entered into contract agreements for capital works.

### (b) Operating Commitments

As at 31 December 2020 the Board has not entered into contracts:

2020  
Actual  
\$

-

## 16. 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.

## 17. 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) \$
Cash and Cash Equivalents	195,557	-
Receivables	70,919	-
Total Financial assets measured at amortised cost	<u>266,476</u>	<u>-</u>

### Financial liabilities measured at amortised cost

Payables	127,151	122,268
Finance Leases	15,476	-
Total Financial Liabilities Measured at Amortised Cost	<u>142,627</u>	<u>122,268</u>

## **18. Events After Balance Date**

### **Impact of Covid-19**

During 2021 the country moved between alert levels. During February and March 2021 Auckland was placed into alert levels 3 and 2 and other parts of the country moved into alert level 2.

Towards the end of June 2021, the Wellington region was placed into alert level 2 for one week.

Towards the end of August 2021, the entire country moved to alert level 4, with a move to alert level 3 and 2 for everyone outside the Auckland region three weeks later. While Auckland has remained in alert level 3 for a prolonged period of time the Northland and Waikato regions have also returned to alert level 3 restrictions during this period.

### **Impact on operations**

Schools have been required to continue adapting to remote and online learning practices when physical attendance is unable to occur in alert level 4 and 3. Schools continue to receive funding from the Te Tāhuhu o te Mātauranga | Ministry to Education, even while closed.

However, the ongoing interruptions resulting from the moves in alert levels have impacted schools in various ways which potentially will negatively affect the operations and services of the school. We describe below the possible effects on the school that we have identified, resulting from the ongoing impacts of the COVID-19 alert level changes.

### **Reduction in locally raised funds**

Under alert levels 4,3, and 2 the school's ability to undertake fund raising events in the community and/ or collect donations or other contributions from parents, may have been compromised. Costs already incurred arranging future events may not be recoverable.

### **Opening Operations**

On 9th January 2021, the school, began operating from its temporary site at adjacent to 11 Scott Point Road where the permanent site is still being built.

## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF SCOTT POINT PRIMARY SCHOOL'S FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

The Auditor-General is the auditor of Scott Point Primary School (the School). The Auditor-General has appointed me, Matthew Coulter, using the staff and resources of BDO Auckland, to carry out the audit of the financial statements of the School on his behalf.

#### Opinion

We have audited the financial statements of the School on pages 2 to 16, 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 period 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 period then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity Standards Reduced Disclosure Regime as applicable to entities that qualify as tier 2.

Our audit was completed on 30 May 2022. This is the date at which our opinion is expressed.

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

#### Basis for our opinion

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

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

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

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

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

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

The Board of Trustees' responsibilities, 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 of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Our responsibilities arise from the Public Audit Act 2001.

#### **Other information**

The Board of Trustees is responsible for the other information. The other information comprises the Board of Trustees Listing, but does not include the financial statements, and our auditor's report thereon.

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

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

#### **Independence**

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

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



Matthew Coulter  
BDO Auckland  
On behalf of the Auditor-General  
Auckland, New Zealand