

# THORNDON SCHOOL

## ANNUAL REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2021**



Ministry Number:	3040
Principal:	Alistair Frans Du Chatenier
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Accountant / Service Provider:	Accounting For Schools Limited

# THORNDON SCHOOL

Annual Report - For the year ended 31 December 2021

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# THORNDON SCHOOL

## Statement of Responsibility

For the year ended 31 December 2021

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 2021 fairly reflects the financial position and operations of the school.

The School's 2021 financial statements are authorised for issue by the Board.

Alexander Brown  
Full Name of Presiding Member

[Signature]  
Signature of Presiding Member

31/5/2022  
Date

Aroha Atanhai Hohepa  
Full Name of Principal

[Signature] pp. Alistair du Chantier  
Signature of Principal

3/5/2022  
Date

# THORNDON SCHOOL

## Statement of Comprehensive Revenue and Expense For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Revenue</b>				
Government Grants	2	2,691,804	2,739,788	2,960,115
Locally Raised Funds	3	354,351	344,894	359,700
Interest income		2,723	3,000	5,796
International Students	4	34,878	39,130	101,243
		<u>3,083,756</u>	<u>3,126,812</u>	<u>3,426,854</u>
<b>Expenses</b>				
Locally Raised Funds	3	178,026	182,488	196,740
International Students	4	10,724	100	5,371
Learning Resources	5	1,852,937	1,809,830	1,733,318
Administration	6	204,745	180,960	183,278
Finance		2,607	-	5,379
Property	7	800,449	930,206	1,223,536
Depreciation	11	57,016	-	67,828
		<u>3,106,504</u>	<u>3,103,584</u>	<u>3,415,450</u>
<b>Net Surplus / (Deficit) for the year</b>		(22,749)	23,228	11,404
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>(22,749)</u>	<u>23,228</u>	<u>11,404</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.

# THORNDON SCHOOL

## Statement of Changes in Net Assets/Equity For the year ended 31 December 2021

Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Balance at 1 January</b>	796,405	791,863	780,458
Total comprehensive revenue and expense for the year	(22,749)	23,228	11,404
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	-	-	4,543
<b>Equity at 31 December</b>	<b>773,656</b>	<b>815,091</b>	<b>796,405</b>
Retained Earnings	773,656	815,091	796,405
<b>Equity at 31 December</b>	<b>773,656</b>	<b>815,091</b>	<b>796,405</b>

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.

**THORNDON SCHOOL**  
**Statement of Financial Position**  
**As at 31 December 2021**

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	216,542	182,902	164,836
Accounts Receivable	9	142,631	160,500	169,847
GST Receivable		7,926	8,000	8,637
Prepayments		10,025	10,000	9,863
Investments	10	267,254	260,000	264,768
		<u>644,378</u>	<u>621,402</u>	<u>617,951</u>
<b>Current Liabilities</b>				
Accounts Payable	13	160,093	108,500	140,693
Borrowings	14	22,598	20,000	22,598
Revenue Received in Advance	15	38,973	-	35,666
Provision for Cyclical Maintenance	16	8,750	5,000	-
Finance Lease Liability	17	6,049	7,000	8,591
Funds held on behalf of Teacher Lead Innovation Fund	18	17,436	-	17,436
		<u>253,899</u>	<u>140,500</u>	<u>224,984</u>
<b>Working Capital Surplus</b>		<b>390,479</b>	<b>480,902</b>	<b>392,967</b>
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	476,837	427,189	507,019
Intangible Assets		3,899	4,500	6,127
		<u>480,736</u>	<u>431,689</u>	<u>513,146</u>
<b>Non-current Liabilities</b>				
Borrowings	14	42,729	50,000	52,918
Provision for Cyclical Maintenance	16	52,267	44,000	49,300
Finance Lease Liability	17	2,563	3,500	7,490
		<u>97,559</u>	<u>97,500</u>	<u>109,708</u>
<b>Net Assets</b>		<u><u>773,656</u></u>	<u><u>815,091</u></u>	<u><u>796,405</u></u>
<b>Equity</b>		<u><u>773,656</u></u>	<u><u>815,091</u></u>	<u><u>796,405</u></u>

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

# THORNDON SCHOOL

## Statement of Cash Flows

For the year ended 31 December 2021

	2021	2021	2020
Note	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Cash flows from Operating Activities</b>			
Government Grants	480,190	439,788	490,384
Locally Raised Funds	389,879	348,221	359,047
International Students	39,131	3,496	8,108
Goods and Services Tax (net)	702	637	(13,711)
Payments to Employees	(530,743)	(545,061)	(518,096)
Payments to Suppliers	(282,816)	(285,279)	(362,914)
Interest Paid	(2,607)	-	(5,379)
Interest Received	2,718	3,115	6,721
Net cash from Operating Activities	96,454	(35,083)	(35,840)
<b>Cash flows from Investing Activities</b>			
Purchase of PPE (and Intangibles)	(23,285)	81,457	(4,669)
Proceeds from Sale of Investments	(2,486)	4,768	(139,069)
Net cash from Investing Activities	(25,771)	86,225	(143,738)
<b>Cash flows from Financing Activities</b>			
Furniture and Equipment Grant	-	(4,543)	4,543
Finance Lease Payments	(8,788)	(5,581)	(7,452)
Loans Received/ Repayment of Loans	(10,189)	(5,516)	(18,526)
Funds on behalf of Third Parties	-	(17,436)	-
Net cash from Financing Activities	(18,977)	(33,076)	(21,435)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>51,706</b>	<b>18,066</b>	<b>(201,013)</b>
Cash and cash equivalents at the beginning of the year	8 164,836	164,836	365,849
<b>Cash and cash equivalents at the end of the year</b>	<b>8 216,542</b>	<b>182,902</b>	<b>164,836</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 Cash Flow Statement should be read in conjunction with the accompanying notes which form part of these financial statements.

# THORNDON SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2021

### 1. Statement of Accounting Policies

#### a) Reporting Entity

Thorndon 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 reports have been prepared for the period 1 January 2021 to 31 December 2021 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 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 11.



# THORNDON SCHOOL

## Notes to the Financial Statements

### For the year ended 31 December 2021

#### 1. Statement of Accounting Policies

##### *Cyclical Maintenance*

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

##### ***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 carryforward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

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

##### ***Government Grants***

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

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

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

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

##### ***Other Grants***

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

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

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

##### ***Interest Revenue***

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

# THORNDON SCHOOL

## Notes to the Financial Statements

### For the year ended 31 December 2021

#### 1. Statement of Accounting Policies

##### d) Use of Land and Buildings Expense

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

##### e) Operating Lease Payments

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

##### f) Finance Lease Payments

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

##### g) Cash and Cash Equivalents

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

##### h) Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for credit losses (uncollectable debts). The 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.

##### i) Inventories

Inventories are consumable items held for sale and comprise 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.

##### j) Investments

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

##### k) Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$250 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

# THORNDON SCHOOL

## Notes to the Financial Statements

### For the year ended 31 December 2021

#### 1. Statement of Accounting Policies

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

##### **Finance Leases**

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

##### **Depreciation**

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

The estimated useful lives of the assets are:

Building improvements	3-75 years
Furniture and equipment	10-15 years
Information and communication technology	4-5 years
Adventure Playground	10-15 years
Library resources	12.5% Diminishing value
Leased assets	4 years

##### **l) 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 or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software licences with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software that the school receives from the Ministry of Education is normally acquired through a non-exchange transaction and is not of a material amount. It's fair value can be assessed at time of acquisition if no other methods lead to a fair value determination. Computer software purchased directly from suppliers at market rates are considered exchange transactions and the fair value is the amount paid for the software.

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.

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

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

###### **Non cash generating assets**

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

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost

# THORNDON SCHOOL

## Notes to the Financial Statements

### For the year ended 31 December 2021

#### 1. Statement of Accounting Policies

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.

#### n) 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.

#### o) Employee Entitlements

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

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

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

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

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

#### p) 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 international students, should the School be unable to provide the services to which they relate.

#### q) 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 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. The cluster of schools operate activities outside of school control. These amounts are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

# THORNDON SCHOOL

## Notes to the Financial Statements

### For the year ended 31 December 2021

#### 1. Statement of Accounting Policies

##### 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 for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).

##### t) Financial Instruments

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

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

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

##### u) 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.

##### v) Budget Figures

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

##### w) 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.

##### x) Borrowings

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

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

# THORNDON SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2021

### 2. Government Grants

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	404,920	412,188	410,700
Teachers' Salaries Grants	1,552,765	1,500,000	1,418,052
Other MoE Grants	75,269	27,600	79,683
Use of Land and Buildings Grants	658,850	800,000	1,051,680
	<u>2,691,804</u>	<u>2,739,788</u>	<u>2,960,115</u>

Other MOE Grants total includes additional COVID-19 funding totalling \$6,304 for the year ended 31 December 2021 (2020: 28,551).

### 3. Locally Raised Funds

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

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Revenue</b>			
Donations & Bequests	54,680	48,000	55,570
Fees for Extra Curricular Activities	107	-	25,663
Trading	2,540	30,394	4,441
Fundraising & Community Grants	57,617	53,500	75,695
After School Care	239,407	213,000	198,331
	<u>354,351</u>	<u>344,894</u>	<u>359,700</u>
<b>Expenses</b>			
Extra Curricular Activities Costs	-	-	21,622
Trading	5	-	410
After School Care	164,655	182,488	148,944
Fundraising and Community Grant Costs	13,366	-	25,764
	<u>178,026</u>	<u>182,488</u>	<u>196,740</u>
Surplus for the year Locally raised funds	<u>176,325</u>	<u>162,406</u>	<u>162,960</u>

**THORNDON SCHOOL**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2021**

**4. International Student Revenue and Expenses**

	<b>2021</b>	<b>2021</b>	<b>2020</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>Number</b>	<b>(Unaudited)</b>	<b>Number</b>
International Student Roll	5	6	14
	<b>2021</b>	<b>2021</b>	<b>2020</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
<b>Revenue</b>			
International Student Fees	34,878	39,130	101,243
<b>Expenses</b>			
International Student Levy	10,724	100	5,371
	<u>10,724</u>	<u>100</u>	<u>5,371</u>
Surplus for the year International Students'	<u>24,154</u>	<u>39,030</u>	<u>95,872</u>

**5. Learning Resources**

	<b>2021</b>	<b>2021</b>	<b>2020</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
Curricular	22,454	27,820	22,283
Employee Benefits - Salaries	1,808,683	1,750,000	1,678,296
Information and Communication Technology	11,054	4,500	5,181
Library Resources	633	2,500	3,392
Resource/attached Teacher Costs	7,423	10,010	8,641
Staff Development	2,690	15,000	15,525
	<u>1,852,937</u>	<u>1,809,830</u>	<u>1,733,318</u>

# THORNDON SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2021

### 6. Administration

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	6,690	5,973	5,973
Board of Trustees Fees	383	500	945
Board of Trustees Expenses	10,394	7,500	772
Communication	3,710	2,911	2,590
Consumables	35,620	17,900	22,595
Employee Benefits - Salaries	115,656	110,000	112,213
Insurance	13,544	11,064	11,645
Operating Lease	87	5,293	776
Other	15,868	17,065	22,774
Service Providers, Contractors and Consultancy	2,793	2,754	2,995
	<u>204,745</u>	<u>180,960</u>	<u>183,278</u>

### 7. Property

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	56,467	60,550	54,826
Consultancy and Contract Services	(57)	-	7,434
Cyclical Maintenance Provision	11,717	-	30,211
Employee Benefits - Salaries	16,320	13,728	16,904
Grounds	9,736	9,000	14,019
Heat, Light and Water	16,611	17,500	17,012
Rates	8,084	9,072	7,604
Repairs and Maintenance	18,560	16,156	19,999
Use of Land and Buildings	658,850	800,000	1,051,680
Security	4,161	4,200	3,847
	<u>800,449</u>	<u>930,206</u>	<u>1,223,536</u>

In 2021, the Ministry of Education revised the notional rent rate from 8% to 5% to align it with the Government Capital Charge rate. This is considered to be a reasonable proxy for the market rental yield on the value of land and buildings used by schools. Accordingly in 2021, 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.



# THORNDON SCHOOL

## Notes to the Financial Statements

### For the year ended 31 December 2021

#### 8. Cash and Cash Equivalents

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	184	100	184
Bank Current Account	127,567	82,802	61,748
International Student Account	42,240	50,000	52,596
Thorndon Fair Account	46,551	50,000	50,308
Cash and cash equivalents for Cash Flow Statement	<u>216,542</u>	<u>182,902</u>	<u>164,836</u>

#### 9. Accounts Receivable

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	16,885	50,000	53,359
Interest Receivable	620	500	615
Teacher Salaries Grant Receivable	125,126	110,000	115,873
	<u>142,631</u>	<u>160,500</u>	<u>169,847</u>
Receivables from Exchange Transactions	17,505	50,500	53,974
Receivables from Non-Exchange Transactions	125,126	110,000	115,873
	<u>142,631</u>	<u>160,500</u>	<u>169,847</u>

#### 10. Investments

The School's investment activities are classified as follows:

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	267,254	260,000	264,768
Total Investments	<u>267,254</u>	<u>260,000</u>	<u>264,768</u>

# THORNDON SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2021

### 11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2021	\$	\$	\$	\$	\$	\$
Buildings	287,774	-	-	-	(13,168)	274,606
Furniture and Equipment	128,517	10,763	-	-	(23,136)	116,144
Information Technology	2,319	12,524	-	-	(2,549)	12,294
Adventure Playground	72,730	-	-	-	(7,027)	65,703
Leased Assets	14,513	1,319	-	-	(8,157)	7,675
Library Resources	1,166	-	-	-	(751)	415
<b>Balance at 31 December 2021</b>	<b>507,019</b>	<b>24,606</b>	<b>-</b>	<b>-</b>	<b>(54,788)</b>	<b>476,837</b>

The net carrying value of equipment held under a finance lease is \$7,675 (2020: \$14,513).

	2021 Cost or Valuation	2021 Accum Depn	2021 Net Book Value	2020 Cost or Valuation	2020 Accum Depn	2020 Net Book Value
	\$	\$	\$	\$	\$	\$
Buildings	411,831	(137,226)	274,606	411,831	(124,057)	287,774
Furniture and Equipment	365,912	(249,768)	116,144	355,149	(226,632)	128,517
Information Technology	173,364	(161,070)	12,294	160,840	(158,521)	2,319
Adventure Playground	83,427	(17,724)	65,703	83,427	(10,697)	72,730
Leased Assets	92,967	(85,292)	7,675	91,648	(77,135)	14,513
Library Resources	8,935	(8,521)	415	8,935	(7,769)	1,166
<b>Balance at 31 December</b>	<b>1,136,436</b>	<b>(659,601)</b>	<b>476,837</b>	<b>1,111,830</b>	<b>(604,811)</b>	<b>507,019</b>

# THORNDON SCHOOL

## Notes to the Financial Statements

### For the year ended 31 December 2021

#### 12. Intangible Assets

The School's Intangible Assets are made up of acquired computer software.

	Acquired software	Internally generated software	Total \$
<b>Cost</b>			
Balance at 1 January 2020	6,127	-	6,127
Additions	-	-	-
Disposals	-	-	-
Balance at 31 December 2020/1 January 2021	6,127	-	11,141
Additions	-	-	-
Disposals	-	-	-
Balance at 31 December 2021	6,127	-	11,141
<b>Accumulated Amortisation and impairment losses</b>			
Balance at 1 January 2020	2,228	-	2,228
Amortisation expense	-	-	-
Disposals	-	-	-
Impairment losses	-	-	-
Balance at 31 December 2020/1 January 2021	2,228	-	7,242
Amortisation expense	-	-	-
Disposals	-	-	-
Impairment losses	-	-	-
Balance at 31 December 2021	2,228	-	7,242
<b>Carrying amounts</b>			
At 31 December 2020/ 1 January 2021	3,899	-	6,127
At 31 December 2021	3,899	-	3,899

#### *Restrictions*

There are no restrictions over the title of the school's intangible assets, nor are any intangible assets pledged as security for *Capital commitments*

The amount of contractual commitments for the acquisition of intangible assets is \$nil (2020 \$nil).

# THORNDON SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2021

### 13. Accounts Payable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Creditors	20,946	-	9,013
Accruals	5,190	-	5,973
Employee Entitlements - Salaries	125,126	100,000	115,873
Employee Entitlements - Leave Accrual	8,831	8,500	9,833
	<u>160,093</u>	<u>108,500</u>	<u>140,692</u>
Payables for Exchange Transactions	160,093	108,500	140,692
	<u>160,093</u>	<u>108,500</u>	<u>140,692</u>

The carrying value of payables approximates their fair value.

### 14. Borrowings

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Loans due in one year	13,217	20,000	22,598
Due Beyond One Year	42,729	50,000	52,918
Crown Loan	9,381	-	-
	<u>65,327</u>	<u>70,000</u>	<u>75,516</u>

The School has borrowings at 31 December 2021 of \$65,327 (31 December 2020: \$75,516). This includes a Crown Loan and a loan from the ASB Bank for the purpose of upgrading the hall. The loan is unsecured, interest rate ranges from 4.35% to 5.20% per annum and the loan is payable with interest in equal instalments of \$1,883 monthly. The term of the loan is until 18 August 2024.

### 15. Revenue Received in Advance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
International student fees in advance	39,887	-	35,634
Other Revenue Received in Advance	(914)	-	32
	<u>38,973</u>	<u>-</u>	<u>35,666</u>

# THORNDON SCHOOL

## Notes to the Financial Statements

### For the year ended 31 December 2021

#### 16. Provision for Cyclical Maintenance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Provision at the Start of the Year	49,300	49,300	19,089
Increase/ (decrease) to the Provision During the Year	30,211	(300)	30,211
Use of the Provision During the Year	(18,494)	-	-
<b>Provision at the End of the Year</b>	<b>61,017</b>	<b>49,000</b>	<b>49,300</b>
Cyclical Maintenance - Current	8,750	5,000	-
Cyclical Maintenance - Term	52,267	44,000	49,300
	<b>61,017</b>	<b>49,000</b>	<b>49,300</b>

#### 17. Finance Lease Liability

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
No Later than One Year	6,555	7,000	8,591
Later than One Year and no Later than Five Years	2,683	3,500	7,490
Future Finance Charges	(626)	-	-
	<b>8,612</b>	<b>10,500</b>	<b>16,081</b>
<b>Represented by</b>			
Finance lease liability - Current	6,049	7,000	8,591
Finance lease liability - Term	2,563	3,500	7,490
	<b>8,612</b>	<b>10,500</b>	<b>16,081</b>

#### 18. Funds held on Behalf of Teacher Lead Innovation Fund Cluster

Thorndon School is the lead school and holds funds on behalf of the Teacher Lead Innovation Fund Cluster, a group of schools funded by the Cluster members.

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Funds held at the Beginning of the Year	17,436	-	17,436
Funds Received from Cluster Members	-	-	-
Funds Received from MoE	-	-	-
Funds Spent on Behalf of the Cluster	-	-	-
	<b>17,436</b>	<b>-</b>	<b>17,436</b>

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

# THORNDON SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2021

### 19. Funds Held for Capital Works Projects

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

		<b>Opening Balances</b>	<b>Receipts from MoE</b>	<b>Payments</b>	<b>BOT Contributions</b>	<b>Closing Balances</b>
		\$	\$	\$	\$	\$
2021						
Playground	<i>completed</i>	-	104,500	(104,500)	-	-
Totals		-	104,500	(104,500)	-	-

#### Represented by:

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

	<b>Opening Balances</b>	<b>Receipts from MoE</b>	<b>Payments</b>	<b>BOT Contributions</b>	<b>Closing Balances</b>
	\$	\$	\$	\$	\$
2020					
No Projects	-	-	-	-	-
Totals	-	-	-	-	-

### 20. 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.

# THORNDON SCHOOL

## Notes to the Financial Statements

### For the year ended 31 December 2021

#### 21. Remuneration

##### *Key management personnel compensation*

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

	<b>2021</b>	<b>2020</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
<i>Board Members</i>		
Remuneration	383	945
<i>Leadership Team</i>		
Remuneration	367,106	356,610
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	367,489	357,555
Total full-time equivalent personnel	3.00	3.00

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

##### *Principal*

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

	<b>2021</b>	<b>2020</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$000</b>	<b>\$000</b>
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	140 - 150	140 - 150
Benefits and Other Emoluments	23 - 24	21 - 22
Termination Benefits	-	-

##### *Other Employees*

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

<b>Remuneration</b>	<b>2021</b>	<b>2020</b>
<b>\$000</b>	<b>FTE Number</b>	<b>FTE Number</b>
100 - 110	2	1

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

# THORNDON SCHOOL

## Notes to the Financial Statements

### For the year ended 31 December 2021

#### 22. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2021 (Contingent liabilities and assets at 31 December 2020: nil).

#### Holidays Act Compliance – schools payroll

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

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

To the extent that any obligation cannot reasonably be quantified at 31 December 2021, a contingent liability for the school may exist.

#### 23. Commitments

##### (a) Capital Commitments

As at 31 December 2021 the Board not has entered into any contract agreements for capital works.  
(Capital commitments at 31 December 2020: \$Nil)

##### (b) Operating Commitments

As at 31 December 2021 the Board has not entered into any operating contracts:  
(Operating commitments at 31 December 2020: \$Nil)

#### 24. Financial Instruments

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

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
<b>Financial assets measured at amortised cost</b>			
Cash and Cash Equivalents	216,542	182,902	164,836
Receivables	142,631	160,500	169,847
Investments - Term Deposits	267,254	260,000	264,768
	<u>626,427</u>	<u>603,402</u>	<u>599,451</u>
<b>Financial liabilities measured at amortised cost</b>			
Payables	160,093	108,500	140,692
Borrowings - Loans	65,327	70,000	75,516
Finance Leases	8,612	10,500	16,081
	<u>234,032</u>	<u>189,000</u>	<u>232,289</u>
Total Financial assets measured at amortised cost			
Total Financial Liabilities Measured at Amortised Cost			

#### 25. Events After Balance Date

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



# THORNDON SCHOOL

## Members of the Board

For the year ended 31 December 2021

<b>Name</b>	<b>Position</b>	<b>How position on Board gained</b>	<b>Occupation</b>	<b>Term expired / expires</b>
Alexander (Sandy) Brown	Presiding Member	Elected Jun 2019	Manager	September 2022
Alistair du Chatenier	Principal	Appointed	Principal	
Lisa Zhang	Parent Rep	Elected Jun 2019	Manager	September 2022
Sione Stanley	Parent Rep	Elected Jun 2019	Manager	September 2022
Rashika Rabichand	Parent Rep	Elected Jun 2019	Accountant	September 2022
Chad Kakau	Parent Rep	Co-opted Jun 2019	Manager	September 2022
Duncan Lucas	Parent Rep	Co-opted Jun 2019	Home Parent	September 2022
David Chan	Parent Rep	Elected Jun 2019	Manager	September 2022
Leah Reid	Staff Rep	Elected Sep 2017	Teacher	September 2022

# **THORNDON SCHOOL**

## **Kiwi Sport Statement**

**For the year ended 31 December 2021**

Kiwisport is a Government funding initiative to support sport for school aged children.

In 2021 the School received Kiwi Sport funding of \$4,014 (2020: \$4,062).

Kiwisport funding was used to fund student participation in cluster-wide sporting events and competitions, as well as school-wide fitness programmes based on skipping and Jump Jam.

This also included subsidised swimming programmes for those families who are unable to cover this cost.

Kiwisport funding was also used to purchase new equipment to support the PE programmes and team sports programmes in netball, football and rugby.

## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF THORNDON SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Auditor-General is the auditor of Thorndon School (the School). The Auditor-General has appointed me, Geoff Potter, using the staff and resources of BDO Wellington Audit Limited, to carry out the audit of the financial statements of the School on his behalf.

#### Opinion

We have audited the financial statements of the School on pages 2 to 22, that comprise the statement of financial position as at 31 December 2021, 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 2021; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime.

Our audit was completed on 31 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 and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

#### Basis for our opinion

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

#### **Other information**

The Board is responsible for the other information. The other information comprises the information included on pages 1 and 23 to 24, but does not include the financial statements, and our auditor's report thereon.

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

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

#### **Independence**

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

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

A handwritten signature in blue ink, appearing to read 'Geoff Potter', written over a light blue horizontal line.

**Geoff Potter**  
**BDO WELLINGTON AUDIT LIMITED**  
On behalf of the Auditor-General  
Wellington, New Zealand