



# Rutherford College

## 2022 Annual Report and Financial Statements



School Address:  
Postal Address:  
School Phone:  
School Email:  
Ministry Number:

Kotuku Street, Te Atatu Peninsula  
P O Box 45 327, Te Atatu Peninsula, Waitakere 0650  
09 834 9790

[admin@rutherford.school.nz](mailto:admin@rutherford.school.nz)

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# Rutherford College

31 May 2023

Kurt Sherlock  
Crowe New Zealand Audit Partnership  
Level 29,  
188 Quay Street  
Auckland

## REPRESENTATION LETTER FOR THE YEAR ENDED 31 DECEMBER 2022

This representation letter is provided in connection with your audit, carried out on behalf of the Auditor-General, of the financial statements of Rutherford College (the School) for the year ended 31 December 2022 for the purpose of expressing an independent opinion about whether the financial statements:

- present fairly, in all material respects:
  - the financial position as at 31 December 2022; and
  - the 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.

We understand that your audit was carried out in accordance with the Auditing Standards issued by the Auditor-General, which incorporate the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

### General representations

To the best of our knowledge and belief:

- the resources, activities, under our control have been operating effectively and efficiently;
- we have complied with our statutory obligations including laws, regulations and contractual requirements;
- we have carried out our decisions and actions with due regard to minimising waste;
- we have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector (that is, we have carried out our decisions and actions with due regard to probity); and
- any decisions or actions have been taken with due regard to financial prudence.

We also acknowledge that we have responsibility for designing, implementing, and maintaining internal control (to the extent that is reasonably practical given the size of the School) to prevent and detect fraud or error, and which enables the preparation of the financial statements that are free from material misstatement whether due to fraud or error.

### Representations for the financial statements

We confirm that all transactions have been recorded in the accounting records and are reflected in the financial statements, and that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have fulfilled our responsibilities for preparing and presenting the financial statements as required by section 87 of the Education Act 1989 and, in particular, that the financial statements:

Kotuku Street, Te Atatu Peninsula, PO Box 45-327, Te Atatu 0651 Auckland, NZ

Ph: 64 9 834 9790, Email: [admin@rutherford.school.nz](mailto:admin@rutherford.school.nz)

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*Tohea – To strive for personal excellence*

- present fairly, in all material respects:
  - the financial position as at 31 December 2022; and
  - the 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.
- we believe the methods, significant assumptions, and data used in making and supporting the accounting estimates and the related disclosures in the financial statements are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework;
- we have appropriately accounted for and disclosed the related party relationships and transactions in the financial statements;
- we have adjusted or disclosed all events subsequent to the date of the financial statements that require adjustment or disclosure; and
- we have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. Where applicable, such litigation and claims have been accounted for and disclosed in accordance with Public Sector – Public Benefit Entity, Reduced Disclosure Regime;

### **Representations about the provision of information**

We confirm that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have provided you with:
  - all information, such as records and documentation, and other matters that are relevant to preparing and presenting the financial statements; and
  - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence;
- we have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- we have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements;
- we have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others;
- we have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements;
- we have disclosed the identity of the related parties, all of their relationships, and all of their transactions of which we are aware; and
- we have provided you with all the other documents ("other information") which will accompany the financial statements which are consistent with the financial statements, and the other information does not contain any material misstatements. The other information includes the Board of Trustee Listing, Kiwisport Report and Analysis of Variance.

### **Going concern basis of accounting**

We confirm that, to the best of our knowledge and belief, the School has adequate resources to continue operations at its current level for the foreseeable future. For this reason, the Board continues to adopt the going concern basis of accounting in preparing the financial statements for the year ended 31 December 2022. We have reached this conclusion after making enquiries and having regard to circumstances that we consider likely to affect the School during the period of one year from 31 May 2023 and to circumstances that we know will occur after that date which could affect the validity of the going concern basis of accounting.

We consider that the financial statements adequately disclose the circumstances, and any uncertainties, that we can reasonably be expected to be aware of concerning the adoption of the going concern basis of accounting by the School.


***Publication of the financial statements and related audit report on a website***


We confirm that we are responsible for the electronic presentation of the audited financial statements, and:

- that the electronic version of the audited financial statements and the related audit report presented on the website are the same as the final signed version of the audited financial statements and audit report.
- that the audited and unaudited information on the website has been clearly differentiated and we understand the risk of potential misrepresentation without appropriate controls.
- that we have assessed the security controls over audited financial information and the related audit report and are satisfied that procedures are adequate to ensure the integrity of the information provided.
- that the full financial statements have been provided on the website.

The representations in this letter are made at your request, and to supplement information obtained by you from the records of the School and to confirm information given to you orally.

Yours faithfully

  
\_\_\_\_\_  
Presiding Member

Acting   
Principal \_\_\_\_\_

# RUTHERFORD COLLEGE

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### School Directory

<b>Ministry Number:</b>	40
<b>Principal:</b>	Gary Moore
<b>School Address:</b>	Kotuku Street, Te Atatu Peninsula
<b>School Postal Address:</b>	PO Box 45-327, Te Atatu Peninsula Waitakere 0651
<b>School Phone:</b>	09 834 9790
<b>School Email:</b>	admin@rutherford.school.nz

#### **Accountant / Service Provider:**

Canterbury Education Services Society Limited  
Unit 10, 18 Moselle Ave, Henderson, Auckland 0610

# RUTHERFORD COLLEGE

Annual Report - For the year ended 31 December 2022

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### Other Information

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# Rutherford College

## Member of the Board

For the year ended 31 December 2022

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Term Expired/ Expires</b>
Nathan Lee	Presiding Member	Elected	Sep 2025
Gary Moore	Principal ex Officio	Appointed	Current
Richard White	Parent Representative	Elected	Sep 2025
Donna Johnston	Parent Representative	Co-opted	Feb 2024
Erihapeti Ngata-Ai	Parent Representative	Elected	Sep 2025
Haley McNickle	Parent Representative	Elected	Sep 2025
Hamish William	Parent Representative	Elected	Sep 2025
Nina Lyon	Student Representative	Elected	Sep 2023
Phillip Place	Staff Representative	Elected	Sep 2025
Faga Siaki	Presiding Member	Elected	Sep 2022
Chris Larking	Parent Representative	Elected	Sep 2022
Sera Schwalger	Parent Representative	Elected	Sep 2022
Rebecca Ball	Staff Representative	Elected	Sep 2022
Lily Moore	Student Representative	Elected	Sep 2022

# Rutherford College

## 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.

Nathan Lee  
Full Name of Presiding Member

Nathan Lee  
Signature of Presiding Member

31/05/2023  
Date:

Judy Farrar  
Full Name of Principal (Acting).

J. Farrar  
Signature of Principal

31/05/2023  
Date:



# Rutherford College

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Revenue</b>				
Government Grants	2	14,793,372	14,151,196	13,967,927
Locally Raised Funds	3	1,371,768	945,613	1,319,920
Interest Income		64,487	18,000	25,331
<b>Total Revenue</b>		<b>16,229,627</b>	<b>15,114,809</b>	<b>15,313,178</b>
<b>Expenses</b>				
Locally Raised Funds	3	745,275	611,095	917,577
Learning Resources	4	11,286,909	10,427,283	10,887,745
Administration	5	890,703	706,978	719,497
Finance		17,158	12,200	9,935
Property	6	3,180,147	3,648,777	2,964,265
Loss on Disposal of Property, Plant and Equipment		4,235	-	2,339
		<b>16,124,427</b>	<b>15,406,333</b>	<b>15,501,358</b>
<b>Net Surplus / (Deficit) for the year</b>		<b>105,200</b>	<b>(291,524)</b>	<b>(188,180)</b>
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b>105,200</b>	<b>(291,524)</b>	<b>(188,180)</b>



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

# Rutherford College

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Equity at 1 January</b>		4,023,144	4,023,144	4,211,324
Total comprehensive revenue and expense for the year		105,200	(291,524)	(188,180)
Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	-
<b>Equity at 31 December</b>		4,128,344	3,731,620	4,023,144
Accumulated comprehensive revenue and expense		4,128,344	3,731,620	4,023,144
<b>Equity at 31 December</b>		4,128,344	3,731,620	4,023,144



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.

# Rutherford College

## Statement of Financial Position

As at 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	7	934,225	1,027,869	1,110,805
Accounts Receivable	8	754,112	726,238	726,237
GST Receivable		46,541	28,974	28,974
Prepayments		59,668	51,666	51,666
Investments	9	3,204,103	2,563,720	2,563,720
Funds Receivable for Capital Works Projects	17	90,789	38,217	38,216
		5,089,438	4,436,684	4,519,618
<b>Current Liabilities</b>				
Accounts Payable	11	1,151,413	959,001	959,001
Revenue Received in Advance	12	396,741	267,337	267,336
Provision for Cyclical Maintenance	13	392,381	24,284	24,284
Painting Contract Liability	14	-	56,517	56,517
Finance Lease Liability	15	91,391	76,015	76,015
Funds held in Trust	16	262,698	175,023	175,023
Funds held on behalf of ORRS Cluster	18	42,167	55,446	55,446
		2,336,791	1,613,623	1,613,622
<b>Working Capital Surplus/(Deficit)</b>		2,752,647	2,823,061	2,905,996
<b>Non-current Assets</b>				
Property, Plant and Equipment	10	1,761,455	1,646,203	1,854,790
Capital Work in Progress - Wellbeing Centre		37,480	12,305	12,305
		1,798,935	1,658,508	1,867,095
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	13	343,170	653,785	653,785
Finance Lease Liability	15	80,068	96,164	96,162
		423,238	749,949	749,947
<b>Net Assets</b>		4,128,344	3,731,620	4,023,144
<b>Equity</b>		4,128,344	3,731,620	4,023,144



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

# Rutherford College

## Statement of Cash Flows

For the year ended 31 December 2022

	Note	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		4,039,935	3,703,765	3,570,647
Locally Raised Funds		1,218,704	1,117,525	1,120,451
International Students		308,688	190,298	131,678
Goods and Services Tax (net)		(17,567)	(8,725)	(8,725)
Payments to Employees		(1,984,925)	(1,924,566)	(1,930,113)
Payments to Suppliers		(2,812,762)	(2,850,298)	(2,769,504)
Interest Paid		(17,158)	(12,200)	(9,935)
Interest Received		44,795	18,664	25,996
Net cash from/(to) Operating Activities		779,710	234,463	130,495
<b>Cash flows from Investing Activities</b>				
Purchase of Property Plant & Equipment (and Intangibles)		(184,550)	(139,382)	(133,231)
Purchase of Investments		(640,383)	(220,801)	(220,801)
Net cash from/(to) Investing Activities		(824,933)	(360,183)	(354,032)
<b>Cash flows from Financing Activities</b>				
Finance Lease Payments		(96,661)	(94,641)	(75,884)
Painting contract payments		(56,517)	(56,488)	(56,488)
Funds Administered on Behalf of Third Parties		21,822	(2,012)	(2,011)
Net cash from/(to) Financing Activities		(131,356)	(153,141)	(134,383)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(176,579)</b>	<b>(278,861)</b>	<b>(357,920)</b>
Cash and cash equivalents at the beginning of the year	7	1,110,805	1,306,730	1,468,725
<b>Cash and cash equivalents at the end of the year</b>	7	<b>934,225</b>	<b>1,027,869</b>	<b>1,110,805</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.



# Rutherford College

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

Rutherford College (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 13.

###### **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 10.



### **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 14. Future operating lease commitments are disclosed in note 22b.

#### *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) 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 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.

#### **g) 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.

#### **h) 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 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	40 years
Board Owned Buildings	40 years
Furniture and equipment	10 years
Information and communication technology	4 years
Motor vehicles	5 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

#### **i) 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 [details of the valuer's approach to determining market value (i.e. what valuation techniques have been employed, comparison to recent market transaction etc.)].

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.

#### **j) 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.

#### **k) 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.

#### **l) Revenue Received in Advance**

Revenue received in advance relates to fees received from international students and grants received where there are unfulfilled obligations for the 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.

#### **m) 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.

#### **n) 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 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 RTLB programme), all income and expenditure related to the provision of the service is recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

#### **o) Provision for Cyclical Maintenance**

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

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision 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.

#### **p) 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.





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.

**q) Goods and Services Tax (GST)**

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

**r) Budget Figures**

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

**s) Services received in-kind**

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

## 2. Government Grants

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Government Grants - Ministry of Education	4,000,735	3,661,578	3,514,157
Teachers' Salaries Grants	8,406,455	7,531,421	8,225,737
Use of Land and Buildings Grants	2,329,111	2,876,977	2,171,543
Other Government Grants	57,071	81,220	56,490
	14,793,372	14,151,196	13,967,927

The school has opted in to the donations scheme for this year. Total amount received was \$207,300.

## 3. Locally Raised Funds

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Revenue</b>			
Donations & Bequests	38,503	45,000	49,369
Curriculum related Activities - Purchase of goods and services	25,437	28,500	41,763
Fees for Extra Curricular Activities	513,315	340,000	457,668
Trading	86,338	42,500	163,874
Fundraising & Community Grants	165,612	204,835	98,969
Other Revenue	374,537	206,352	308,471
International Student Fees	168,026	78,426	199,806
	1,371,768	945,613	1,319,920
<b>Expenses</b>			
Extra Curricular Activities Costs	659,676	561,390	629,618
Trading	17,204	20,400	148,325
Fundraising and Community Grant Costs	6,077	-	673
International Student - Student Recruitment	31,828	11,305	18,665
International Student - Employee Benefit - Salaries	21,717	15,000	117,523
International Student - Other Expenses	8,773	3,000	2,773
	745,275	611,095	917,577
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	626,493	334,518	402,343

During the year the School hosted 10 International students (2021:20)

## 4. Learning Resources

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Curricular	1,086,499	1,134,300	959,833
Information and Communication Technology	229,899	216,175	145,225
Library Resources	2,242	13,100	5,078
Employee Benefits - Salaries	9,587,803	8,682,558	9,395,656
Staff Development	23,772	42,500	47,100
Depreciation	356,694	338,650	334,853
	11,286,909	10,427,283	10,887,745



## 5. Administration

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Audit Fee	14,284	20,000	13,840
Board Fees	3,660	6,500	3,730
Board Expenses	49,206	33,500	20,183
Communication	12,058	21,500	18,992
Consumables	35,797	41,000	27,538
Other	70,451	66,100	72,423
Employee Benefits - Salaries	621,129	436,778	472,957
Insurance	47,616	48,000	53,680
Service Providers, Contractors and Consultancy	36,502	33,600	36,154
	<u>890,703</u>	<u>706,978</u>	<u>719,497</u>

## 6. Property

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Caretaking and Cleaning Consumables	178,247	175,000	167,284
Cyclical Maintenance Provision	86,027	24,000	91,043
Grounds	24,870	16,000	12,335
Heat, Light and Water	128,200	110,000	101,211
Rates	246	3,000	124
Repairs and Maintenance	257,516	276,800	245,661
Use of Land and Buildings	2,329,111	2,876,977	2,171,543
Security	6,710	6,000	16,000
Employee Benefits - Salaries	169,220	161,000	159,064
	<u>3,180,147</u>	<u>3,648,777</u>	<u>2,964,265</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 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Bank Accounts	532,275	424,177	507,114
Short-term Bank Deposits	401,950	603,692	603,691
Cash and cash equivalents for Statement of Cash Flows	<u>934,225</u>	<u>1,027,869</u>	<u>1,110,805</u>

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

## 8. Accounts Receivable

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Receivables	-	26,219	26,219
Interest Receivable	22,879	3,188	3,187
Teacher Salaries Grant Receivable	731,233	696,831	696,831
	<u>754,112</u>	<u>726,238</u>	<u>726,237</u>



Receivables from Exchange Transactions	22,879	29,407	29,406
Receivables from Non-Exchange Transactions	731,233	696,831	696,831
	<u>754,112</u>	<u>726,238</u>	<u>726,237</u>

## 9. Investments

The School's investment activities are classified as follows:

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Current Asset			
Short-term Bank Deposits	3,204,103	2,563,720	2,563,720
Total Investments	<u>3,204,103</u>	<u>2,563,720</u>	<u>2,563,720</u>

## 10. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2022</b>						
Building Improvements	878,654	-	-	-	(37,530)	<b>841,124</b>
Furniture and Equipment	597,155	112,451	-	-	(111,739)	<b>597,867</b>
Information and Communication Technology	136,274	51,823	-	-	(84,875)	<b>103,222</b>
Motor Vehicles	39,846	-	-	-	(18,716)	<b>21,130</b>
Leased Assets	165,259	95,942	-	-	(98,741)	<b>162,461</b>
Library Resources	37,602	7,377	(4,235)	-	(5,093)	<b>35,651</b>
<b>Balance at 31 December 2022</b>	<u>1,854,790</u>	<u>267,593</u>	<u>(4,235)</u>	<u>-</u>	<u>(356,694)</u>	<u>1,761,455</u>

The net carrying value of furniture and equipment held under a finance lease is \$162,461 (2021: \$165,259)

### 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 Cost or Valuation \$	2022 Accumulated Depreciation \$	2022 Net Book Value \$	2021 Cost or Valuation \$	2021 Accumulated Depreciation \$	2021 Net Book Value \$
Building Improvements	1,501,196	(660,072)	<b>841,124</b>	1,501,196	(622,542)	<b>878,654</b>
Furniture and Equipment	2,061,148	(1,463,281)	<b>597,867</b>	1,950,881	(1,353,726)	<b>597,155</b>
Information and Communication T	834,468	(731,246)	<b>103,222</b>	799,642	(663,368)	<b>136,274</b>
Motor Vehicles	141,902	(120,772)	<b>21,130</b>	141,902	(102,056)	<b>39,846</b>
Leased Assets	281,668	(119,207)	<b>162,461</b>	300,488	(135,229)	<b>165,259</b>
Library Resources	122,506	(86,855)	<b>35,651</b>	129,741	(92,139)	<b>37,602</b>
<b>Balance at 31 December</b>	<u>4,942,888</u>	<u>(3,181,433)</u>	<u>1,761,455</u>	<u>4,823,850</u>	<u>(2,969,060)</u>	<u>1,854,790</u>



## 11. Accounts Payable

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Creditors	228,369	81,181	81,181
Accruals	12,224	9,891	9,891
Banking Staffing Overuse	-	-	-
Employee Entitlements - Salaries	809,295	738,968	738,968
Employee Entitlements - Leave Accrual	101,525	128,961	128,961
	<u>1,151,413</u>	<u>959,001</u>	<u>959,001</u>
Payables for Exchange Transactions	1,151,413	959,001	959,001
	<u>1,151,413</u>	<u>959,001</u>	<u>959,001</u>

The carrying value of payables approximates their fair value.

## 12. Revenue Received in Advance

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
International Student Fees in Advance	256,022	115,360	115,360
Other revenue in Advance	140,719	151,977	151,976
	<u>396,741</u>	<u>267,337</u>	<u>267,336</u>

## 13. Provision for Cyclical Maintenance

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Provision at the Start of the Year	678,069	678,069	608,430
Increase to the Provision During the Year	86,027	24,000	91,043
Use of the Provision During the Year	(28,545)	(24,000)	(21,404)
Provision at the End of the Year	<u>735,551</u>	<u>678,069</u>	<u>678,069</u>
Cyclical Maintenance - Current	392,381	24,284	24,284
Cyclical Maintenance - Non current	343,170	653,785	653,785
	<u>735,551</u>	<u>678,069</u>	<u>678,069</u>

The schools cyclical maintenance schedule details annual painting to be undertaken, the costs associated to this annual work will vary dependent on the requirements during the year. This plan is based on the schools 10 Year Property plan .

#### 14. Painting Contract Liability

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Due within one year	-	56,517	56,517
	<u>-</u>	<u>56,517</u>	<u>56,517</u>

In 2016 the Board signed an agreement with Scheduled Maintenance Services Ltd for an agreed programme of work covering a 7 year period. The programme provides for an interior and exterior repaint of the Ministry owned buildings in 2022. The liability has now been paid in full.

#### 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	103,133	87,937	87,937
Later than One Year and no Later than Five Years	84,648	103,647	103,647
Future Finance Charges	(16,322)	(19,407)	(19,407)
	<u>171,459</u>	<u>172,177</u>	<u>172,177</u>
<b>Represented by</b>			
Finance lease liability - Current	91,391	76,015	76,015
Finance lease liability - Non current	80,068	96,162	96,162
	<u>171,459</u>	<u>172,177</u>	<u>172,177</u>

#### 16. Funds held in Trust

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	262,698	175,023	175,023
	<u>262,698</u>	<u>175,023</u>	<u>175,023</u>

These funds relate to arrangements where the school is acting as an agent. These amounts are not revenue or expense of the school and therefore are not included in the Statement of Comprehensive Revenue and Expense.

#### 17. Funds Held for Capital Works Projects

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

2022	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Hall/Foyer Refurbishment	(21,565)	-	(22,003)	-	(43,568)
Block E Weather Tightness	(15,217)	-	(15,473)	-	(30,690)
Roofing Replacement A,B,C,CA,F,T1 - D: Roofing & Full Block	(654)	-	(7,242)	-	(7,896)
Refurbishment of Classrooms -	(780)	-	(7,855)	-	(8,635)
Totals	<u>(38,216)</u>	<u>-</u>	<u>(52,573)</u>	<u>-</u>	<u>(90,789)</u>



**Represented by:**

Funds Held on Behalf of the Ministry of Education

Funds Receivable from the Ministry of Education

-

90,789

	2021	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
		\$	\$	\$	\$	\$
Hall/Foyer Refurbishment	<i>in progress</i>	(5,842)	360,000	(375,723)	-	(21,565)
Block E Weather Tightness		-	-	(15,217)	-	(15,217)
Roofing Replacement A,B,C,CA,F,T1 - D: Roofing & Full Block		-	-	(654)	-	(654)
Refurbishment of Classrooms -		-	-	(780)	-	(780)
Mega Project		(54,547)	87,866	(33,319)	-	-
Replacement of (2) Dust Extractor Units		44,976	-	(44,976)	-	-
Totals		(15,413)	447,866	(470,669)	-	(38,216)

**Represented by:**

Funds Held on Behalf of the Ministry of Education

Funds Receivable from the Ministry of Education

-

38,216

**18. Funds Held on Behalf of ORRS Cluster**

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

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Funds Held at Beginning of the Year	55,446	48,550	(47,378)
Funds Received from Cluster Members	51,307	48,000	53,898
Funds Received from MoE	524,383	225,896	517,362
Total funds received	575,690	273,896	571,260
Funds Spent on Behalf of the Cluster	588,969	267,000	468,436
Funds remaining	(13,279)	6,896	102,824
Funds Held at Year End	42,167	55,446	55,446

**19. 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.



## 20. Remuneration

### Key management personnel compensation

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

	<b>2022 Actual \$</b>	<b>2021 Actual \$</b>
<i>Board Members</i> Remuneration	3,660	3,730
<i>Leadership Team</i> Remuneration Full-time equivalent members	848,776 7	915,412 7
Total key management personnel remuneration	<u>852,436</u>	<u>919,142</u>

There are 8 members of the Board excluding the Principal. The Board had held 9 full meetings of the Board in the year. As well as these regular meetings, including preparation time, the Chair 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:

	<b>2022 Actual \$000</b>	<b>2021 Actual \$000</b>
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	200 - 210	190-200
Benefits and Other Emoluments	0 - 6	0-6
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	20.00	23.00
110-120	4.00	2.00
120-130	2.00	4.00
130-140	2.00	1.00
	<u>28.00</u>	<u>30.00</u>

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





## 21. 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	25,000	-
Number of People	1	-

## 22. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets (except as noted below) as at 31 December 2022 (Contingent liabilities and assets at 31 December 2021: 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 2022, a contingent liability for the school may exist.

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.

## 23. Commitments

### (a) Capital Commitments

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

(a) \$131,318 contract for Tennis Court Resurfacing to be completed in 2023, which will be fully funded by the School Board. \$39,395 has been spent on the project to date.

(Capital commitments at 31 December 2021: \$nil)

### (b) Operating Commitments

As at 31 December 2022 the Board has entered into no contracts.

The total lease payments incurred during the period were \$0 (2021: \$0).



## 24. 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	934,225	1,027,869	1,110,805
Receivables	754,112	726,238	726,237
Investments - Term Deposits	3,204,103	2,563,720	2,563,720
Total Financial assets measured at amortised cost	<u>4,892,440</u>	<u>4,317,827</u>	<u>4,400,762</u>

### Financial liabilities measured at amortised cost

Payables	1,151,413	959,001	959,001
Finance Leases	171,459	172,179	172,177
Painting Contract Liability	-	56,517	56,517
Total Financial Liabilities Measured at Amortised Cost	<u>1,322,872</u>	<u>1,187,697</u>	<u>1,187,695</u>

## 25. Events After Balance Date

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

## 26. Comparatives

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



## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF RUTHERFORD COLLEGE'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The Auditor-General is the auditor of Rutherford College (the School). The Auditor-General has appointed me, Kurt Sherlock, using the staff and resources of Crowe New Zealand Audit Partnership, 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 3 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 31 May 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.

*The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.*

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*Services are provided by Crowe New Zealand Audit Partnership an affiliate of Findex (Aust) Pty Ltd.*

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## **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 arises from the Public Audit Act 2001.

### **Other information**

The Board is responsible for the other information. The other information comprises the information included in the Analysis of Variance reporting, Kiwisport Note and Statement of Compliance with Good Employer Policy, 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.

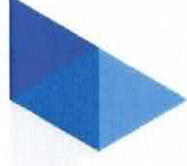
### **Independence**

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.



Kurt Sherlock  
Crowe New Zealand Audit Partnership  
On behalf of the Auditor-General  
Auckland, New Zealand



<b>School Name:</b>	RUTHERFORD COLLEGE	<b>School Number:</b> 40
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<b>Strategic Aim:</b>	To strive for the highest possible academic standards
<b>Annual Aim:</b>	Maintain overall NCEA achievement at Levels 1, 2 and 3 and UE with a specific focus on lifting Māori and Pasifika achievement.
<b>Targets</b>	<ol style="list-style-type: none"> <li>Maintain Level 1 to at least 71%; including Māori at 60%; Pasifika at 52%</li> <li>Maintain Level 2 at 73%, including Māori at 58% and Pasifika at 59%</li> <li>Maintain Level 3 at 70%, including Māori at 56% and Pasifika at 50%</li> <li>Maintain UE pass rate to 53%, Māori at 32% and Pasifika at 40%</li> <li>Maintain high levels of Merit and Excellence endorsements</li> </ol>

<b>Baseline Data:</b>	<table border="1"> <thead> <tr> <th rowspan="3"></th> <th colspan="3">Achieved</th> <th colspan="3">Merit</th> <th colspan="3">Excellence</th> <th colspan="3">Pasifika NCEA Achievement</th> <th colspan="3">Māori NCEA Achievement</th> </tr> <tr> <th>2019</th> <th>2020</th> <th>2021</th> <th>2019</th> <th>2020</th> <th>2021</th> <th>2019</th> <th>2020</th> <th>2021</th> <th>2019</th> <th>2020</th> <th>2021</th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Level 1</td> <td>64.4</td> <td>79.5</td> <td>70.3</td> <td>36.6</td> <td>39.1</td> <td>31.9</td> <td>23</td> <td>19.8</td> <td>24.0</td> <td>52.5</td> <td>71.4</td> <td>51.7</td> <td>48.1</td> <td>67.1</td> <td>59.8</td> </tr> <tr> <td>Level 2</td> <td>82.1</td> <td>77.7</td> <td>74.0</td> <td>20.7</td> <td>29.9</td> <td>31.6</td> <td>19.7</td> <td>20.7</td> <td>21.1</td> <td>80</td> <td>69.2</td> <td>60.7</td> <td>72.3</td> <td>57.8</td> <td>59.0</td> </tr> <tr> <td>Level 3</td> <td>54</td> <td>71.5</td> <td>70.7</td> <td>40</td> <td>25</td> <td>25.2</td> <td>11.6</td> <td>18.9</td> <td>21.5</td> <td>36.7</td> <td>59.6</td> <td>53.7</td> <td>27.3</td> <td>70</td> <td>56.3</td> </tr> <tr> <td>UE</td> <td>37.5</td> <td>53.1</td> <td>52.9</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>13.3</td> <td>34</td> <td>41.5</td> <td>12.1</td> <td>40</td> <td>31.3</td> </tr> </tbody> </table>													Achieved			Merit			Excellence			Pasifika NCEA Achievement			Māori NCEA Achievement			2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	Level 1	64.4	79.5	70.3	36.6	39.1	31.9	23	19.8	24.0	52.5	71.4	51.7	48.1	67.1	59.8	Level 2	82.1	77.7	74.0	20.7	29.9	31.6	19.7	20.7	21.1	80	69.2	60.7	72.3	57.8	59.0	Level 3	54	71.5	70.7	40	25	25.2	11.6	18.9	21.5	36.7	59.6	53.7	27.3	70	56.3	UE	37.5	53.1	52.9							13.3	34	41.5	12.1	40	31.3
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<b>Actions</b> <i>What did we do?</i>	<b>Outcomes</b> <i>What happened?</i>	<b>Reasons for the variance</b> <i>Why did it happen?</i>	<b>Evaluation</b> <i>Where to next?</i>
<p>As part of the Tutor programme an Academic Tracking process was implemented involving tutor teacher/dean/SLT/subject teachers.</p> <p>Increased the support available for students who continued to suffer from anxiety especially after getting covid.</p> <p>Continued to improve the technical support to get students more used to using technology for assessment purposes. All teachers continued to use google classrooms so that students could access work and assessments while at home with covid.</p> <p>Took on board the advice given by NZQA in their handbook 'Assessment in Uncertain times.'</p> <p>Continued to use alternative methods of gathering evidence for assessments.</p>	<p><b>Level 1:</b> overall target of 70% <b>not achieved</b> - pass rate 63.3% - but this compared favourably with Decile 5 rate of 64%</p> <p>Māori target of 60% <b>not achieved</b> – pass rate 46.2% - Decile 5 rate of 51.7%</p> <p>Pasifika target of 52% <b>not achieved</b> – pass rate 47.7% - Decile 5 rate of 56.4%</p> <p><b>Level 2:</b> overall target of 73% <b>close to achieved</b> – pass rate 72.4%</p> <p>Māori target of 58% <b>very close</b> – pass rate 56.7%</p> <p>Pasifika target of <b>59% achieved</b> – pass rate of 65.3%</p> <p><b>Level 3:</b> target <b>not achieved</b> with a pass rate of 63.2%</p> <p>Māori target <b>not achieved</b> with a pass rate of 51.2%</p> <p>Pasifika target <b>not achieved</b> with a pass rate of 50%</p> <p><b>UE pass rate target not achieved</b> pass rate of 49.5%, Māori pass rate only just not achieved at 31.7%; Pasifika not achieved with 27.5%</p> <p><b>Endorsement levels remained high:</b></p> <p>Level 1: 15.7% E and 32% M</p> <p>Level 2: 15.8% E and 21.2% M</p> <p>Level 3: 17.5% E and 34.2% M</p>	<p>All students were affected by the COVID; their attendance and engagement levels dropped considerably as the year progressed.</p> <p>Year 11 were also more disadvantaged having missed out on end of year exams in Year 9 and 10.</p> <p>Most subjects reduced the number of standards being assessed and this in turn made it more difficult for students to achieve the required number of credits.</p> <p>The endorsement levels were high because the students who did engage were also more prepared to do the external assessments and aim for subject endorsements which then pushed up the overall endorsements.</p> <p>Across all levels attendance in 2022 was very disrupted with the ongoing cases of covid and this continued right up to the actual external exams. In many cases students did not return after having covid, especially Māori and Pasifika students.</p>	<p>We have appointed a Kaihāpai Mana Māori (Māori Development Coordinator) to work with our Māori students to improve their achievement.</p> <p>We will continue with the Tutor programme where students will be encouraged to set goals and monitor their own progress while continuing with the Academic tracking by tutors and deans.</p> <p>In their Annual Reports Curriculum Leaders have identified strategies they will be using in 2023 to improve student engagement and achievement.</p> <p>The school-wide focus on Literacy and Numeracy strategies is to continue with the emphasis on ALL teachers being teachers of LIT/NUM.</p> <p>We will have a focus on improving attendance with a target of 85% minimum.</p>
<p><b>Planning for next year.</b></p>			
<p>Rutherford is involved in the LITNUM pilot again to ensure that all Learning Areas accept responsibility for literacy and numeracy in the future. We are also continuing to offer Te Ao Haka standards to provide another pathway for our Māori and Pasifika students.</p>			

## **Kiwisport Note**

Kiwisport is a government funding initiative to support students' participation in organised sport.

In 2022 the school received a total of Kiwi Sport funding of \$34,081.31 (excluding GST). The funding was spent towards the Sports Con-Ordinator salary for the college.

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

As at 31 December 2022 the Rutherford College School Board has ensured the fair and proper treatment of its employees in all aspects of employment by:

- Confirming that policies and procedures relating to personnel have been reviewed.
- Confirming that it meets the requirements identified as best practice.
- Confirming that at all times it aims to be a good employer, complying with the conditions stated in all employee contracts.
- Confirming that all employees are treated fairly, according to the skill, abilities and qualifications they bring without bias.
- Confirming that it meets all its Equal Employment Opportunity requirements.