



Manaaki * Takohanga * Kakama * Manawaroa

Annual Report 2017



*Photos in this report were all taken at the opening of the Tawatawa-Vogelmorn Bike Track on 4 May 2017.
Used by permission of J. Crawford*

Respectful * Responsible * Resourceful * Resilient



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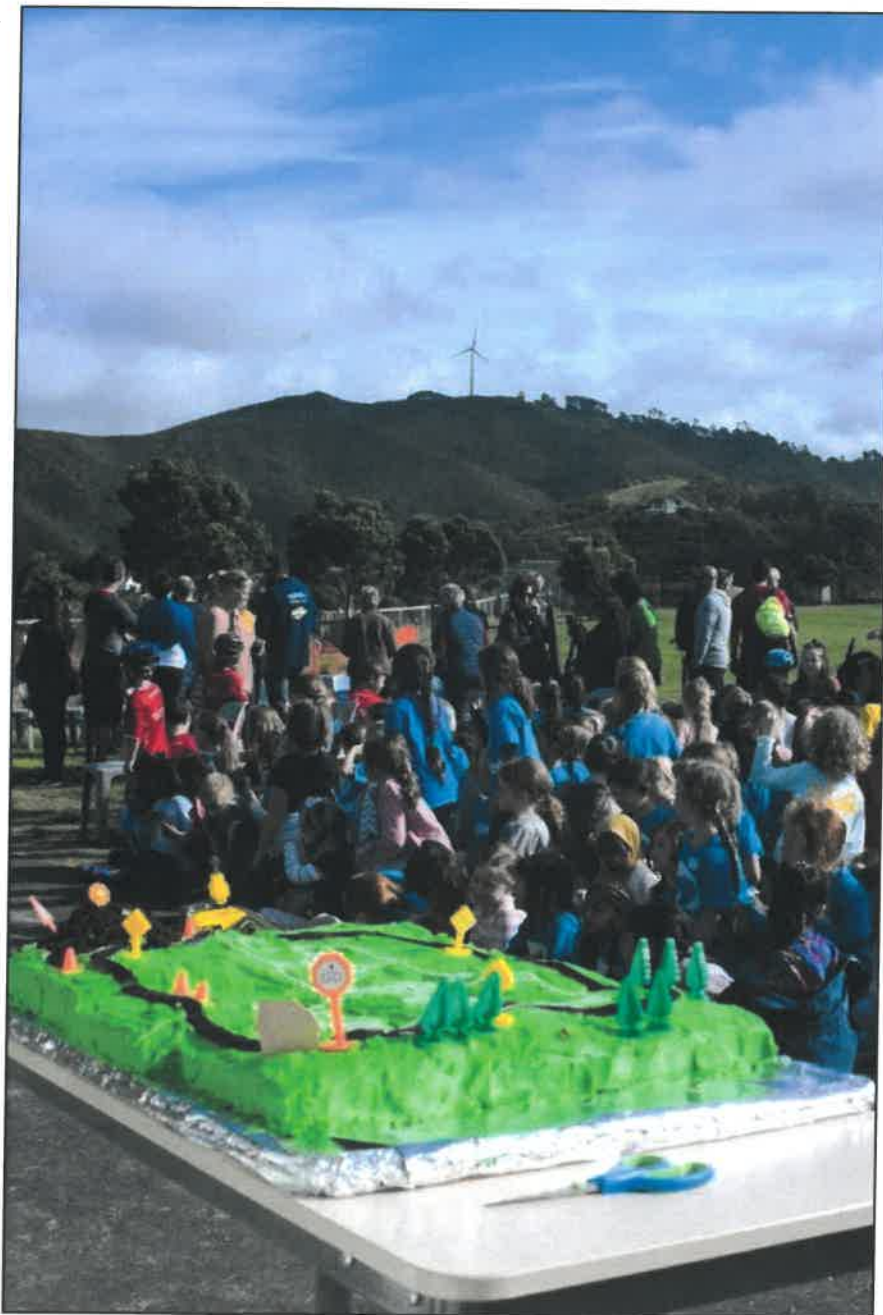
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Analysis of Variance



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Charter Goals	2980
<p>Annual Aims:</p> <p>A broad and responsive curriculum reflects the interests and aspirations of our community and enables all students to be successful and learn to the best of their ability</p> <p>Staff and students work collaboratively to create a safe and inclusive school where our values are evident.</p> <p>Our school environment is appropriate for our students' needs with well maintained and inviting buildings, play equipment, gardens and signage</p> <p>Our school community is actively engaged in the life of the school and parents, teachers and students work in partnership through effective communication, consultation, and opportunities for involvement</p>	
<p>Achievement Targets</p> <p>1. All 15 of the Year 3 - Year 7 students who did not achieve the National Standard in Reading at the end of 2016, will make accelerated progress in 2017, with 10/15 achieving the standard for their year level by the end of the year and the 35 students who achieved above the standard in 2016 will continue to achieve above the expected level for their year level.</p> <p>a. The 7 Year 3 students not currently meeting expectations for progress in reading will all make accelerated progress towards the 'after 3 years at school' expectation, with 5 achieving Gold level or higher by the end of the year to achieve the standard.</p> <p>b. The 2 Year 5 students not currently meeting expectations for progress in reading will make accelerated progress in 2017 to achieve the National Standard for the end of Year 5 by the end of the year.</p> <p>c. The 6 Year 6 & 7 students who did not achieve the National Standard in Reading at the end of last year will all make accelerated progress in 2017 and at least 3 of these students will achieve the National Standard for the end of their respective year levels.</p>	

2. All 23* of the Year 3 - Year 8 students who did not achieve the National Standard in Writing at the end of 2016, will make accelerated progress in 2017, with 18/23 achieving the standard for their year level by the end of the year and the 18 students who achieved above the standard in 2016 will continue to achieve above the expected level for their year level.

- a. The 9 Year 3 students not currently meeting expectations for progress in writing will all make accelerated progress towards the 'after 3 years at school' expectation, and at least 7 will achieve the standard by the end of the year.
- b. The 7 Year 4 & 5 students who did not meet the National Standard in Writing at the end of last year will all make accelerated progress to achieve the standard in 2017.
- c. The 7 Year 6-8 students who did not meet the National Standard in Writing at the end of last year will all make accelerated progress towards achieving the standard for their year level in 2017, with 4 students achieving the standard for their year level.

3. All 22* of the Year 3 - Year 8 students not currently meeting expectations for progress in maths will all make accelerated progress in 2017, with 14/22 achieving the standard by the end of the year and the 39 students who achieved above the standard in 2016 will continue to achieve above the expected level for their year level.

- a. The 7 Year 3 students not currently meeting expectations for progress in maths will all make accelerated progress towards the 'after 3 years at school' expectation, with at least 4 of them attaining this standard by the end of the year.
- b. The 4 Year 5 students not currently meeting expectations for progress in maths will all make accelerated progress during 2017, with 3 students achieving the National Standard for the end of Year 5 by the end of 2017.
- c. The 11 students in our Year 6-8 group who did not achieve the National Standard for Maths in 2016 will all make accelerated progress in 2017, and at least 7 will achieve the National Standard for their year level by the end of the year.

* NB: not all students included in this target group remained in the school by the end of 2017

At Ridgway School we understand "accelerated progress" to mean more than a year's worth of progress in one year.

For students in Years 1-3 in reading this could be seen as moving from Green to Gold or from Level 13 to Level 19 in one year.

For all students in writing or maths, and in reading for students in Years 4-8 accelerated progress means moving at least 3 e-asTTle sub-levels in less than 40 weeks. We also use scale scores from NZCER tests (STAR or PAT) along with norms outlining normal progress to determine if accelerated progress has been made.

Baseline data

National Standards results for 2016 show that students at Ridgway School achieve very well when compared to other schools across the country. We do not see any significant effect for ethnicity in our student achievement data but we do notice that writing is the area in which we have the largest group of students not yet achieving to the level we believe they are capable of. As in other years we notice that students who have spent their entire schooling to date at Ridgway School are far more likely to experience success across all National Standards areas.

At the beginning of 2017 Ridgway teachers had taken part in a wide range of professional learning sessions aimed at improving literacy outcomes for students, and had already seen considerable impact from this work and from implementing key programmes.

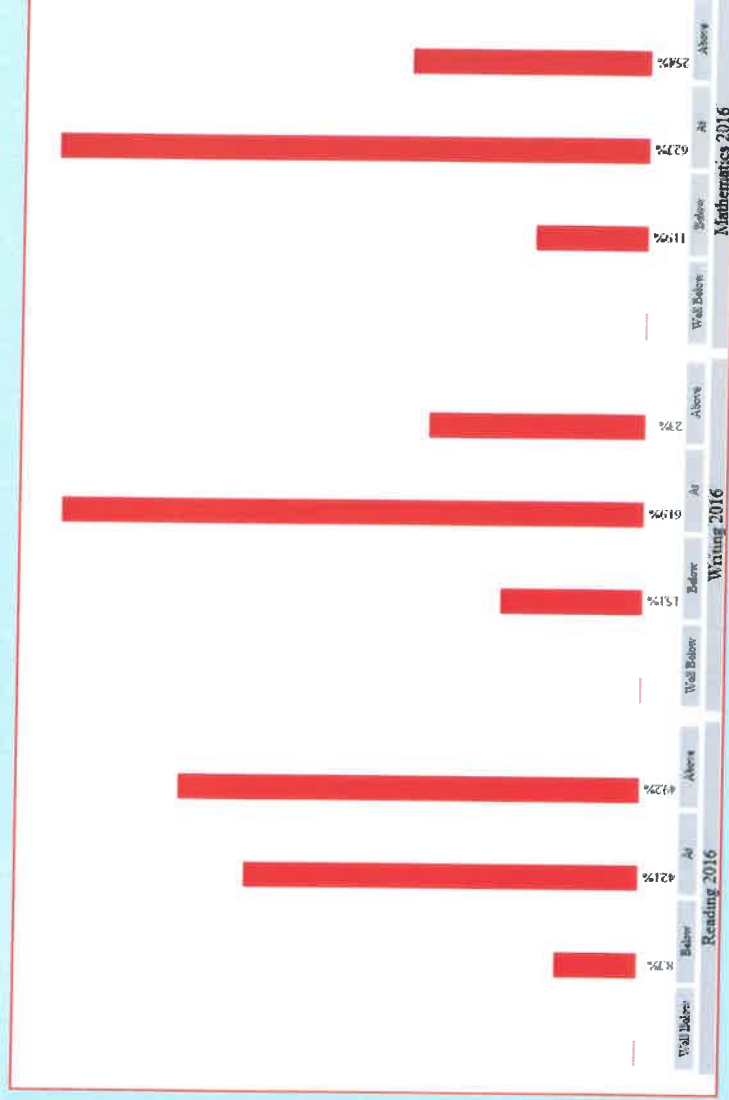
While most students experience success in their learning at Ridgway, teachers in 2017 sought ways to adapt their teaching practices to meet the particular needs of individual children in specific areas.

Achievement of National Standards in 2016

all	Reading	Writing	Maths
2015	86%	84%	95%
2016	92%	87%	89%

Māori	Reading	Writing	Maths
2015	66%	66%	91%
2016	87%	84%	87%

Gender	Reading	Writing	Maths
2015	92%	79%	96%
2016	94%	90%	90%
	girls	boys	girls
			boys



Actions (what did we do?)

Raising Achievement Plan

In the first half of 2017 we worked with a SAF (Student Achievement Function) Facilitator to develop a "Raising Achievement Plan". This plan set out a range of actions including:

1. Data analysis formats adopted for whānau teams to analyse assessment information in a standard way across the school.

2. 'Learning Plans' for Target Student

Reading

3. All teachers engaged in (ongoing) professional learning in the SHARP approach to teaching reading.
4. 1 lead teacher observed and gave feedback to others in SHARP reading

using the SHARP criteria.

Writing

6. ALL (Accelerated Learning in Literacy) 1 lead teacher mentoring 2 others.
7. Lexia programme - continued use of this in Year 2-5.

8. WordQ - introduced in Years 4-8 for some students.

9. Moderation of writing across all levels.
10. Teaching as Inquiry focus on raising achievement in writing & sharing of effective practice among staff.

Prime Maths

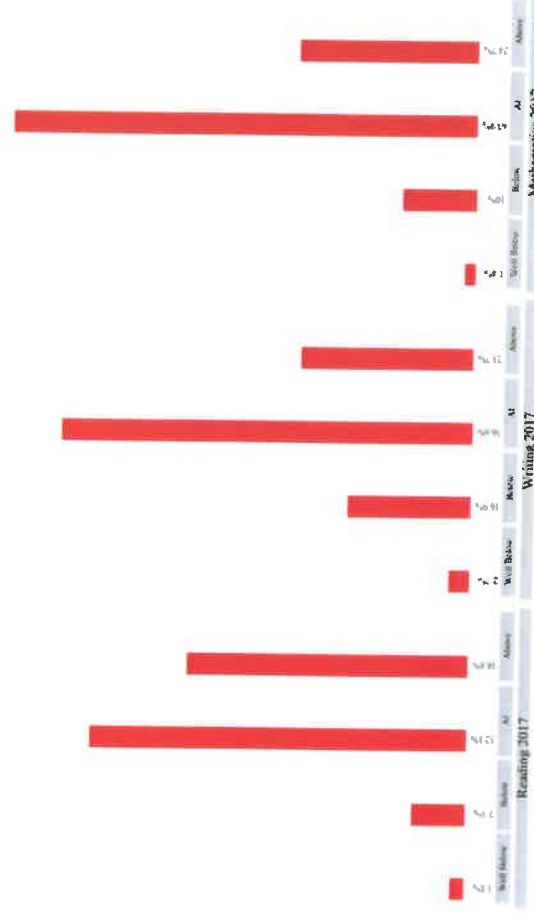
11. used Prime assessment tests to better match teaching with student learning needs.

Outcomes

all	Reading	Writing	Maths
2015	86%	84%	95%
2016	92%	87%	89%
2017	91%	80%	89%
2017 (no Y1)	95%	86%	91%

Māori	Reading	Writing	Maths
2015	66%	66%	91%
2016	87%	84%	87%
2017	88%	81%	91%
2017 (no Y1)	96%	93%	93%

National Standard report for Ridgway School
All Pupils 2017



Outcomes continued

	Reading		difference	Writing		difference	Maths		difference
	girls	boys		girls	boys		girls	boys	
2015	92%	79%	13	93%	76%	17	96%	95%	1
2016	94%	90%	4	93%	89%	4	90%	91%	1
2017	93%	87%	6	88%	72%	16	89%	90%	1

Reading

The 15 Year 3 - Year 7 students who did not achieve the National Standard in Reading at the end of 2016, will make accelerated progress in 2017, with 10/15 achieving the standard for their year level by the end of the year

- 11/15 of the students in this group achieved the National Standard in Reading *(target exceeded)*
- 4/15 students who have not yet achieved expectations in reading have all been closely monitored by their teachers and show
 - Improved reading behaviours likely to lead to ongoing success in reading
 - Improved achievement in various aspects of reading

The 35 students who achieved above the standard in 2016 will continue to achieve above the expected level for their year level

- 28/35 students from this group have again exceeded National Standards reading expectations for their Year level

Over 90% of students met expectations for Reading in 2017.

- When the Year 1 cohort is taken out of Reading achievement data, we see an increase in the percentage of students achieving or exceeding National Standards in Reading from 91% to 95%. **This is an improvement on previous years.**

Māori achievement analysis

- When Year 1 Māori students are taken out of data for Māori student group, Māori student achievement in Reading is better than for all Y2-8 students taken together.

- The 2 Māori students who did not achieve the National Standard in Reading during 2016, did so in 2017.

Gender analysis

- There is a 6 percentage point difference between boys and girls in reading.

Writing

All 22 of the Year 3 - Year 8 students who did not achieve the National Standard in Writing at the end of 2016, will make accelerated progress in 2017, with 18/23 achieving the standard for their year level by the end of the year and the students who achieved above the standard in 2016 will continue to achieve above the expected level for their year level.

- 7/22 students in group achieved the National Standard in Writing
 - Almost all remaining students in this group have been closely monitored by their teachers and show normal progress.
 - 10 of the students yet to catch up to expectations in writing have some level of either suspected or diagnosed learning disability.
- 5 students who achieved above the standard in 2016, did not remain above in 2017, however 13 others who were not “above” in 2016, were in 2017

Year Level analysis

- The percentage of students achieving or exceeding the standard in Writing is lower at the end of 2017 than at the end of 2016, despite the accelerated progress of 7 students mentioned above to reach the standard. This can be attributed to a large group of Year 1 students who did not meet the standard for “after 1 year”.
- When the Year 1 cohort data is excluded, the percentage of students achieving the National Standard in Writing is 86%, and similar to previous years achievement.

Māori achievement analysis

- 1 of the 2 Māori students remaining in the school who did not achieve the National Standard in Writing in 2016, did so in 2017.
- When Year 1 Māori students are taken out of data for the Māori student group, Māori student achievement in Writing is better than for all Y2-8 students taken together.
- 2 Māori students who did not achieve the National Standard in writing during 2016, did so in 2017.

Gender analysis

- The gap between the number of boys and girls achieving expectations for writing has increased to 15%

Maths

All 22 of the Year 3 - Year 8 students not currently meeting expectations for progress in maths will all make accelerated progress in 2017, with 14/22 achieving the standard by the end of the year (NB:19 students remain at Ridgway at end 2017)

- 11/19 students achieved the National Standard in maths
- All remaining students in this group have been closely monitored by their teachers and most show normal to above average progress.

The 39 students who achieved above the standard in 2016 will continue to achieve above the expected level for their year level

- 37 students remained in the school at the end of the year
- 27 students from this group have again exceeded National Standards maths expectations for their Year level
 - 10 students who achieved above the standard in 2016 did not in 2017
 - 17 more students achieved above the standard in 2017 who did not in 2016

Year Level analysis

- The overall percentage of students achieving or exceeding the National Standard in Maths (89%) is the same as in 2016.
- When Year 1 data is excluded, the percentage of students achieving or exceeding the Maths standard increases by 2%.

Māori achievement analysis

- Māori student achievement of the National Standard in maths (91%) is better than achievement for all students (89%).

Gender analysis

- There is just 1 percentage point difference in achievement of the maths standard between girls and boys

Reasons for the variance (why did it happen?)

1. Staffing changes are likely to have impacted on the achievement of students
 - a. 2 teachers resigned at the end of Term 1. We were not immediately able to appoint new teachers into these positions (it is impossible to appoint a teacher within a term where the minimum notice period is given and this is further exacerbated by a nationwide teacher shortage). Two whānau groups (160 children) were impacted by this.
 - b. Implementation of SHARP programme - this took longer than was desirable due to staff changes. New appointments made in Term 3 did not receive training from the external facilitator, and had to rely on teaching peers and video clips.
 - i. Despite the aforementioned issues, **Reading achievement for Years 2 - 8 improved; the number of children not meeting the National Standard in reading was halved in this group.**
 - c. New teachers to the senior class in Terms 2 and 3 were not familiar with the Prime maths programme.
2. Focus on Target Students
 - a. Improved Māori achievement - some Māori students who were identified as not meeting National Standards expectations in 2016, were "target students" in 2017. Teacher's extra attention to these students has resulted in accelerated achievement for them and consequently the number of Māori students not achieving National Standards has been greatly reduced.
 - b. A collaborative approach to planning, especially when planning the deliberate acts of teaching needed by target students, was effective in supporting teachers to identify what to teach next as they were able to access the expertise of colleagues.
 - c. Developing, embedding and adapting new systems to monitor the progress in learning of Target Student took more time than we anticipated, and consequently teacher's were not able to closely monitor the progress of very able students. Emphasis for these students was in areas other than in reading, most notably in key competency areas of self-management in learning and in relating to others.
3. Focus on wellbeing
 - a. Teachers recognised that students exhibiting extreme behaviours are not able to learn and negatively influence the learning of others and that it was important at times to focus on student well being ahead of all other priorities. In some whānau groups a surprising number of learners were significantly impacted by personal trauma events or ongoing (out of school) relationship issues which seriously inhibited their ability to learn and led to a range of behavioural consequences for the whole school whānau group. The school worked to support students in a range of ways including developing students' skills in relating to others, developing empathy, and resolving conflicts.
 - i. For some students this wellbeing focus ensured that they were successful in achieving National Standard expectations
 - ii. The extreme behaviours and out of school situations faced by some students prevented them from achieving their best at school, despite teachers going to great lengths to support them.
4. Absenteeism is likely to be a factor preventing acceleration for 2 students in both writing and maths, and for 1 other student in each of writing and maths. (4 in total)
5. New Students to the school - it is sometimes difficult for students to achieve their best when they first move schools.
6. Year 1 cohort - a larger than usual number of students in this group took longer than usual (at Ridgway) to settle into the routines of school. Some children in this group needed longer to develop the habits and skills needed for learning at school

Evaluation (where to next?)

Reading achievement is very high and should be considered a strength of the school (13% higher than NZ mean in 2016*).

Writing achievement is good and well above national averages (9% higher than NZ mean in 2016*). In comparison to many other schools, writing can be considered strong.

Maths achievement is very good and should be considered a strength of the school (14% higher than NZ mean in 2016*)

**National Standards results, 2016; Education Counts)*

Next Steps

1. Continued teacher learning related to accelerating the progress of students who are not experiencing the success we believe they should be.
 - a. Ongoing opportunities to develop SHARP reading implementation which we believe is an efficient and effective method of teaching reading
 - b. Training for more teachers in Yolanda Sorryl Phonics and Early Words programmes.
 - c. Continue professional learning in catering for children who may not be responding to typical teaching and learning approaches (including those with Dyslexia, Dispraxia, ASD and ADHD) and require adaptations to be made to the curriculum or to the learning programme to ensure their success.
 - d. Focus on research proven strategies for raising achievement in writing.
2. Mixed ability groupings
 - a. less emphasis on ability groups across all core learning areas is likely to have a positive effect on learning for all students
 - b. guidelines and support around how to implement mixed ability groups may be sought by some teachers.
3. Continued focus on supporting students to be respectful, responsible, resourceful and resilient learners who exercise student agency.
 - a. Including for new entrants who need greater support to settle into school.
4. Refining our assessment for learning practices
 - a. Making the learning more visible to both students and their whānau members
 - b. Effectively using student reflection
 - c. Giving clear feedback to learners about what they need to do to achieve at the next level
5. Ensure that students, and boys in particular, are motivated and engaged in learning
 - a. Careful topic selection in writing and student inquiry
 - b. Using digital tools effectively
 - c. Effectively managing behaviour in classrooms



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Board of Trustees



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Ridgway School Board of Trustees 2017

Name	Duties on Board	Occupation	Member type	Date term expires
Richard Ngatai	Chair	Government Worker	Elected 2016	10/6/2019
Sarah Wood	Finance	Head of Marketing and Development	Elected 2016	10/6/2019
Kamaea Tukaki	Finance	Teacher/Mum	Elected 2016	10/6/2019
Barbara Dean	Property	Lawyer	Elected 2016	10/6/2019
Rachel Young	Property	Teacher	Elected 2016	10/6/2019
Kathryn Smith	Principal	Principal	Appointed July 2013	
Julie Hanify	Staff Trustee	Teacher	Re-elected 2016	10/6/2019



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Kiwisport Funding statement



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Kiwi Sport Grant

Ridgway School Usage 2017

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2017 Ridgway received \$2,940 in Kiwisport funding.

This money was spent in accordance with the intent of this funding, namely to increase participation in organised sport. Ridgway students are encouraged to participate in a range of different sporting activities each year.

In 2017 netball and basketball teams were subsidised to ensure that all students who wanted to play were able to. The school also sent large groups of children to participate in zone and interzone tournaments (e.g. cricket, football) organised by Primary Sport Wellington and the Wellington City Council. Kiwisport funding ensured that every child could attend these events.

Sporting activities were further encouraged through the purchase of sports equipment for all classes to use during PE lessons as well as during break times.



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Financial Statements



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RIDGWAY SCHOOL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

School Address: Mornington Road, Brooklyn, Wellington

School Postal Address: Mornington Road, Brooklyn, WELLINGTON, 6021

School Phone: 04 939 8771

School Email: office@ridgway.school.nz

Ministry Number: 2980

RIDGWAY SCHOOL

Financial Statements - For the year ended 31 December 2017

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Ridgway School

Statement of Responsibility

For the year ended 31 December 2017

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2017 fairly reflects the financial position and operations of the school.

The School's 2017 financial statements are authorised for issue by the Board.

RICHARD NGATAI

Full Name of Board Chairperson

[Signature]

Signature of Board Chairperson

22/05/18

Date:

Kathryn Smith

Full Name of Principal

[Signature]

Signature of Principal

22.5.2018

Date:

Ridgway School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2017

		2017	2017	2016
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
Revenue				
Government Grants	2	1,525,528	1,349,235	1,470,847
Locally Raised Funds	3	116,508	87,267	146,089
Interest Earned		13,148	8,000	8,470
		<u>1,655,184</u>	<u>1,444,502</u>	<u>1,625,406</u>
Expenses				
Locally Raised Funds	3	6,753	6,500	10,666
Learning Resources	4	1,102,511	1,060,119	1,123,942
Administration	5	97,418	106,104	93,885
Finance Costs		1,145	600	896
Property	6	317,335	236,009	260,878
Depreciation	7	38,907	35,000	35,273
		<u>1,564,069</u>	<u>1,444,332</u>	<u>1,525,540</u>
Net Surplus / (Deficit)		<u>91,115</u>	<u>170</u>	<u>99,866</u>
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u><u>91,115</u></u>	<u><u>170</u></u>	<u><u>99,866</u></u>

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes.

Ridgway School
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2017

	Actual 2017 \$	Budget (Unaudited) 2017 \$	Actual 2016 \$
Balance at 1 January	560,046	560,046	460,180
Total comprehensive revenue and expense for the year	91,115	170	99,866
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	8,189	-	-
Equity at 31 December	659,350	560,216	560,046
 Retained Earnings	 659,350	 560,216	 560,046
Equity at 31 December	659,350	560,216	560,046

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes.

Ridgway School
Statement of Financial Position
As at 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Current Assets				
Cash and Cash Equivalents	8	601,378	421,243	493,227
Accounts Receivable	9	55,023	81,045	52,437
GST Receivable		6,663	7,109	5,846
Prepayments		2,250	6,876	1,063
Inventories	10	718	1,540	1,177
		666,032	517,813	553,750
Current Liabilities				
Accounts Payable	12	69,309	100,547	76,364
Revenue Received in Advance	13	11,748	504	120
Provision for Cyclical Maintenance	14	55,750	-	-
Finance Lease Liability - Current Portion	15	3,404	-	2,117
		140,211	101,051	78,601
Working Capital Surplus/(Deficit)		525,821	416,762	475,149
Non-current Assets				
Property, Plant and Equipment	11	145,510	145,204	144,273
		145,510	145,204	144,273
Non-current Liabilities				
Provision for Cyclical Maintenance	14	9,000	1,750	56,000
Finance Lease Liability	15	2,981	-	3,376
		11,981	1,750	59,376
Net Assets		659,350	560,216	560,046
Equity		659,350	560,216	560,046

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Ridgway School
Statement of Cash Flows
For the year ended 31 December 2017

		2017	2017	2016
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		397,644	314,627	354,103
Locally Raised Funds		128,819	58,307	145,665
Goods and Services Tax (net)		(805)	-	1,263
Payments to Employees		(179,562)	(144,577)	(118,531)
Payments to Suppliers		(213,961)	(287,241)	(240,668)
Interest Paid		(1,145)	(600)	(896)
Interest Received		13,099	8,000	8,470
Net cash from / (to) the Operating Activities		144,089	(51,484)	149,406
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(43,354)	(20,500)	(11,770)
Net cash from / (to) the Investing Activities		(43,354)	(20,500)	(11,770)
Cash flows from Financing Activities				
Furniture and Equipment Grant		8,189	-	-
Finance Lease Payments		(773)	-	(216)
Net cash from Financing Activities		7,416	-	(216)
Net increase/(decrease) in cash and cash equivalents		108,151	(71,984)	137,420
Cash and cash equivalents at the beginning of the year	8	493,227	493,227	355,807
Cash and cash equivalents at the end of the year	8	601,378	421,243	493,227

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.

Ridgway School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2017

a) Reporting Entity

Ridgway School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2017 to 31 December 2017 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

The Education Act 1989 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.

Critical Judgements in applying accounting policies

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

Classification of leases

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 15.

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.

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

Accounts Receivable represents items that the School has issued invoices for or accrued for, but has not received payment for at year end. Receivables are initially recorded at fair value and subsequently recorded at the amount the School realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the School will not be able to collect all amounts due. The amount that is uncollectable (the provision for uncollectibility) is the difference between the amount due and the present value of the amounts expected to be collected.

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 for periods exceeding 90 days are classified as investments and are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. After initial recognition bank term deposits are measured at amortised cost using the effective interest method less impairment.

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards. Share investments are recognised initially by the School at fair value plus transaction costs. At balance date the School has assessed whether there is any evidence that an investment is impaired. Any impairment, gains or losses are recognised in the Statement of Comprehensive Revenue and Expense.

After initial recognition any investments categorised as available for sale are measured at their fair value without any deduction for transaction costs the school may incur on sale or other disposal.

The School has met the requirements under section 28 of schedule 6 of the Education Act 1989 in relation to the acquisition of securities.

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.

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.

Leased Assets

Leases where the School assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets acquired by way of finance lease are measured at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Leased assets and corresponding liability are recognised in the Statement of Financial Position and leased assets are depreciated over the period the School is expected to benefit from their use or over the term of the lease.

Depreciation

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

The estimated useful lives of the assets are:

Building Improvements	20 years
Furniture and Equipment	10 years
Information and Communication	5 years
Library Resources	8 years

Leased assets are depreciated over the life of the lease.

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 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, annual leave earned 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.

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 Assets and Liabilities

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 categorised as "loans and receivables" for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards.

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

u) Borrowings

Borrowings are recognised at the amount borrowed. 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 the balance date.

v) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

w) Budget Figures

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

x) Services received in-kind

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

2. Government Grants

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operational grants	294,393	274,217	316,103
Teachers' salaries grants	901,427	886,707	937,136
Use of Land and Buildings grants	223,724	147,901	175,763
Other MoE Grants	104,954	40,410	30,258
Other government grants	1,030	-	11,587
	1,525,528	1,349,235	1,470,847

3. Locally Raised Funds

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Revenue			
Donations	69,822	47,425	59,663
Fundraising	20,907	9,800	27,194
Trading	1,584	1,582	1,827
Activities	24,195	28,460	57,405
	116,508	87,267	146,089
Expenses			
Activities	1,857	-	1,224
Trading	1,244	1,500	2,130
Fundraising (costs of raising funds)	3,652	5,000	7,312
	6,753	6,500	10,666
Surplus for the year Locally raised funds	109,755	80,767	135,423

4. Learning Resources

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Curricular	25,312	31,506	29,203
Extra-curricular activities	39,959	36,540	70,502
Employee benefits - salaries	1,023,389	971,073	998,500
Staff development	13,851	21,000	25,737
	1,102,511	1,060,119	1,123,942

5. Administration

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Audit Fee	5,939	6,900	3,542
Board of Trustees Fees	1,950	3,500	1,100
Board of Trustees Expenses	3,488	2,820	4,936
Communication	2,821	3,300	2,671
Consumables	2,065	3,500	2,688
Operating Lease	4,638	6,033	7,911
Other	5,044	9,450	6,091
Employee Benefits - Salaries	61,054	60,211	57,167
Insurance	339	390	339
Service Providers, Contractors and Consultancy	10,080	10,000	7,440
	97,418	106,104	93,885

6. Property

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	38,150	35,250	35,267
Cyclical Maintenance Expense	8,750	8,000	8,750
Grounds	4,285	4,200	5,187
Heat, Light and Water	9,058	9,400	9,218
Rates	4,227	5,000	3,984
Repairs and Maintenance	28,158	25,000	21,251
Use of Land and Buildings	223,724	147,901	175,763
Security	983	1,258	1,458
	<u>317,335</u>	<u>236,009</u>	<u>260,878</u>

The use of land and buildings figure represents 8% of the school's total property value. This is used as a 'proxy' for the market rental of the property. 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. Depreciation

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements	3,021	2,998	3,021
Furniture and Equipment	16,628	15,459	15,580
Information and Communication Technology	14,831	12,815	12,915
Leased Assets	2,777	2,146	2,163
Library Resources	1,650	1,582	1,594
	<u>38,907</u>	<u>35,000</u>	<u>35,273</u>

8. Cash and Cash Equivalents

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	13	-	-
Westpac 239-00	600,809	421,243	492,671
Westpac 239-01	556	-	556
Cash equivalents and bank overdraft for Cash Flow Statement	<u>601,378</u>	<u>421,243</u>	<u>493,227</u>

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

9. Accounts Receivable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Receivables	518	316	942
Receivables from the Ministry of Education	-	679	-
Interest Receivable	49	-	-
Teacher Salaries Grant Receivable	54,456	80,050	51,495
	<u>55,023</u>	<u>81,045</u>	<u>52,437</u>
Receivables from Exchange Transactions	567	316	942
Receivables from Non-Exchange Transactions	54,456	80,729	51,495
	<u>55,023</u>	<u>81,045</u>	<u>52,437</u>

10. Inventories

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Uniforms	718	1,540	1,177
	<u>718</u>	<u>1,540</u>	<u>1,177</u>

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2017						
Building Improvements	36,822	-	-	-	(3,021)	33,801
Furniture and Equipment	56,500	18,147	-	-	(16,628)	58,019
Information and Communication Tech	40,016	16,309	-	-	(14,831)	41,494
Leased Assets	4,442	3,538	-	-	(2,777)	5,203
Library Resources	6,493	2,150	-	-	(1,650)	6,993
Balance at 31 December 2017	144,273	40,144	-	-	(38,907)	145,510

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2017			
Building Improvements	66,231	(32,430)	33,801
Furniture and Equipment	243,183	(185,164)	58,019
Information and Communication	151,760	(110,266)	41,494
Leased Assets	10,144	(4,941)	5,203
Library Resources	50,498	(43,505)	6,993
Balance at 31 December 2017	521,816	(376,306)	145,510

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2016						
Building Improvements	39,843	-	-	-	(3,021)	36,822
Furniture and Equipment	65,375	6,705	-	-	(15,580)	56,500
Information and Communication Tech	45,424	7,506	-	-	(12,915)	40,015
Leased Assets	-	6,606	-	-	(2,163)	4,443
Library Resources	5,462	2,625	-	-	(1,594)	6,493
Balance at 31 December 2016	156,104	23,442	-	-	(35,273)	144,273

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2016			
Building Improvements	66,231	(29,409)	36,822
Furniture and Equipment	226,337	(169,837)	56,500
Information and Communication	157,277	(117,262)	40,015
Leased Assets	6,606	(2,163)	4,443
Library Resources	48,348	(41,855)	6,493
Balance at 31 December 2016	504,799	(360,526)	144,273

12. Accounts Payable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operating creditors	8,941	19,024	10,532
Accruals	4,439	-	5,104
Capital accruals for PPE items	-	-	7,760
Employee Entitlements - salaries	54,456	80,050	51,495
Employee Entitlements - leave accrual	1,473	1,473	1,473
	<u>69,309</u>	<u>100,547</u>	<u>76,364</u>
Payables for Exchange Transactions	69,309	100,547	76,364
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>69,309</u>	<u>100,547</u>	<u>76,364</u>

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Income In Advance	11,648	454	20
Hall Bond	100	50	100
	<u>11,748</u>	<u>504</u>	<u>120</u>

14. Provision for Cyclical Maintenance

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Provision at the Start of the Year	56,000	(6,250)	47,250
Increase to the Provision During the Year	8,750	8,000	8,750
Provision at the End of the Year	<u>64,750</u>	<u>1,750</u>	<u>56,000</u>
Cyclical Maintenance - Current	55,750	-	-
Cyclical Maintenance - Term	9,000	1,750	56,000
	<u>64,750</u>	<u>1,750</u>	<u>56,000</u>

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:

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
No Later than One Year	3,404	-	2,117
Later than One Year and no Later than Five Years	2,981	-	3,376
	<u>6,385</u>	<u>-</u>	<u>5,493</u>

16. 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.

17. Remuneration

Key management personnel compensation

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

	2017 Actual \$	2016 Actual \$
<i>Board Members</i>		
Remuneration	1,950	1,100
Full-time equivalent members	0.16	0.14
<i>Leadership Team</i>		
Remuneration	360,773	324,450
Full-time equivalent members	4.00	4.00
Total key management personnel remuneration	362,723	325,550
Total full-time equivalent personnel	4.16	4.14

The full time equivalent for Board members has been determined based on attendance at Board meetings, Committee meetings and for other obligations of the Board, such as stand downs and suspensions, plus the estimated time for Board members to prepare for meetings.

Principal

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

	2017 Actual \$000	2016 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	110 - 120	110 - 120
Benefits and Other Emoluments	3 - 4	3 - 4
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2017 FTE Number	2016 FTE Number
100 - 110	-	-
	0.00	0.00

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

18. Compensation and Other Benefits Upon Leaving

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

	2017 Actual	2016 Actual
Total	-	-
Number of People	-	-

19. Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2017 (Contingent liabilities and assets at 31 December 2016: nil).

20. Commitments

(a) Capital Commitments

There are no capital commitments as at 31 December 2017 (Capital commitments at 31 December 2016: nil).

(b) Operating Commitments

As at 31 December 2017 the Board has entered into the following contracts:

(a) operating lease of laptops;

	2017 Actual \$	2016 Actual \$
No later than One Year	1,344	3,254
Later than One Year and No Later than Five Years	-	1,344
Later than Five Years	-	-
	<u>1 344</u>	<u>4,598</u>

21. Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but attempts to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.

22. Financial Instruments

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

Loans and receivables

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Cash and Cash Equivalents	601,378	421,243	493,227
Receivables	55,023	81,045	52,437
Investments - Term Deposits	-	-	-
Total Loans and Receivables	656,401	502,288	545,664

Financial liabilities measured at amortised cost

Payables	69,309	100,547	76,364
Borrowings - Loans	-	-	-
Finance Leases	6,385	-	5,493
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	75,694	100,547	81,857

23. Events After Balance Date

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



Manaaki * Takohanga * Kakama * Manawaroa

Statement of Responsibility



Respectful * Responsible * Resourceful * Resilient

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF RIDGWAY SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

Opinion

We have audited the financial statements of the School on pages 2 to 19, that comprise the statement of financial position as at 31 December 2017, 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 2017; 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 as applicable to entities that qualify as tier 2.

Our audit was completed on 22 May 2018. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board of Trustees for the financial statements

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

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

The Board of Trustees' responsibilities arise from the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast

significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

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

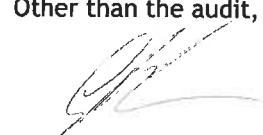
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

Independence

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

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



Geoff Potter
BDO Wellington
On behalf of the Auditor-General
Wellington, New Zealand



Manaaki * Takohanga * Kakama * Manawaroa

Audit Report



Respectful * Responsible * Resourceful * Resilient



Ridgway School
AUDIT COMPLETION REPORT
FOR THE YEAR ENDED
31 December 2017





29 May 2018

Richard Ngatai
Chairperson
Ridgway School
120 Mornington Road, Brooklyn, Wellington

cc: Kathryn Smith
Principal

Dear Richard

We have pleasure in presenting our Audit Completion Report for our audit of Ridgway School's financial statements for the year ended 31 December 2017.

We would like to emphasise that our audit work involves the review of only those systems and controls in your organisation upon which we rely on for audit purposes. Our examination may not have identified, and should not be relied upon to identify, all control weaknesses that may exist.

We take this opportunity to express our appreciation for the assistance and co-operation provided by the School's staff during the audit. We have received full and frank cooperation. There is nothing we wish to raise solely with the Board.

Yours faithfully,
BDO Wellington

A handwritten signature in blue ink, appearing to read 'Geoff Potter', is written over the printed name and title.

Geoff Potter
Partner
Audit & Assurance Services

DDI: 04 498 3864
Email: Geoff.Potter@bdo.co.nz



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1. EXECUTIVE SUMMARY

STATUS OF THE AUDIT AND THE AUDIT OPINION

BDO Wellington ('BDO') is the Appointed Audit Firm of Ridgway School (the "School").

BDO's responsibilities include a requirement to express an opinion on the School's financial statements arising from our audit conducted in accordance with the Auditor-General's Auditing Standards which incorporate International Standards on Auditing (NZ).

This report details the processes, findings and recommendations from our audit of the School in accordance with the Auditor General's Auditing Standards, and the terms of our engagement as set out in our audit engagement letter.

Our audit of the School's financial statements for the year ended 31 December 2017 is complete.

We have issued an unqualified audit opinion.

We welcome your feedback on the effectiveness of the audit process and are available to discuss our performance.

AUDIT SCOPE AND OBJECTIVES

Our audit objectives are to:

- report on whether the financial statements give a true and fair view, and
- report to Management about control environment issues that should be addressed by the school.

A strong control environment would feature adequate segregation of duties over important financial processes, and independent reviews as compensating controls should it not always be practicable for the duties to be separated.

We have documented, tested and assessed the controls supporting the school's key transaction streams, and there are no significant weaknesses to report. Control weaknesses identified during the audit have been included in the Internal Control and Other Findings section of this report.



AREAS OF SIGNIFICANT RISK AND AUDIT EMPHASIS

Our audit approach considered the inherent risks in your business, their potential impact on the financial statements and the associated risk mitigations and controls in place. The significant matters arising from our audit work are:

- Revenue recognition
- Locally raised funds
- Payroll not approved or checked
- Cyclical maintenance provision

We were able to obtain sufficient and appropriate audit evidence in respect to these items and have no significant findings to bring to your attention. Refer to Section 2 for our comments in respect to each significant risk and area of audit emphasis.

SUMMARY OF UNCORRECTED MISSTATEMENTS

There were no errors left uncorrected at the conclusion of our audit.

INTERNAL CONTROLS

Our audit approach requires us to obtain an understanding of an entity's internal controls in order to identify assess the risk of material misstatement of the financial statements whether due to fraud or error but is not designed to provide assurance over the overall effectiveness of controls operating within the School.

We have not identified any material weaknesses in internal controls relating to the prevention and detection of fraud and error that have impacted on our ability to provide an opinion on the financial statements for the year ended 31 December 2017.



GOVERNANCE AND ACCOUNTABILITY

Good governance and accountability need and support each other and, if done well, enhance the public's trust in our public sector. Good governance encourages and can result in good accountability. In turn, accountability is a vital element of good governance.

The Auditor-General has published a report, Reflections from our audits: Governance and accountability. This report reflects on common issues, and highlights examples of good and emerging practise, which public entities can use to help improve their governance and accountability arrangements. It also identifies eight elements of good governance and looks at some trends that present new challenges and opportunities for enhancing accountability.

We encourage you to use the findings and examples in this report to consider the School's governance and accountability arrangements. This report is available on the OAG website at www.oag.govt.nz/2016/reflections



2. KEY FINANCIAL STATEMENT AUDIT RISKS AND AREAS OF AUDIT EMPHASIS

Our audit procedures were focused on those areas of the School's activities that are considered to represent the key audit risks identified during the risk assessment process undertaken and communicated with you through the audit arrangements letter at the planning phase of the audit. Below we present a summary of the identified key areas of risk and audit emphasis and our conclusions in relation to each matter. We are satisfied that these areas have been satisfactorily addressed through our audit processes.

Revenue Recognition

Area of Audit Emphasis	Conclusion/Response
------------------------	---------------------

A key audit risk is in relation to revenue recognition. There is a rebuttable presumption under Auditing Standards that there is a risk of fraud in relation to revenue recognition.	
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	From our audit work performed we found no issues regarding revenue recognition in the financial statements.
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Locally Raised Funds

Area of Audit Emphasis	Conclusion/Response
------------------------	---------------------

Due to the nature of locally raised funds (often being cash), there is a risk of material misstatement around the completeness of locally raised funds income.	
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	From our audit work performed we found no issues regarding locally raised funds income or expense balances in the financial statements.
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Payroll not approved or checked

Area of Audit Emphasis

Payroll is processed by Novopay. The accuracy of payroll processing is dependent on appropriate approval of payroll changes and checking of the fortnightly SUE report.

Conclusion/Response

From our audit work performed we found no issues regarding payroll balances included in the financial statements.

Cyclical Maintenance Provision

Area of Audit Emphasis

Cyclical Maintenance is an area of judgment and could lead to material misstatement in the financial statements. For Schools to be able to calculate the appropriate cyclical maintenance provision a 10 Year Property Plan (10YPP) needs to be prepared and/or reviewed by an expert.

Conclusion/Response

From our audit work performed, there were no issues regarding the provision for Cyclical Maintenance in the Financial Statements.



3. INTERNAL CONTROL AND OTHER AUDIT FINDINGS

This section of the report sets out the key internal control findings we have identified during the course of the audit and highlights control deficiencies requiring management attention. Our work has been limited to those controls relevant to the audit of your statutory financial statements. The purpose of our audit work on controls is not to provide assurance in its own right on the internal controls and therefore we may not necessarily disclose all matters that might be significant deficiencies or deficiencies that heighten the risk of a fraud being perpetrated.

There were no material weaknesses in internal controls identified relating to the prevention and detection of fraud and error to bring to your attention for the year ended 31 December 2017.

4. REQUIRED COMMUNICATIONS WITH GOVERNANCE

Matter	How the matter was addressed
Auditors responsibility under generally accepted auditing standards	<p>We are responsible for completing an audit in accordance with generally accepted auditing standards in New Zealand. The detailed terms of which are set out in our audit engagement letter.</p>
Confirmation of Audit Independence	<p>In conducting our audit, we are required to comply with the independence requirements of PES-1 Code of Ethics for Assurance Practitioners issued by the External Reporting Board.</p> <p>Our own internal policies and procedures are put in place to identify any threats to our independence, and to appropriately deal with and, if relevant, mitigate those risks.</p> <p>For the comfort of the Board, we note that the following processes assist in maintaining our independence:</p> <ul style="list-style-type: none">• No other work is permitted to be undertaken by any BDO office without the express approval of the audit engagement partner.• All services performed by any national BDO office will be reported to the governing body. <p>Audit fees billed for the 2017 audit were \$6951.81 (GST Inclusive Amount).</p> <p>There were no other services provided by our firm for the financial year.</p>
Management Judgements and Estimates	<p>Under International Standards on Auditing (NZ), we have a responsibility to ensure that you have been informed about the process used by the School in formulating particularly sensitive accounting estimates, assumptions or valuation judgements. Overall we note that the judgements and estimates by management in preparing the results for the year ended 31 December 2017 appear reasonable. Key matters impacting on our audit have been raised in sections 2 and 3 of this report if applicable.</p>

Matter	How the matter was addressed
Matters requiring Board of Trustee input	<p>We have placed reliance on the Board's review and approval of the following matters:</p> <ul style="list-style-type: none">• Minutes of the Board meetings;• Implementation of such controls as is needed to ensure that financial statements are presented fairly;• Review and approval of management accounts;• Review and approval of annual budget;• Review and approval of 10 Year Property Plan• Notification of fraud; and• Review and approval of the financial statements.
Accounting policies	<p>Auditing standards require us to discuss with you the qualitative aspects of the School's accounting practices and financial reporting. We reviewed the financial statements of the School against the Kiwi Park Model and noted no material departures from the requirements.</p>
Materiality and adjusted/ unadjusted differences	<p>Materiality means, in the context of an audit or review, if financial information is omitted, misstated or not disclosed it has the potential to affect the decisions of users of the financial statements. Materiality is used by auditors in making judgements on the amount of work to be performed, which balances require work and for evaluating the financial report. Materiality is initially calculated at the planning stage and has an influence on the amount of work we do, as well as where we direct our audit efforts. Materiality is not only based on a numeric quantification but is assessed qualitatively for some balances and disclosures.</p> <p>There were no errors left uncorrected at the conclusion of the audit.</p> <p>During the course of our audit, we identified misstatements which have been corrected in the financial statements these have been detailed in Appendix 1 of this report. It should be noted that the auditing standards do not require us to communicate misstatements that are considered "clearly trivial" and as such, if we identify such misstatements we will not communicate these to you. We consider "clearly trivial" to be 5% or less of our planned materiality.</p>

Matter	How the matter was addressed
Going concern	<p>We have undertaken a review of management and those charged with governance' assessment of the ability of the School to continue as a going concern for 12 months from the date of signing the audit report and therefore whether the going concern basis for the preparation of the financial statements is appropriate.</p> <p>We identified no issues or concerns that lead us to conclude the going concern assumption cannot be relied upon.</p>
Fraud	<p>During the audit, no matters relating to fraud, concerning either employees or management, have come to our attention. It should be noted that our audit is not designed to detect fraud, however, should instances of fraud come to our attention, we will report them to you.</p>
Compliance with laws and regulations	<p>We have made enquiries in relation to compliance with laws and regulations during the course of our audit. We have not become aware of any instances of non-compliance with laws and regulations which has materially impacted the financial position or performance of the School.</p>
Significant findings from the audit	<p>Other than those documented in the executive summary and sections 2 and 3 of this report, there were no significant matters arising from the audit.</p>
Disagreements with management	<p>There have been no disagreements with management over matters of significance to the audit.</p>
Difficulties encountered during the audit	<p>There have been no significant difficulties encountered during the audit.</p>
Consultations with other accountants and consultants	<p>We have considered the need for other accounting specialists during our work and determined, due to the nature of the engagement and experience and knowledge of the engagement team, that no specialists were necessary for the current period.</p>



Matter	How the matter was addressed
Management representation letter	We have not requested specific representation from management in addition to those areas normally covered by our standard representation letter.
Probity, waste and performance	We are required to consider whether any approved payments could be considered extravagant or wasteful, or show a lack of probity or financial prudence. We did not identify any issues of concern with respect to probity, waste and performance.



APPENDIX 1 - ADJUSTED AND UNADJUSTED DIFFERENCES

AUDIT ADJUSTMENTS

The only adjustment identified through the audit was to decrease the teacher salary grant of \$38,511 due to information received after draft 1 of the financial statements. Other minor adjustments were posted by your accounting service provider for minor additional items identified after the first draft.

UNADJUSTED DIFFERENCES

There were no errors left uncorrected at the conclusion of the audit.