

RAPHAEL HOUSE
RUDOLF STEINER SCHOOL
BOARD OF TRUSTEES
Statement of Responsibility
For the year ended 31 December 2006

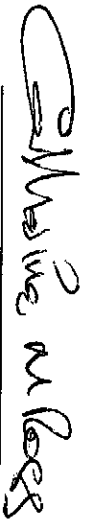
Raphael House Rudolf Steiner School is an Integrated Area School in terms of the Private Schools Conditional Integration Act 1975.

The management of Raphael House Rudolf Steiner School (the School) Board of Trustees (the Board) accepts responsibility for the preparation of the annual financial statements and the judgements used in these statements.

The Board's management accepts responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the School's financial reporting.

In the opinion of the Board's management, the annual financial statements for the financial year fairly reflect the financial position and operations of the school.

The school's 2006 financial statements are authorised for issue by the Board Chairperson and Principal.


Chairperson

Date 24.5.07


Principal

Date 24.5.07

**RAPHAEL HOUSE
RUDOLF STEINER SCHOOL
BOARD OF TRUSTEES**
Statement of Accounting Policies
for the 12 months ended 31 December 2006

Statutory basis

"Statutory basis" is the legal basis on which the report and financial statements are prepared.

Raphael House Rudolf Steiner School (the School) is an area school as described by the Education Act 1989.

Section 90 of the Education Act 1989 specifies that schools governed by the Act are Crown Entities for the purposes of the Public Finance Act 1989. Section 87 of the Education Act 1989 requires the School, as a Crown Entity, to prepare annual financial statements in accordance with generally accepted accounting practice.

Reporting entity

The "reporting entity" names the subject of the report and financial statements, ie the particular school, in a precise way.

The reporting entity is that entity, known as Raphael House Rudolf Steiner School, as identified by the Raphael House Rudolf Steiner School Charter and as is governed by the School's Board of Trustees (the Board) and includes all activities carried out under the control of the Board.

Measurement base

Unless otherwise specified, the measurement base adopted is that of historical cost. Generally speaking, this means that items are shown at the price they were at the time of their purchase (rather than their equivalent or replacement value now). See "changes in accounting policy" section for more information.

Differential reporting

The school is a qualifying entity for differential reporting purposes because the school:

- is not publicly accountable as defined in The Framework For Differential Reporting; and
- is not large as, in the last two reporting periods, the total revenue has not exceeded \$20 million and the total assets have not exceeded \$10 million in carrying value.



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Statement of Accounting Policies (continued)
for the 12 months ended 31 December 2006

These financial statements have been prepared taking advantage of the differential reporting concessions made available in that framework. However, three of the available concessions were not taken up, that is:

- GST exclusive accounting has been used
- IRD specified depreciation rates have not been used
- The school reviews its assets lives and depreciation methods annually.

Specific accounting policies

The following accounting policies have been used by the school in the preparation of the financial statements.

Budget figures

The budget figures are from the Budget that was approved by the Board at its meeting held on 13th December 2005.

Goods and Services Tax

All amounts are shown exclusive of Goods and Services Tax (GST) except for receivables and payables – these are stated inclusive of GST. The GST payable to IRD at balance date is shown in the Statement of Financial Position.

Statement of Financial Position

Assets

Cash & Bank Balance

The amount shown for 'Cash and bank balances' is the total of the amounts held on current account or in notes and coins for use in the day-to-day management of the School.

Investments

Different kinds of investment are recorded in different ways:

- Deposits at registered banks are recorded at face value, together with their accrued interest.
- Government stock is recorded at market value.
- Marketable shares are recorded at their original price.



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Statement of Accounting Policies (continued)
for the 12 months ended 31 December 2006

Changes in the market value of Government stock are recorded in the Statement of Financial Performance.

All investment activities carried out by the School have met the requirements of Section 73 of the Education Act 1989.

Accounts receivable

'Accounts receivable' are items that the School has issued invoices for, but not received payment for, at balance date. They are stated at their estimated/expected realisable value, which means that the amount stated is the figure the School realistically expects to receive (so it does not consider those items that are considered bad debts).

Inventory

The amount shown for 'inventories' is a total of the value of all goods held by the school for resale. These are recorded at the lower of cost, based upon the first in first out method, and realisable value.

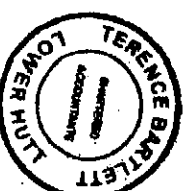
Fixed assets

Fixed assets are any items or groups of items of property, plant or equipment which will provide services for more than 12 months and which cost more than \$250.

All fixed assets are initially recorded at cost or, in the case of donated assets, are initially recorded at their fair market value at the date of receipt. Initial cost includes the purchase cost, or fair value as the case may be, and 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 (eg. installation or set-up costs).

Teaching resources, minor equipment, loose tools and other assets with individual values under \$250 are not capitalised, i.e. they are not recorded as fixed assets. Instead, they are shown as expenses in the Statement of Performance.

Land and buildings are owned by the Rudolf Steiner School Trust (Wgtn) and are occupied on the basis of the Integration Agreement.



RAPHAEL HOUSE
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BOARD OF TRUSTEES
Statement of Accounting Policies (continued)
for the 12 months ended 31 December 2006

Liabilities

General

Liabilities are recorded by the School when the goods and services have been received, but not yet paid for. For example, the School received an order of stationery on 15 December, but had not paid the bill by 31 December. Liabilities are recorded at the amount of cash required to settle those liabilities.

Finance Leases

Finance leases effectively transfer to the school substantially all the risks and benefits incidental to ownership of the leased item. In the financial statements, finance leases are capitalised at the present value of the minimum lease payments, which means they are recorded as fixed assets at the present value of the payments due over the life of the lease. The leased assets and corresponding liabilities are listed (or 'disclosed') and the leased assets are depreciated over the period the School is expected to benefit from their use.

Provision for Cyclical Maintenance

The property from which the School operates is owned by the Rudolf Steiner School Trust (Wgtn). The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good repair and order.

Cyclical maintenance, which basically involves painting the interior and exterior of the School, makes up the most significant part of those responsibilities that are outside the day to day maintenance expenditure. The provision for cyclical maintenance represents the obligation the Board has to the Proprietor and is based on the Board's property plan.

Fee protection for international students

The school separately records fees received from international students as funds held in trust. These funds are held in the School's main bank account until such time as they have been earned. They are then recorded as revenue and are available for spending. The Board guarantees to keep sufficient funds in reserve, to enable the refund of the unearned portion of fees, should the School be unable to continue the course. In addition to this the Proprietor has provided a guarantee of funds.



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BOARD OF TRUSTEES
Statement of Accounting Policies (continued)
for the 12 months ended 31 December 2006

Statement of Financial Performance

Donations and other gratuities

Donations and other gratuities are recognised as revenue at the point their receipt is formally acknowledged by the School.

Interest on finance leases

The interest expense part of finance lease payments is recorded in the Statement of Financial Performance. This is calculated using the effective interest rate implicit in the lease agreement.

Operating lease

Operating lease payments are recorded in the Statement of Financial Performance.

Depreciation

One of the principles of financial reporting is that the cost of purchasing an asset is spread across the life of the asset. Charging depreciation is the accounting method used to reflect this annual cost.

Fixed assets, except for the library, are depreciated so as to charge their cost or other acquisition value over their estimated useful life on an equal annual instalment or straight-line basis. The library is depreciated on a diminishing value basis.

Estimated useful lives are:

- Classroom furniture	10 years
- Office furniture	10 years
- Office equipment	4-5 years
- Other equipment	4-5 years
- Computers	4 years
- Library	12.5% per annum
- Conservatory	10 years

Teaching resources, minor equipment, loose tools and other assets with individual values under \$250 are not capitalised, ie they are not recorded as fixed assets. Instead, they are shown as expenses in the Statement of Financial Performance.



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Statement of Accounting Policies (continued)
for the 12 months ended 31 December 2006

Gain/loss on disposal of fixed assets

Where a fixed asset is disposed of (i.e. sold or given away), the gain or loss recorded in the Statement of Financial Performance is calculated as the difference between the sale price (if any) and the carrying amount of the fixed asset (i.e. the assets recorded value less any accumulated depreciation).

Teacher Salaries

All salaries are recognised in the Statement of Financial Performance whether paid directly by the School or not. Where the payments are made in ways other than through the School, the Statement of Performance is adjusted to take account of the revenue and expense component of the transaction - this means that although the bulk of the teachers' salaries are paid by the Ministry of Education directly to the teachers (without cash ever passing through the School accounts), these payments are made on behalf of the School and are therefore recorded by the School.

Changes in accounting policy

There have been no changes in accounting policy during the year.



**RAPHAEL HOUSE
 RUDDOLF STEINER SCHOOL
 BOARD OF TRUSTEES**
 Statement of Financial Position
 For the year ended 31 December 2006

	Note	2006 Actual	2006 Budget	2005 Actual
PUBLIC EQUITY		60,520	9,377	(17,543)
CURRENT ASSETS				
Bank Account	6	28,539	53,929	33,736
Debtors		297,088	243,110	243,110
GST		1,343	5,751	5,751
Stock		8,714	5,750	5,750
		335,684	308,540	288,347
LESS CURRENT LIABILITIES				
Creditors & Accruals		195,357	192,411	192,411
GST		-	-	-
Provision for Cyclical Maintenance	11	46,592	35,114	35,114
		241,949	227,525	227,525
WORKING CAPITAL SURPLUS		93,735	81,015	60,822
FIXED ASSETS	7	55,193	58,732	52,005
		148,928	139,747	112,827
LESS TERM LIABILITIES				
Provision for Cyclical Maintenance	11	88,408	130,370	130,370
NET ASSETS		60,520	9,377	(17,543)

The accompanying notes and statements form part of and are to be read in conjunction with these financial statements.



RAPHAEL HOUSE
RUDOLF STEINER SCHOOL
BOARD OF TRUSTEES
 Statement of Movement in Equity
 For the year ended 31 December 2006

Note	2006 Actual	2006 Budget	2005 Actual
Opening Balance 1 January	(17,543)	(17,543)	(11,087)
Operating Surplus (Deficit)	78,063	26,920	(6,456)
	<u>60,520</u>	<u>9,377</u>	<u>(17,543)</u>

The accompanying notes and statements form part of and are to be read in conjunction with these financial statements



**RAPHAEL HOUSE
 RUDDOLF STEINER SCHOOL
 BOARD OF TRUSTEES**
 Statement of Financial Performance
 for the Year ended 31 December 2006

		2006	2006	2005
	Note	Actual	Budget	Actual
REVENUE				
Grants	1	2,019,864	2,050,920	1,794,448
Locally Raised Funds		123,612	94,666	79,201
Other Income	2	384,201	389,678	314,133
		<u>2,527,677</u>	<u>2,535,264</u>	<u>2,187,782</u>
EXPENSES				
Learning Resources	3	2,056,346	2,110,406	1,766,662
Administration	4	184,515	180,004	162,543
Property Management	5	121,421	137,318	195,156
Locally Raised Funds		59,999	44,444	38,240
Counselling		6,426	15,111	11,079
Civil Defence		529	1,066	904
Depreciation		14,494	12,000	14,183
Publicity	7	1,444	3,555	1,034
Rent		4,440	4,444	4,440
		<u>2,449,614</u>	<u>2,508,344</u>	<u>2,194,238</u>
Net operating surplus (deficit) for the Year ended		<u>78,063</u>	<u>26,290</u>	<u>(6,456)</u>

The accompanying notes and statements form part of and are to be read in conjunction with these financial statements.



RAPHAEL HOUSE
RUDDOLF STEINER SCHOOL
BOARD OF TRUSTEES
 Notes to the Financial Statements
 For the Year Ended 31 December 2006

	2006 Actual \$	2006 Budget \$	2005 Actual \$
1. Government Grants			
Operations Grant	473,448	421,766	452,691
Salaries Grant	1,546,416	1,629,154	1,341,757
	2,019,864	2,050,920	1,794,448
2. Other Income			
Foreign Students	58,036	37,671	27,924
Donations	3,005	3,000	8,606
Interest	1,767	500	505
Waiting List Fees	1,067	1,333	1,333
Room Hire	3,324	888	2,225
Other Income	3,882	500	5,764
Proprietors' Contribution	310,000	340,000	265,000
SPARC	3,120	3,120	2,775
Arts Co-Ordinator	-	2,666	-
	384,201	389,678	314,133



**RAPHAEL HOUSE
RUDOLF STEINER SCHOOL
BOARD OF TRUSTEES**
Notes to the Financial Statements (continued)
For the Year Ended 31 December 2006

	2006 Actual \$	2006 Budget \$	2005 Actual \$
3. Learning Resources			
Library (excluding depreciation)	1,499	1,779	1,535
Professional Development	57,625	48,888	36,526
Staff Expenses	1,922,850	1,947,587	1,655,438
Teaching Resources	74,372	112,152	73,163
	<u>2,056,346</u>	<u>2,110,406</u>	<u>1,766,662</u>
4. Administration			
Audit	4,292	3,555	3,116
Board of Trustees	3,074	7,719	3,331
Communication Expenses	12,911	14,222	11,333
Computer Related	12,746	1,777	1,407
College and US Co-ordinator	10,133	2,325	
General	3,995	4,444	7,993
Printing and Stationary	9,927	10,666	10,874
Risk Management	1,616	3,555	4,747
Staff Expenses	104,791	108,630	99,382
Subscriptions and Levies	18,980	21,333	19,142
Other	2,049	1,778	1,218
	<u>184,515</u>	<u>180,004</u>	<u>162,543</u>



RAPHAEL HOUSE
RUDDOLF STEINER SCHOOL
BOARD OF TRUSTEES
 Notes to the Financial Statements (continued)
 for the 12 months ended 31 December 2006

7. Fixed Assets

Item	Cost	Open	Adds	Procee ds	Surplu s/Loss	Deprec'n Year	Accumul'd Deprec'n	Close B/V
	Price	B/V	This Yr	Dispos al	on	This Year	Deprec'n	B/V
Classroom Furniture	28,762	5,374	2,341			1,226	22,273	6,489
Office Furniture	768	204				29	593	175
Office Equipment	12,557	1,382	825			825	11,174	1,383
Curriculum Equipment	71,653	23,258	5,234			4,870	48,031	23,622
Computers	15,002	5,876	3,929			2,975	8,172	6,830
Library Books	43,913	11,999				1,440	33,354	10,559
Cleaning Equipment	3,964	0	499			114	3,579	385
Container	2,000	0				0	2,000	0
Mitsubishi L300 Ute	3,555		3,555			474	474	3,081
Conservatory	21,400	2,140				2,140	21,400	0
Court Marker	332	0				0	332	0
Shade Sail	845	0				0	845	0
Upper School	1,456	897				146	705	751
Handrail								
Digital Camera	800	150				150	800	0
Dangerous Good	533	332				53	254	279
Cupboard								
Hot Water Cylinder	427	402				43	68	359
Line Trimer	889		889			7	7	882
Photographic								
Montage	400		400			2	2	398
	209,256	52,015	17,672			14,494	154,063	56,193



**RAPHAEL HOUSE
 RUDOLF STEINER SCHOOL
 BOARD OF TRUSTEES**
 Notes to the Financial Statements (continued)
 for the 12 months ended 31 December 2006

8. Statement of Uncommitted Funds

At balance date the Board had the following:

	2006 Actual	2005 Actual
Bank Account	28,539	33,736
Accounts Receivable (incl GST provision)	298,431	243,310
	<u>326,970</u>	<u>277,046</u>
to meet the following commitments:		
Accounts Payable (inc. provisions for GST)	241,949	227,525
	<u>85,021</u>	<u>49,511</u>
Leaving funds available		

9. Statement of Contingent Liabilities

The Rudolf Steiner School Trust (Wellington), as Proprietor, has given notice that it will be making a claim for the recovery of moneys paid by the Trust since integration that properly are the responsibility of the Board. No figure has been given.

10. Statement of Commitments

The Board of Trustees has no commitments at 31 December 2006 apart from the PMS contract.



RAPHAEL HOUSE
RUDDOLF STEINER SCHOOL
BOARD OF TRUSTEES
Notes to the Financial Statements (continued)
for the 12 months ended 31 December 2006

11. Programmed Maintenance Services (NZ) Ltd (PMS)

The Board signed an agreement dated 8 November 2002 with Programmed Maintenance Services for an agreed programme of work covering a 12 year period. The programme provides for two exterior repaints of nominated areas in 2003 and 2010. The actual liability of the school is determined by the percentage of work completed by the contractor for which the contractor has not been paid.

Current portion	46,592
Term Portion	<u>88,408</u>
	135,000

12. Board of Trustees Remuneration

Total Board of Trustees remuneration for the year was \$1,530 (2005 Nil)

13. Principals' remuneration and benefits

Total Principals' remuneration and benefits for the year ended 31 December 2006 was \$85,000 to \$95,000



TERENCE BARTLETT
Chartered Accountants
Limited

**AUDIT REPORT TO THE READERS OF
RAPHAEL HOUSE RUDOLF STEINER SCHOOL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

The Auditor-General is the auditor of Raphael House Rudolf Steiner School (the School). The Auditor-General has appointed me, Terence Bartlett, using the staff and resources of Terence Bartlett Chartered Accountants, to carry out the audit of the financial statements of the School, on his behalf, for the year ended 31 December 2006.

Unqualified Opinion

In our opinion:

- The financial statements of the School on pages 35 to 43:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the School's financial position as at 31 December 2006; and
 - the results of its operations for the year ended on that date.

The audit was completed on 25 May 2007, and is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the Board of Trustees and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed our audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements did not have material misstatements whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in the opinion.

Our audit involved performing procedures to test the information presented in the financial statements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;

- reviewing significant estimates and judgements made by the Board of Trustees;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

We evaluated the overall adequacy of the presentation of information in the financial statements. We obtained all the information and explanations we required to support the opinion above.

Responsibilities of the Board of Trustees and the Auditor

The Board of Trustees is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the School as at 31 December 2006. They must also fairly reflect the results of its operations for the year ended on that date. This responsibility is specified in the Education Act 1989.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility is specified in section 15 of the Public Audit Act 2001 and the Education Act 1989.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

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



Terence Bartlett
Terence Bartlett Chartered Accountant
On behalf of the Auditor-General
Lower Hutt, New Zealand

RAPHAEL HOUSE
RUDOLF STEINER SCHOOL
BOARD OF TRUSTEES
Statement of Resources
For the Year Ended 31 December 2006

Physical Resources:

The Raphael House Board of Trustees has property occupancy in terms of the Integration Agreement dated 24 February 1992 for the Matuhi Street site of 5.4 hectares and all buildings on the site.

The Board of Trustees has continued to add to its library. Currently, 8,908 volumes are held.

In addition, the Board of Trustees has had access to the following facilities:

- The Naenae swimming pool was used for swimming lessons.
- Mt Ruapehu, was used within the outdoor education programme for the year 8 annual ski trip.
- The weekly sports afternoon continued in the Upper School providing students with access to a number of sporting facilities not available on site.
- Classes 3 to 12 participated in camps

Human Resources:

Teaching staff:

- 17 Full-Time Teachers including principal
- 13 Part-Time Teachers 170.75 hours/week

Other staff:

The Board employed	
- Secretary	40 hours per week
- Upper School Secretary	30 hours per week
- Finance Officer	20 hours per week
- Librarian	30 hours per week
- Cleaners	7.5 hours per week
- Teachers aide	31 hours per week
- Receptionist	30 hours per week
- Ancillary staff	34 hours per week
- Maintenance staff	30 hours per week



RAPHAEL HOUSE
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BOARD OF TRUSTEES
Statement of Resources (Continued)
For the 12 months ended 31 December 2006

Continued

	2006	2005
The school roll at 28 June was	325	350
Half days that the school was open	378	380



