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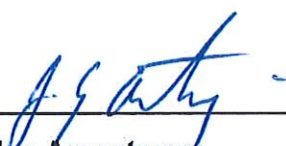
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Kiwisport Funding – 2017

Henley School received \$6,635.23 in the operating grant for the Kiwisport Direct Funding. This was used to employ a sports coordinator who organised and facilitated sports events and teams during the year. The direct cost of this employment to the school was \$9,688.80 with the balance being made up from Board of Trustees funds.



John Armstrong

Principal

Henley School

Statement of Responsibility

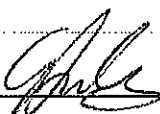
For the year ended 31 December 2017

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

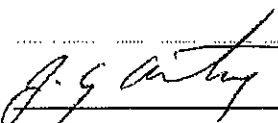
The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the School's financial reporting.

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

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



Chairperson



Principal

10/4/2018
Date

9/4/2018
Date

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

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Revenue				
Government Grants	2	3,658,975	3,531,587	3,535,005
Locally Raised Funds	3	135,035	80,350	127,999
Interest Earned		4,594	10,000	8,348
		<u>3,798,604</u>	<u>3,621,937</u>	<u>3,671,352</u>
Expenses				
Locally Raised Funds	3	73,393	39,900	90,221
Learning Resources	4	2,578,596	2,450,704	2,576,205
Administration	5	174,833	175,950	165,435
Property	6	949,901	955,023	919,961
Depreciation	7	67,717	55,000	61,150
		<u>3,844,440</u>	<u>3,676,577</u>	<u>3,812,972</u>
Net Surplus / (Deficit) for the year		(45,836)	(54,640)	(141,620)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(45,836)</u>	<u>(54,640)</u>	<u>(141,620)</u>

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

Henley 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	<u>466,126</u>	<u>466,126</u>	<u>607,746</u>
Total Comprehensive Revenue and Expense for the Year	(45,836)	(54,640)	(141,620)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	6,477	-	-
Transfer School Hall to MOE	(139,770)		
Equity at 31 December	<u>286,997</u>	<u>411,486</u>	<u>466,126</u>
Retained Earnings	286,997	411,486	466,126
Reserves	-	-	-
Equity at 31 December	<u>286,997</u>	<u>411,486</u>	<u>466,126</u>

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

Henley 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	139,940	185,686	231,026
Accounts Receivable	9	115,850	104,104	104,104
GST Receivable		1,502	6,525	6,525
Prepayments		5,433	2,156	2,156
Inventories		1,749	-	-
		<u>264,474</u>	<u>298,471</u>	<u>343,811</u>
Current Liabilities				
Accounts Payable	11	188,419	239,992	239,992
Revenue Received in Advance	12	32,291	14,954	14,954
Provision for Cyclical Maintenance	13	-	-	-
Painting Contract Liability - Current Portion	14	20,704	21,561	21,561
Finance Lease Liability - Current Portion	15	26,476	-	-
Funds Held for Capital Works Projects	16	-	-	-
		<u>267,890</u>	<u>276,507</u>	<u>276,507</u>
Working Capital Surplus/(Deficit)		(3,416)	21,964	67,304
Non-current Assets				
Property, Plant and Equipment	10	501,829	513,621	522,921
		<u>501,829</u>	<u>513,621</u>	<u>522,921</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	13	78,456	65,608	65,608
Painting Contract Liability	14	47,796	58,491	58,491
Finance Lease Liability	15	85,164	-	-
		<u>211,416</u>	<u>124,099</u>	<u>124,099</u>
Net Assets		<u>286,997</u>	<u>411,486</u>	<u>466,126</u>
Equity		<u>286,997</u>	<u>411,486</u>	<u>466,126</u>

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

Henley 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		692,322	659,210	700,043
Locally Raised Funds		152,840	80,350	145,551
Goods and Services Tax (net)		5,023	-	(4,157)
Payments to Employees		(92,942)	(125,100)	(448,965)
Payments to Suppliers		(763,941)	(624,100)	(437,170)
Cyclical Maintenance Payments in the year		(9,152)	-	-
Interest Paid		-	-	-
Interest Received		4,594	10,000	8,348
Net cash from / (to) the Operating Activities		(11,256)	360	(36,350)
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		1	-	-
Purchase of PPE (and Intangibles)		(64,012)	(45,700)	(53,005)
Purchase of Investments		-	-	-
Proceeds from Sale of Investments		-	-	-
Net cash from / (to) the Investing Activities		(64,011)	(45,700)	(53,005)
Cash flows from Financing Activities				
Furniture and Equipment Grant		6,477	-	-
Finance Lease Payments		(10,744)	-	-
Painting Contract Payments		(11,552)	-	(12,000)
Loans Received/ Repayment of Loans		-	-	-
Funds Administered on Behalf of Third Parties		-	-	-
Funds Held for Capital Works Projects	16	-	-	-
Net Cash from Financing Activities		(15,819)	-	(12,000)
Net Increase/(Decrease) in Cash and Cash Equivalents		(91,086)	(45,340)	(101,355)
Cash and Cash Equivalents at the beginning of the year	8	231,026	231,026	332,381
Cash and Cash Equivalents at the end of the year	8	139,940	185,686	231,026

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.

Henley School

Notes to the Financial Statements

For the year ended 31 December 2017

1. Statement of Accounting Policies

a) Reporting Entity

Henley 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 are disclosed in note 10.

Henley School

Notes to the Financial Statements

For the year ended 31 December 2017

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

c) Revenue Recognition

Government Grants

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

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

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

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 the 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 on 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.

Henley School

Notes to the Financial Statements

For the year ended 31 December 2017

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) 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 \$500 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 except for library resources are depreciated over their estimated useful lives on a straight line basis. Library resources are depreciated on a diminishing value basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Furniture and Equipment	3-10 years
Other Equipment	5-20 years
Information and Communication Technology	3-5 years
Building Improvements - Crown	50 years
Library Resources	12.5% Diminishing value
Leased Assets held under a Finance Lease	3-5 years

Henley School

Notes to the Financial Statements

For the year ended 31 December 2017

j) 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.

k) 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.

l) 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.

m) Revenue Received in Advance

Revenue received in advance relates to fees received from students families 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.

n) 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).

o) 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.

Henley School
Notes to the Financial Statements
For the year ended 31 December 2017

p) 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.

q) Budget Figures

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

r) 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.

s) Comparatives

Some comparatives have been restated in order to conform with current year presentation, however the Total Comprehensive Revenue and Expense for 2016 remains unchanged.

Henley School
Notes to the Financial Statements
For the year ended 31 December 2017

2. Government Grants

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	637,293	574,936	583,128
Teachers' Salaries Grants	2,148,554	2,148,554	2,096,243
Use of Land and Buildings Grants	723,823	723,823	649,094
Resource teachers Learning and Behaviour Grants	82,928	77,639	79,243
Other MOE Grants	51,404	-	-
Other Government Grants	14,973	6,635	127,297
	<u>3,658,975</u>	<u>3,531,587</u>	<u>3,535,005</u>

3. Locally Raised Funds

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

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations	31,826	18,600	17,312
Fundraising	35,549	20,000	35,346
Trading	10,928	22,360	6,809
Activities	56,732	19,400	68,532
	<u>135,035</u>	<u>80,350</u>	<u>127,999</u>
Expenses			
Activities	52,945	19,400	61,697
Trading	8,159	20,500	6,475
Fundraising (costs of raising funds)	12,289	-	22,049
	<u>73,393</u>	<u>39,900</u>	<u>90,221</u>
<i>Surplus for the year Locally raised funds</i>	<u>61,642</u>	<u>40,450</u>	<u>37,778</u>

4. Learning Resources

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	40,723	51,150	36,831
Extra-Curricular Activities	4,573	6,000	-
Library Resources	2,334	6,500	1,560
Employee Benefits - Salaries	2,148,554	2,148,554	2,508,404
Resource/Attached Teacher Costs	373,903	220,500	20,037
Staff Development	8,509	18,000	9,373
	<u>2,578,596</u>	<u>2,450,704</u>	<u>2,576,205</u>

Henley School
Notes to the Financial Statements
For the year ended 31 December 2017

5. Administration

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Audit Fee	5,570	3,000	2,930
Board of Trustees Fees	3,680	3,800	4,140
Board of Trustees Expenses	6,016	5,200	6,028
Communication	8,725	10,000	9,345
Consumables	33,033	42,500	35,975
Other	12,736	16,450	11,104
Employee Benefits - Salaries	94,196	84,000	86,057
Insurance	5,279	5,000	4,258
Service Providers, Contractors and Consultancy	5,598	6,000	5,598
	174,833	175,950	165,435

6. Property

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Caretaking and Cleaning Consumables	16,485	14,500	16,481
Consultancy and Contract Services	47,141	49,000	47,441
Cyclical Maintenance Expense	22,000	-	20,699
Grounds	4,708	6,800	5,065
Heat, Light and Water	32,663	30,500	33,575
Rates	10,201	11,000	10,367
Repairs and Maintenance	48,232	78,300	91,207
Use of Land and Buildings	723,823	723,823	649,094
Security	-	-	-
Employee Benefits - Salaries	44,648	41,100	46,032
	949,901	955,023	919,961

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 of Property, Plant and Equipment

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Furniture and Equipment	33,501	30,000	32,578
Information and Communication Technology	9,631	13,000	13,932
Buildings Improvements - Crown	11,434	10,000	11,536
Library Resources	3,054	2,000	3,104
Leased Assets	10,097	-	-
	67,717	55,000	61,150

Henley School
Notes to the Financial Statements
For the year ended 31 December 2017

8. Cash and Cash Equivalents

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Cash on Hand	-	-	-
Bank Current Account	39,867	15,708	61,048
Bank Call Account	73	169,978	169,978
Short-term Bank Deposits	100,000	-	-
Cash equivalents and bank overdraft for Cash Flow Statement	<u>139,940</u>	<u>185,686</u>	<u>231,026</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	-	468	468
Receivables from the Ministry of Education	-	-	-
Provision for Uncollectibility	-	-	-
Interest Receivable	-	-	-
Teacher Salaries Grant Receivable	115,850	103,636	103,636
	<u>115,850</u>	<u>104,104</u>	<u>104,104</u>
Receivables from Exchange Transactions	-	468	468
Receivables from Non-Exchange Transactions	115,850	103,636	103,636
	<u>115,850</u>	<u>104,104</u>	<u>104,104</u>

Henley School
Notes to the Financial Statements
For the year ended 31 December 2017

10. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2017						
Furniture and Equipment	203,537	57,164	-	-	(33,501)	227,200
Other Equipment	-	-	-	-	-	-
Information and Communication Technology	22,090	-	-	-	(9,631)	12,459
Buildings Improvements - Crown	288,230	-	(139,770)	-	(11,434)	137,026
Leased Assets	-	122,384	-	-	(10,097)	112,287
Library Resources	9,064	6,848	-	-	(3,054)	12,858
Balance at 31 December 2017	522,921	186,396	(139,770)	-	(67,717)	501,830

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2017			
Furniture and Equipment	604,637	(377,437)	227,200
Other Equipment	-	-	-
Information and Communication Technology	177,166	(164,707)	12,459
Buildings Improvements - Crown	240,306	(103,280)	137,026
Leased Assets	122,384	(10,097)	112,287
Library Resources	105,403	(92,546)	12,857
Balance at 31 December 2017	1,249,896	(748,067)	501,829

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2016						
Furniture and Equipment	277,341	50,000	-	-	(32,578)	294,763
Information and Communication Technology	35,158	864	-	-	(13,932)	22,090
Buildings Improvements - Crown	208,540	-	-	-	(11,536)	197,004
Leased Assets	-	-	-	-	-	-
Library Resources	10,028	2,140	-	-	(3,104)	9,064
Balance at 31 December 2016	531,067	53,004	-	-	(61,150)	522,921

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2016			
Furniture and Equipment	547,473	(343,936)	203,537
Information and Communication Technology	177,166	(155,076)	22,090
Buildings Improvements - Crown	588,217	(299,987)	288,230
Leased Assets	-	-	-
Library Resources	128,556	(119,492)	9,064
Balance at 31 December 2016	1,441,412	(918,491)	522,921

Henley School
Notes to the Financial Statements
For the year ended 31 December 2017

11. Accounts Payable

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Operating Creditors	10,468	25,881	25,881
Banking Staffing Overuse	23,407	94,276	94,276
Employee Entitlements - Salaries	138,345	103,636	103,636
Employee Entitlements - Leave Accrual	16,199	16,199	16,199
	<u>188,419</u>	<u>239,992</u>	<u>239,992</u>
Payables for Exchange Transactions	188,419	239,992	239,992
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>188,419</u>	<u>239,992</u>	<u>239,992</u>

The carrying value of payables approximates their fair value.

12. Revenue Received In Advance

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Grants in Advance - Ministry of Education	-	-	-
Other	32,291	14,954	14,954
	<u>32,291</u>	<u>14,954</u>	<u>14,954</u>

13. Provision for Cyclical Maintenance

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Provision at the Start of the Year	65,608	65,608	44,909
Increase to the Provision During the Year	22,000	-	20,699
Use of the Provision During the Year	(9,152)	-	-
Provision at the End of the Year	<u>78,456</u>	<u>65,608</u>	<u>65,608</u>
Cyclical Maintenance - Current	-	-	-
Cyclical Maintenance - Term	78,456	65,608	65,608
	<u>78,456</u>	<u>65,608</u>	<u>65,608</u>

Henley School
Notes to the Financial Statements
For the year ended 31 December 2017

14. Painting Contract Liability

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Current Liability	20,704	21,561	21,561
Non Current Liability	47,796	58,491	58,491
	<u>68,500</u>	<u>80,052</u>	<u>80,052</u>

In February 2015 the Board signed an agreement with Programmed Maintenance Services Ltd (the contractor) for an agreed programme of work covering an eight year period commencing 2014. The programme provides for an interior and exterior repaint of the Ministry owned buildings in 2014 with regular maintenance in subsequent years. The agreement has an annual commitment of \$20,704. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

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	26,476	-	-
Later than One Year and no Later than Five Years	85,164	-	-
	<u>111,640</u>	<u>-</u>	<u>-</u>

16. Funds Held for Capital Works Projects

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

	2017	Opening Balances \$	Receipts from MOE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Totals		-	-	-	-	-

Represented by:

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

	2016	Opening Balances \$	Receipts from MOE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
MOE Sliding Door	<i>complete</i>	-	22,103	45,593	23,490	-
Totals		-	22,103	45,593	23,490	-

Henley School

Notes to the Financial Statements

For the year ended 31 December 2017

17. 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 conditions 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.

18. Remuneration

Key management personnel compensation

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

	2017 Actual \$	2016 Actual \$
<i>Board Members</i>		
Remuneration	3,680	4,140
Full-time equivalent members	0.30	0.30
<i>Leadership Team</i>		
Remuneration	165,000	140,000
Full-time equivalent members	1	1
Total key management personnel remuneration	<u>168,680</u>	<u>144,140</u>
Total full-time equivalent personnel	<u>1.30</u>	<u>1.30</u>

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

Principal

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

	2017 Actual \$000	2016 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	160-170	140 - 150
Benefits and Other Emoluments	0 - 0	0 - 0
Termination Benefits	0 - 0	0 - 0

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
110 - 120	-	-
100 - 110	1	-
	<u>1.00</u>	<u>0.00</u>

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

Henley School
Notes to the Financial Statements
For the year ended 31 December 2017

19. 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	\$0	\$0
Number of People	0	0

20. Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2017 .

(Contingent liabilities and assets at 31 December 2016: nil)

21. Commitments

(a) Capital Commitments

As at 31 December 2017 the Board has entered into no contract agreements for capital works.

(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 leases for Computer Equipment;

	2017 Actual \$	2016 Actual \$
No later than One Year	-	7,535
Later than One Year and No Later than Five Years	-	4,269
	-	<u>11,804</u>

22. 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.

Henley School
Notes to the Financial Statements
For the year ended 31 December 2017

23. Financial Instruments

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

Loans and receivables

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Cash and Cash Equivalents	139,940	185,686	231,026
Receivables	115,850	104,104	104,104
Investments - Term Deposits	-	-	-
Total Loans and Receivables	255,790	289,790	335,130

Financial liabilities measured at amortised cost

Payables	188,419	239,992	239,992
Borrowings - Loans	-	-	-
Finance Leases	111,640	-	-
Painting Contract Liability	68,500	80,052	80,052
Total Financial Liabilities Measured at Amortised Cost	368,559	320,044	320,044

24. Events After Balance Date

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

Henley School

Members of the Board of Trustees

For the year ended 31 December 2017

<u>Name</u>	<u>Position</u>	<u>How Appointed</u>	<u>Term Expire/Expires</u>
Rachel Miles	Chairperson	Elected 2016	June 2019
John Armstrong	Principal	Appointed	N/A
Gus Shirley	Parent rep	Elected 2016	June 2019
Victor Gahamadze	Parent rep	Elected 2016	June 2019
Andrew Elliot	Parent rep	Elected 2016	June 2019
Andrew Smith	Parent rep	Elected 2016	June 2019
Natalie Doty	Staff rep	Elected 2016	June 2019

**INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF HENLEY SCHOOL'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

The Auditor-General is the auditor of Henley School (the School). The Auditor-General has appointed me, John Hooper, using the staff and resources of John Hooper & Co, 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 statements of comprehensive revenue and expense, changes in net assets / equity and 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.

Our audit was completed on 1 May 2018. This is the date at which our opinion is expressed.

The basis of 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 of 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

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 other information. The other information obtained at the date of our report is the list of board of trustee members and the analysis of variance report.

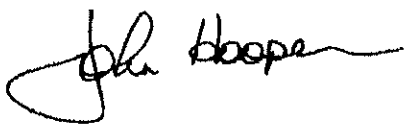
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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



JOHN HOOPER

John Hooper & Co

On behalf of the Auditor-General

Nelson, New Zealand