



ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

Ministry Number:	3194
Principal:	John Armstrong
School Address	56a William Street, Richmond, Nelson
School Postal Address:	56a William Street, Richmond, Nelson 7020
School Phone:	03 544 8904
School Email:	office@henley.school.nz

HENLEY SCHOOL

Annual Report - For the year ended 31 December 2018

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Henley School

Statement of Responsibility

For the year ended 31 December 2018

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 2018 fairly reflect the financial position and operations of the school.

The School's 2018 financial statements are authorised for issue by the Board.

Gus James Shirley
Full Name of Board Chairperson

John Gordon Armstrong
Full Name of Principal

Gus James Shirley
Signature of Board Chairperson

J. G. Armstrong
Signature of Principal

14/5/19
Date:

14/5/19
Date:



Henley School

Members of the Board of Trustees

For the year ended 31 December 2018

Name	Position	How Position Gained	Held Until
Gus Shirley	Chairperson	Elected	May 2019
John Armstrong	Principal		
Andy Elliot	Parent Rep	Elected	May 2019
Andrew Smith	Parent Rep	Elected	May 2019
Victor Gahamadze	Parent Rep	Elected	May 2019
Rachel Miles	Parent Rep	Elected	May 2019
Natalie Doty	Staff Rep	Elected	May 2019

Henley School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2018

		2018	2018	2017
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	3,723,205	3,590,978	3,658,975
Locally Raised Funds	3	127,035	85,950	135,035
Interest Earned		3,192	10,000	4,594
Gain on Sale of Property, Plant and Equipment		542	-	-
		<u>3,853,974</u>	<u>3,686,928</u>	<u>3,798,604</u>
Expenses				
Locally Raised Funds	3	73,668	45,500	73,393
Learning Resources	4	2,484,465	2,415,670	2,578,596
Administration	5	155,396	175,200	174,833
Finance Costs		1,544	-	-
Property	6	974,236	1,011,802	949,901
Depreciation	7	100,811	55,000	67,717
Loss on Disposal of Property, Plant and Equipment		2,101	-	-
		<u>3,792,221</u>	<u>3,703,172</u>	<u>3,844,440</u>
Net Surplus / (Deficit)		61,753	(16,244)	(45,836)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u><u>61,753</u></u>	<u><u>(16,244)</u></u>	<u><u>(45,836)</u></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 2018

	Actual 2018 \$	Budget (Unaudited) 2018 \$	Actual 2017 \$
Balance at 1 January	286,997	286,997	466,126
Total comprehensive revenue and expense for the year	61,753	(16,244)	(45,836)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	12,632	-	6,477
Transfer School Hall to MOE	-	-	(139,770)
Equity at 31 December	361,382	270,753	286,997
Retained Earnings	361,382	270,753	286,997
Equity at 31 December	361,382	270,753	286,997

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 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Assets				
Cash and Cash Equivalents	8	101,475	178,696	139,940
Accounts Receivable	9	162,515	115,850	115,850
GST Receivable		-	1,502	1,502
Prepayments		4,216	5,433	5,433
Inventories	10	-	1,749	1,749
Funds owing for Capital Works Projects	17	1,389	-	-
		<u>269,595</u>	<u>303,230</u>	<u>264,474</u>
Current Liabilities				
GST Payable		391	-	-
Accounts Payable	12	173,864	188,419	188,419
Revenue Received in Advance	13	8,150	32,291	32,291
Provision for Cyclical Maintenance	14	6,575	-	-
Painting Contract Liability - Current Portion	15	26,401	20,704	20,704
Finance Lease Liability - Current Portion	16	32,638	26,476	26,476
Funds held for Capital Works Projects	17	33,959	-	-
		<u>281,978</u>	<u>267,890</u>	<u>267,890</u>
Working Capital (Deficit) / Surplus		(12,383)	35,340	(3,416)
Non-current Assets				
Property, Plant and Equipment	11	495,979	446,829	501,829
		<u>495,979</u>	<u>446,829</u>	<u>501,829</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	14,256	78,456	78,456
Painting Contract Liability	15	60,555	47,796	47,796
Finance Lease Liability	16	47,403	85,164	85,164
		<u>122,214</u>	<u>211,416</u>	<u>211,416</u>
Net Assets		<u>361,382</u>	<u>270,753</u>	<u>286,997</u>
Equity		<u>361,382</u>	<u>270,753</u>	<u>286,997</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 2018

	2018	2018	2017
Note	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Cash flows from Operating Activities			
Government Grants	790,472	677,749	692,322
Locally Raised Funds	102,813	85,950	152,840
Goods and Services Tax (net)	1,893	-	5,023
Payments to Employees	(477,455)	(321,393)	(92,942)
Payments to Suppliers	(327,815)	(413,550)	(763,941)
Cyclical Maintenance payments in the Year	(65,560)	-	(9,152)
Interest Received	3,192	10,000	4,594
Net cash from / (to) the Operating Activities	<u>27,540</u>	<u>38,756</u>	<u>(11,256)</u>
Cash flows from Investing Activities			
Proceeds from Sale of PPE (and Intangibles)	-	-	1
Purchase of PPE (and Intangibles)	(93,914)	-	(64,012)
Net cash from / (to) the Investing Activities	<u>(93,914)</u>	<u>-</u>	<u>(64,011)</u>
Cash flows from Financing Activities			
Furniture and Equipment Grant	12,632	-	6,477
Finance Lease Payments	(35,749)	-	(10,744)
Painting contract payments	18,456	-	(11,552)
Funds held for Capital Works Projects	32,570	-	-
Net cash from Financing Activities	<u>27,909</u>	<u>-</u>	<u>(15,819)</u>
Net increase/(decrease) in cash and cash equivalents	<u>(38,465)</u>	<u>38,756</u>	<u>(91,086)</u>
Cash and cash equivalents at the beginning of the year	8	139,940	139,940
Cash and cash equivalents at the end of the year	8	<u>101,475</u>	<u>178,696</u>

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 omitted.

The above Cash Flow Statement should be read in conjunction with the accompanying notes.



Henley School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2018

1.1. 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.

1.2. Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2018 to 31 December 2018 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 16.

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.

1.3. 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.

1.4. 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.

1.5. 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.

1.6. 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.

1.7. 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.



1.8. 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.

1.9. 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.

1.10. 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 of Schedule 6 para 28 of the Education Act 1989 in relation to the acquisition of investment securities.

1.11. 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:

Building improvements – Crown	50 years
Furniture and equipment	3-10 years
Other equipment	5-20 years
Information and communication technology	3–5 years
Leased assets held under a Finance Lease	3-5 years
Library resources	12.5% Diminishing value

1.12. Intangible Assets

Software costs

Computer software acquired by the School is 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. Its 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.

1.13. 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.

1.14. 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.

1.15. Employment 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

1.16. Revenue Received in Advance

Revenue received in advance relates to fees received from students 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.

1.17. 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. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

1.18. 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).

1.19. 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, and finance lease liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

1.20. 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.

1.21. Budget Figures

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

1.22. 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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operational grants	711,171	600,587	637,293
Teachers' salaries grants	2,115,720	2,115,720	2,148,554
Use of Land and Buildings grants	774,102	774,102	723,823
Resource teachers learning and behaviour grants	-	-	82,928
Other MoE Grants	108,947	99,069	51,404
Other government grants	13,265	1,500	14,973
	<u>3,723,205</u>	<u>3,590,978</u>	<u>3,658,975</u>

3. Locally Raised Funds

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue			
Donations	31,245	28,600	31,826
Fundraising	8,556	1,100	35,549
Other revenue	11,878	11,550	-
Trading	20,339	20,800	10,928
Activities	55,017	23,900	56,732
	<u>127,035</u>	<u>85,950</u>	<u>135,035</u>
Expenses			
Activities	61,065	25,900	52,945
Trading	10,893	18,500	8,159
Fundraising (costs of raising funds)	1,710	1,100	12,289
	<u>73,668</u>	<u>45,500</u>	<u>73,393</u>
<i>Surplus for the year Locally raised funds</i>	<u>53,367</u>	<u>40,450</u>	<u>61,642</u>

4. Learning Resources

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Curricular	25,468	45,050	40,723
Equipment repairs	4,960	7,000	-
Information and communication technology	(1,136)	6,000	-
Extra-curricular activities	-	-	4,573
Library resources	1,381	4,700	2,334
Employee benefits - salaries	2,437,234	2,335,420	2,148,554
Resource/attached teacher costs	-	-	373,903
Staff development	16,558	17,500	8,509
	<u>2,484,465</u>	<u>2,415,670</u>	<u>2,578,596</u>

5. Administration

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Audit Fee	3,500	3,000	5,570
Board of Trustees Fees	3,680	3,800	3,680
Board of Trustees Expenses	2,673	3,700	6,016
Communication	9,138	10,500	8,725
Consumables	27,628	51,100	33,033
Other	8,572	13,100	12,736
Employee Benefits - Salaries	89,074	84,000	94,196
Insurance	4,857	1,000	5,279
Service Providers, Contractors and Consultancy	6,274	5,000	5,598
	<u>155,396</u>	<u>175,200</u>	<u>174,833</u>

6. Property

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Caretaking and Cleaning Consumables	13,757	9,500	16,485
Consultancy and Contract Services	47,837	49,000	47,141
Cyclical Maintenance Provision	7,935	-	22,000
Adjustment to the Provision	-	-	-
Grounds	13,977	12,300	4,708
Heat, Light and Water	39,153	30,500	32,663
Rates	10,097	11,000	10,201
Repairs and Maintenance	25,413	84,300	48,232
Use of Land and Buildings	774,102	774,102	723,823
Employee Benefits - Salaries	41,965	41,100	44,648
	<u>974,236</u>	<u>1,011,802</u>	<u>949,901</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 of Property, Plant and Equipment

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Building Improvements	7,568	1,000	11,434
Furniture and Equipment	35,944	20,000	33,501
Information and Communication Technology	11,831	7,000	9,631
Leased Assets	33,375	20,000	10,097
Library Resources	12,093	7,000	3,054
	<u>100,811</u>	<u>55,000</u>	<u>67,717</u>

8. Cash and Cash Equivalents

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash on Hand	-	-	39,867
Bank Current Account	31,402	178,696	73
Bank Call Account	73	-	-
Short-term Bank Deposits	70,000	-	100,000
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>101,475</u>	<u>178,696</u>	<u>139,940</u>

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

Of the \$101,475 Cash and Cash Equivalents and Investments, \$33,959 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2019 on Crown owned school buildings under the School's Five Year Property Plan.

9. Accounts Receivable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Receivables	81	-	-
Receivables from the Ministry of Education	19,504	-	-
Teacher Salaries Grant Receivable	142,930	115,850	115,850
	<u>162,515</u>	<u>115,850</u>	<u>115,850</u>
Receivables from Exchange Transactions	81	-	-
Receivables from Non-Exchange Transactions	162,434	115,850	115,850
	<u>162,515</u>	<u>115,850</u>	<u>115,850</u>

10. Inventories

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Stationery	-	1,749	1,749
	<u>-</u>	<u>1,749</u>	<u>1,749</u>



11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Building Improvements	137,026	33,870	-	-	(7,568)	163,328
Furniture and Equipment	227,200	17,164	(732)	-	(35,944)	207,688
Information and Communication	12,459	40,853	-	-	(11,831)	41,481
Leased Assets	112,287	2,606	-	-	(33,375)	81,518
Library Resources	12,857	2,569	(1,369)	-	(12,093)	1,964
Balance at 31 December 2018	501,829	97,062	(2,101)	-	(100,811)	495,979

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Building Improvements	290,339	(127,211)	163,128
Furniture and Equipment	519,205	(311,317)	207,888
Information and Communication	203,514	(162,033)	41,481
Leased Assets	124,990	(43,472)	81,518
Library Resources	96,746	(94,782)	1,964
Balance at 31 December 2018	1,234,794	(738,815)	495,979

The net carrying value of equipment held under a finance lease is \$81,518 (2017: \$112,287)

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Building Improvements	288,230	-	(139,770)	-	(11,434)	137,026
Furniture and Equipment	203,537	57,164	-	-	(33,501)	227,200
Information and Communication	22,090	-	-	-	(9,631)	12,459
Leased Assets	-	122,384	-	-	(10,097)	112,287
Library Resources	9,064	6,847	-	-	(3,054)	12,857
Balance at 31 December 2017	522,921	186,395	(139,770)	-	(67,717)	501,829

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Building Improvements	240,306	(103,280)	137,026
Furniture and Equipment	604,637	(377,437)	227,200
Information and Communication	177,166	(164,707)	12,459
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



12. Accounts Payable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	13,405	10,468	10,468
Accruals	3,737	-	-
Banking staffing overuse	-	23,407	23,407
Employee Entitlements - salaries	142,930	138,345	138,345
Employee Entitlements - leave accrual	13,792	16,199	16,199
	<u>173,864</u>	<u>188,419</u>	<u>188,419</u>
Payables for Exchange Transactions	173,864	188,419	188,419
	<u>173,864</u>	<u>188,419</u>	<u>188,419</u>

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Other	8,150	32,291	32,291
	<u>8,150</u>	<u>32,291</u>	<u>32,291</u>

14. Provision for Cyclical Maintenance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Provision at the Start of the Year	78,456	78,456	65,608
Increase to the Provision During the Year	7,935	-	22,000
Adjustment to the Provision	47,437	-	(9,152)
Use of the Provision During the Year	(112,997)	-	-
Provision at the End of the Year	<u>20,831</u>	<u>78,456</u>	<u>78,456</u>
Cyclical Maintenance - Current	6,575	-	-
Cyclical Maintenance - Term	14,256	78,456	78,456
	<u>20,831</u>	<u>78,456</u>	<u>78,456</u>

15. Painting Contract Liability

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Liability	26,401	20,704	20,704
Non Current Liability	60,555	47,796	47,796
	<u>86,956</u>	<u>68,500</u>	<u>68,500</u>

In 2015 the Board signed an agreement with Programmed Maintenance Services Ltd (the contractor) for an agreed programme of work covering an eight year period. 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.



16. Finance Lease Liability

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

	2018 Actual	2018 Budget (Unaudited)	2017 Actual
No Later than One Year	\$ 33,393	\$ 26,476	26,476
Later than One Year and no Later than Five Years	47,579	85,164	85,164
Later than Five Years	-	-	-
	<u>80,972</u>	<u>111,640</u>	<u>111,640</u>

17. Funds Held for Capital Works

During the year the School received and applied funding from the Ministry of Education for the following capital works projects: No projects in 2017

		2018	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
			\$	\$	\$		\$
Room 5 - 8 Toilet Upgrade	In Progress		-	56,783	22,824	-	33,959
Upgrade Rooms 11 - 12	In Progress		-	-	1,389	-	(1,389)
Totals			<u>-</u>	<u>56,783</u>	<u>24,213</u>	<u>-</u>	<u>32,570</u>

Represented by:

Funds Held on Behalf of the Ministry of Education

Funds Due from the Ministry of Education

33,959

1,389

32,570

18. 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.



19. Remuneration

Key management personnel compensation

Key management personnel of the School include all trustees of the Board, Principal, Deputy and Assistant Principals. Prior year only included Board and Principal.

	2018 Actual \$	2017 Actual \$
<i>Board Members</i>		
Remuneration	3,680	3,680
Full-time equivalent members	0.05	0.30
<i>Leadership Team</i>		
Remuneration	340,839	165,000
Full-time equivalent members	3.00	1.00
Total key management personnel remuneration	344,519	168,680
Total full-time equivalent personnel	3.05	1.30

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:

	2018 Actual \$000	2017 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	140-150	160-170
Benefits and Other Emoluments	0 - 10	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	2018 FTE Number	2017 FTE Number
110 - 120	-	-
100 - 110	1.00	1.00
	1.00	1.00

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

20. 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:

	2018 Actual \$	2017 Actual \$
Total	-	-
Number of People	-	-



21. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2018 (Contingent liabilities and assets at 31 December 2017: nil).

Holidays Act Compliance – schools payroll

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

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance, however the potential impact on any specific school or individual and any associated historical liability will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2018, a contingent liability for the school may exist.

22. Commitments

(a) Capital Commitments

As at 31 December 2018 the Board has not entered into any contract agreements for capital works.

(Capital commitments at 31 December 2017: nil)

(b) Operating Commitments

As at 31 December 2018 the Board has entered into the following contracts:

(a) operating lease of a photocopier and computer laptops;

No later than One Year
Later than One Year and No Later than Five Years
Later than Five Years

	2018 Actual \$	2017 Actual \$
No later than One Year	308	-
Later than One Year and No Later than Five Years	-	-
Later than Five Years	-	-
	<u>308</u>	<u>-</u>

23. 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.



24. Financial Instruments

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

Loans and Receivables

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash and Cash Equivalents	101,475	178,696	139,940
Receivables	162,515	115,850	115,850
Total Loans and Receivables	<u>263,990</u>	<u>294,546</u>	<u>255,790</u>

Financial liabilities measured at amortised cost

Payables	173,864	188,419	188,419
Finance Leases	80,041	111,640	111,640
Painting Contract Liability	86,956	68,500	68,500
Total Financial Liabilities Measured at Amortised Cost	<u>340,861</u>	<u>368,559</u>	<u>368,559</u>

25. Events After Balance Date

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

26. New Service Provider

Henley School changed financial service provider in 2018 and, due to this change, some prior year figures may not be directly comparable.



HENLEY SCHOOL BOARD OF TRUSTEES 2018

Name	Position	How Position on Board was gained	Term Expires	Occupation
Gus Shirley	<i>Board Chair</i>	<i>Re-elected June 2016</i>	<i>Mid 2019</i>	<i>Teacher</i>
Andrew Smith	<i>Parent rep (Financial Portfolio holder)</i>	<i>Re-elected June 2016</i>	<i>Mid 2019</i>	<i>Bank Branch Manager</i>
Rachel Miles	<i>Parent rep</i>	<i>Re-elected June 2016</i>	<i>Mid 2019</i>	<i>Administrator</i>
Victor Gahamadze	<i>Parent rep</i>	<i>Elected June 2016</i>	<i>Mid 2019</i>	<i>Area Manager</i>
Andrew Elliot	<i>Parent rep (Deputy Chairperson)</i>	<i>Elected June 2016</i>	<i>Mid 2019</i>	<i>Business Development Manager</i>
John Armstrong	<i>Principal</i>	<i>Appointed January 2004</i>		<i>Principal</i>
Natalie Doty	<i>Staff Trustee</i>	<i>Re-elected June 2016</i>	<i>Mid 2019</i>	<i>Deputy Principal</i>

HENLEY SCHOOL KIWISPORT 2018

Students participated in organised sport. In 2018 the school received Kiwisport funding of \$6,963.28 (2017 \$6,635.23). The funding was spent on sports equipment and subsidising the appointment of a Sports Coordinator



School Name:	Henley	School Number:	3194																																			
Strategic Aim:	In collaboration, the BOT and staff will provide the highest possible learning outcomes for our students.																																					
Annual Aim:	To increase the number of students achieving at their expected year level for Writing.																																					
Target:	In 2018 we are targeting all our students who are currently below the standard in Writing, in particular our Māori students, with the goal of accelerating their progress to move them to achieving at standard.																																					
Baseline Data:	<p>At the beginning of 2018 Writing is still our area of greatest need in relation to students achieving at the expected year level. As it stands, 69 boys (including Māori) are underachieving compared to 35 girls (including Māori). Māori students compared to non-Māori students show that they are achieving at a lower rate (30% of our Māori students are not achieving at the expected year level compared to 22% of all students).</p> <table border="1"> <thead> <tr> <th>2018 Beginning of the year</th> <th>All Other Boys</th> <th>All Other Girls</th> <th>Māori</th> <th>Totals</th> </tr> </thead> <tbody> <tr> <td>Year 2</td> <td>20</td> <td>11</td> <td>4</td> <td>35</td> </tr> <tr> <td>Year 3</td> <td>18</td> <td>4</td> <td>4</td> <td>26</td> </tr> <tr> <td>Year 4</td> <td>12</td> <td>7</td> <td>1</td> <td>20</td> </tr> <tr> <td>Year 5</td> <td>7</td> <td>2</td> <td>3</td> <td>12</td> </tr> <tr> <td>Year 6</td> <td>5</td> <td>4</td> <td>2</td> <td>11</td> </tr> <tr> <td>Totals</td> <td>62</td> <td>28</td> <td>14 (7 boys, 7 girls)</td> <td>104</td> </tr> </tbody> </table>			2018 Beginning of the year	All Other Boys	All Other Girls	Māori	Totals	Year 2	20	11	4	35	Year 3	18	4	4	26	Year 4	12	7	1	20	Year 5	7	2	3	12	Year 6	5	4	2	11	Totals	62	28	14 (7 boys, 7 girls)	104
2018 Beginning of the year	All Other Boys	All Other Girls	Māori	Totals																																		
Year 2	20	11	4	35																																		
Year 3	18	4	4	26																																		
Year 4	12	7	1	20																																		
Year 5	7	2	3	12																																		
Year 6	5	4	2	11																																		
Totals	62	28	14 (7 boys, 7 girls)	104																																		

2018 End of the Year	All Other Boys	All Other Girls	Māori	Totals
Year 2	28	13	4	45
Year 3	13	9	2	24
Year 4	12	2	0	14
Year 5	12	2	3	17
Year 6	8	3	2	13
	73	29	11 (6 boys, 5 girls)	113

Summary at end of 2018:

At the end of 2018 the achievement data shows that Writing is still our area of greatest need in relation to students achieving at the expected year level. As it stands, 79 boys (including Māori) are underachieving compared to 34 girls (including Māori). Māori students compared to non-Māori students show that they are achieving at a lower rate (42% of our Māori students are not achieving at the expected year level compared to 29% of all students).

It was pleasing to see 26 of the original 104 students who were identified as 'below' or 'well below' at the beginning of the year had made significant progress to move into the 'at' expected curriculum level.

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<ul style="list-style-type: none"> • Syndicate PD sessions with resources and successful strategies shared and discussed. • Across syndicate and school moderation of writing levels and student achievement. • Tracked identified students using the Literacy Learning Progressions. • Compiled a 'Targeted Students' list for each class. 	<ul style="list-style-type: none"> • Many teachers reported that their targeted students had an improved attitude to writing and were more willing to undertake the writing process. • Although at the end of 2018 it shows there are 113 students not achieving at the expected level, (compared to 104 students at the beginning of the year), we have to take into account the 18 students from year 2 and above that began attending Henley throughout the 2018 that were below or well below the expected level. 	<ul style="list-style-type: none"> • Change from Nation Standards to Curriculum Level OTJ's. • The staff Teaching as Inquiry focus was not on Writing in 2018 • Focused teaching of the at-risk students. • Regular teacher conferencing. • Ensuring that the struggling writers had sufficient scaffolding. • Close monitoring of identified targeted children 	<ul style="list-style-type: none"> • Utilise our involvement in the Kāhui Ako/Community of Learners to share best practice • Continue to target groups of students who are considered to best benefit from additional resources and those who have made improvements but are at risk of falling back. • Continue to refine and apply strategies used in 2018. • Apply digital learning strategies to engage and activities covering variety of learning styles. • Continue to focus on Māori underachievement in Literacy • Continue to focus on Boys underachievement in Literacy. • Engage and consult with parents and caregivers early in the year and more regularly throughout the year.
Planning for next year: 2019			

Continue to focus on the students in the 'Working Towards and Well Below' categories and use the Literacy Learning Progressions to monitor and set goals for all our students. Continue to focus on the needs of our identified Māori students along with boys who are underachieving and establish targets and goals to lift their achievement. Support Waimea Kāhui Ako/Community of Learners initiatives to raise achievement.

School Name:

Henley

School Number:

3194

Strategic Aim:

In collaboration, the BOT and staff will provide the highest possible learning outcomes for our students.

Annual Aim:

To increase the number of students achieving at their expected year level for Mathematics.

Target:

In 2019 we are targeting all our students who are currently below the Expected Curriculum Level in Mathematics, in particular our Māori students, with the goal of accelerating their progress to move them be achieving at the expected level.

Baseline Data:

At the beginning of 2018, 64 students are not achieving at their expected year level in Mathematics. There is a notable difference in achievement when comparing girls to boys with 38 girls (including Māori) underachieving compared to 26 boys (including Māori). Māori students compared to non-Māori students show that they are achieving at a lower rate (20% of our Māori students are not achieving at their expected year level compared to 14% of all students.

2018 Beginning of the year	All Other Boys	All Other Girls	Māori	Totals
Year 2	5	6	0	11
Year 3	2	5	1	8
Year 4	7	11	1	19
Year 5	5	2	3	10
Year 6	1	11	4	16
Totals	20	35	9 (6 boys, 3 girls)	64

2018 End of the year	All Other Boys	All Other Girls	Māori	Totals
Year 2	20	17	4	41
Year 3	2	10	1	13
Year 4	8	5	0	13
Year 5	9	3	3	15
Year 6	3	5	2	10
Totals	42	40	10 (3 boys, 7 girls)	92

Summary at end of 2018:

At the end of 2018, 92 students were not achieving at their expected year level in Mathematics. There is a similar rate of achievement when comparing girls to boys with 47 girls (including Māori) underachieving compared to 45 boys (including Māori). Māori students compared to non-Māori students show that they are achieving at a lower rate (35% of our Māori students are not achieving at their expected year level compared to 22% of all students).

It was pleasing to see 18 of the original 64 students who were identified as 'below' or 'well below' at the beginning of the year had made significant progress to move into the 'at' expected curriculum level.

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<ul style="list-style-type: none"> Identify the students in each class that are below the Expected Curriculum Level for Mathematics. Regular staff PD sessions with resources and successful strategies shared/discussed. Tracked identified students using the Maths stages. Compiled a 'Targeted Students' list for each class. 	<ul style="list-style-type: none"> At the end of 2018 there was an increased number of students who were not meeting the expected curriculum level for Maths (28 students) 18 of these students began attending Henley School during 2018 which means they were not included in the beginning of the year data. 	<ul style="list-style-type: none"> Focused teaching of the at-risk students. Regular teaching conferencing. Ensuring that the struggling students had sufficient scaffolding. Up-skilling of teachers on the teaching of Rich Tasks. Developing and delivering of Rich Tasks. Sharing of successful strategies. Close monitoring of identified targeted children Differentiated lessons by classroom teachers now an agreed expectation 	<ul style="list-style-type: none"> Moderate more frequently and effectively across the year levels and schools Utilise our involvement in the Kāhui Ako/Community of Learners to share best practice Continue to monitor identified students closely Make use of collaborative classroom environments to best meet the needs of the range of needs in each class Engage and consult with parents and caregivers early in the year and more regularly throughout the year
Planning for next year:			
<p>Continue to focus on the students who are underachieving. Utilise the professional development opportunities for our staff in 2019, to further our teaching strategies. Continue to focus on the needs of our identified Māori students and establish targets and goals to lift their achievement. Support Waimea Kāhui Ako/Community of Learners initiatives to raise achievement.</p> <p><i>John Armstrong</i></p> <p>John Armstrong BCom, BSc, BA (Hons), MA, Dip Teaching, Dip Educational Management Principal Henley School</p>			

INDEPENDENT AUDITOR'S REPORT**TO THE READERS OF
HENLEY SCHOOL (NELSON)'S
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

The Auditor-General is the auditor of Henley School (Nelson) (the School). The Auditor-General has appointed me, Michael Lee, using the staff and resources of Crowe Horwath, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 3 to 20, that comprise the Statement of Financial Position as at 31 December 2018, the Statement of Comprehensive Revenue and Expense, Statement of Changes in Net Assets/Equity and Cash Flow Statement 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 2018; 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 14th May 2019. 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 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 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 arises 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 on pages 21 to 27, but does not include the financial statements, and our auditor's report thereon.

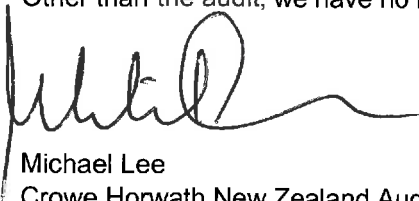
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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.



Michael Lee
Crowe Horwath New Zealand Audit Partnership
On behalf of the Auditor-General
Nelson, New Zealand