HENDERSON SOUTH SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

School Directory

Ministry Number:	1310
Principal:	Trevor Diamond
School Address:	24 Garelja Road, Henderson Auckland
School Postal Address:	P O Box 21165, Henderson, Waitakere
School Phone:	09 8388766
School Email:	lekhnis@hendersonsouth.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Term Expiry
Elaine Fale	Chair Person	Re-elected June 2016	May-2019
Trevor Diamond	Principal	Appointed February 2009	
Fawcett Elu	Parent Rep	Re-elected June 2016	May-2019
Bernadette Fidow	Parent Rep	Elected June 2016	May-2019
Moana Johanson	Parent Rep	Elected June 2016	May-2019
Jacqui Tutavake	Parent Rep	Elected June 2016	May-2019
Dereck Duncan	Parent Rep	Co-opted October 2018	May-2019
Stephen Frost	Staff Rep	Elected June 2016	May-2019

Accountant : Lekhni Singh

HENDERSON SOUTH SCHOOL

Annual Report - For the year ended 31 December 2018

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Henderson South 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 reflects the financial position and operations of the school.

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

Elaine Fale	Trevor Diamond
Full Name of Board Chairperson	Full Name of Principal
Signature of Board Chairperson	Signature of Principal
21/5/19	21/5/2019
Date:	Date:

Henderson South School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2018

	Notes	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Revenue				
Government Grants	2	2,872,104	2,697,062	2,803,047
Locally Raised Funds	3	51,713	33,800	42,135
Use of Land and Buildings Integrated		-	-	-
Interest Earned		5,884	7,000	6,541
Gain on Sale of Property, Plant and Equipment		-	-	-
Other Revenue		-	-	-
		2,929,701	2,737,862	2,851,722
Expenses				
Locally Raised Funds	3	27,741	26,400	38,368
Learning Resources	4	1,805,166	1,734,052	1,876,003
Administration	5	150,282	123,968	144,332
Finance		865	1,200	756
Property	6	976,413	773,878	782,551
Depreciation	7	94,835	94,430	78,392
Impairment of Property, Plant and Equipment	12	-	-	-
Loss on Disposal of Property, Plant and Equipment		8,032	-	641
Loss on Uncollectable Accounts Receivable		-	-	-
Amortisation of Intangible Assets	13	878	570	570
Transport		-	-	-
		3,064,212	2,754,498	2,921,611
Net Surplus / (Deficit) for the year		(134,511)	(16,636)	(69,889)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		(134,511)	(16,636)	(69,889)

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

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Henderson South 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	476,423	476,424	546,312
Total comprehensive revenue and expense for the year	(134,511)	(16,636)	(69,889)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	19,500	-	-
Equity at 31 December	361,412	459,788	476,423
Retained Earnings	361,412	459,788	476,423
Reserves	-	-	-
Equity at 31 December	361,412	459,788	476,423

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

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Henderson South 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	225,051	367,431	328,611
Accounts Receivable	9	96,671	113,000	112,640
GST Receivable		8,215	-	-
Prepayments		2,117	4,000	3,862
Inventories	10	1,178	2,700	2,620
Investments	11	-	-	179,269
		333,231	487,131	627,002
Current Liabilities				
GST Payable		-	-	12,224
Accounts Payable	14	158,521	141,500	154,341
Revenue Received in Advance	15	250	-	-
Provision for Cyclical Maintenance	16	27,045	-	14,388
Finance Lease Liability - Current Portion	17	6,316	4,790	4,026
Funds held for Capital Works Projects	18	-	130,000	151,566
Funds held on behalf of Northwest Literacy Centre	19	7,041	10,000	8,253
		199,173	286,290	344,798
Working Capital Surplus/(Deficit)		134,058	200,841	282,204
Non-current Assets				
Investments	11	-	-	-
Property, Plant and Equipment	12	365,533	339,494	324,924
Intangible Assets	13	3,859	373	943
		369,393	339,867	325,867
Non-current Liabilities				
Provision for Cyclical Maintenance	16	136,622	78,000	127,988
Finance Lease Liability	17	5,417	2,920	3,660
		142,039	80,920	131,648
Net Assets		361,412	459,788	476,423
Equity		361,412	459,788	476,423

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

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Henderson South School
Statement of Cash Flows
For the year ended 31 December 2018

	Note	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Cash flows from Operating Activities				
Government Grants		542,907	533,486	570,146
Locally Raised Funds		51,577	32,800	39,997
Goods and Services Tax (net)		(20,439)	9,400	22,953
Payments to Employees		(316,591)	(265,500)	(284,352)
Payments to Suppliers		(269,289)	(247,998)	(297,251)
Cyclical Maintenance Payments in the year		-	(77,000)	
Interest Paid		(865)	(1,200)	(857)
Interest Received		6,371	7,000	8,107
Net cash from / (to) the Operating Activities		(6,329)	(9,012)	58,743
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	(2,320)	4,359
Purchase of PPE (and Intangibles)		(137,968)	(79,347)	(59,194)
Purchase of Investments		-	170,000	(7,583)
Proceeds from Sale of Investments		179,269	-	
Net cash from / (to) the Investing Activities		41,301	88,333	(62,418)
Cash flows from Financing Activities				
Furniture and Equipment Grant		19,500	-	
Finance Lease Payments		(5,256)	(6,890)	(3,358)
Painting contract payments		-	-	
Loans Received/ Repayment of Loans		-	-	2,518
Funds Administered on Behalf of Third Parties		(1,211)	5,000	
Funds Held for Capital Works Projects		(151,566)	130,000	151,566
Net cash from Financing Activities		(138,534)	128,110	150,726
Net increase/(decrease) in cash and cash equivalents		(103,561)	207,431	147,051
Cash and cash equivalents at the beginning of the year	8	328,611	160,000	181,560
Cash and cash equivalents at the end of the year	8	225,051	367,431	328,611

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.

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Henderson South School
Notes to the Financial Statements
For the year ended 31 December 2018

1. Statement of Accounting Policies

a) Reporting Entity
Henderson South 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 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 12.

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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 17.

Recognition of grants
The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carryforward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

c) Revenue Recognition

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

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

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

Use of land and buildings grants are recorded as revenue in the period the School uses the land and buildings. These are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the

Other Grants
Other grants are recorded as revenue when the School has the rights to the funding, unless there are unfulfilled conditions attached to the grant, in which case the amount relating to the unfulfilled conditions is recognised as a liability and released to revenue as the conditions are fulfilled.

Donations, Gifts and Bequests
Donations, gifts and bequests are recorded as revenue when their receipt is formally acknowledged by the School.

Interest Revenue
Interest Revenue earned on cash and cash equivalents and investments is recorded as revenue in the period it is earned.

d) Use of Land and Buildings Expense
The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Ministry.

e) Operating Lease Payments
Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight line basis over the term of the lease.

f) Finance Lease Payments
Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

g) Cash and Cash Equivalents
Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of 90 days or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

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

i) Inventories
Inventories are consumable items held for sale and comprise of stationery and school uniforms. They are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is the estimated selling price in the ordinary course of activities less the estimated costs necessary to make the sale. Any write down from cost to net realisable value is recorded as an expense in the Statement of Comprehensive Revenue and Expense in the period of the write down.

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

k) Property, Plant and Equipment
Land and buildings owned by the Crown are excluded from these financial statements. The Board's use of the land and buildings as 'occupant' is based on a property occupancy document.

Improvements to buildings owned by the Crown are recorded at cost, less accumulated depreciation and impairment losses.

Property, plant and equipment are recorded at cost or, in the case of donated assets, fair value at the date of receipt, less accumulated depreciation and impairment losses. Cost or fair value as the case may be, includes those costs that relate directly to bringing the asset to the location where it will be used and making sure it is in the appropriate condition for its intended use.

Property, plant and equipment acquired with individual values under $1,000 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 to Crown Owned Assets	20-40 years
Furniture and equipment	10 years
Information and communication technology	5 years
Motor vehicles	5 years
Textbooks	4 years
Leased assets held under a Finance Lease	3-4 years
Library resources	12.5% Diminishing value

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l) Intangible Assets
Software costs
Computer software acquired by the School are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software licences with individual values under $1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software that the school receives from the Ministry of Education is normally acquired through a non-exchange transaction and is not of a material amount. It's fair value can be assessed at time of acquisition if no other methods lead to a fair value determination. Computer software purchased directly from suppliers at market rates are considered exchange transactions and the fair value is the amount paid for the software.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

m) Impairment of property, plant, and equipment and intangible assets
The school does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

Non cash generating assets
Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

n) Accounts Payable
Accounts Payable represents liabilities for goods and services provided to the School prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

o) Employee Entitlements
Short-term employee entitlements
Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.
These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

p) Revenue Received in Advance
Revenue received in advance relates to fees received from hall hire bond 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 hall hire bond , should the School be unable to provide the services to which they relate.

q) 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

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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).

r) 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.

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.

s) 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.

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

u) 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.

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2. Government Grants

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Operational grants	492,198	544,262	515,486
Teachers' salaries grants	1,525,562	1,500,000	1,610,049
Use of Land and Buildings grants	803,634	600,000	624,301
Resource teachers learning and behaviour grants	-	-	-
Other MoE Grants	50,709	52,800	53,211
Transport grants	-	-	-
Other government grants	-	-	-
	2,872,104	2,697,062	2,803,047

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	10,570	-	803
Bequests & Grants	-	-	-
Activities	20,798	17,800	22,663
Trading	10,769	8,000	10,044
Fundraising	9,575	8,000	8,625
Other Revenue	-	-	-
	51,713	33,800	42,135
Expenses			
Activities	16,333	18,400	27,680
Trading	8,972	7,000	9,716
Fundraising costs	2,436	1,000	972
Transport (local)	-	-	-
Other Expenses	-	-	-
	27,741	26,400	38,368
Surplus/ (Deficit) for the year Locally raised funds	23,973	7,400	3,767

4. Learning Resources

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Curricular	32,433	40,152	60,388
Equipment repairs	668	1,000	802
Information and communication technology	16,559	14,500	16,583
Extra-curricular activities	-	-	-
Library resources	216	1,300	1,316
Employee benefits - salaries	1,740,077	1,659,100	1,782,156
Staff development	15,214	18,000	14,758
	1,805,166	1,734,052	1,876,003

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5. Administration

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Audit Fee	5,650	5,530	5,530
Board of Trustees Fees	2,950	4,000	3,170
Board of Trustees Expenses	11,317	4,200	7,794
Communication	2,839	3,000	2,913
Consumables	17,133	16,590	18,351
Operating Lease	-	-	-
Legal Fees	-	-	-
Other	26,522	18,000	31,189
Employee Benefits - Salaries	79,388	69,900	70,708
Insurance	2,483	2,748	2,676
Service Providers, Contractors and Consultancy	2,000	-	2,000
	150,282	123,968	144,332

6. Property

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Caretaking and Cleaning Consumables	15,620	17,000	16,534
Consultancy and Contract Services	39,319	33,000	31,975
Cyclical Maintenance Expense	21,291	40,000	18,756
Grounds	5,235	3,890	11,586
Heat, Light and Water	25,126	22,000	21,898
Rates	116	88	84
Repairs and Maintenance	17,088	17,400	15,221
Use of Land and Buildings	803,634	600,000	624,301
Security	5,365	4,500	4,772
Employee Benefits - Salaries	43,619	36,000	37,425
	976,413	773,878	782,551

The use of land and buildings figure represents 8% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

7. Depreciation

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Buildings	3,772	3,810	3,741
Building Improvements	-	-	-
Furniture and Equipment	29,386	28,840	23,473
Information and Communication Technology	50,001	50,890	41,327
Motor Vehicles	2,312	2,320	2,312
Textbooks	-	-	47
Leased Assets	4,829	4,550	3,598
Library Resources	4,535	4,020	3,894
	94,835	94,430	78,392

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8. Cash and Cash Equivalents

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Cash on Hand	-	-	-
Bank Current Account	145,051	187,431	328,611
Bank Call Account	-	-	-
Short-term Bank Deposits	80,000	180,000	-
Bank Overdraft	-	-	-
Cash and cash equivalents for Cash Flow Statement	225,051	367,431	328,611

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

9. Accounts Receivable

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Receivables	2,226	2,000	1,840
Receivables from the Ministry of Education	-	-	-
Provision for Uncollectibility	-	-	-
Interest Receivable	380	1,000	867
Teacher Salaries Grant Receivable	94,065	110,000	109,933
	96,671	113,000	112,640
Receivables from Exchange Transactions	2,607	3,000	2,707
Receivables from Non-Exchange Transactions	94,065	110,000	109,933
	96,671	113,000	112,640

10. Inventories

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Stationery	1,178	2,700	2,620
	1,178	2,700	2,620

11. Investments

The School's investment activities are classified as follows:

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Current Asset			
Short-term Bank Deposits	-	-	179,269
Non-current Asset			
Long-term Bank Deposits	-	-	-

12. Property, Plant and Equipment

2018	Opening Balance (NBV) $	Additions $	Disposals $	Impairment $	Depreciation $	Total (NBV) $
Land	-				-	-
Buildings	60,838	1,671			(3,772)	**58,737**
Building Improvements	-				-	-
Furniture and Equipment	106,535	77,593	(4,145)		(29,386)	**150,597**
Information and Communication	114,838	43,986	(1,979)		(50,001)	**106,844**
Motor Vehicles	8,092				(2,312)	**5,780**
Textbooks	-				-	-
Leased Assets	7,361	9,302			(4,829)	**11,834**
Library Resources	27,260	10,926	(1,908)		(4,535)	**31,743**
Balance at 31 December 2018	324,924	143,478	(8,032)	-	(94,835)	**365,535**

2018	Cost or Valuation $	Accumulated Depreciation $	Net Book Value $
Land	-	-	-
Buildings	131,277	(72,539)	**58,738**
Building Improvements	-	-	-
Furniture and Equipment	620,202	(469,608)	**150,593**
Information and Communication	455,035	(348,192)	**106,843**
Motor Vehicles	11,560	(5,780)	**5,780**
Textbooks	-	-	-
Leased Assets	21,085	(9,250)	**11,835**
Library Resources	77,379	(45,635)	**31,744**
Balance at 31 December 2018	1,316,538	(951,005)	**365,533**

2017	Opening Balance (NBV) $	Additions $	Disposals $	Impairment $	Depreciation $	Total (NBV) $
Land					-	-
Buildings	64,579				(3,741)	**60,838**
Building Improvements					-	-
Furniture and Equipment	119,230				(23,473)	**95,757**
Information and Communication Technology	117,793	11,003	(225)		(41,327)	**87,244**
Motor Vehicles	10,404	38,372			(2,312)	**46,464**
Textbooks	48				(48)	-
Leased Assets	8,981	1,978			(3,598)	**7,361**
Library Resources	26,110	5,461	(417)		(3,894)	**27,260**
Balance at 31 December 2017	347,145	56,814	(642)	-	(78,393)	**324,924**

The following note can be used for each class of asset that are held under a finance lease:

The net carrying value of equipment held under a finance lease is **$11,834 (2017: $7,361)**

2017	Cost or Valuation $	Accumulated Depreciation $	Net Book Value $
Land	-	-	-
Buildings	129,606	(68,768)	60,838
Building Improvements	-	-	-
Furniture and Equipment	588,025	(481,490)	106,535
Information and Communication Technology	432,190	(317,352)	114,838
Motor Vehicles	11,560	(3,468)	8,092
Textbooks	8,945	(8,945)	-
Leased Assets	11,782	(4,421)	7,361
Library Resources	71,454	(44,194)	27,260
Balance at 31 December 2017	1,253,562	(928,638)	324,924

13. Intangible Assets

The School's Intangible Assets are made up of acquired computer software.

2018	Opening $	Additions $	Disposals $	Impairment $	Closing $
Cost					
Intangible Assets (Cost)	5,620	3,795	-	-	9,415
Balance at 31 December 2018	5,620	3,795	-	-	9,415
Accumulated Amortisation					
Intangible Assets (Amortisation for the year)	4,677	-	-	878	5,556
Balance at 31 December 2018	4,677	-	-	878	5,556
Net Book Value at 31 December 2018					3,859

2017	Opening $	Additions $	Disposals $	Impairment $	Closing $
Cost					
Intangible Assets	5,620	-	-	-	5,620
Balance at 31 December 2017	5,620	-	-	-	5,620
Accumulated Amortisation					
Intangible Assets (Amortisation for the year)	4,115	-	-	562	4,677
Balance at 31 December 2017	4,115	-	-	562	4,677
Net Book Value at 31 December 2017					943

14. Accounts Payable

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Operating creditors	14,892	14,000	13,896
Accruals	5,650	8,000	7,530
Capital accruals for PPE items	-	-	-
Banking staffing overuse	17,435	-	-
Employee Entitlements - salaries	108,338	110,000	123,556
Employee Entitlements - leave accrual	12,204	9,500	9,359
	158,519	141,500	154,341
Payables for Exchange Transactions	158,519	141,500	154,341
	158,519	141,500	154,341

The carrying value of payables approximates their fair value.

15. Revenue Received in Advance

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Grants in Advance - Ministry of Education	-	-	-
International Student Fees	-	-	-
Hostel Fees	-	-	-
Other	250	-	-
	250	-	-

16. Provision for Cyclical Maintenance

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Provision at the Start of the Year	142,376	142,376	123,620
Increase/ (decrease) to the Provision During the Year	22,291	40,000	23,854
Use of the Provision During the Year	(1,000)		(5,098)
Provision at the End of the Year	163,667	182,376	142,376
Cyclical Maintenance - Current	27,045	-	14,388
Cyclical Maintenance - Term	136,622	78,000	127,988
	163,667	78,000	142,376

17. Finance Lease Liability

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

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
No Later than One Year	6,316	4,790	4,026
Later than One Year and no Later than Five Years	5,417	2,920	3,660
Later than Five Years			-
	11,733	7,710	7,686

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18. Funds Held for Capital Works Projects

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

	2018	Opening Balances $	Receipts from MoE $	Payments $	BOT Contributions	Closing Balances $
Block 2 Roof Replacement	*completed*	151,566	16,841	(168,407)	-	-
Totals		151,566	16,841	(168,407)	-	-

Represented by:	
Funds Held on Behalf of the Ministry of Education	151,566
Funds Due from the Ministry of Education	-
	151,566

	2017	Opening Balances $	Receipts from MoE $	Payments $	BOT Contributions	Closing Balances $
Block 2 Roof Replacement	*in progress*		151,566		-	151,566
Totals		-	151,566	-	-	151,566

19. Funds Held on Behalf of Northwest Literacy Centre

Henderson South School is the host school and holds funds received from Ministry of Education on behalf of the Northwest Literacy Centre. One full-time and two part-time teachers of Literacy are based at this Centre which services a catchment area of 27 catchment area of 27 schools.

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Funds Held at Beginning of the Year	8,253		5,735
Funds Received from Cluster Members			
Funds Received from MoE	14,501		14,314
Funds Spent on Behalf of the Literacy	(15,713)		(11,796)
Funds Held at Year End	7,041	10,000	8,253

There was an overseas trip made by 2 RTLit teachers to attend a Conference help in Perth, Australia. The budget of the trip for two people was $6,500. Actual amount spent on the budget was $5532. The purpose of attending this conference was to build and support Resource Teacher. They would be able to interact with new presenters, other international collegues and have a greater exposure to what is occuring in international language, literacy and literature fields. They have been able to share information from the conference with the teaching collegues in their cluster of schools. Part of their role is to work with teachers and keep them informed about new methods and strategies in Literacy that are being developed and tried in New Zealand and overseas. By attending this conference, they were able to hear about what is happening around the world and were able to share these ideas with many colleagues.

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20. 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.

During 2018, there were no related party transactions. (2017: nil)

21. Remuneration

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

	2018 Actual $	2017 Actual $
Board Members		
Remuneration	2,950	3,170
Full-time equivalent members	0.11	0.12
Leadership Team		
Remuneration	325,434	333,397
Full-time equivalent members	3	3
Total key management personnel remuneration	328,384	336,567
Total full-time equivalent personnel	3.11	3.12

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	140 - 150
Benefits and Other Emoluments	3 - 4	3 - 4
Termination Benefits	-	-

Other Employees
No other employee received total remuneration over $100,000. (2017: nil)

22. Compensation and Other Benefits Upon Leaving

During 2018 there was no compensation or other benefits paid or payables to persons who ceased to be trustees, committee members or employees.

2017: NIL

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23. Contingencies

There are no contingent liabilities 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.

24. Commitments

(a) Capital Commitments

As at 31 December 2018 the Board has no capital commitments.

The school had the following capital commitment as at **31 December 2017**:
$160,387, the balance of the Block 2 (complete roof replacement upper and lower areas) capital works project.

(b) Operating Commitments

As at 31 December 2018 the Board has no operating commitments.

(Operating commitments at 31 December 2017: 0)

25. 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.

26. 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	225,051	367,431	328,611
Receivables	96,671	113,000	112,640
Investments - Term Deposits	-	-	179,269
Total Loans and Receivables	321,722	480,431	620,520
Financial liabilities measured at amortised cost			
Payables	158,519	141,500	154,341
Finance Leases	11,733	7,710	7,686
Total Financial Liabilities Measured at Amortised Cost	170,252	149,210	162,027

27. Events After Balance Date

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

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Independent Auditor's Report

To the readers of Henderson South School's Financial statements For the year ended 31 December 2018

The Auditor-General is the auditor of Henderson South School (the School). The Auditor-General has appointed me, Colin Henderson, using the staff and resources of RSM Hayes Audit, 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 2018, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
  - its financial position as at 31 December 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 (PBE) Standards Reduced Disclosure Regime.

Our audit was completed on 22 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.

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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.

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information includes the statement of responsibility, board member list, analysis of variance and kiwisport report, 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 Henderson South School.

Colin Henderson

Colin Henderson
RSM Hayes Audit
On behalf of the Auditor-General
Auckland, New Zealand

Henderson South School

Kiwisport Report

For the year ended 31 December 2018

Kiwisport is a Government funding initiative to support students' participation in organized sport. In 2018 the school received total Kiwisport funding of $4,022.93 (Excl GST).

The Kiwisport funding was used for buying sports equipment and to register two netball teams for Saturday Netball which covered umpire fees and netball gear. Total amount spent was $4,501.10 (Excl GST).

MINISTRY OF EDUCATION
TE TAHUHU O TE MATAURANGA

Analysis of Variance Reporting

School Name:	Henderson South School	School Number:	1310

Strategic Aim:	All students are able to access The New Zealand Curriculum as evidenced in relation to National Curriculum Levels.
Annual Aim:	To increase the number of students achieving At or Advanced in National Curriculum levels for Writing to 85% across the school.
Target:	All students that were below National Standards in 2017 will make overall progress in 2018 as evidenced by using Curriculum Levels from the NZC and be at or above 85% overall, not based on National Standards. To improve the standard of writing proficiency which will include all the conventions, deeper and surface features of writing. To build the capacity of teachers so they can deliver quality writing programmes throughout the whole school.
Baseline Data:	Analysis of school wide data in November 2017 which was based on National Standards identified 78.8% (211/260) students were achieving AT or Above in Writing. Our target for 2018 was to reach 85% or greater in At or Advanced using National Curriculum Levels. A focus will be made for our Year 4s which have achieved 47.8% At or Above National Standard. All other year groups were achieving between 68%- 81.5% At or Above National Standards. Analysis of the data indicates: • Compared to the interim data for whole school (6.60% at PRE and 19.9% at EARLY and 73.4% are AT or ADVANCED the NZC), the EOY data shows our PRE learners decreasing by 3.75% which presumably are now achieving at EARLY, this is a favourable improvement. However the AT and ADVANCED group have also decreased also, by 4.72% and are presented in EARLY. • All students are identified as Target Students and receive one-to-one assistance or have daily scheduled time working with a T.Aide. • Students identified as EARLY are in fact working within their respective curriculum levels and therefore sit on the continuum between the beginning and the at of the curriculum level

Actions *What did we do?*	Outcomes *What happened?*	Reasons for the variance *Why did it happen?*	Evaluation *Where to next?*
Reviewed all existing documentation Assessed the whole school cold sample writing and the moderated using the NZC exemplars. Set and monitored target groups regularly Our ISCOLs work alongside their partnered teachers to monitor target group progress and help build teacher capacity incorporating the Leadership Coaching and Growth Model in classes. On-going professional development. We have had three years of ministry funded PLD which has vastly improved teacher capacity and writing levels for our students	Have incorporated The Writing Book by Sheena Cameron as a major teacher resource. Implemented PD at staff meetings to discuss the moderation of writing levels to gain rigor. Teachers knowledge and skills for teaching writing has improved teacher capacity. *Across the school our writing AT or Advanced is at 73.4%. We have fallen short of the 85% target set by 11.6%* *Our Year 4 focus group has improved from 47.8% to 72%*	All teachers are keen to improve their ability to teach writing and to improve achievement levels in their classes. Writing has traditionally been problematic with regard to maintaining teacher capacity in this subject area and pupilecellence. As a result achievement levels have suffered. I am pleased that with the on-going PD that there has been vast improvement in levels of achievement and an increase in teacher ability to teach writing. Regular discussions at a PLG and staff level has allowed the staff to be reflective and to share great practice.	Students need to be very specific when they set their goals for the term at Goal Setting Night. Students need to be encouraged to use their indicators that will be placed in the back of their Writing and Maths books and to tick them off as they complete each indicator. PD will be focused and based on student and teacher needs. Students will improve term by term setting goals for themselves, all goals will be monitored and tracked by the teacher, DPs and Principal.

Planning for next year:

Planned PD for writing based on needs of the teachers and students.
Compile examples of student writing to ascertain curriculum levels for teachers to use in forming a teacher judgement on student progress.
Keep aiming to achieve 85% AT for all students using the National Curriculum Levels.
Continue to improve in all areas of writing for students and teachers