HENDERSON VALLEY SCHOOL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

School Address:	389 Henderson Valley Road, Henderson, Auckland
School Postal Address:	389 Henderson Valley Road, Henderson, Auckland 0612
School Phone:	09 839 7010
School Email:	janetm@hvschool.co.nz
Ministry Number:	1311

HENDERSON VALLEY SCHOOL

Financial Statements - For the year ended 31 December 2017

Index

Page	Statement
1	Statement of Responsibility
2	Members of the Board of Trustees
3	Statement of Comprehensive Revenue and Expense
4	Statement of Changes in Net Assets/Equity
5	Statement of Financial Position
6	Statement of Cash Flows
7 - 12	Statement of Accounting Policies
13- 21	Notes to the Financial Statements
22	KiwiSport Note

Henderson Valley School

Statement of Responsibility

For the year ended 31 December 2017

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

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

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

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

MICHAEL CARLOS ALOFA
Full Name of Board Chairperson

Signature of Board Chairperson

May 24, 2018
Date:

Janet Moyle
Full Name of Principal

Janet Moyle
Signature of Principal

24 May 2018
Date:

Henderson Valley School

Members of the Board of Trustees

Name	Position	How position on Board gained	Occupation	Term Expires
M Alofa	Chairperson	Elected	Senior Community Safety Advisor	May-19
S Bentham	Parent Rep	Elected	Parent/Mother	May-19
B Deakin	Parent Rep	Elected	Company Director	May-19
T Matthews	Staff Rep	Elected	Teacher	May-19
J Moyle	Principal	Appointed	Principal	Current
H Shimazu	Parent Rep	Elected	Teacher Aide	May-19
L Webb	Parent Rep	Elected	Teacher	May-19

Henderson Valley School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2017

	Notes	2017 Actual $	2017 Budget (Unaudited) $	2016 Actual $
Revenue				
Government Grants	2	2,518,896	2,622,060	2,696,576
Locally Raised Funds	3	145,027	152,360	489,402
Interest Earned		16,974	15,000	14,824
		2,680,896	2,789,420	3,200,802
Expenses				
Locally Raised Funds	3	78,272	85,500	62,254
Learning Resources	4	1,771,229	1,869,128	1,846,608
Administration	5	170,632	198,580	176,291
Finance		4,821	-	5,488
Property	6	570,041	633,641	665,002
Depreciation	7	61,386	47,001	89,329
Loss on Disposal of Property, Plant and Equipment		2,026	-	254
		2,658,407	2,833,850	2,845,226
Net Surplus / (Deficit) for the year		22,489	(44,430)	355,576
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		22,489	(44,430)	355,576

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

Henderson Valley School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2017

	Actual 2017 $	Budget (Unaudited) 2017 $	Actual 2016 $
Balance at 1 January	1,089,497	1,089,498	733,921
Total comprehensive revenue and expense for the year	22,489	(44,430)	355,576
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	-
Equity at 31 December	1,111,986	1,045,068	1,089,497
Retained Earnings	1,111,986	1,045,068	1,089,497
Reserves	-	-	-
Equity at 31 December	1,111,986	1,045,068	1,089,497

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

Henderson Valley School

Statement of Financial Position

As at 31 December 2017

	Notes	2017 Actual $	2017 Budget (Unaudited) $	2016 Actual $
Current Assets				
Cash and Cash Equivalents	8	193,567	117,392	158,640
Accounts Receivable	9	92,560	131,626	131,626
GST Receivable		5,396	13,694	13,694
Prepayments		760	7,174	7,174
Inventories	10	2,066	1,466	1,466
Investments	11	506,684	401,641	401,641
		801,033	672,993	714,241
Current Liabilities				
Accounts Payable	13	122,716	134,891	134,891
Revenue Received in Advance	14	4,553	706	706
Provision for Cyclical Maintenance	15	16,566	32,716	32,716
Painting Contract Liability - Current Portion	16	14,391	14,391	14,391
Finance Lease Liability - Current Portion	17	27,247	27,247	31,739
Funds held for Capital Works Projects	18	52,691	-	-
		238,164	209,951	214,443
Working Capital Surplus/(Deficit)		562,869	463,042	499,798
Non-current Assets				
Property, Plant and Equipment	12	631,769	655,905	683,905
		631,769	655,905	683,905
Non-current Liabilities				
Provision for Cyclical Maintenance	15	54,049	35,620	35,620
Painting Contract Liability	16	14,578	24,234	24,234
Finance Lease Liability	17	14,025	14,025	34,352
		82,652	73,879	94,206
Net Assets		1,111,986	1,045,068	1,089,497
Equity		1,111,986	1,045,068	1,089,497

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

Henderson Valley School

Statement of Cash Flows

For the year ended 31 December 2017

	Note	2017 Actual $	2017 Budget (Unaudited) $	2016 Actual $
Cash flows from Operating Activities				
Government Grants		605,304	567,631	572,790
Locally Raised Funds		151,726	152,360	150,204
Goods and Services Tax (net)		8,298	-	(2,419)
Payments to Employees		(321,601)	(308,960)	(326,996)
Payments to Suppliers		(314,017)	(340,743)	(296,384)
Cyclical Maintenance Payments in the year		(8,372)	(11,368)	-
Interest Paid		(4,821)	-	(5,488)
Interest Received		16,512	15,000	14,533
Net cash from / (to) the Operating Activities		133,030	73,920	106,240
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		2,974	-	-
Purchase of PPE (and Intangibles)		(23,526)	(89,843)	(12,116)
Purchase of Investments		(105,043)	(80,361)	(80,361)
Net cash from / (to) the Investing Activities		(125,595)	(170,204)	(92,477)
Cash flows from Financing Activities				
Finance Lease Payments		(15,543)	(9,008)	(38,252)
Painting contract payments		(9,656)	(9,657)	(18,109)
Funds Held for Capital Works Projects		52,691	-	-
Net cash from Financing Activities		27,492	(18,665)	(56,361)
Net increase/(decrease) in cash and cash equivalents		34,927	(114,949)	(42,598)
Cash and cash equivalents at the beginning of the year	8	158,640	232,341	201,238
Cash and cash equivalents at the end of the year	8	193,567	117,392	158,640

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.

Henderson Valley School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2017

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

The Education Act 1989 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as "having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders".

PBE Accounting Standards Reduced Disclosure Regime

The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the expenditure threshold of $30 million per year. All relevant reduced disclosure concessions have been taken.

Measurement Base

The financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

Presentation Currency

These financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

Specific Accounting Policies

The accounting policies used in the preparation of these financial statements are set out below.

Critical Accounting Estimates And Assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Useful lives of property, plant and equipment
The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 12.

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 Crown.

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

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

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

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

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

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

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

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

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

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

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

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

The School has met the requirements under section 28 of schedule 6 of the Education Act 1989 in relation to the acquisition of 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	40 years
Furniture and equipment	10 years
Information and communication technology	4 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value

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

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

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

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

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

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

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

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

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

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

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

Long-term employee entitlements
Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

• likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and

• the present value of the estimated future cash flows.

p) Revenue Received in Advance
Revenue received in advance relates to fees received from grants received where there are unfulfilled obligations for the School to provide services in the future. The fees are recorded as revenue as the obligations are fulfilled and the fees earned.

The School holds sufficient funds to enable the refund of unearned fees in relation to international students, should the School be unable to provide the services to which they relate.

q) 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).

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.

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

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

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.

2. Government Grants

	2017 Actual $	2017 Budget (Unaudited) $	2016 Actual $
Operational grants	504,552	494,201	525,321
Teachers' salaries grants	1,544,584	1,632,668	1,626,399
Use of Land and Buildings grants	396,551	466,191	497,387
Resource teachers learning and behaviour grants	50,429	-	-
Other MoE Grants	19,257	29,000	46,951
Other government grants	3,524	-	518
	2,518,896	2,622,060	2,696,576

3. Locally Raised Funds

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

	2017 Actual $	2017 Budget (Unaudited) $	2016 Actual $
Revenue			
Donations	23,485	24,500	388,210
Fundraising	38,159	33,860	35,517
Trading	33,131	35,500	34,443
Activities	50,252	58,500	31,232
	145,027	152,360	489,402
Expenses			
Activities	50,563	58,500	32,370
Trading	17,434	23,000	18,933
Fundraising (costs of raising funds)	10,275	4,000	10,951
	78,272	85,500	62,254
Surplus for the year Locally raised funds	66,754	66,860	427,148

4. Learning Resources

	2017 Actual $	2017 Budget (Unaudited) $	2016 Actual $
Curricular	64,218	55,800	79,182
Equipment repairs	-	500	-
Library resources	2,805	2,800	2,994
Employee benefits - salaries	1,677,510	1,771,528	1,739,926
Staff development	26,696	38,500	24,506
	1,771,229	1,869,128	1,846,608

5. Administration

	2017 Actual $	2017 Budget (Unaudited) $	2016 Actual $
Audit Fee	6,740	6,200	6,540
Board of Trustees Fees	3,535	4,000	3,655
Board of Trustees Expenses	1,586	2,300	3,567
Communication	6,316	5,200	5,092
Consumables	32,164	34,400	31,315
Operating Lease	-	38,800	9,589
Other	7,073	9,080	6,844
Employee Benefits - Salaries	96,977	84,000	93,925
Insurance	6,467	6,100	6,641
Service Providers, Contractors and Consultancy	9,774	8,500	9,123
	170,632	198,580	176,291

6. Property

	2017 Actual $	2017 Budget (Unaudited) $	2016 Actual $
Caretaking and Cleaning Consumables	8,409	8,000	8,094
Cyclical Maintenance Expense	10,651	18,500	15,584
Grounds	13,499	13,300	18,455
Heat, Light and Water	23,378	18,050	18,849
Repairs and Maintenance	25,717	18,500	13,390
Use of Land and Buildings	396,551	466,191	497,387
Security	2,166	5,000	5,460
Employee Benefits - Salaries	89,670	86,100	87,783
	570,041	633,641	665,002

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

7. Depreciation

	2017 Actual $	2017 Budget (Unaudited) $	2016 Actual $
Building Improvements	12,028	9,210	26,550
Furniture and Equipment	10,206	7,814	15,326
Information and Communication Technology	10,374	7,943	16,313
Leased Assets	25,934	19,856	28,135
Library Resources	2,844	2,178	3,005
	61,386	47,001	89,329

8. Cash and Cash Equivalents

	2017 Actual $	2017 Budget (Unaudited) $	2016 Actual $
Cash on Hand	200	200	200
Bank Current Account	162,164	51,425	17,673
Bank Call Account	31,203	65,767	140,767
Cash equivalents and bank overdraft for Cash Flow Statement	193,567	117,392	158,640

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

Of the $193,567 Cash and Cash Equivalents, $52,691 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2018 on Crown owned school buildings under the School's Five Year Property Plan.

9. Accounts Receivable

	2017 Actual $	2017 Budget (Unaudited) $	2016 Actual $
Receivables	4,271	7,124	7,124
Receivables from the Ministry of Education	-	27,543	27,543
Interest Receivable	2,575	2,113	2,113
Teacher Salaries Grant Receivable	85,714	94,846	94,846
	92,560	131,626	131,626
Receivables from Exchange Transactions	6,846	9,237	9,237
Receivables from Non-Exchange Transactions	85,714	122,389	122,389
	92,560	131,626	131,626

10. Inventories

	2017 Actual $	2017 Budget (Unaudited) $	2016 Actual $
School Uniforms	2,066	1,466	1,466
	2,066	1,466	1,466

11. Investments

The School's investment activities are classified as follows:

	2017 Actual $	2017 Budget (Unaudited) $	2016 Actual $
Current Asset			
Short-term Bank Deposits	506,684	401,641	401,641
Non-current Asset			
Long-term Bank Deposits	-	-	-

12. Property, Plant and Equipment

2017	Opening Balance (NBV) $	Additions $	Disposals $	Impairment $	Depreciation $	Total (NBV) $
Land	150,000	-	-	-	-	**150,000**
Building Improvements	381,163	-	-	-	(12,028)	**369,135**
Furniture and Equipment	48,531	1,700	(144)	-	(10,206)	**39,881**
Information and Communication Technology	19,356	-	-	-	(10,374)	**8,982**
Leased Assets	63,823	11,925	(5,953)	-	(25,934)	**43,862**
Library Resources	21,032	2,511	(791)	-	(2,844)	**19,909**
Balance at 31 December 2017	683,905	16,136	(6,888)	-	(61,386)	**631,769**

2017	Cost or Valuation $	Accumulated Depreciation $	Net Book Value $
Land	150,000	-	**150,000**
Building Improvements	529,465	(160,330)	**369,135**
Furniture and Equipment	687,305	(647,424)	**39,881**
Information and Communication Technology	131,930	(122,948)	**8,982**
Leased Assets	85,584	(41,722)	**43,862**
Library Resources	59,817	(39,908)	**19,909**
Balance at 31 December 2017	1,644,101	(1,012,332)	**631,769**

2016	Opening Balance (NBV) $	Additions $	Disposals $	Impairment $	Depreciation $	Total (NBV) $
Land	150,000	-	-	-	-	**150,000**
Building Improvements	72,713	335,000	-	-	(26,550)	**381,163**
Furniture and Equipment	55,170	8,696	(9)	-	(15,326)	**48,531**
Information and Communication Technology	35,669	-	-	-	(16,313)	**19,356**
Leased Assets	31,922	60,036	-	-	(28,135)	**63,823**
Library Resources	20,861	3,420	(245)	-	(3,005)	**21,032**
Balance at 31 December 2016	366,335	407,152	(254)	-	(89,329)	**683,905**

2016	Cost or Valuation $	Accumulated Depreciation $	Net Book Value $
Land	150,000	-	**150,000**
Building Improvements	529,465	(148,302)	**381,163**
Furniture and Equipment	687,330	(638,799)	**48,531**
Information and Communication Technology	131,930	(112,574)	**19,356**
Leased Assets	94,860	(31,037)	**63,823**
Library Resources	59,545	(38,513)	**21,032**
Balance at 31 December 2016	1,653,130	(969,225)	**683,905**

13. Accounts Payable

	2017 Actual $	2017 Budget (Unaudited) $	2016 Actual $
Operating creditors	22,211	23,326	23,326
Accruals	6,740	6,640	6,640
Employee Entitlements - salaries	85,714	94,846	94,846
Employee Entitlements - leave accrual	8,051	10,079	10,079
	122,716	134,891	134,891
Payables for Exchange Transactions	122,716	134,891	134,891
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	122,716	134,891	134,891

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2017 Actual $	2017 Budget (Unaudited) $	2016 Actual $
Other	4,553	706	706
	4,553	706	706

15. Provision for Cyclical Maintenance

	2017 Actual $	2017 Budget (Unaudited) $	2016 Actual $
Provision at the Start of the Year	68,336	68,336	61,204
Increase to the Provision During the Year	10,651	18,500	15,584
Adjustment to the Provision	-	-	-
Use of the Provision During the Year	(8,372)	(18,500)	(8,452)
Provision at the End of the Year	70,615	68,336	68,336
Cyclical Maintenance - Current	16,566	32,716	32,716
Cyclical Maintenance - Term	54,049	35,620	35,620
	70,615	68,336	68,336

16. Painting Contract Liability

	2017 Actual $	2017 Budget (Unaudited) $	2016 Actual $
Current Liability	14,391	14,391	14,391
Non Current Liability	14,578	24,234	24,234
	28,969	38,625	38,625

In 2007 the Board signed an agreement with Programmed Maintenance Services Ltd (the contractor) for an agreed programmed of work covering a fourteen year period. The programme provides for an exterior repaint of the Ministry owned buildings in 2014, with regular maintenance in subsequent years. The agreement has an annual commitment of $14,391. 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.

17. Finance Lease Liability

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

	2017 Actual $	2017 Budget (Unaudited) $	2016 Actual $
No Later than One Year	27,247	27,247	31,739
Later than One Year and no Later than Five Years	14,025	14,025	34,352
Later than Five Years	-	-	-
	41,272	41,272	66,091

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:

	2017	Opening Balances $	Receipts from MoE $	Payments $	BOT Contribution/ (Write-off to R&M)	Closing Balances $
Waste Water Plant Repair	*in progress*	-	39,261	6,645	-	32,616
Electrical Repairs	*in progress*	-	15,575	-	-	15,575
Gutter Repair to Block 1	*in progress*	-	4,500	-	-	4,500
Totals		-	59,336	6,645	-	52,691

Represented by:

Funds Held on Behalf of the Ministry of Education	52,691
Funds Due from the Ministry of Education	-
	52,691

19. 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.

20. Remuneration

Key management personnel compensation

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

	2017 Actual $	2016 Actual $
Board Members		
Remuneration	3,535	3,655
Full-time equivalent members	0.22	0.26
Leadership Team		
Remuneration	316,648	253,032
Full-time equivalent members	3	3
Total key management personnel remuneration	320,183	256,687
Total full-time equivalent personnel	3.22	3.26

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

Principal

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

	2017 Actual $000	2016 Actual $000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	130 - 140	120 - 130
Benefits and Other Emoluments	3 - 4	2 - 3
Termination Benefits	-	-

Other Employees

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

Remuneration $000	2017 FTE Number	2016 FTE Number
nil	-	-
	0.00	0.00

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

21. Compensation and Other Benefits Upon Leaving

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

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

22. Contingencies

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

23. Commitments

(a) Capital Commitments

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

(Capital commitments at 31 December 2016: nil)

(b) Operating Commitments

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

	2017 Actual $	2016 Actual $
No later than One Year	-	-
Later than One Year and No Later than Five Years	-	-
Later than Five Years	-	-
	-	-

24. 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.

25. Financial Instruments

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

Loans and receivables

	2017 Actual $	2017 Budget (Unaudited) $	2016 Actual $
Cash and Cash Equivalents	193,567	117,392	158,640
Receivables	92,560	131,626	131,626
Investments - Term Deposits	506,684	401,641	401,641
Total Loans and Receivables	792,811	650,659	691,907

Financial liabilities measured at amortised cost

Payables	122,716	134,891	134,891
Finance Leases	41,272	41,272	66,091
Painting Contract Liability	28,969	38,625	38,625
Total Financial Liabilities Measured at Amortised Cost	192,957	214,788	239,607

26. Events After Balance Date

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

Henderson Valley School

KiwiSport Note

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2017, the school received total Kiwisport funding of $5,012.70 (excluding GST). The funding was spent on a basketball system, bike equipment and repairs and sports equipment. The number of students participating in organised sport remained steady.

MINISTRY OF EDUCATION
TE TĀHUHU O TE MĀTAURANGA

Analysis of Variance Reporting

School Name:	Henderson Valley School	School Number:	1311

Strategic Aim:	• High Achievement
Annual Aim:	• To increase the number of students achieving at or above the National Standard for **READING.**
Target:	**2017 Targets:** • All 23x students who were 'below' the 'After 1 year' Reading National Standard in 2016 - will achieve 'at' or 'above' the 'After 2 years' Reading National Standard by the end of 2017. • All 17x students who were 'well below' the 'After 1 year' Reading National Standard in 2016 - will achieve 'accelerated progress' - by achieving more than one year's progress in one year by the end of 2017.

Baseline Data:	**Analysis of 2016 Reading National Standards data identified that:**
	• 69.2% of ALL students achieved 'at' or 'above' the Reading National Standards.
	• 34.4% of students receiving their 'After 1 year at school' report were 'at' or 'above' the Reading National Standard
	  ○ 37.7% (23/61) of students receiving their 'After 1 year at school ' report were 'below'
	  ○ 27.9% (17/61) of students receiving their 'After 1 year at school ' report were 'well below'

Actions *What did we do?*	Outcomes *What happened?*	Reasons for the variance *Why did it happen?*	Evaluation *Where to next?*

• After reviewing our 2016 OTJ data we identified individual students who needed support in 2017 to accelerate progress and achievement in Reading – most of these children are in Year 2.
• All children identified participated throughout the year in at least one of the following withdrawal intervention/support programmes: Reading Recovery, Rainbow Reading, Learning Staircase/Steps programme.
• Reading progress for all children throughout the school was recorded on eTap, with instructional reading levels/ages documented week 5 & week 10 of each term. This provided a close tracking especially for the identified target students.
• The progress of these children was also monitored by our SENCO.
• Teachers regularly discussed individual students progress, shared strategies, learning tasks and next steps.
• The Yr1-2 teachers attended 3x PLD workshops with a Reading Recovery Tutor, and had 2x Reading PLD sessions with a Literacy consultant (Louise Dempsey) focusing on effective Reading Programmes
	• Of the 23x students who were 'below' the 'After 1 year' Reading National Standard in 2016
	  ○ 2 students left
	  ○ 5/21 (24%) achieved 'at' the 'After 2 year' Reading National Standard in 2017
	• Of the 17x students who were 'well below' the 'after 1 year' Reading National Standard in 2016
	  ○ 3 students left
	  ○ 6/14 (43%) of the students made accelerated progress (achieving more than one year's progress in one year)
	• *Overall Reading data for 2017:*
	  • *45.9% achieved 'at' or 'above' the 'after 1 year' Reading National Standard*
	  • *40.4% achieved 'at' or 'above' the 'after 2 year' Reading National Standard.*
		• 10/21 of the students that were still 'below' the 'after 2 years' standard made pleasing progress, although not accelerated progress.
		• It is also noted that 4 of the children who remained "well below" the 'after 2 years' standard have a range of other special needs with other interventions.
		• It is also noted that some of the children receiving their 'after 2 year' report, received it in Terms 2 or 3 – therefore they had not received a full year of interventions.
		• For those children who made accelerated progress, the success was in the main due to the time and continuity of the students attending intervention/support programmes. Students attending Reading Recovery went 4-5 times per week; students attending Rainbow Reading went 3-4 times per week and students attending Steps went 2-3 times per week.
		• The PLD that Yr 1-2 teachers participated in strengthened some of the strategies teachers were using in class and made them more confident in catering for differentiated learners - however the children's progress didn't show in regards to accelerated learning.
			• We will continue with these intervention/support programmes in 2018.
			• We will also 'evaluate' more closely the impact of the reading interventions/support programmes on Reading levels/ages increasing – to check whether it is the withdrawal programmes out of the classroom that is making the difference – or whether it is something the classroom teachers are doing well in their programme – or a combination of both.
			• Post National Standards, we will continue to track all of our students reading levels/ages in week 5 & 10 each term so we can see and analysis progress.
			• We will set Reading targets next year to accelerate target students progress and to increase the number of students achieving 'at' or 'above' the expected Curriculum Levels – however we will ensure that this is measured over a full year, not being limited to using National Standards data when a child's anniversary occurred in Term 1, 2, or 3.

Planning for next year:

- One of our DP's will be monitoring all Year 1 & 2 class Reading programmes and providing feedback and support to each teacher, to ensure effective Reading Programmes are being taught in all Year 1 & 2 classes. There will also be a continuation of improving whole school moderation of Reading.

School Name:	Henderson Valley School	School Number:	1311

Strategic Ai	• High Achievement
Annual Aim:	• To increase the number of students achieving at or above the National Standard for **WRITING**.
Target:	**2017 Targets:** • All 23x students who were 'below' the 'End Year 5' Writing National Standard in 2016 - will achieve 'at' or 'above' the 'End Year 6' Writing National Standard by the end of 2017. • All 9x students who were 'well below' the 'End Year 5' Writing National Standard in 2016 - will achieve 'accelerated progress' - by achieving more than one year's progress in one year by the end of 2017.

Baseline Data:	**Baseline Data: Analysis of 2016 Writing National Standards data identified that:**
	• 58.4% of ALL students achieved 'at' or 'above' the Writing National Standards
	  ○ 30.7% (23/75) of students receiving their 'End Year 5 ' report were 'below'
	  ○ 12.0% (9/75) of students receiving their 'End Year 5' report were 'well below'

Actions *What did we do?*	Outcomes *What happened?*	Reasons for the variance *Why did it happen?*	Evaluation *Where to next?*

• After reviewing and analysing the OTJ data from 2016 we identified individual students who needed priority support to achieve accelerated progress in Writing.
• The Year 5 & 6 teachers had a focus on Writing throughout the year with their whole class. This included a focus on identified "target students" for Writing as part of their "Teaching as Inquiry".
• All Year 5 & 6 teachers participated in a series of PLD days/workshops throughout the year provided by a Literacy consultant (Louise Dempsey) – focusing on developing effective writing programmes, writing plans that allow for differentiation and setting goals with target students
• Teachers used 'Writing Goal Sheets' with all students – with goals co-constructed between child and teacher.
• All teachers took part in two whole-school writing moderation sessions (Term 1 & 4). In Term 1 children wrote a recount and the OTJ for that piece of writing was moderated. Teachers specifically planned and taught a 'recount genre' unit throughout the year, and then in Term 4 students wrote another 'recount' – and value added was analysed.
	• Of the 23x students who were 'below' the End of Year 5 Writing National Standard at the end of 2016:
	  • 15/23 (22%) achieved 'at' the 'End Year 6' Writing National Standard in 2017
	• Of the 9x students who were 'well below' the End of Year 5 Writing National Standard at the end of 2016:
	  • 4/9 (44%) achieved accelerated progress (achieving more than one year's progress in one year)
	All of the Year 5 & 6 teachers developed more confidence in planning for and teaching writing. As a team they developed a number of 'writing genre' plans with a range of appropriate resources to cater for the varying needs in their class.
	Overall Writing data for 2017:
	• *60% achieved 'at' or 'above' the End of Year 6 Writing National Standard*
	  ○ *this is an increase from 57.4% in 2016 (from the same cohort of children)*
		• Although <u>all</u> of the target children anecdotally made some progress, this was not specifically seen in the data. However it was seen in their writing books and on their individual Writing Goals Sheets where many goals were achieved.
		• Midway through the year, when the Year 5 & 6 teachers moderated interim OTJs for mid year reports - some teachers made OTJs for children that were perhaps a little too 'generous'. As the second half of the year progressed and OTJs were moderated for the end of year report – it appeared that some children made no progress, however it was more due to the teachers modifying their understanding of making OTJs.
			• We will continue to use our 'Progress and Achievement Indicators for Writing' as a basis to inform teaching, track student progress and achievement, and as a basis for moderation when teachers are making OTJs.
			• We will continue to use our 'Writing Goal Sheets' in every child's writing book – so each child's progress and next learning steps are visible to all stakeholders. Teachers will continue to co-construct current writing goals with children.
			• We will continue to conduct two whole school writing moderation sessions in 2018 (Term 1 & 4) – facilitated by a Literacy Consultant – to continue building a shared understanding of writing levels and teams of teachers will follow a moderation process before finalising OTJs for reporting to parents. This will involve a close look at samples of writing and having discussions to justify an OTJ.

Planning for next year:

- Whole school writing moderation will continue to be a focus for all teachers in 2018 – and with a number of new teachers starting in 2018, we will organise for Writing PLD by the same Literacy consultant so that our school expectations around teaching and assessment in writing is consistent.

School Name:	Henderson Valley School	School Number:	1311

Strategic Aim:	• High Achievement
Annual Aim:	• To increase the number of students achieving at or above the National Standard for **MATHS**.
Target:	**2017 Targets:** • All 16x students who were 'below' the 'After 3 years' Maths National Standard in 2016 - will achieve 'at' or 'above' the 'End Year 4' Maths National Standard by the end of 2017. • All 18x students who were 'below' the 'After 2 years' Maths National Standard in 2016 – will achieve 'at' or 'above' the 'After 3 years' Maths National Standards by the end of 2017. • The 1x student who was 'well below' the 'After 3 years' – and the 7x students who were 'well below' the 'After 2 years' Maths National Standard in 2016 - will achieve 'accelerated progress' - by achieving more than one year's progress in one year by the end of 2017.

Baseline Data:	**Baseline Data: Analysis of 2016 Maths National Standards data identified that:**
	• 75.0% of ALL students achieved 'at' or 'above' the Maths National Standards
	  ○ 34.8% (16/46) of students receiving their 'After 3 years' report were 'below'
	  ○ 2.2% (1/46) of students receiving their 'After 3 years' report were 'well below'
	  ○ 25.7% (18/70) of students receiving their 'After 2 years' report were 'below'
	  ○ 10.0% (7/70) of students receiving their 'After 2 years' report were 'well below'

Actions *What did we do?*	Outcomes *What happened?*	Reasons for the variance *Why did it happen?*	Evaluation *Where to next?*
• After reviewing our 2016 OTJ data we identified individual students who needed support to accelerate progress and achievement in Reading. • The Year 3 & 4 teachers established and implemented "Accelerated Learning Plans' for their identified target students – adapting their programme to cater for the different learning needs. This formed part of the teacher's Teaching As Inquiry focus. • The Year 3 & 4 teachers participated in a series of Maths PLD workshops and had ongoing support in class facilitated by one of our Deputy Principals (Zain Thompson). The PLD was on "Mathematical Inquiry Communities", with a focus on problems solving and mixed ability groups.	• Of the 16x students who were 'below' the 'after 3 years' Mathematics National Standard in 2016: o 1x student left o 10/15 (67%) achieved 'at' or 'above' the End Year 4 Maths National Standard in 2017 • Of the 18x students that were 'below' the 'after 2 years' Maths National Standards in 2016: o 1x student left o 3/17 (18%) achieved 'at' or 'above' the 'after 3 years' Maths National Standard in 2017 • Of the 1x student who was 'well below' the 'after 3 years' Maths National Standard: o 1x achieved 'accelerated progress' by moving from 'well below' to 'below'	• The success of the 10/15 students achieving 'at' or 'above' the End of Year 4 Maths National Standard was due to: o The Mathematical Inquiry Communities PLD provided to teachers by our DP throughout the year, with ongoing and regular support e.g. observations, feedback, modelling, co-teaching o A fortnightly focus in the Year 3/4 Team meetings where teachers reflected on their teaching and the needs of target students, they shared their successes and challenges and they planned together o 2x Year 4 teachers in particular took on board new ideas and developed more confidence	• Due to the success of the Mathematical Inquiry Communities PLD facilitated by our DP, we will extend this to having as a focus for all teachers in 2018. We see that the potential impact on student learning could be much broader than just in maths. It focuses a lot on effective pedagogy that is cross-curricula, develops growth mindsets & student agency. • We will review school-wide how and what teachers are assessing in maths, and the evidence teachers are using to make OTJs.

Planning for next year:

- Maths Inquiry Communities will be a whole school PLD focus, facilitated by our DP. This will include 4 staff meetings per term, support in team meetings and at an individual level (observations, feedback, modelling, co-teaching, discussion). Targets will be set to increase the number of 2018 Year 4 students achieving 'at' or 'above' expected Curriculum Levels

Independent Auditor's Report

To the readers of Henderson Valley School's Financial statements For the year ended 31 December 2017

RSM Hayes Audit

PO Box 9588
Newmarket, Auckland 1149
Level 1, 1 Broadway
Newmarket, Auckland 1023

T +64 (9) 367 1656
www.rsmnz.co.nz

The Auditor-General is the auditor of Henderson Valley School (the School). The Auditor-General has appointed me, Jason Stinchcombe, 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 3 to 21, that comprise the statement of financial position as at 31 December 2017, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
  - its financial position as at 31 December 2017; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime.

Our audit was completed on 25 May 2018. This is the date at which our opinion is expressed.

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

Basis 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

RSM Hayes Audit is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practises in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information 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 Valley School.

Jason Stinchcombe
RSM Hayes Audit
On behalf of the Auditor-General
Auckland, New Zealand