



Halswell School
Many hearts make a school

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

School Address:	437 Halswell Road, Halswell, Christchurch
School Postal Address:	437 Halswell Road, Halswell, Christchurch, 8025
School Phone:	03 322 7038
School Email:	admin@halswell.school.nz
Ministry Number:	3366

HALSWELL SCHOOL

Financial Statements - For the year ended 31 December 2017

Index

Page	Statement
<u>1</u>	Statement of Responsibility
<u>2</u>	Statement of Comprehensive Revenue and Expense
<u>3</u>	Statement of Changes in Net Assets/Equity
<u>4</u>	Statement of Financial Position
<u>5</u>	Statement of Cash Flows
<u>6</u>	Statement of Accounting Policies
<u>11</u>	Notes to the Financial Statements

Halswell 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.

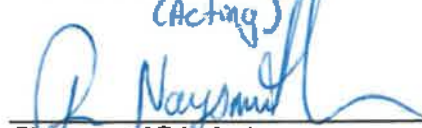
The School's 2017 financial statements are authorised for issue by the Board.


Full Name of Board Chairperson


Signature of Board Chairperson

30/10/2018.
Date:


Full Name of Principal

(Acting)

Signature of Principal

30/10/2018
Date:

Halswell 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	4,850,510	4,786,015	4,608,625
Locally Raised Funds	3	407,780	398,000	316,904
Interest Earned		13,148	10,000	19,935
International Students	4	203,525	160,000	143,031
		<u>5,474,963</u>	<u>5,354,015</u>	<u>5,088,495</u>
Expenses				
Locally Raised Funds	3	287,626	280,000	210,803
International Students	4	89,506	70,600	27,865
Learning Resources	5	3,078,265	3,120,006	2,871,974
Administration	6	222,068	231,495	224,339
Finance Costs		1,839	-	364
Property	7	1,721,994	1,693,521	1,650,017
Depreciation	8	186,807	75,000	153,449
Loss on Disposal of Property, Plant and Equipment		10,015	-	32,782
		<u>5,598,120</u>	<u>5,470,622</u>	<u>5,171,593</u>
Net (Deficit)		(123,157)	(116,607)	(83,098)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(123,157)</u>	<u>(116,607)</u>	<u>(83,098)</u>

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



Halswell 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	1,339,133	1,339,133	1,422,231
Total comprehensive revenue and expense for the year	(123,157)	(116,607)	(83,098)
Equity at 31 December	1,215,976	1,222,526	1,339,133
Retained Earnings	1,215,976	1,222,526	1,339,133
Equity at 31 December	1,215,976	1,222,526	1,339,133

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



Halswell School
Statement of Financial Position
As at 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Current Assets				
Cash and Cash Equivalents	9	286,340	171,671	213,278
Accounts Receivable	10	211,504	201,109	201,109
GST Receivable		-	11,719	11,719
Prepayments		9,735	43,597	43,597
Inventories	11	-	5,110	5,110
Investments	12	110,000	172,867	172,867
Funds owing for Capital Works Projects	18	2,038	-	-
		<u>619,617</u>	<u>606,073</u>	<u>647,680</u>
Current Liabilities				
GST Payable		11,244	-	-
Accounts Payable	14	178,389	159,822	159,822
Revenue Received in Advance	15	250,702	126,164	126,164
Finance Lease Liability - Current Portion	16	11,964	4,744	4,744
Funds held in Trust	17	36,445	-	-
		<u>488,744</u>	<u>290,730</u>	<u>290,730</u>
Working Capital Surplus/(Deficit)		130,873	315,343	356,950
Non-current Assets				
Investments (more than 12 months)	12	170,000	110,000	110,000
Property, Plant and Equipment	13	932,146	806,636	881,636
		<u>1,102,146</u>	<u>916,636</u>	<u>991,636</u>
Non-current Liabilities				
Finance Lease Liability	16	17,043	9,453	9,453
		<u>17,043</u>	<u>9,453</u>	<u>9,453</u>
Net Assets		<u><u>1,215,976</u></u>	<u><u>1,222,526</u></u>	<u><u>1,339,133</u></u>
Equity		<u><u>1,215,976</u></u>	<u><u>1,222,526</u></u>	<u><u>1,339,133</u></u>

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



Halswell School
Statement of Cash Flows
For the year ended 31 December 2017

		2017	2017	2016
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		909,937	835,469	855,125
Locally Raised Funds		395,916	362,803	281,707
International Students		328,063	227,531	210,563
Goods and Services Tax (net)		22,963	1,030	1,030
Payments to Employees		(616,568)	(589,404)	(517,342)
Payments to Suppliers		(783,186)	(757,063)	(802,071)
Cyclical Maintenance Payments in the year		-	(14,000)	-
Interest Received		13,024	16,350	26,285
Net cash from / (to) the Operating Activities		270,149	82,716	55,297
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	-	(32,782)
Purchase of PPE (and Intangibles)		(225,690)	(135,593)	(185,278)
Purchase of Investments		2,867	-	(2,867)
Net cash from / (to) the Investing Activities		(222,823)	(135,593)	(220,927)
Cash flows from Financing Activities				
Finance Lease Payments		(8,671)	14,197	(1,482)
Funds Held for Capital Works Projects	18	(2,038)	-	-
Funds Administered on Behalf of Third Parties		36,445	(2,927)	(2,927)
Net cash from Financing Activities		25,736	11,270	(4,409)
Net increase/(decrease) in cash and cash equivalents		73,062	(41,607)	(170,039)
Cash and cash equivalents at the beginning of the year	9	213,278	213,278	383,316
Cash and cash equivalents at the end of the year	9	286,340	171,671	213,278

The statement of cash flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries and the use of land and buildings grant and expense have been omitted.

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



Halswell School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2017

1.1. Reporting Entity

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

1.2. Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 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 13.



Critical Judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

Classification of leases

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 16.

Recognition of grants

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

1.3. Revenue Recognition

Government Grants

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

1.4. Use of Land and Buildings Expense

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

1.5. Operating Lease Payments

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

1.6. Finance Lease Payments

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

1.7. Cash and Cash Equivalents

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

1.8. Accounts Receivable

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

1.9. Inventories

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

1.10. Investments

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

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

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

The School has met the requirements under section 28 of schedule 6 of the Education Act 1989 in relation to the acquisition of securities.

1.11. Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$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:

Buildings & Improvements	10-50 years
Furniture and equipment	5-10 years
Information and communication technology	4-5 years
Motor vehicles	5 years
Leased Assets	3 years
Library resources	12.5% Diminishing value

1.12. Impairment of property, plant and equipment and intangible assets

The school does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

Non cash generating assets

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

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

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

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

1.13. Accounts Payable

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

1.14. Employment Entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

Long-term employee entitlements

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

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows



1.15. Revenue Received in Advance

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

1.16. Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

1.17. Provision for Cyclical Maintenance

The property from which the School operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).

1.18. 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.

1.19. Goods and Services Tax (GST)

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

1.20. Budget Figures

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

1.21. 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	2017 Budget	2016
	Actual	(Unaudited)	Actual
	\$	\$	\$
Operational grants	864,173	793,109	810,745
Teachers' salaries grants	2,489,608	2,489,608	2,345,792
Use of Land and Buildings grants	1,450,965	1,450,965	1,397,735
Other MoE Grants	43,608	44,333	54,353
Other government grants	2,156	8,000	-
	4,850,510	4,786,015	4,608,625

3. Locally Raised Funds

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

	2017	2017 Budget	2016
	Actual	(Unaudited)	Actual
	\$	\$	\$
Revenue			
Donations	165,874	198,000	134,788
Fundraising	22,354	32,000	-
Other revenue	27,368	10,000	15,686
Trading	16,505	16,000	22,107
Activities	175,679	142,000	144,323
	407,780	398,000	316,904
Expenses			
Activities	279,028	274,000	198,610
Trading	8,598	6,000	12,002
Other Locally Raised Funds Expenditure	-	-	191
	287,626	280,000	210,803
Surplus for the year Locally raised funds	120,154	118,000	106,100

4. International Student Revenue and Expenses

	2017	2017 Budget	2016
	Actual	(Unaudited)	Actual
	Number	Number	Number
International Student Roll	27	13	4
	2017	2017 Budget	2016
	Actual	(Unaudited)	Actual
	\$	\$	\$
Revenue			
International student fees	203,525	160,000	143,031
Expenses			
Advertising	1,550	5,000	5,291
Commissions	20,428	18,000	8,213
Recruitment	696	6,000	12,805
International student levy	3,984	850	1,556
Employee Benefit - Salaries	50,868	30,000	-
Other Expenses	11,980	10,750	-
	89,506	70,600	27,865
Surplus for the year International Students	114,019	89,400	115,167



5. Learning Resources

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	212,971	287,685	213,714
Equipment repairs	539	4,000	5,808
Information and communication technology	959	500	4,512
Library resources	5,497	4,600	2,706
Employee benefits - salaries	2,835,307	2,803,641	2,626,359
Staff development	22,992	19,580	18,875
	<u>3,078,265</u>	<u>3,120,006</u>	<u>2,871,974</u>

6. Administration

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	3,759	3,800	3,045
Board of Trustees Fees	4,351	9,000	8,129
Board of Trustees Expenses	13,091	9,480	10,259
Communication	7,688	10,500	13,176
Consumables	27,407	27,500	28,139
Operating Lease	17,290	10,500	25,573
Other	12,521	14,700	2,274
Employee Benefits - Salaries	123,280	131,300	118,781
Insurance	7,631	8,215	8,431
Service Providers, Contractors and Consultancy	5,050	6,500	6,532
	<u>222,068</u>	<u>231,495</u>	<u>224,339</u>

7. Property

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	11,743	11,000	10,743
Consultancy and Contract Services	-	-	-
Cyclical Maintenance Provision	-	14,000	-
Grounds	17,870	28,900	53,008
Heat, Light and Water	63,188	63,494	47,414
Rates	9,921	10,000	9,679
Repairs and Maintenance	50,675	18,162	30,516
Use of Land and Buildings	1,450,965	1,450,965	1,397,735
Employee Benefits - Salaries	117,632	97,000	100,922
	<u>1,721,994</u>	<u>1,693,521</u>	<u>1,650,017</u>

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



8. Depreciation of Property, Plant and Equipment

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements	23,697	5,000	15,665
Furniture and Equipment	73,360	30,000	58,734
Information and Communication Technology	79,306	36,000	74,574
Leased Assets	6,801	1,000	836
Library Resources	3,643	3,000	3,640
	<u>186,807</u>	<u>75,000</u>	<u>153,449</u>

9. Cash and Cash Equivalents

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Current Account	69,090	171,671	213,278
Bank Call Account	217,250	-	-
Cash equivalents and bank overdraft for Cash Flow Statement	<u>286,340</u>	<u>171,671</u>	<u>213,278</u>

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

10. Accounts Receivable

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	65,448	53,584	53,584
Interest Receivable	1,925	1,801	1,801
Teacher Salaries Grant Receivable	144,131	145,724	145,724
	<u>211,504</u>	<u>201,109</u>	<u>201,109</u>
Receivables from Exchange Transactions	67,373	55,385	55,385
Receivables from Non-Exchange Transactions	144,131	145,724	145,724
	<u>211,504</u>	<u>201,109</u>	<u>201,109</u>

11. Inventories

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	-	5,110	5,110
	<u>-</u>	<u>5,110</u>	<u>5,110</u>



12. Investments

The School's investment activities are classified as follows:

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	110,000	172,867	172,867
Non-current Asset			
Long-term Bank Deposits	170,000	110,000	110,000

13. Property, Plant and Equipment

	Opening	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	Balance (NBV)					
2017	\$	\$	\$	\$	\$	\$
Building Improvements	209,082	2,736	-	-	(23,697)	188,121
Furniture and Equipment	425,733	168,064	(1,245)	-	(73,360)	519,192
Information and Communication	204,124	45,195	-	-	(79,306)	170,013
Leased Assets	14,478	21,642	-	-	(6,801)	29,319
Library Resources	25,483	12,432	(8,771)	-	(3,643)	25,501
Work in Progress	2,736	(2,736)	-	-	-	-
Balance at 31 December 2017	881,636	247,333	(10,016)	-	(186,807)	932,146

	Cost or	Accumulated	Net Book
	Valuation	Depreciation	Value
2017	\$	\$	\$
Building Improvements	344,405	(156,284)	188,121
Furniture and Equipment	905,764	(386,572)	519,192
Information and Communication	529,216	(359,203)	170,013
Leased Assets	36,956	(7,637)	29,319
Library Resources	53,599	(28,098)	25,501
Balance at 31 December 2017	1,869,940	(937,794)	932,146

	Opening	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	Balance (NBV)					
2016	\$	\$	\$	\$	\$	\$
Building Improvements	78,189	146,558	-	-	(15,665)	209,082
Furniture and Equipment	454,206	59,225	(28,964)	-	(58,734)	425,733
Information and Communication	273,190	5,507	-	-	(74,574)	204,124
Leased Assets	-	15,314	-	-	(836)	14,478
Library Resources	26,173	6,769	(3,818)	-	(3,640)	25,483
Work in Progress	2,736	-	-	-	-	2,736
Balance at 31 December 2016	834,494	233,373	(32,782)	-	(153,449)	881,636

	Cost or	Accumulated	Net Book
	Valuation	Depreciation	Value
2016	\$	\$	\$
Building Improvements	341,669	(132,587)	209,082
Furniture and Equipment	752,173	(326,440)	425,733
Information and Communication	484,021	(279,897)	204,124
Leased Assets	15,314	(836)	14,478
Library Resources	57,297	(31,814)	25,483
Work in Progress	2,736	-	2,736
Balance at 31 December 2016	1,653,210	(771,574)	881,636

The net carrying value of equipment held under a finance lease is \$29,319 (2016: \$14,478)

14. Accounts Payable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operating creditors	3,732	9,408	9,408
Accruals	9,174	4,249	4,249
Banking staffing overuse	3,600	-	-
Employee Entitlements - salaries	146,395	143,697	143,697
Employee Entitlements - leave accrual	15,488	2,468	2,468
	<u>178,389</u>	<u>159,822</u>	<u>159,822</u>
Payables for Exchange Transactions	178,389	159,822	159,822
	<u>178,389</u>	<u>159,822</u>	<u>159,822</u>

The carrying value of payables approximates their fair value.

15. Revenue Received in Advance

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
International Student Fees	250,702	126,164	126,164
	<u>250,702</u>	<u>126,164</u>	<u>126,164</u>

16. Finance Lease Liability

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
No Later than One Year	14,302	5,927	5,927
Later than One Year and no Later than Five Years	18,453	10,372	10,372
Later than Five Years	-	-	-
	<u>32,755</u>	<u>16,299</u>	<u>16,299</u>

17. Funds Held in Trust

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	36,445	-	-
	<u>36,445</u>	<u>-</u>	<u>-</u>

These funds are held where the school is agent for representative amounts and therefore these are not included in the Statement of Comprehensive Revenue and Expense.



18. Funds Held for Capital Works

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

	2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Rebuild	<i>In progress</i>	-	-	2,038	-	(2,038)
Totals		-	-	2,038	-	(2,038)

Represented by:

Funds Due from the Ministry of Education

2,038
(2,038)

	2016	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
MOE Rebuild	<i>Completed</i>	37,589	-	26,439	(64,028)	-
Totals		37,589	-	26,439	(64,028)	-

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, Associate Principal and Team Leaders.

	2017 Actual \$	2016 Actual \$
<i>Board Members</i>		
Remuneration	4,351	8,129
Full-time equivalent members	0.36	1.16
<i>Leadership Team</i>		
Remuneration	753,913	683,984
Full-time equivalent members	7.50	7.00
Total key management personnel remuneration	758,264	692,113
Total full-time equivalent personnel	7.86	8.16

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 - Principal 1	140 - 150	140-150
Benefits and Other Emoluments	10 - 20	15-16
Termination Benefits	0 - 0	0 - 0

Other Employees

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

Remuneration \$	2017 FTE Number	2016 FTE Number
110 - 120	-	-
100 - 110	-	-
	-	-

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 (except as noted below) 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 not entered into any contract agreements for capital works.

(Capital commitments at 31 December 2016: nil)

(b) Operating Commitments

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

- (a) operating lease of EFT-pos Terminal;
- (b) operating lease of laptops

	2017 Actual \$	2016 Actual \$
No later than One Year	3,562	10,400
Later than One Year and No Later than Five Years	-	3,562
Later than Five Years	-	-
	<u>3,562</u>	<u>13,962</u>

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	286,340	171,671	213,278
Receivables	211,504	201,109	201,109
Investments - Term Deposits	280,000	282,867	282,867
Total Loans and Receivables	<u>777,844</u>	<u>655,647</u>	<u>697,254</u>

Financial liabilities measured at amortised cost

Payables	178,389	159,822	159,822
Finance Leases	29,007	14,197	14,197
Total Financial Liabilities Measured at Amortised Cost	<u>207,396</u>	<u>174,018</u>	<u>174,018</u>

26. Cyclical Maintenance

Halswell School has an obligation to the Ministry of Education to maintain in good order and repair at all time the land, buildings and other facilities on the School site. The School is part of the Christchurch Schools Rebuild Programme which will result in the School's buildings either being repaired or rebuilt in the future. At the present time there is significant uncertainty over how the programme will affect the School. As a result, the School cannot make a reliable estimate of the maintenance required on the School's buildings so no cyclical maintenance provision has been recognised, even though the School will be required to maintain any buildings that are not replaced.

27. Events After Balance Date

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



28. Breach of Deadline

The Board of Trustees has failed to comply with section 87C of the Education Act 1989 in that the Board did not report by 31 May 2018, the date fixed by the Ministry of Education, by which schools were required to have sent their financial statements to the Ministry of Education.





Kiwisport is a Government funding initiative to support students' participation in organised sport. During 2017, the school received total Kiwisport funding of \$8848.00 (excluding GST).

The funding was spent on :-

• Swimming sports and triathlon (entry and transport)	573.91
• Swimming sports and triathlon (entry and transport)	265.22
• Swimming sports and triathlon (entry and transport)	430.43
• Swimming sports and triathlon (entry and transport)	535.65
• Swimming sports and triathlon (entry and transport)	313.48
• Keely Sports - Winter Sport Programme	360.00
• Badminton and Volleyball poles	1082.96
• Sports equipment - match balls	78.26
• Annual commitment to Selwyn Sports Trust	2400.00
• Sports equipment for sports competitions	711.57
• Subscription to Primary Sport Canterbury	1047.83
• Sports equipment for students e.g. hockey sticks, basketballs, table tennis paddles, badminton shuttles, touch rugby balls etc	1330.00
• Athletics sports (Transport)	320.75
	1200.00



School Name:	Halswell School	School Number:	3366
Strategic Aim:	To meet the needs of all learners.		
Annual Aim:	To decrease the number of students across the school achieving "below" or "well below" the National Standard in reading.		
Target:	Year 2 -The group of 16 Year 2 students below the reading standard at the end of 2015 will have made more than one year's progress and be at or above the standard at the end of 2016.		
Baseline Data:	Year 2 -18 Year 2 students were "below" the National Standard in reading at the end of 2015.		

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<ul style="list-style-type: none"> ● Set up an enrichment register for each Learning Centre to monitor progress of priority learners ● Keep abreast of best learning practices and trial new ideas. ● Use School's Self-Directed Learning Progressions to further improve each pupils' engagement and self-motivation. All students will know and be involved in setting their own goals. Students will be regularly conferenced ● Teachers continue to develop and improve innovative, engaging and exciting reading programmes so children enjoy reading ● Teachers share results of focussed reading TAIs from 2015. Discuss and implement methods that had results 	<p>0 student well below National Standard 1 student below National Standard 1 making accelerated progress towards National Standard 15 at or above National Standard</p> <p>Children have become more able self managers in their reading. There has been a huge surge in self-confidence and enjoyment as seen in observations and parent reports. We have been enjoying more settled reading sessions as the children as assigned to Daily 5 type tasks.</p>	<p>What worked well</p> <ul style="list-style-type: none"> ● TAI's were focussed on reading - e.g. high frequency words, fluency ● Children identified early in Term 1 ● We met with the parents early on and got them involved in the process ● Trialling different MLE approaches. The fluidity of the grouping made it very easy to teach to the needs ● Reading Recovery ● Use of Technology - ipads - Quick Voice for fluency ● Able to group where they need to be with an MLE - able to easily move them to a more appropriate group ● Enrichment programmes including Reading Recovery and Literacy Support, Early Words, Repeated Reading have been hugely beneficial ● Introduction of Daily 5 tasks including Word Work 	<p>Next year, we will start straight away with the reading task board with the Daily 5 as this seems to be working well. We will follow all the success criteria especially the early identification and sharing of the children identified on our group data spreadsheets. Early parent contact is also essential and we will ensure we have the contacts established with Meet the Class Afternoon Tea early in the first few weeks.</p> <p>We will continue with the Teacher Aide intervention especially Early Words and Re- reading. With the extra teacher Aide hours available next year we will be able to enhance these programmes even further.</p> <p>Next year we will have to ensure that the BT Renee is trained in phonics. It would also be a good idea to send some teachers on the Early Words course. These two courses will need extra funding.</p>

- Modern Learning Practice (MLP) used to support deliberate acts of teaching to meet explicit needs.
- Additional support for priority learners provided by Y0-4 AP , RR teacher and Teacher Aides working with groups in Learning Centres e.g Literacy Support Programme, Phonological Awareness Group, Reading Recovery
- Enrichment programme in place to support the learning needs of priority learners. This includes both specific withdrawal programmes e.g Early Words, Repeated Reading and teacher aides working within learning centres
- Have regular contact with parents to inform them and help them to understand how to help at home.

Buddy reading - our timetables just aren't compatible to find suitable times.

We are also planning to trial the Quick60 programme with 1-2 small groups of Year 2's. These groups will be taken by the AP and/or RR teacher

Planning for next year:

- We are thrilled with the outcomes of this target so intend to take a similar approach to reading instruction in Year 2 in 2018

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF HALSWELL SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

Opinion

We have audited the financial statements of the School on pages 2 to 19, 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 Cash Flow Statement for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

Our audit was completed on 30 October 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.

Emphasis of Matter

Without modifying our opinion, we draw your attention to note 26 Cyclical Maintenance on page 18. The provision for cyclical maintenance has been reversed due to there being a significant uncertainty about what property maintenance the School is obliged to carry out because it is part of the Christchurch Schools Rebuild Programme. We consider the disclosure to be adequate.

Responsibilities of the Board of Trustees for the financial statements

The Board of Trustees is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Trustees is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board of Trustees is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related

to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.

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

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

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the information included on pages 20 to 24, but does not include the financial statements, and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

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



Kenneth Sandri
Crowe Horwath New Zealand Audit Partnership
On behalf of the Auditor-General
Christchurch, New Zealand