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New Zealand Audit Partnership
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INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF HEDDON BUSH SCHOOLS'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

The Auditor-General is the auditor of Heddon Bush 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 1 to 17, that comprise the Statement of Financial Position as at 31 December 2016, 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 2016; 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 May 2017.This is the date at which our opinion is expressed.

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

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Responsibilities of the Board of Trustees for the financial statements

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.

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

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- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities 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 18 to 21, 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
Invercargill, New Zealand

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HEDDON BUSH SCHOOL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

School Address: 233 Hall Road, RD 3 WINTON 9783

School Postal Address: 233 Hall Road, RD 3 WINTON 9783

School Phone: 03 2361144

School Email: office@heddonbush.school.nz

Ministry Number: 3963

HEDDON BUSH SCHOOL

Financial Statements - For the year ended 31 December 2016

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Heddon Bush School

Statement of Responsibility

For the year ended 31 December 2016

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 2016 fairly reflects the financial position and operations of the school.

The School's 2016 financial statements are authorised for issue by the Board.

Donald Kidd	Esther Hamilton
Signature of Board Chairperson	Signature of Principal
Date: 30/5/17	Date: 30/5/17

Heddon Bush School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2016

	Notes	2016 Actual $	2016 Budget (Unaudited) $	2015 Actual $
Revenue				
Government Grants	2	659,446	542,132	614,446
Locally Raised Funds	3	26,689	19,500	23,172
Interest Earned		5,893	4,180	8,663
		692,028	565,812	646,281
Expenses				
Locally Raised Funds	3	72,272	66,000	65,072
Learning Resources	4	375,417	379,603	359,616
Administration	5	28,854	28,100	25,088
Property	6	174,086	26,944	140,860
Depreciation	7	36,007	35,580	43,419
		686,677	536,227	634,055
Net Surplus / (Deficit)		5,351	29,585	12,226
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		5,351	29,585	12,226

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

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Heddon Bush School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2016

	Actual 2016 $	Budget (Unaudited) 2016 $	Actual 2015 $
Balance at 1 January	430,319	436,841	418,093
Total comprehensive revenue and expense for the year	5,351	29,585	12,226
Equity at 31 December	435,670	466,426	430,319
Retained Earnings	435,670	466,426	430,319
Reserves	-	-	-
Equity at 31 December	435,670	466,426	430,319

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

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Heddon Bush School

Statement of Financial Position

As at 31 December 2016

	Notes	2016 Actual $	2016 Budget (Unaudited) $	2015 Actual $
Current Assets				
Cash and Cash Equivalents	8	253,751	268,000	203,352
Accounts Receivable	9	18,383	32,500	21,390
GST Receivable		13,636	13,000	-
Inventories	10	955	955	955
Investments	11	84,426	83,000	81,092
		371,151	397,455	306,789
Current Liabilities				
GST Payable		-	-	12,897
Accounts Payable	13	41,011	51,000	25,884
Provision for Cyclical Maintenance	14	52,637	13,000	27,429
Finance Lease Liability - Current Portion	15	4,931	-	-
Funds held for Capital Works Projects	16	(662)	-	-
		97,917	64,000	66,210
Working Capital Surplus/(Deficit)		273,234	333,455	240,579
Non-current Assets				
Property, Plant and Equipment	12	186,700	157,881	197,740
		186,700	157,881	197,740
Non-current Liabilities				
Provision for Cyclical Maintenance	14	10,000	24,910	8,000
Finance Lease Liability	15	14,262	-	-
		24,262	24,910	8,000
Net Assets		435,670	466,426	430,319
Equity		435,670	466,426	430,319

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

Heddon Bush School

Statement of Cash Flows

For the year ended 31 December 2016

	Note	2016 Actual $	2016 Budget (Unaudited) $	2015 Actual $
Cash flows from Operating Activities				
Government Grants		240,791	242,132	118,503
Locally Raised Funds		26,188	19,300	125,061
Goods and Services Tax (net)		(26,533)	(26,000)	(1,790)
Payments to Employees		(70,168)	(67,999)	(70,141)
Payments to Suppliers		(115,965)	(140,449)	(117,655)
Interest Received		5,893	4,180	8,664
Net cash from / (to) the Operating Activities		60,167	31,164	62,643
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	-	(361)
Purchase of PPE (and Intangibles)		(6,419)	836	(3,312)
Purchase of Investments		(3,334)	32,000	36,428
Proceeds from Sale of Investments		-	-	-
Net cash from / (to) the Investing Activities		(9,753)	32,836	32,756
Cash flows from Financing Activities				
Finance Lease Payments		645	-	-
Funds Administered on Behalf of Third Parties		(661)	-	-
Net cash from Financing Activities		(16)	-	-
Net increase/(decrease) in cash and cash equivalents		50,399	64,000	95,399
Cash and cash equivalents at the beginning of the year	8	203,352	204,000	107,953
Cash and cash equivalents at the end of the year	8	253,751	268,000	203,352

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.

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Heddon Bush School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2016

a) Reporting Entity

Heddon Bush 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 2016 to 31 December 2016 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

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

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

Classification of leases
The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 15.

Recognition of grants
The School reviews the grants monies received at the end of each reporting period and whether any require a provision to 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.

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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) 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.

j) 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.

k) Investments
Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance.

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 bank term deposits are measured at amortised cost using the effective interest method less impairment.

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

The School has met the requirements under section 73 of the Education Act 1989 in relation to the acquisition of securities.

l) 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.

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Leased Assets
Leases where the School assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets acquired by way of finance lease are measured at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Leased assets and corresponding liability are recognised in the Statement of Financial Position and leased assets are depreciated over the period the School is expected to benefit from their use or over the term of the lease.

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

The estimated useful lives of the assets are:

Building improvements – Crown	10–75 years
Furniture and equipment	5–20 years
Information and communication technology	4–5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	3-5 years
Library resources	12.5% Diminishing value

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as

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) 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.

o) 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).

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p) 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.

q) 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.

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

s) 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

	2016 Actual $	2016 Budget (Unaudited) $	2015 Actual $
Operational grants	120,046	114,000	112,509
Teachers' salaries grants	304,843	300,000	285,574
Use of Land and Buildings grants	113,812	-	100,281
Transport grants	115,488	123,632	110,087
Other government grants	5,258	4,500	5,995
	659,446	542,132	614,446

3. Locally Raised Funds

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

	2016 Actual $	2016 Budget (Unaudited) $	2015 Actual $
Revenue			
Donations	37	3,000	(385)
Fundraising	639	700	920
Other revenue	2,160	-	7,200
Trading	12,237	15,800	5,415
Activities	2,416	-	-
Curriculum Recoveries	9,200	-	10,022
	26,689	19,500	23,172
Expenses			
Activities	7,609	-	7,174
Trading	3,719	7,000	3,488
Transport (local)	60,944	59,000	51,745
Other Locally Raised Funds Expenditure	-	-	2,665
	72,272	66,000	65,072
Surplus for the year Locally raised funds	(45,583)	(46,500)	(41,900)

4. Learning Resources

	2016 Actual $	2016 Budget (Unaudited) $	2015 Actual $
Curricular	6,495	6,500	7,003
Equipment repairs	191	1,000	-
Information and communication technology	480	2,000	4,413
Extra-curricular activities	3,054	3,000	3,226
Library resources	361	600	43
Employee benefits - salaries	356,800	353,003	339,484
Resource/attached teacher costs	4,513	9,500	2,605
Staff development	3,523	4,000	2,842
	375,417	379,603	359,616

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5. Administration

	2016 Actual $	2016 Budget (Unaudited) $	2015 Actual $
Audit Fee	2,901	2,600	2,958
Board of Trustees Fees	3,860	4,800	3,990
Board of Trustees Expenses	2,880	2,200	1,340
Communication	2,002	2,000	1,278
Consumables	4,414	1,500	4,024
Operating Lease	-	1,500	-
Other	6,066	7,500	5,087
Employee Benefits - Salaries	6,732	6,000	6,411
	28,854	28,100	25,088

6. Property

	2016 Actual $	2016 Budget (Unaudited) $	2015 Actual $
Caretaking and Cleaning Consumables	1,330	1,200	1,373
Cyclical Maintenance Provision	27,208	3,000	12,779
Grounds	3,090	3,000	2,686
Heat, Light and Water	7,089	8,000	8,610
Rates	492	748	477
Repairs and Maintenance	9,587	1,000	5,289
Use of Land and Buildings	113,812	-	100,281
Employee Benefits - Salaries	11,478	9,996	9,365
	174,086	26,944	140,860

7. Depreciation of Property, Plant and Equipment

	2016 Actual $	2016 Budget (Unaudited) $	2015 Actual $
Buildings - School	2,709	2,705	2,728
Furniture and Equipment	2,389	2,389	2,868
Information and Communication Technology	2,650	3,815	4,576
Motor Vehicles	24,313	24,313	30,392
Other Equipment	3,273	1,685	2,085
Library Resources	673	673	770
	36,007	35,580	43,419

8. Cash and Cash Equivalents

	2016 Actual $	2016 Budget (Unaudited) $	2015 Actual $
Bank Current Account	15,426	15,000	14,459
Bank Call Account	238,325	253,000	188,893
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	253,751	268,000	203,352

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

Image Not Available
Material for Identification Purposes Only

9. Accounts Receivable

	2016 Actual $	2016 Budget (Unaudited) $	2015 Actual $
Receivables	578	500	78
Teacher Salaries Grant Receivable	17,805	32,000	21,312
	18,383	32,500	21,390
Receivables from Exchange Transactions	578	500	78
Receivables from Non-Exchange Transactions	17,805	32,000	21,312
	18,383	32,500	21,390

10. Inventories

	2016 Actual $	2016 Budget (Unaudited) $	2015 Actual $
Stationery	955	955	955
	955	955	955

11. Investments

The School's investment activities are classified as follows:

	2016 Actual $	2016 Budget (Unaudited) $	2015 Actual $
Current Asset			
Short-term Bank Deposits	84,426	83,000	81,092

12. Property, Plant and Equipment

2016	Opening Balance (NBV) $	Additions $	Disposals $	Impairment $	Depreciation $	Total (NBV) $
Land	5,000				-	**5,000**
Buildings	36,657				(2,709)	**33,948**
Furniture and Equipment	8,992	5,650			(2,389)	**12,253**
Information and Communication	4,176				(2,650)	**1,526**
Motor Vehicles	121,567				(24,313)	**97,254**
Leased Assets	15,955	19,318			(3,273)	**32,000**
Library Resources	5,393				(674)	**4,719**
Balance at 31 December 2016	197,740	24,968	-	-	(36,007)	**186,700**

2016	Cost or Valuation $	Accumulated Depreciation $	Net Book Value $
Land	5,000	-	**5,000**
Buildings	67,069	(33,121)	**33,948**
Furniture and Equipment	56,694	(44,441)	**12,253**
Information and Communication	28,701	(27,175)	**1,526**
Motor Vehicles	186,000	(88,746)	**97,254**
Leased Assets	52,656	(20,656)	**32,000**
Library Resources	35,723	(31,004)	**4,719**
Balance at 31 December 2016	431,843	(245,143)	**186,700**

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2015	Opening Balance (NBV) $	Additions $	Disposals $	Impairment $	Depreciation $	Total (NBV) $
Land	5,000				-	**5,000**
Buildings	39,382				(2,728)	**36,654**
Building Improvements					-	**-**
Furniture and Equipment	11,332	528			(2,868)	**8,992**
Information and Communication Technology	8,752				(4,576)	**4,176**
Motor Vehicles	151,960				(30,392)	**121,568**
Textbooks					-	**-**
Leased Assets	14,897	3,145			(2,085)	**15,957**
Library Resources	6,163				(770)	**5,393**
Balance at 31 December 2015	237,486	3,673	-	-	(43,419)	**197,740**

Accumulated Depreciation

2015	Cost or Valuation $	Accumulated Depreciation $	Net Book Value $
Land	5,000	-	**5,000**
Buildings	67,069	(30,412)	**36,654**
Furniture and Equipment	50,274	(41,282)	**8,992**
Information and Communication Technology	28,701	(24,525)	**4,176**
Motor Vehicles	186,000	(64,433)	**121,568**
Leased Assets	34,108	(18,153)	**15,957**
Library Resources	35,723	(30,330)	**5,393**
Balance at 31 December 2015	406,875	(209,135)	**197,740**

13. Accounts Payable

	2016 Actual $	2016 Budget (Unaudited) $	2015 Actual $
Operating creditors	23,207	18,000	4,572
Employee Entitlements - salaries	17,804	33,000	21,312
	41,011	51,000	25,884
Payables for Exchange Transactions	41,011	51,000	25,884
	41,011	51,000	25,884

14. Provision for Cyclical Maintenance

	2016 Actual $	2016 Budget (Unaudited) $	2015 Actual $
Provision at the Start of the Year	35,429	35,429	22,650
Increase to the Provision During the Year	27,208	3,000	12,779
Use of the Provision During the Year		-	-
Provision at the End of the Year	62,637	38,429	35,429
Cyclical Maintenance - Current	52,637	13,000	27,429
Cyclical Maintenance - Term	10,000	24,910	8,000
	62,637	37,910	35,429

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15. Finance Lease Liability

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

	2016 Actual $	2016 Budget (Unaudited) $	2015 Actual $
No Later than One Year	5,063	-	-
Later than One Year and no Later than Five Years	14,364	-	-
Later than Five Years	-	-	-
	19,427	-	-

16. 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:

2016	Opening Balances $	Receipts from MoE $	Payments $	BOT Contribution/ (Write-off to R&M)	Closing Balances $
Block A Electrical & Water Treatment *completed*	-	78,136	78,798	-	662
Upgrade					
Totals	-	78,136	78,798	-	662

Represented by:

Funds Held on Behalf of the Ministry of Education	662
Funds Due from the Ministry of Education	-
	662

17. Related Party Transactions

The School is a controlled entity of the Crown, and the Crown provides the major source of revenue to the school. The school enters into transactions with other entities also controlled by the Crown, such as government departments, state-owned enterprises and other Crown entities. Transactions with these entities are not disclosed as they occur on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted if dealing with that entity at arm's length.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and 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.

The Proprietor of the School (name of proprietor) is a related party of the Board because the proprietor appoints representatives to the Board, giving the proprietor significant influence over the Board. Any services or contributions between the Board and Proprietor that are material transactions that have occurred has been disclosed appropriately.

The Proprietor provides land and buildings free of charge for use by the Board as noted in Note 1(c). The estimated value of this use during 2015 is included in the Statement of Comprehensive Revenue and Expense as "Use of land and buildings ".

If there is a non arms length transaction you can use the following example wording as a basis for the disclosure:

Ken Dykes is the Chairman of the Board. During the year the School contracted William Dykes to mow the School's grounds. The total value of all transactions for the year was $3,625 (2015: $1,450) and no amount is outstanding as at balance date (2015: nil). Jamie Hamilton daughter of the Principal was contracted to do relief cleaning and was paid $300 (2015: nil). Because this amount is less than $25,000 for the year the contract does not require Ministry approval under section 103 of the Education Act 1989.

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18. Remuneration

Key management personnel compensation

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

	2016 Actual $	2015 Actual $
Board Members		
Remuneration	3,860	3,990
Full-time equivalent members	0.09	0.52
Leadership Team		
Remuneration	95,907	94,093
Full-time equivalent members	1.00	1.00
Total key management personnel remuneration	99,767	98,083
Total full-time equivalent personnel	1.09	1.52

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:

	2016 Actual $000	2015 Actual $000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	90-100	90-100
Benefits and Other Emoluments	0	0
Termination Benefits	-	-

Other Employees

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

Remuneration $000	2016 FTE Number	2015 FTE Number
100-120	0.00	0.00
100-110	0.00	0.00
0		
	0.00	0.00

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

19. Contingencies

There are no contingent liabilities as at **31 December 2016** (Contingent liabilities and assets at **31 December 2015**: nil).

20. Commitments

(a) Capital Commitments

As at 31 December 2016 the Board has entered into contract agreements for capital works as follows:

(a) $86,180.57 contract for water Treatment & Block A Classroom upgrade is to be completed in **2017**, which will be fully funded by the Ministry of Education. $78,136.20 has been received of which $78,797.93 has been spent on the project to date.

(Capital commitments at 31 December 2015: nil)

(b) Operating Commitments

As at 31 December 2016 the Board has entered into the following contracts:

(a) Operating lease of a photocopier & laptops;

	2016 Actual $	2015 Actual $
No later than One Year	525	148
Later than One Year and No Later than Five Years	-	399
Later than Five Years	-	-
	525	547

21. 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.

22. Financial Instruments

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

Loans and receivables

	2016 Actual $	2016 Budget (Unaudited) $	2015 Actual $
Cash and Cash Equivalents	253,751	268,000	203,352
Receivables	18,383	32,500	21,390
Investments - Term Deposits	84,426	83,000	81,092
Total Cash and Receivables	356,560	383,500	305,834
Financial liabilities measured at			
Payables	41,011	51,000	25,884
Finance Leases	19,193	-	-
Total Financial Liabilities Measured at Amortised Cost	60,205	51,000	25,884

23. Events After Balance Date

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

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HEDDON BUSH SCHOOL
BOARD OF TRUSTEES
2016

Name	Position	How Position on Board was gained	Term Expires	Occupation
Donald Kidd	*Board Chair*	*Re-elected May 2016*	*March 2019*	*Farmer*
Debby Egan	*Parent rep*	*Re-elected May 2016*	*March 2019*	*Farmer*
Andrea Wills	*Parent rep*	*Re-elected May 2016*	*March 2019*	*Farmer*
Georgette Wouda	*Parent rep*	*Elected May 2016*	*March 2019*	*Vet*
Julie Dykes	*Parent rep*	*Appointed July 2016*	*March 2019*	*Farmer*
Esther Hamilton	*Principal*	*Appointed October 2014*		*Principal*
Annabel Anderson	*Staff Rep*	*Appointed Sep 2015*		*Teacher*

HEDDON BUSH SCHOOL
KIWISPORT
2016

Students participated in organised sport. In 2016 the school received Kiwisport funding of $699.14 (2015 $587.74). The funding was spent on sports equipment and providing our Sports Activator Program for years 1 to 8.

MINISTRY OF EDUCATION

Analysis of variance reporting

School name: *Heddon Bush School 2016*	School number: *3963*

Focus: Writing

Strategic Aim: Better Achievement Outcomes for our Students (NAG 1, 2 (a), (b), (c)

1.Ensure *all* students are reaching their full potential and their unique learning needs are being met through a rich and varied curriculum, in a positive & safe learning environment whi fosters students social, physical and emotional development

Annual Aim:

- Work with the University of Canterbury for in-depth professional learning in literacy, with a particular focus on oral language.
- Continue to maintain, reflect on and develop our programmes of work to support target groups of students.

Targets:

- The cohort of (6) students who are working well below the National Standard in 2015 will make accelerated progress of more than one year and be making progress towards being at the Standard by the end of the year.
- The cohort of (14) students who are working below the National Standard in 2015 will make accelerated progress of more than one year and will be working at their respective levels against the National Standard by the end of the year.

Baseline data:

Writing - based on National Standards (NS) year ending 2015

Data shows that in Writing 7% are working above, 55% are working at, 29% are working below and 9% are working well below the National Standard. 62% working at or above the NS and 38%* working below or well below.

*30% of those students who are working below or well below the standard are ELL (English Language Learners)

Actions (what did we do?)	Outcomes (what happened?)	Reasons for the variance (why did it happen?)	Evaluation (where to next?)
To work with UC – Raewyn Green as a Literacy in depth Professional Learning and Development School 2016 to support this target. Specific goals & focus will be established in the new year. (Oral Language) Continue to run our A.L.L programme for at risk students. Accelerated learning for identified students. Timetabled daily release will allow for a 15minute meeting to report & reflect on progress of target groups. Timetable adjusted, use of teacher aids to enable target/ALL groups to be withdrawn for teaching. Continue phonics groups for those students who need this support Phonics training	We met with Raewyn several times each term, developing plans for our target groups. We would feed back to Raewyn progress and assessment results as the year progressed and establish next learning steps with her support. Specific goals were set for identified target students, we looked at improving our ELL policies & procedures and began looking into oral language in the classrooms. We ran ALL programmes for our at risk students. The goal for all our students identified in our target was for accelerated progress. Of those students five made accelerated progress. Most days teachers were released for 15mins to report and reflect on these target groups. This was an opportunity to share best practice, professional readings or ask for support from colleagues. This was trialled at the beginning of the year but on reflection did not work as effectively as we thought it would. We used our support staff hours to support other students to enable the teacher extra time with these students. Phonics group teaching was done Mon-Thu all year.	Meeting with Raewyn ensured accountability on target groups progress and support with deciding what the next step should be for these students. Raewyn also introduced different approaches or ideas for teachers to use. Teaching was specifically targeted for these students needs as a result of the goals set. We reviewed and changed our ELL policy and procedures. We introduced an enrolment form to accompany general enrolment to help us support our ELL students. Different oral language approaches were introduced and trialled in the classrooms. These students received extra support with their writing like the rest of the target, however they made more progress than their peers. These meetings resulted in teachers being accountable and focused on these groups of students. Also being open to asking for help and reflecting when things had not worked. Most target groups were not withdrawn but given extra time with the teacher each day on top of their normal writing time. We have seen many students moving up the stages and transferring this knowledge into their literacy learning.	We will continue to use some of these approaches that were successful with students. We will also keep in touch with Raewyn as she is a great professional resource for us. We will continue to monitor and support the targeted students. We now use our new ELL procedures and want to continue to develop our understanding and implementation of oral language across the school. To continue to aim for accelerated progress for those students who are at risk of not achieving NS. These meetings are very valuable for teaching practice and directly benefit the students learning so will be something we will continue in the future. Withdrawal from the class, while ideal was not achievable most of the time. We will continue to make sure student get the extra teaching time with their teacher but will not aim for withdrawal to achieve this. This phonic group work will continue next year as we can see the benefit in the students learning.

Professional Learning Groups to meet each year, junior, middle & senior. An opportunity to discuss & learn from colleagues. Purchase any resources needed to support this target and support student achievement in writing Observations of teaching, both within the school and possibly other schools also.	Each term the junior, middle and senior teachers from our professional learning groups across seven schools meet and shared with colleagues. Teaching resources were purchased to support oral language teaching and acceleration Observations occurred with Raewyn seeing target groups and teachers observing each other. We also had several schools visit us to observe our literacy programme	Much of this discussion centred around literacy and was directly relevant to our target and targeted students. The junior PLG group looked into oral language in more depth and organised professional development relating to this. These resources were purchased for specific use of different teachers and informed teaching practice. It was good to receive feedback on teaching practice and this gave teachers a chance to self -reflect on their own practices.	We will continue to work with our PLG schools next year, as these are of huge benefit to our teachers who at times are quite isolated from colleagues teaching the same levels as themselves. Next year we will split the literacy budget into two, one budget for the purchase of readers and the other specifically for literacy teaching resources. We will continue to encourage an environment where observations and sharing of teaching practice is seen as a positive and an opportunity for growth.

Planning for next year:

Next year we have decided to focus on maths as our 2016 data has identified that there is a need in this area for improvement. Maths is the curriculum area where our Māori students are underachieving in comparison to their peers at our school. We also have the highest percentage of students working well below the NS in maths. We also want to include how we are going to extend the cohort of students who are achieving above the NS. As part of making maths our specific focus for our annual target next year we are also going to review our school wide delivery of maths and focus our professional development in this curriculum area.

Again this year we have had a high turnover of students for a school of our size. Due to the industry that most of our school families are employed in this will continue to be a challenge for our school. Next year we will keep working on ways we can best manage this for all our students, once again we will continue to work on maintaining our great school culture, that is committed to make sure students make very good progress from their respective starting points when they join our school. Also to develop further ways we can support all students when experiencing transition either into our school or when they move to another school.

We will continue to closely monitor and support all our students who are identified in our data as being at risk of not achieving NS in reading, writing and maths. This will be done with continued use of our at risk register and regular assessment of progress for these students. This will take the form of small group work and extra support. Our aim in doing this is to continue to work on ways we can support our students learning in purposeful ways, providing them with the prior knowledge to experience success in the classroom .

Our goal is to ignite a passion for learning in all our students and provide a personalised approach to their learning. We do this through getting to know our students as individuals, having an inclusive culture at our school, learning about their specific needs through meaningful assessment and establishing great learning relationships with their whānau.