

HUKARERE GIRLS' COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

School Address:

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435

HUKARERE GIRLS' COLLEGE

Financial Statements - For the year ended 31 December 2016

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Hukarere Girls' College

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.

Evelyn Taumauu.

Full Name of Board Chairperson

E Taumauu.

Signature of Board Chairperson

1 May 2017

Date:

Lelie Pearcey

Full Name of Principal

[Signature]

Signature of Principal

1 May 2017

Date:

Hukarere Girls' College**Statement of Comprehensive Revenue and Expense**

For the year ended 31 December 2016

		2016	2016	2015
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	1,446,299	1,380,543	1,168,265
Locally Raised Funds	3	177,044	117,100	252,590
Use of Land and Buildings Integrated		127,368	127,368	127,368
Interest Earned		3,118	3,000	3,939
Gain on Sale of Property, Plant and Equipment		5,500	-	-
		<hr/>	<hr/>	<hr/>
		1,759,329	1,628,011	1,552,162
Expenses				
Locally Raised Funds	3	78,102	31,800	107,903
Learning Resources	4	1,083,903	1,123,303	1,030,162
Administration	5	207,671	206,200	180,470
Finance Costs		6,468	-	4,413
Property	6	215,172	209,368	220,817
Depreciation	7	71,651	57,000	56,988
Amortisation of Intangible Assets		3,890	-	3,890
		<hr/>	<hr/>	<hr/>
		1,666,857	1,627,671	1,604,643
Net Surplus / (Deficit)		92,472	340	(52,481)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		92,472	340	(52,481)

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

Hukarere Girls' College**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	350,715	407,998	403,196
Total comprehensive revenue and expense for the year	92,472	340	(52,481)
Equity at 31 December	443,187	408,338	350,715
Retained Earnings	443,187	408,338	350,715
Reserves	-	-	-
Equity at 31 December	443,187	408,338	350,715

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

Hukarere Girls' College

Statement of Financial Position

As at 31 December 2016

		2016	2016	2015
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	8	332,451	273,087	241,346
Accounts Receivable	9	101,901	96,344	96,344
Prepayments		748	-	-
Inventories	10	27,281	16,879	20,271
Investments	11	17,433	16,879	16,879
		<hr/>	<hr/>	<hr/>
		479,814	403,189	374,840
Current Liabilities				
GST Payable		22,798	21,163	21,163
Accounts Payable	14	118,881	138,137	138,137
Revenue Received in Advance	15	63,575	-	14,575
Finance Lease Liability - Current Portion	17	24,275	19,017	19,017
Funds held in Trust	18	55,154	55,052	40,477
		<hr/>	<hr/>	<hr/>
		284,682	233,369	233,369
Working Capital Surplus/(Deficit)		195,132	169,820	141,471
Non-current Assets				
Investments (more than 12 months)	11	27,625	27,625	27,625
Property, Plant and Equipment	12	270,202	235,313	206,039
Intangible Assets	13	46,678	50,568	50,568
		<hr/>	<hr/>	<hr/>
		344,505	313,506	284,232
Non-current Liabilities				
Provision for Cyclical Maintenance	16	45,287	33,969	33,969
Finance Lease Liability	17	51,163	41,019	41,019
		<hr/>	<hr/>	<hr/>
		96,450	74,988	74,988
Net Assets		<hr/>	<hr/>	<hr/>
		443,187	408,338	350,715
Equity		<hr/>	<hr/>	<hr/>
		443,187	408,338	350,715

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

Hukarere Girls' College

Statement of Cash Flows

For the year ended 31 December 2016

		2016	2016	2015
	Note	Actual \$	Budget (Unaudited) \$	Actual \$
Cash flows from Operating Activities				
Government Grants		576,433	496,928	422,929
Locally Raised Funds		165,142	171,332	321,397
Goods and Services Tax (net)		1,635	2,079	2,079
Payments to Employees		(180,918)	(166,474)	(248,401)
Payments to Suppliers		(365,867)	(344,896)	(370,321)
Interest Paid		(6,468)	-	(4,413)
Interest Received		1,937	3,455	4,394
Net cash from / (to) the Operating Activities		191,894	162,424	127,664
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		(14,927)	(72,051)	
Purchase of PPE (and Intangibles)		(96,400)	(15,557)	(81,182)
Purchase of Investments		(554)	(678)	(678)
Proceeds from Sale of Investments		-	(1,633)	(1,633)
Net cash from / (to) the Investing Activities		(111,880)	(89,919)	(83,493)
Cash flows from Financing Activities				
Finance Lease Payments		(3,586)	(1,224)	43,093
Funds Administered on Behalf of Third Parties		14,677	43,489	28,914
Net cash from Financing Activities		11,091	42,265	72,007
Net increase/(decrease) in cash and cash equivalents		91,105	114,770	116,178
Cash and cash equivalents at the beginning of the year	8	241,346	158,317	125,168
Cash and cash equivalents at the end of the year	8	332,451	273,087	241,346

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.

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2016

a) Reporting Entity

Hukarere Girls' College (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.

Critical Judgements in applying accounting policies

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

Classification of leases

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 17.

Recognition of grants

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

Grants for the use of land and buildings are also 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 Proprietor. Use of land and building grants are recorded as income in the period the school uses the land and building.

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 Proprietor. The expense is based on an assumed market rental yield on the land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Proprietor.

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

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

i) Inventories

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

j) Investments

Bank term deposits 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.

k) Property, Plant and Equipment

Land and buildings owned by the Proprietor 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 Proprietor are recorded at cost, less accumulated depreciation and impairment losses.

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

Property, plant and equipment acquired with individual values under \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

Gains and losses on disposals (*i.e.* sold or given away) are determined by comparing the proceeds received with the carrying amounts (*i.e.* the book value). The gain or loss arising from the disposal of an item of property, plant and equipment is recognised in the Statement of Comprehensive Revenue and Expense.

Leased Assets

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

Depreciation

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

The estimated useful lives of the assets are:

Computer/electronics	5 years
Computer/electronics - leased	4–5 years
Library Books	12.5% Diminishing value
Motor Vehicles	5-10 years
Office furniture	3–5 years
Other	5-20 years
School Furniture	5-10 years
School Furniture - leased	10 years
Textbooks	8 years

l) 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.

m) 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.

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) Revenue Received in Advance

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

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

p) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

q) Provision for Cyclical Maintenance

The property from which the school operates is owned by the Proprietor. The Board is responsible for maintaining the land, building 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 provisions for cyclical maintenance represents the obligations the Board has to the Proprietor and is based on the Board's ten year property plan (10YPP).

r) Financial Assets and Liabilities

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are categorised as "loans and receivables" for accounting purposes in accordance with financial reporting standards.

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

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

s) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

t) Budget Figures

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

u) Services received in-kind

From time to time the School receives services in-kind, including the time of volunteers. The School has elected not to recognise services received in kind in the Statement of Comprehensive Revenue and Expense.

2. Government Grants

	2016	2016	2015
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational grants	499,247	447,295	382,853
Teachers' salaries grants	910,319	910,319	772,040
Resource teachers learning and behaviour grants	6,040	-	4,641
Other MoE Grants	24,292	929	2,427
Other government grants	6,400	22,000	6,304
	<u>1,446,299</u>	<u>1,380,543</u>	<u>1,168,265</u>

3. Locally Raised Funds

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

	2016	2016	2015
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations	21,142	23,600	6,674
Fundraising	70,316	54,000	89,969
Bequests	-	-	-
Other revenue	-	-	-
Trading	44,997	-	21,059
Activities	38,614	39,500	134,888
Curriculum Recoveries	1,974	-	-
	<u>177,044</u>	<u>117,100</u>	<u>252,590</u>
Expenses			
Activities	29,656	31,800	90,010
Trading	47,111	-	16,966
Fundraising (costs of raising funds)	1,336	-	927
Other Locally Raised Funds Expenditure	-	-	-
	<u>78,102</u>	<u>31,800</u>	<u>107,903</u>
<i>Surplus for the year Locally raised funds</i>	<u>98,941</u>	<u>85,300</u>	<u>144,687</u>

4. Learning Resources

	2016	2016	2015
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	20,723	82,774	16,479
Equipment repairs	8,090	23,529	4,815
Extra-curricular activities	4,104	3,000	4,797
Library resources	1,928	4,800	957
Employee benefits - salaries	974,785	952,219	921,361
General Expenses	67,680	44,981	69,673
Staff development	6,593	12,000	12,080
	<u>1,083,903</u>	<u>1,123,303</u>	<u>1,030,162</u>

5. Administration

	2016	2016	2015
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	7,060	7,000	7,050
Board of Trustees Fees	3,700	4,000	3,525
Board of Trustees Expenses	934	12,500	9,776
Communication	29,651	23,000	25,801
Consumables	38,625	38,900	36,483
Operating Lease	-	6,500	1,855
Other	20,972	12,300	19,787
Employee Benefits - Salaries	106,728	102,000	76,193
	<u>207,671</u>	<u>206,200</u>	<u>180,470</u>

6. Property

	2016	2016	2015
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	572	4,000	2,526
Cyclical Maintenance Provision	11,318	3,000	11,324
Grounds	2,881	3,000	2,800
Heat, Light and Water	19,149	20,200	19,179
Rates	18,594	16,400	23,035
Repairs and Maintenance	16,174	17,900	16,772
Use of Land and Buildings	127,368	127,368	127,368
Employee Benefits - Salaries	19,115	17,500	17,813
	<u>215,172</u>	<u>209,368</u>	<u>220,817</u>

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

7. Depreciation of Property, Plant and Equipment

	2016	2016	2015
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Furniture and Equipment	2,475	2,729	2,729
Information and Communication Technology	14,017	12,983	12,983
Motor Vehicles	25,611	21,186	21,186
Office Furniture	815	815	815
Other	9,734	9,989	9,989
Textbooks	2,747	3,362	3,362
Leased Assets	15,576	5,281	5,269
Library Resources	676	655	655
	<u>71,651</u>	<u>57,000</u>	<u>56,988</u>

8. Cash and Cash Equivalents

	2016	2016	2015
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	600	600	600
Bank Current Account	198,658	137,487	66,980
Bank Call Account	133,193	135,000	173,766
Short-term Bank Deposits	-	-	-
Bank Overdraft	-	-	-
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	332,451	273,087	241,346

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

Of the \$377,509 Cash and Cash Equivalents, \$40,453 of unspent grant funding is held by the School. This funding is subject to restrictions which specify how the grant is required to be spent in providing specified deliverables of the grant arrangement.

9. Accounts Receivable

	2016	2016	2015
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	39,439	18,990	18,990
Interest Receivable	1,941	760	760
Teacher Salaries Grant Receivable	60,521	76,594	76,594
	101,901	96,344	96,344
Receivables from Exchange Transactions	41,380	19,750	19,750
Receivables from Non-Exchange Transactions	60,521	76,594	76,594
	101,901	96,344	96,344

10. Inventories

	2016	2016	2015
	Actual	Budget	Actual
	\$	(Unaudited)	\$
School Uniforms	27,281	16,879	20,271
	27,281	16,879	20,271

11. Investments

The School's investment activities are classified as follows:

	2016	2016	2015
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	17,433	16,879	16,879
Non-current Asset			
Long-term Bank Deposits	27,625	27,625	27,625

The carrying value of long term deposits longer than 12 months approximates their fair value at 31 December 2016.

12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2016	\$	\$	\$	\$	\$	\$
Furniture and equipment	8,879	7,907			(2,475)	14,311
Information and communication technology	30,774	14,994			(14,017)	31,751
Motor vehicles	60,189	81,053			(25,611)	115,631
Office Furniture	2,718				(815)	1,903
Other	28,021	4,000			(9,734)	22,287
Textbooks	8,683				(2,747)	5,936
Leased assets	61,365	27,860			(15,576)	73,649
Library resources	5,410				(676)	4,734
Balance at 31 December 2016	206,039	135,814	-	-	(71,651)	270,202

The net carrying value of equipment held under a finance lease is \$73,649

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2016	\$	\$	\$
Furniture and equipment	47,578	(33,266)	14,311
Information and communication technology	89,459	(57,709)	31,751
Motor vehicles	187,418	(71,787)	115,631
Office Furniture	4,077	(2,174)	1,903
Other	80,884	(58,597)	22,287
Textbooks	34,481	(28,545)	5,936
Leased assets	100,435	(26,785)	73,649
Library resources	17,404	(12,670)	4,734
Balance at 31 December 2016	561,736	(291,534)	270,202

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2015	\$	\$	\$	\$	\$	\$
Furniture and equipment	6,634	4,974			(2,729)	8,879
Information and communication technology	24,883	18,873			(12,983)	30,773
Motor vehicles	76,861	4,513			(21,186)	60,188
Office Furniture	3,533				(815)	2,718
Other	30,406	7,604			(9,989)	28,021
Textbooks	12,045				(3,362)	8,683
Leased assets	22,318	44,318			(5,269)	61,367
Library resources	5,165	900			(655)	5,410
Balance at 31 December 2015	181,845	81,182	-	-	(56,988)	206,039

Accumulated Depreciation

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2015	\$	\$	\$
Furniture and equipment	39,671	(30,792)	8,879
Information and communication technology	74,466	(43,692)	30,774
Motor vehicles	147,794	(87,605)	60,189
Office Furniture	4,077	(1,359)	2,718
Other	76,884	(48,863)	28,021
Textbooks	34,481	(25,798)	8,683
Leased assets	81,447	(20,082)	61,365
Library resources	17,404	(11,994)	5,410
Balance at 31 December 2015	476,224	(270,185)	206,039

The net carrying value of equipment held under a finance lease is \$61,365

13. Equitable Lease

2016	Opening \$	Additions \$	Disposals \$	Impairment \$	Closing \$
Cost					
Equitable Lease	54,458	-	-	-	50,568
Balance at 31 December 2016	54,458	-	-	-	50,568
Accumulated Amortisation					
Equitable Lease (Amortisation for the year)			-	(3,890)	(3,890)
Balance at 31 December 2016	-	-	-	(3,890)	(3,890)
Net Book Value at 31 December 2016					46,678

2015	Opening \$	Additions \$	Disposals \$	Impairment \$	Closing \$
Cost					
Equitable Lease	54,458	-	-	-	54,458
Balance at 31 December 2015	54,458	-	-	-	54,458
Accumulated Amortisation					
Equitable Lease (Amortisation for the year)			-	(3,890)	(3,890)
Balance at 31 December 2015	-	-	-	(3,890)	(3,890)
Net Book Value at 31 December 2015					50,568

14. Accounts Payable

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Operating creditors	26,645	40,025	40,025
Accruals	13,913	13,108	13,108
Capital accruals for PPE items	-	-	-
Banking staffing overuse	-	-	-
Employee Entitlements - salaries	60,521	67,203	67,203
Employee Entitlements - leave accrual	17,801	17,801	17,801
	118,881	138,137	138,137
Payables for Exchange Transactions	118,881	138,137	138,137
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	118,881	138,137	138,137

The carrying value of payables approximates their fair value.

15. Revenue Received in Advance

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Grants in Advance - Ministry	40,453	-	-
Other	23,122	-	14,575
	63,575	-	14,575

16. Provision for Cyclical Maintenance

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Provision at the Start of the Year	33,969	33,969	22,645
Increase to the Provision During the Year	11,318	3,000	11,324
Provision at the End of the Year	45,287	36,969	33,969
Cyclical Maintenance - Current	-	-	-
Cyclical Maintenance - Term	45,287	33,969	33,969
	45,287	33,969	33,969

17. Finance Lease Liability

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

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
No Later than One Year	24,275	19,017	19,017
Later than One Year and no Later than Five Years	51,163	41,019	41,019
Later than Five Years	-	-	-
	75,438	60,036	60,036

18. Funds held in Trust

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Funds held in Trust on behalf of third parties - Current	55,154	55,052	40,477
Funds held in Trust on behalf of third parties - Non-current	-	-	-
	55,154	55,052	40,477

These funds are held in trust for School Trip, Turakina EDI, Te Puawaitangi and H Williams

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.

The Proprietor of the School (Te Aute Trust Board) 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 not on an arms length basis are disclosed, where material transactions have occurred.

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 2016 is included in the Statement of Comprehensive Revenue and Expense as "Use of land and buildings".

Te Aute Trust Board	2016	2015
	\$	\$
Attendance Dues collected on behalf of Te Aute College Board	2,531	346
As at balance date, no funds were owed to the Trust Board.		
Hukarere Hostel		
Hostel salaries paid by College	Nil	103,910
As at balance date, no funds were owed to the College.(2015:\$ Nil)		
Hostel creditors and other hostel related costs paid by College	Nil	13,669
As at balance date, no funds were owed to the College. (2015: \$9,663)		
College income collected by Hostel	Nil	2,343
As at balance date, no funds were owed to the College. (2015: \$2,343)		
Student related income received by College on behalf of Hostel	Nil	7,334
As at balance date, no funds were due to the Hostel. (2015: \$ Nil)		
Mapihi Pounamu and Boarding Bursaries received by the College on behalf of the Hostel	3,881	214,483
As at balance date, no funds were due to the Hostel.		

20. Remuneration

Key management personnel compensation

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

	2016 Actual \$	2015 Actual \$
<i>Board Members</i>		
Remuneration	3,700	3,525
Full-time equivalent members	0.07	0.07
<i>Leadership Team</i>		
Remuneration	198,864	283,282
Full-time equivalent members	2.00	2.93
Total key management personnel remuneration	202,564	286,807
Total full-time equivalent personnel	2.07	3.00

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	100-110	100-110
Benefits and Other Emoluments	3-4	

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
110-120	0.00	0.00
100-110	0.00	0.00
	0.00	0.00

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

21. Compensation and Other Benefits Upon Leaving

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

	2016 Actual	2015 Actual
Total	\$0	\$0
Number of People	0	0

22. Contingencies

There are no contingent liabilities as at 31 December 2016.

There is a contingent asset for a possible cash repayment from the Ministry of Education for underspending of the School's banking staffing entitlement during 2016. The Ministry has yet to decide how much it will pay to the school. We cannot reliably measure the cash repayment at the date of signing these financial statements, but it is unlikely to be the full value of the \$7,180, which was the banking staffing underspend at 31 December 2016. The amount received will be recorded as income in the 2017 financial year.)

(Contingent liabilities and assets at 31 December 2015:

There is a contingent asset for a possible cash repayment from the Ministry of Education for underspending of the School's banking staffing entitlement during 2015. The Ministry has yet to decide how much it will pay to the school. We cannot reliably measure the cash repayment at the date of signing these financial statements, but it is unlikely to be the full value of the \$24,610, which was the banking staffing underspend at 31 December 2015. The amount received will be recorded as income in the 2016 financial year.)

23. Commitments

(a) Capital Commitments

As at 31 December 2016 the Board has no Capital Commitments.

(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 leases for computers;

	2016 Actual \$	2015 Actual \$
No later than One Year	-	4,201
Later than One Year and No Later than Five Years	-	-
Later than Five Years	-	-
	-	4,201

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

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Cash and Cash Equivalents	332,451	273,087	241,346
Receivables	101,901	96,344	96,344
Investments - Term Deposits	45,058	44,504	44,504
Total Loans and Receivables	479,410	413,935	382,194

Financial liabilities measured at amortised cost

Payables	118,881	138,137	138,137
Finance Leases	75,438	60,036	60,036
Total Financial Liabilities Measured at Amortised Cost	194,318	198,173	198,173

26. Events After Balance Date

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

Members of the Board of Trustees

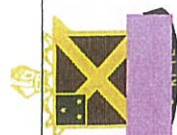
Name	Position	How position on Board gained	Term expires
Lelie Pearcey	Principal	Appointed	
Evelyn Taumaumu	Chairperson / Parent Representative	Appointed	May 2019
Heke Huata	Co-opted July 2016	Co-opted	May 2019
Aroha Sellwood	Parent Representative	Elected	May 2019
Rachel Te Karu	Parent Representative	Elected	May 2019
Deidre Walker	Parent Representative	Re-elected	May 2019
Valeta Mathias	Parent Representative	Re-elected	May 2019
Margaret Sorenson	Staff Representative	Elected	May 2019
Huia Beattie	Proprietors Representative	Appt. Nov 2015	
Maui Tangohau	Proprietors Representative	Appt. Nov 2015	
Stephen Jacobi	Proprietors Representative	Appt. July 2016	
Kororia Thompson-Teua	Student Representative	Re-elected	August 17
Ella Hale	Parent Representative	Elected	May 2016
Julie Wilson	Parent Representative	Elected	May 2016
Jerri-Lee Brittian	Staff Representative	Elected	May 2016
Kerianna Stirling	Co-opted August 2014	Co-opted	May 2016

Kiwi sport

Kiwi sport is a Government funding initiative to support students' participation in organised sport. In 2016, the school received total Kiwi sport funding of \$1,940 (excluding GST) 2015: \$1,569 (excluding GST). The funding contributed towards the sports travel for students.

Analysis of Variance 2016



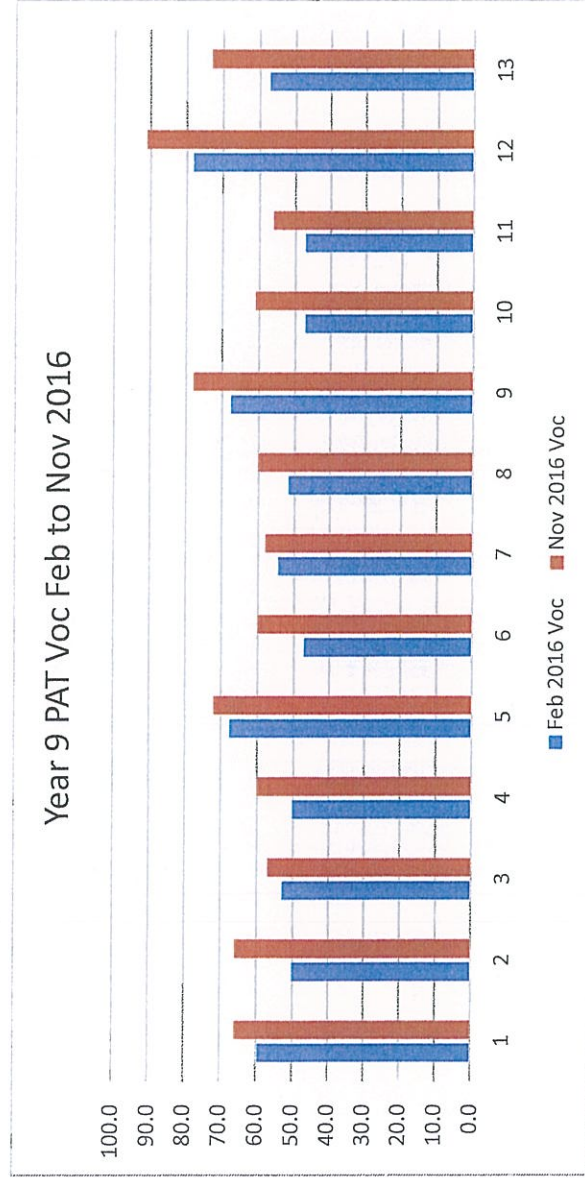


Year 9 & 10 Literacy Analysis of Variance - 2016

Hukarere Girls' College Year 9 & 10 Literacy Targets for 2016

- That all students are given an English course that attends to their individual literacy needs. ✓
- The learning programme will have a **Vocabulary Focus** per unit of work. ✓
- Reduce number of students who are below average in Reading, Comprehension and Vocabulary. ✓
- Increase the number of students achieving above average at Reading Comprehension. ✓

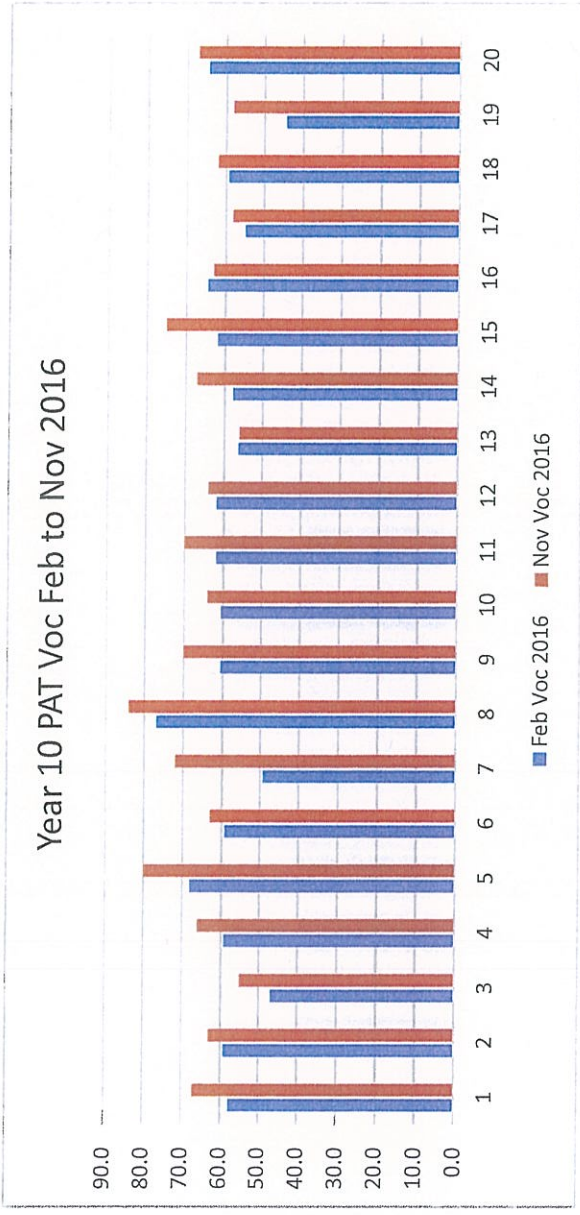
PAT Results for Vocabulary Year 9 and Year 10



(Students who do not have both Feb and Nov results have been removed from the data)

Year 9 Summary of Vocab Results for 2016

69% of Year 9 students increased their Stanine by 1 or more levels from Feb to Nov 2016
85% of Year 9 students got at least 5% or more increased in the Percentage



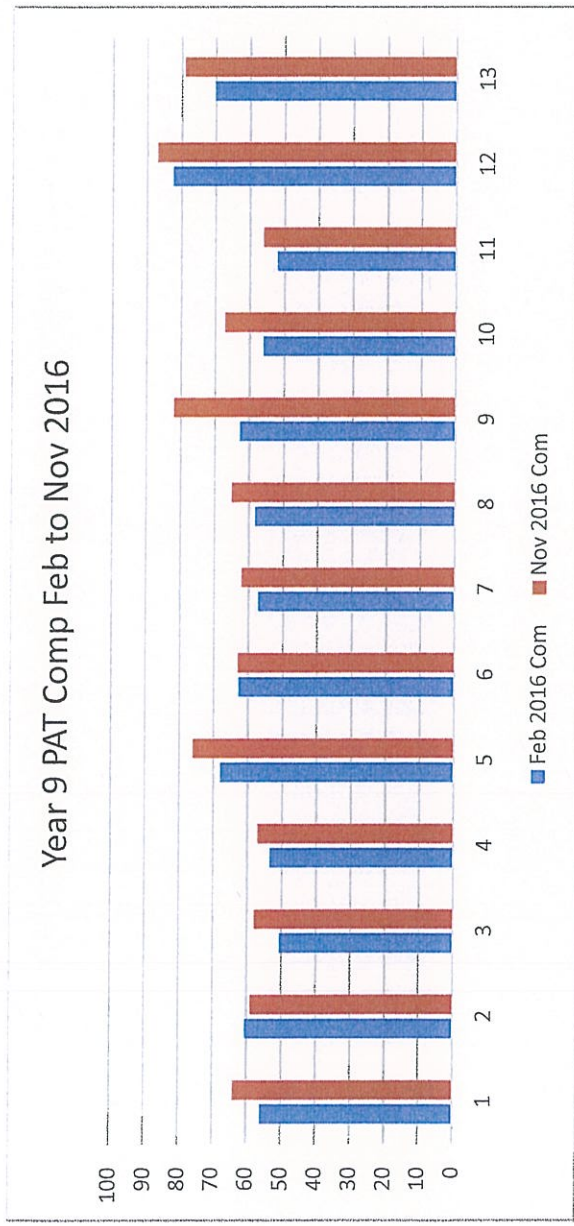
(Students who do not have both Feb and Nov results have been removed from the data)

Year 10 Summary of Vocab Results for 2016

67% of Year 10 students Increased their Stanine by 1 or more levels from Feb to Nov 2016
24% of Year 10 students got at least 5% or more increased in the Percentage



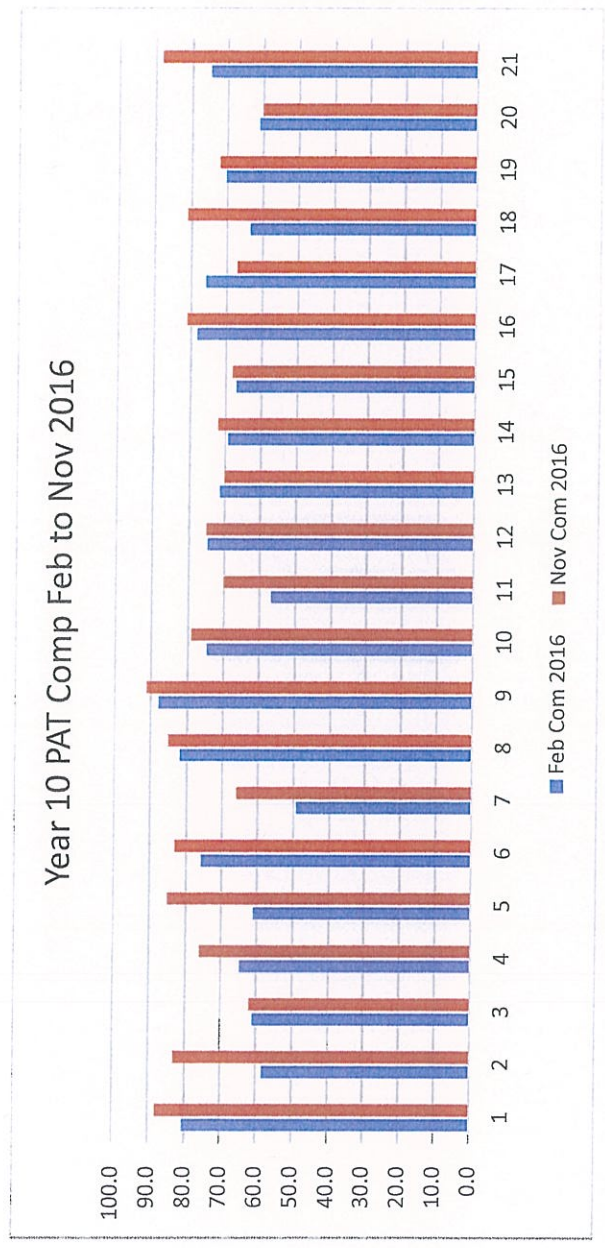
PAT Results for Comprehension Year 9 and Year 10



(Students who do not have both Feb and Nov results have been removed from the data)

Year 9 Summary of Comprehension Results for 2016

8% of Year 9 students Increased their Stanine by 1 or more levels from Feb to Nov 2016
70% of Year 9 students got at least 5% or more increased in the Percentage



(Students who do not have both Feb and Nov results have been removed from the data)

Year 10 Summary of Comprehension Results for 2016
57% of Year 10 students increased their Stanine by 1 or more levels from Feb to Nov 2016
48% of Year 10 students got at least 5% or more increased in the Percentage

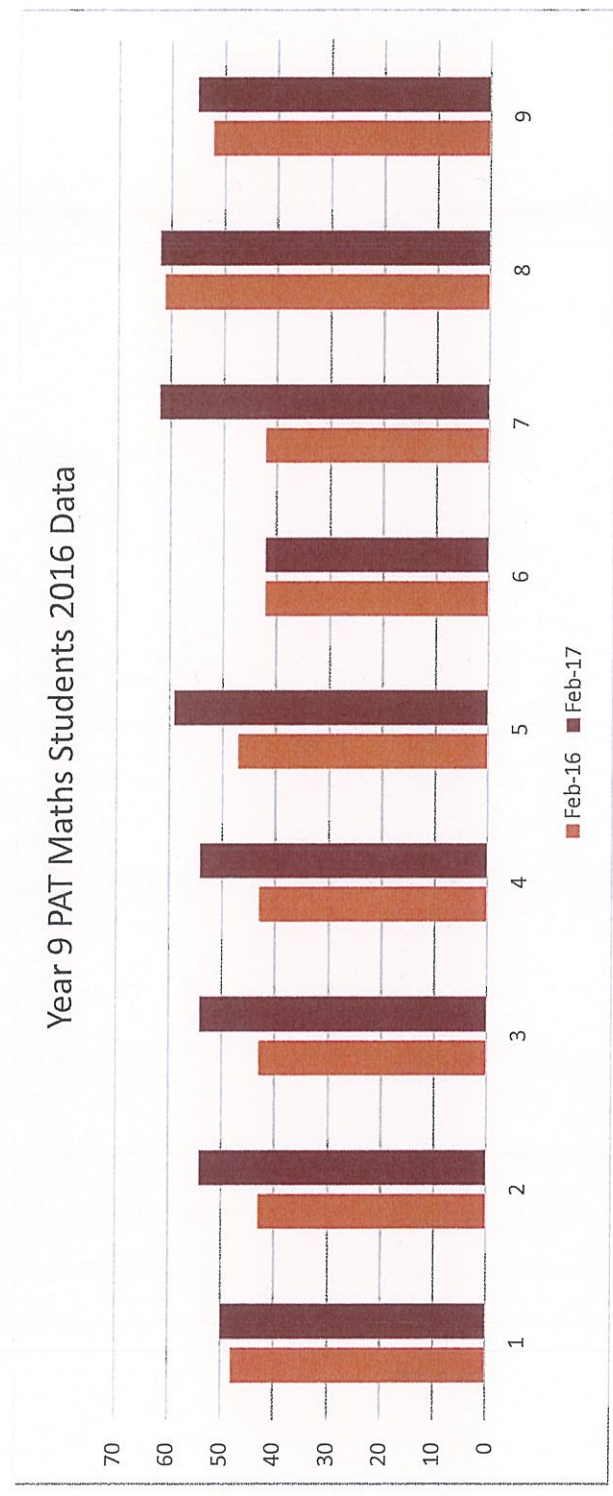


Year 9 & 10 Numeracy Targets Mathematics Analysis of Variance 2016

YEAR 9 to YEAR 10 Mathematics Analysis for 2016

Year 9 Students were tested in Feb 2016 (as a Year 9) and again in Feb 2017 as a Year 10 to show a whole year. The tests used were Test 6 for Year 9 and then test 7 for Year 10. The data shows that for all the students who were present for both tests.

The results show that 100% of students increased their PAT Maths scale percentage score from Feb 2016 to Feb 2017.

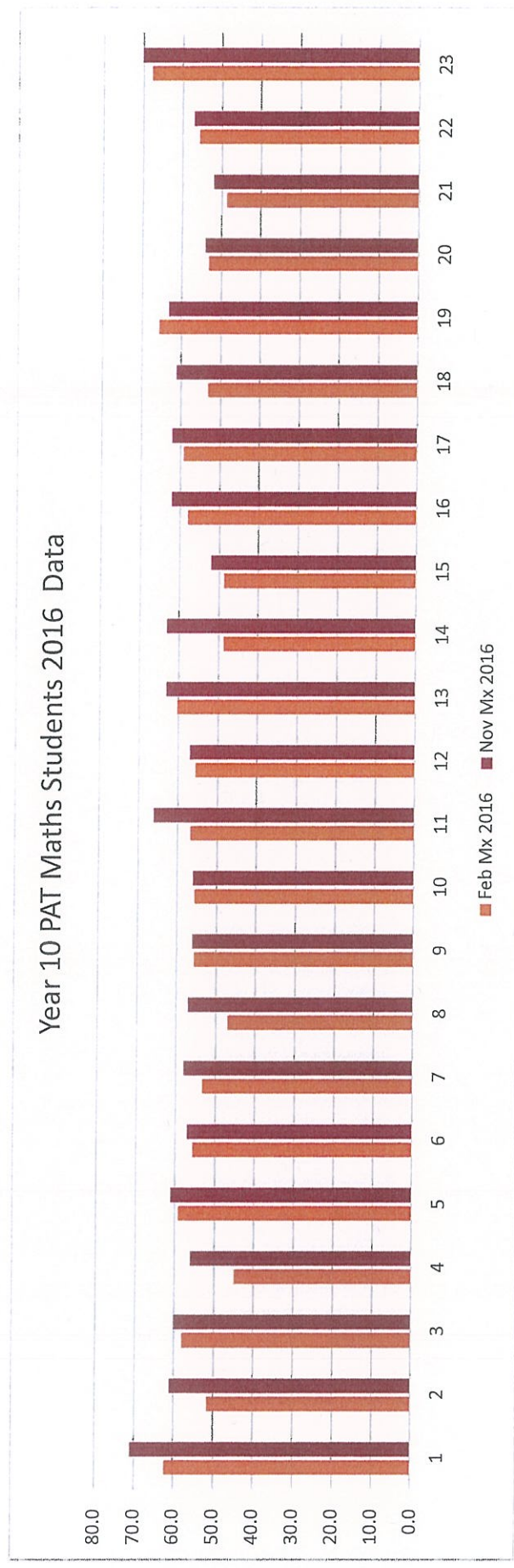


YEAR 10 Students (2016)

Year 10 Students in 2016 were tested in Feb 2016 and again in Nov 2016 using PAT Maths test 7. Only data collected for both tests are have been used.



The results show that 100% of students increased their PAT Maths scale percentage score from Feb to Nov 2016.





NCEA Level 1 Analysis of Variance 2016

Annual Aim: To increase year 11 student preparedness for gaining NCEA Level One.

To support more year 11 students to gain their NCEA Endorsed with Merit and Excellence
2017 Targets:

1. Year 11 students at least 10% of students gaining NCEA Endorsed with Merit ✓
2. 5% of students Endorsed with Excellence ✓
3. All Year 11 students gain at least 10 Numeracy and Literacy credits from a range of subjects. ✓

Descriptor	Hukarere Level 1 Endorsements		NZ Level 1 Endorsements		NZ Decile 1-3 Level 1 Endorsements	
	Merit %	Ex %	Merit %	Ex %	Merit %	Ex %
Grade Band	40	10	35.1	19.8	24.7	9.4

All NCEA Level One Targets were achieved in 2016.



NCEA Level 2 Analysis of Variance 2016

Annual Aim: To increase year 12 student preparedness for gaining NCEA Level Two.

To support more year 12 students to gain their NCEA Endorsed with Merit and Excellence

2017 Targets:

1. Year 12 students at least 10% of students gaining NCEA Endorsed with Merit.
2. 5% of students Endorsed with Excellence

Baseline data

Descriptor	Hukarere Level 2 Endorsements 2016		NZ Level 2 Endorsements 2016		NZ Decile 1-3 Level 2 Endorsements 2016	
	Merit %	Ex %	Merit %	Ex %	Merit %	Ex %
Overall	6.3	0	27.0	15.8	16.2	5.7

Neither target was met in 2016. There was an influx of new students in this year group from other secondary schools with poor work ethic. An unequal amount of time was spent addressing their needs over the overall cohort.



NCEA Level 3 Analysis of Variance 2016

Annual Aims: To raise the level of achievement of the year 13 learners.

2017 Targets:

1. At least 20% of year 13 students to gain NCEA Endorsed with Merit.
2. At least 10% year 13 students to gain NCEA Endorsed with Excellence. ✓
3. At least 70% of our Year 13 students to gain University Entrance. ✓

Baseline data:

Descriptor	Hukarere Level 3 Endorsements 2016		NZ Level 3 Endorsements 2016		NZ Decile 1-3 Level 3 Endorsements 2016	
	Merit %	Ex %	Merit %	Ex %	Merit %	Ex %
Grade Band						
Overall	14.3	28.6	28.5	14.7	18.0	7.3

More students than anticipated had gained NCEA endorsed with Excellence therefore lessening the Merit endorsements. Gained very high Excellence endorsements in 2016 – the best Hukarere has ever achieved to date.

Kia U Ki Te Pai



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF HUKARERE GIRLS COLLEGE'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

The Auditor-General is the auditor of Hukarere Girls College (the School). The Auditor-General has appointed me, Victoria Jane Lawson, using the staff and resources of PricewaterhouseCoopers, 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 2016, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

Our audit was completed on 1 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 for our opinion

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

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

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



Responsibilities of the Board of Trustees for the financial statements

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arise 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 within the Analysis of Variance, the Kiwisport Statement, the Members of the Board of Trustees List which form part of the Annual Report, but does not include the financial statements, and our auditor's report thereon.

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

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

**Independence**

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

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

A handwritten signature in black ink, appearing to read 'V. J. Lawson', written over a large, stylized, light-colored circular mark.

Victoria Jane Lawson
PricewaterhouseCoopers
On behalf of the Auditor-General
Napier, New Zealand