

MANUREWA SOUTH SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

School Directory

Ministry Number:	1355
Principal:	Tone Kolose
School Address:	33 Tawa Cres, Manurewa, Auckland
School Postal Address:	33 Tawa Cres, Manurewa, Auckland
School Phone:	09-266-8341
School Email:	tonek@manurewasouth.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Term Expires
Terri Martin	Chair Person	Elected 2016	May 2019
Tone Kolose	Principal		
Kevin Gallagher	Parent Rep	Elected 2016	May 2019
Paul Williams	Parent Rep	Elected 2016	May 2019
Gaynor Falconer	Parent Rep	Co-opted 2016	May 2019
Christine Tomlin	Parent Rep	Elected 2016	May 2019
Siteri Musuvanua	Staff Rep	Elected 2016	May 2019

Accountant / Service Provider:	Gail Bond - Money Monitors
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MANUREWA SOUTH SCHOOL

Annual Report - For the year ended 31 December 2018

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Manurewa South School

Statement of Responsibility

For the year ended 31 December 2018

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2018 fairly reflects the financial position and operations of the school.

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

TERRI MARTIN

Full Name of Board Chairperson

TONE KOLONE

Full Name of Principal



Signature of Board Chairperson



Signature of Principal

20/5/2019

Date:

20/5/2019

Date:

Manurewa South School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue				
Government Grants	2	3,068,894	2,484,435	2,901,295
Locally Raised Funds	3	225,102	137,500	148,825
Interest Earned		7,724	8,000	5,406
		<hr/> 3,301,720	<hr/> 2,629,935	<hr/> 3,055,526
Expenses				
Locally Raised Funds	3	109,021	108,000	119,572
Learning Resources	4	2,110,320	1,713,085	1,849,448
Administration	5	144,572	148,850	153,689
Property	6	806,380	536,479	820,118
Depreciation	7	37,235	60,000	30,617
		<hr/> 3,207,528	<hr/> 2,566,414	<hr/> 2,973,443
Net Surplus		94,194	63,521	82,084
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<hr/> <hr/> 94,194	<hr/> <hr/> 63,521	<hr/> <hr/> 82,084

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

Manurewa South School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2018

	Actual 2018 \$	Budget (Unaudited) 2018 \$	Actual 2017 \$
Balance at 1 January	430,537	459,633	348,453
Total comprehensive revenue and expense for the year	94,194	63,521	82,084
Capital Contributions from the Ministry of Education	-	-	-
Contribution - Furniture and Equipment Grant	-	-	-
Equity at 31 December	524,731	523,154	430,537
Retained Earnings	529,198	523,154	430,537
Reserves	-	-	-
Equity at 31 December	529,198	523,154	430,537

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

Manurewa South School
Statement of Financial Position
As at 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Assets				
Cash and Cash Equivalents	8	90,052	228,745	275,224
Accounts Receivable	9	118,981	213,930	184,834
GST Receivable		9,043	15,551	15,551
Inventories	10	6,797	6,000	6,000
Investments	11	310,618	10,218	10,218
		535,491	474,444	491,828
Current Liabilities				
Accounts Payable	13	156,692	171,060	171,060
Provision for Cyclical Maintenance	14	68,000	47,000	47,000
Finance Lease Liability - Current Portion	15	6,589	1,686	1,686
Funds held for Capital Works Projects	16	-	2,420	(26,676)
		231,281	222,166	193,070
Working Capital Surplus		304,210	252,278	298,757
Non-current Assets				
Property, Plant and Equipment	12	260,871	309,733	199,734
		260,871	309,733	199,734
Non-current Liabilities				
Provision for Cyclical Maintenance	14	19,475	37,420	37,420
Finance Lease Liability	15	20,874	1,437	1,437
		40,349	38,857	38,857
Net Assets		524,731	523,154	459,633
Equity				
		524,731	523,154	430,537

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

Manurewa South School

Statement of Cash Flows

For the year ended 31 December 2018

		2018	2018	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
Cash flows from Operating Activities				
Government Grants		894,814	719,446	893,220
Locally Raised Funds		222,737	137,500	148,825
Goods and Services Tax (net)		6,508	(6,086)	(4,676)
Payments to Employees		(444,859)	(373,823)	(405,455)
Payments to Suppliers		(493,301)	(328,573)	(489,272)
Interest Received		5,780	8,000	5,406
Net cash from / (to) the Operating Activities		191,680	156,464	148,048
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(69,955)	(174,452)	(29,999)
Purchase of Investments		(300,400)	(10,218)	(739)
Net cash from / (to) the Investing Activities		(370,355)	(184,670)	(30,737)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	-
Finance Lease Payments		(4,077)	(1,972)	(6,700)
Painting contract payments		-	(12,410)	(12,410)
Funds Administered on Behalf of Third Parties		(2,420)	(3,891)	(3,891)
Net cash from Financing Activities		(6,497)	(18,273)	(23,000)
Net increase/(decrease) in cash and cash equivalents		<u>(185,172)</u>	<u>(46,479)</u>	<u>94,310</u>
Cash and cash equivalents at the beginning of the year	8	275,224	275,224	180,914
Cash and cash equivalents at the end of the year	8	<u>90,052</u>	<u>228,745</u>	<u>275,224</u>

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.

Manurewa South School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2018

a) Reporting Entity

Manurewa South 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 2018 to 31 December 2018 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

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

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 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.

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.

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

k) Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

Leased Assets

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

Depreciation

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

The estimated useful lives of the assets are:

Building improvements – Crown	10-40 years
Furniture and equipment	4-10 years
Information and communication technology	5 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value

l) 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.

m) 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.

n) 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).

o) Financial Assets and Liabilities

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

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

p) 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.

q) Budget Figures

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

2. Government Grants

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational grants	781,653	753,748	770,190
Teachers' salaries grants	1,626,510	1,296,513	1,384,485
Use of Land and Buildings grants	589,349	383,174	596,411
Resource teachers learning and behaviour grants	-	-	803
Other MoE Grants	71,382	51,000	149,406
	<u>3,068,894</u>	<u>2,484,435</u>	<u>2,901,295</u>

3. Locally Raised Funds

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

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations	85,542	4,000	13,313
Fundraising	40,199	30,000	32,943
Trading	51,099	50,000	50,636
Activities	48,261	53,500	51,933
	<u>225,102</u>	<u>137,500</u>	<u>148,825</u>
Expenses			
Activities	40,745	55,000	44,465
Trading	34,768	27,000	39,945
Fundraising (costs of raising funds)	33,508	26,000	35,162
	<u>109,021</u>	<u>108,000</u>	<u>119,572</u>
<i>Surplus for the year Locally raised funds</i>	<u>116,081</u>	<u>29,500</u>	<u>29,252</u>

4. Learning Resources

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	85,628	55,050	84,539
Information and communication technology	27,619	20,000	22,788
Extra-curricular activities	2,682	2,000	1,790
Library resources	677	1,100	738
Employee benefits - salaries	1,972,317	1,607,435	1,708,392
Staff development	21,398	27,500	31,201
	<u>2,110,320</u>	<u>1,713,085</u>	<u>1,849,448</u>



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5. Administration

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	7,349	6,000	5,849
Board of Trustees Fees	2,675	3,000	3,325
Board of Trustees Expenses	3,400	6,100	5,737
Communication	4,520	6,500	3,811
Consumables	16,833	15,400	16,070
Other	20,481	40,650	38,610
Employee Benefits - Salaries	69,806	51,200	60,920
Insurance	6,009	6,500	5,418
Service Providers, Contractors and Consultancy	13,500	13,500	13,949
	<u>144,572</u>	<u>148,850</u>	<u>153,689</u>

6. Property

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	55,935	50,400	50,292
Cyclical Maintenance Provision	3,177	15,000	59,012
Grounds	14,683	7,500	9,603
Heat, Light and Water	44,433	23,998	49,057
Repairs and Maintenance	53,038	16,407	13,908
Use of Land and Buildings	589,349	383,174	596,411
Security	10,406	12,000	11,659
Employee Benefits - Salaries	35,357	28,000	30,173
	<u>806,379</u>	<u>536,479</u>	<u>820,117</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

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements - Crown	4,742	10,000	4,742
Furniture and Equipment	12,046	20,000	10,745
Information and Communication Technology	12,335	20,000	11,744
Leased Equipment	6,340	5,000	1,681
Library Resources	1,772	5,000	1,704
	<u>37,235</u>	<u>60,000</u>	<u>30,617</u>

8. Cash and Cash Equivalents

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	800	800	800
Bank Current Account	89,252	227,945	274,424
Short-term Bank Deposits	-	-	-
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	90,052	228,745	275,224

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

9. Accounts Receivable

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	2,365	-	-
Banking Staff underuse from the Ministry of Education	14,426	85,302	27,110
Receivables from the Ministry of Education	-	-	29,096
Interest Receivable	1,944	-	-
Teacher Salaries Grant Receivable	100,246	128,628	128,628
	118,981	213,930	184,834
Receivables from Exchange Transactions	4,309	-	-
Receivables from Non-Exchange Transactions	114,672	213,930	184,834
	118,981	213,930	184,834

10. Inventories

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	1,358	1,207	1,207
School Uniforms	5,439	4,459	4,459
Canteen	-	334	334
	6,797	6,000	6,000

11. Investments

The School's investment activities are classified as follows:

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	310,618	10,218	10,218

The carrying value of long term deposits longer than 12 months approximates their fair value at 31 December 2018.

12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Building Improvements	103,129	-	-	-	(4,742)	98,387
Furniture and Equipment	41,185	22,907	-	-	(12,046)	52,046
Information and Communication	40,080	44,797	-	-	(12,335)	72,542
Leased Equipment	3,414	28,417	-	-	(6,340)	25,491
Library Resources	11,927	2,720	(469)	-	(1,772)	12,406
Balance at 31 December 2018	199,734	98,841	(469)	-	(37,235)	260,871

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Building Improvements	203,496	(105,110)	98,387
Furniture and Equipment	662,114	(609,165)	52,949
Information and Communication	455,469	(383,555)	71,913
Leased Equipment	33,512	(8,297)	25,215
Library Resources	44,449	(32,041)	12,407
Balance at 31 December 2018	1,399,040	(1,138,169)	260,871

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Building Improvements	107,871	-	-	-	(4,742)	103,129
Furniture and Equipment	39,368	12,562	-	-	(10,745)	41,185
Information and Communication	32,305	19,519	-	-	(11,744)	40,080
Leased Assets	5,095	-	-	-	(1,681)	3,414
Library Resources	10,618	3,015	(2)	-	(1,704)	11,927
Balance at 31 December 2017	195,257	35,096	(2)	-	(30,617)	199,734

Accumulated Depreciation

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Building Improvements	203,496	(100,368)	103,129
Furniture and Equipment	639,207	(597,119)	42,088
Information and Communication Technology	410,672	(371,221)	39,452
Leased Equipment	5,095	(1,957)	3,138
Library Resources	43,436	(31,508)	11,927
Balance at 31 December 2017	1,301,906	(1,102,172)	199,734

13. Accounts Payable

	2018	2018	2017
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Operating creditors	28,373	20,133	20,133
Accruals	5,663	6,000	6,000
Employee Entitlements - salaries	100,246	128,628	128,628
Employee Entitlements - leave accrual	22,410	16,299	16,299
	<u>156,692</u>	<u>171,060</u>	<u>171,060</u>
Payables for Exchange Transactions	156,692	171,060	171,060
	<u>156,692</u>	<u>171,060</u>	<u>171,060</u>

14. Provision for Cyclical Maintenance

	2018	2018	2017
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Provision at the Start of the Year	84,420	84,420	32,800
Increase to the Provision During the Year	-	-	51,620
Adjustment to the Provision	3,055	-	-
Use of the Provision During the Year	-	-	-
Provision at the End of the Year	<u>87,475</u>	<u>84,420</u>	<u>84,420</u>
Cyclical Maintenance - Current	68,000	47,000	47,000
Cyclical Maintenance - Term	19,475	37,420	37,420
	<u>87,475</u>	<u>84,420</u>	<u>84,420</u>

15. Finance Lease Liability

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

	2018	2018	2017
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
No Later than One Year	6,589	1,686	1,686
Later than One Year and no Later than Five Years	20,874	1,437	1,437
Later than Five Years	-	-	-
	<u>27,463</u>	<u>3,123</u>	<u>3,123</u>

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:

		2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Power Upgrade	<i>completed</i>		1,774	-	(1,774)	-	0
Classrm/Lib Upgrade	<i>completed</i>		646	-	(858)	212	(0)
Technology Block Upgrade	<i>completed</i>		(29,096)	-	-	29,096	-
Heat Pumps	<i>completed</i>		-	27,081	(27,986)	905	(0)
Totals			(26,676)	27,081	(30,618)	30,213	(0)

Represented by:

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

-
-

		2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Power Upgrade	<i>in progress</i>		2,579	-	(805)	-	1,774
Classrm/Lib Upgrade	<i>in progress</i>		3,732	-	(3,086)	-	646
Technology Block	<i>in progress</i>		-	-	(29,096)	-	(29,096)
Totals			6,311	-	(32,987)	-	(26,676)

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 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 following transactions were conducted at arms length during the year:

Deanne Gallagher is employed by the School as a Student Aide. She is the wife of Kevin Gallagher who is on the Board of Trustees. Her salary was in the band of \$50,000 to \$55,000 (2017: \$50,000 to \$55,000)

Vanessa Kolose is employed by the School as a teacher. She is the wife of the school Principal. Her salary band for the year was between \$55,000 to \$60,000 (2017: \$55,000 to \$60,000)

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.

	2018 Actual \$	2017 Actual \$
<i>Board Members</i>		
Remuneration	2,675	3,325
Full-time equivalent members	0.46	0.46
<i>Leadership Team</i>		
Remuneration	320,122	310,842
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	322,797	314,167
Total full-time equivalent personnel	3.46	3.46

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

Principal

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

	2018 Actual \$000	2017 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	140-150	130-140
Benefits and Other Emoluments	0-5	0-5
Termination Benefits	-	-

Other Employees

There were no employees with remuneration greater than \$100,000. (2017:none)

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

19. Contingencies

There are no contingent liabilities and no contingent assets as at **31 December 2018** (Contingent liabilities and assets at **31 December 2017**: nil).

Holidays Act Compliance - schools payroll

The Ministry of Education performs payroll processing and payments on behalf of school boards of trustees, through payroll service provider Education Payroll Ltd.

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance, however the potential impact on any specific school or individual and any associated historical liability will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonable be quantified at 31 December 2018, a contingent liability for the school may exist.

20. Commitments

(a) Capital Commitments

As at 31 December 2018 the Board has not entered into any contracts.

(Capital commitments at 31 December 2017: nil)

(b) Operating Commitments

As at 31 December 2018 the Board has entered into the following contracts:

(a) operating lease for computer equipment

	2018 Actual \$	2017 Actual \$
No later than One Year	-	983
Later than One Year and No Later than Five Years	-	-
Later than Five Years	-	-
	-	983

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash and Cash Equivalents	90,052	228,745	275,224
Receivables	118,981	213,930	184,834
Investments - Term Deposits	310,618	10,218	10,218
Total Cash and Receivables	519,651	452,893	470,277

Financial liabilities measured at amortised cost

Payables	156,692	171,060	171,060
Finance Leases	27,463	3,123	3,123
Total Financial Liabilities Measured at Amortised Cost	<u>184,155</u>	<u>174,183</u>	<u>174,183</u>

23. Events After Balance Date

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

**INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF MANUREWA SOUTH SCHOOL'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

The Auditor-General is the auditor of Manurewa South School (the School). The Auditor-General has appointed me, Blair Stanley, using the staff and resources of BDO Auckland, 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 18, that comprise the statement of Financial Position as at 31 December 2018, the Statement of Comprehensive Revenue and Expense, Statement of Changes in Net Assets/Equity and Statement of Cash Flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2018; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime.

Our audit was completed on 20 May 2019. This is the date at which our opinion is expressed.

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

Basis 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 Board of Trustees listing, Kiwisport Funding Report and Analysis of Variance, but does not include the financial statements and our auditor's report thereon.

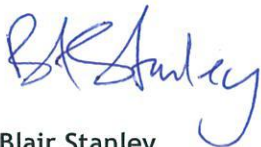
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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.

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.



Blair Stanley
BDO Auckland
On behalf of the Auditor-General
Auckland, New Zealand

MANUREWA SOUTH SCHOOL 2018 ANALYSIS OF VARIANCE / SELF REVIEW

Target	Outcome	Analysis	Evaluation
<p><u>Reading</u></p> <p>All Maori students assessed 'below' or 'well below' the standard in Reading at the end of 2018 (174 of 285) students assessed) will progress in Reading supported by school-wide PD in Literacy.</p>	<p>10% of Maori students (17/174) continue to achieve 'well below' in Reading.</p> <p>33% of Maori students (58/174) continue to achieve 'below' in Reading.</p> <p>33% of Maori students (58/174) are achieving 'above' in Reading.</p> <p>24% of Maori students (41/174) are achieving 'well above' in Reading.</p>	<p>Teachers were specifically focussing on decoding.</p> <p>Teacher's pedagogy of reading needed to be improved.</p> <p>Teachers need to be more explicit when teaching vocabulary.</p> <p>Teachers need to expose students to a variety of reading comprehension strategies.</p> <p>School needs to purchase more reading resources eg: readers from levels 12 to 22. Teachers were specifically focussing on decoding.</p> <p>Teacher's pedagogy of reading needed to be improved.</p> <p>Teachers need to be more explicit when teaching vocabulary (oral language)</p> <p>Teachers need to expose students to a variety of reading comprehension strategies.</p> <p>All Junior teachers to attend phonics PLD – Yolanda Soryl Phonics Programme</p> <p>School needs to purchase more reading resources eg: readers from levels 10 to 22.</p>	<p>Continue ongoing analysis of data and from 2018 to inform teaching.</p> <p>All teachers develop a shared understanding of what students are expected to achieve as developing readers.</p> <p>What are the main approaches to the teaching of reading and how to implement these approaches effectively across the school.</p> <p>Improve student achievement in reading by developing enthusiastic, independent readers who can both make sense of the texts (decoding) and think critically about the texts across all learning areas.</p> <p>Teachers to conduct a teacher inquiry into their practice around reading including the selection and monitoring of target students. This will form the basis of staff appraisals through coaching and frequent review.</p> <p>More explicit vocabulary teaching and vocabulary enrichment activities.</p> <p>Implement the Yolanda Soryl Phonics Programme throughout Junior School.</p> <p>Look to use the PACT Tool to support reading progressions.</p> <p>Look to apply for MOE PLD hours to reading/writing links for 2019.</p>

<p><u>Writing</u></p> <p>All Maori students assessed 'below' or 'well below' the standard in Writing at the end of 2018 (171 of 285 students assessed) will progress in Writing supported by school-wide PD in Writing.</p>	<p>12% of Maori students (20/174) continue to achieve 'well below' in Writing.</p> <p>35% of Maori students (61/174) continue to achieve 'below' in Writing.</p> <p>42% of Maori students (73/174) are achieving 'above' in Writing.</p> <p>12% of Maori students (20/174) are achieving 'well above' in Writing.</p>	<p>Provided Teachers with PLD for writing focussing on forms of writing (genre) and e-asTtle writing.</p> <p>Teacher's pedagogy of writing had improved in writing through the support of the external PLD.</p> <p>Teachers need to become more familiar with e-asTtle writing matrix.</p> <p>There are clearer expectations of how writing is taught in classes.</p> <p>School needs to purchase more writing resources to support writing in the classrooms.</p> <p>Introduce the 'LEGO' writing programme which is based on 'Oral Language'</p>	<p>Continue ongoing analysis of data and from 2018 to inform teaching.</p> <p>Ensure staff moderation and collaboration continues.</p> <p>Review how writing is being taught across the curriculum and if it is embedded within the Manurewa South Curriculum in a manner that meets the needs of the community.</p> <p>Teachers to conduct a teacher inquiry into their practice around writing including the selection and monitoring of target students. This will form the basis of the appraisal process through coaching and frequent review.</p> <p>Continue to assess students using the e-asTtle tool in Writing.</p> <p>Continue to collate and analyse student achievement data in the area of Writing and report the data, making recommendations based on these to our parents, BOT, and the community.</p> <p>Involve staff in professional development linked to literacy</p> <p>Continue to provide PLD in writing with a focus on Oral and Visual Language.</p> <p>Look to continue the 'LEGO' writing programme.</p> <p>Look to apply for MOE PLD hours to support writing for 2019.</p> <p>Continue classroom observation data (Appraiser/Senior management).</p> <p>Look to use the PACT Tool to support writing progressions.</p>
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<p>Mathematics</p> <p>All Maori students assessed 'below' or 'well below' the standard in Mathematics at the end of 2018 (174 of 285 students assessed) will progress in relation to the number strand of the Mathematics strand.</p>	<p>8% of Maori students (15/174) continue to achieve 'well below' in Mathematics.</p> <p>31% of Maori students (55/174) continue to achieve 'below' in Mathematics.</p> <p>49% of Maori students (86/174) are achieving 'above' in Mathematics.</p> <p>10% of Maori students (18/174) are achieving 'well above' in Mathematics.</p>	<p>Teachers need to have a focus on numeracy.</p> <p>No external support was provided to teachers.</p> <p>Teacher's pedagogy of numeracy needed to be improved.</p> <p>Teachers need to analyse numeracy data closely to look for trends and patterns.</p> <p>There's no consistency with the teaching of teaching numeracy school-wide.</p> <p>School needs to purchase more maths resources to support numeracy programme in the classrooms</p>	<p>Continue ongoing analysis from 2018 to inform teaching.</p> <p>Set strategic goals for student achievement in Mathematics.</p> <p>Look to explore Bobby Maths – DMIC Developing Mathematical Inquiry Communities.</p> <p>Teachers to conduct a teacher inquiry into their practice around maths including the selection and monitoring of target students. This will form the basis of the appraisal process through coaching and frequent review.</p> <p>Analyse results to measure impact of PD and documentation school wide in relation to student achievement.</p> <p>Continue to assess students using the e-asTitle tool in Mathematics</p> <p>Continue to collate and analyse student achievement data in the area of Mathematics (Numeracy) and report the data, making recommendations based on these to our parents, BOT, and the community.</p> <p>Involve staff in professional development linked to literacy – Numeracy.</p> <p>Lead teacher of Numeracy to attend Area-wide Literacy and Numeracy cluster meetings facilitated and to lead staff meetings so that information/new learning is transferred back into teaching programmes.</p> <p>Continue classroom observation data (Appraiser/Senior management).</p>
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Actions to achieve targets	Led by	Budget	Timeframe	Expected Outcome
1) Track and report of Maori & Pasifika students in literacy and numeracy through every level of the school and endeavor to meet their individual needs.	Principal & Senior Leadership Team		Ongoing	Maori & Pasifika families can be informed of student progress and of plans to improve achievement and families can support children's learning
2) Have high expectations of Maori and Pasifika learners to succeed.	All staff		Ongoing throughout the year	Implement the use of curriculum levels as a formative assessment tool.
3) Continue to set targets for groups in Literacy and Numeracy and implement action plans.	Senior Leadership Team		Continual	All stakeholders can have confidence in OTJ's and school-wide data.
4) Strengthen evidence gathering and moderating practices to promote confidence and consistency in making Overall Teacher Judgments (OTJ's)	Senior Leadership Team & Teachers		PD Courses throughout the year	Teachers to see that reading and writing links are important for student learning.
5) Making Reading/Writing links in teaching programmes and incorporate these skills across curriculum.	Leadership & Assessment PLD & Team Leaders		Ongoing	Teachers practice is more effective and responsive to student need.
6) Teachers regularly review effectiveness of practice using the "Teaching as Inquiry" model to identify changes required to improve student outcomes.	Senior Leadership Team		Ongoing	Teachers implement learning from PD.
7) Teachers to participate in Literacy and Numeracy PD to support their teaching and learning programmes. Work alongside Heather Barrar from "FocusEd" focusing on Oral Language and Vocabulary.	Principal		Ongoing	Families/whanau feel included and consulted about school direction and outcomes for their children.
8) Engage with Maori and Pasifika families/whanau in working alongside the school to implement changes needed to the way teachers engage with Maori and Pasifika children and the parents/whanau/fono in order to support their progress and achievement.	Class Teachers	CRT	Ongoing	Targets are met and students are aware of their 'next steps'
9) Meet with each target student regularly to discuss their individual goal, the steps to achieve it and the progress to date.	Teachers and Principal		Ongoing	School-wide targets are met
10) Carry out regular and ongoing anecdotal notes, observations and assessments of target groups to identify changing needs and adapt programmes accordingly.	Lead Teacher & Teachers		Ongoing	Numeracy targets are met.
11) Continue to support Maori and Pasifika students with the Number strand. Identify targeted group and provide support.	Reading & Writing Lead Teacher		Termly	Teachers have supporting materials/resources to support student learning
12) Purchase teacher materials/resources eg: PM Writing to support literacy (Reading and writing) programmes.				

KIWISPORT

Kiwisport is a Government funding initiative to support students' participation in organised sport.

In 2018 Manurewa South School received funding of \$5,440. The funding was spent on funding sports equipment.

The number of students participating in organised sport is 100% of the school roll.