

**DRAFT**

# **TAINUI FULL PRIMARY SCHOOL**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

School Address: Tainui Street, Tokoroa

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Ministry Number: 1974

# TAINUI FULL PRIMARY SCHOOL

Financial Statements - For the year ended 31 December 2017

## Index

<b>Page</b>	<b>Statement</b>
1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expense
3	Statement of Changes in Net Assets/Equity
4	Statement of Financial Position
5	Statement of Cash Flows
6 - 12	Statement of Accounting Policies
13 - 22	Notes to the Financial Statements

# Tainui Full Primary School

## Statement of Responsibility

For the year ended 31 December 2017

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


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

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

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

*H. Peter Treanor*

Full Name of Board Chairperson



Signature of Board Chairperson

Date:

*Tania Anne Morrison*

Full Name of Principal



Signature of Principal

Date:

## Tainui Full Primary School

# Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2017

		2017	2017	2016
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Revenue</b>				
Government Grants	2	2,233,513	1,816,375	2,041,927
Locally Raised Funds	3	110,509	81,020	91,763
Interest Earned		7,754	6,000	10,099
		<hr/>	<hr/>	<hr/>
		2,351,776	1,903,395	2,143,789
<b>Expenses</b>				
Locally Raised Funds	3	106,904	81,500	72,143
Learning Resources	4	1,523,403	1,197,903	1,370,878
Administration	5	158,999	168,469	131,525
Finance Costs		1,815	-	839
Property	6	438,362	362,456	396,103
Depreciation	7	81,232	55,424	68,130
		<hr/>	<hr/>	<hr/>
		2,310,715	1,865,752	2,039,618
<b>Net Surplus / (Deficit)</b>		41,061	37,643	104,171
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		41,061	37,643	104,171

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

**Tainui Full Primary School**  
**Statement of Changes in Net Assets/Equity**  
For the year ended 31 December 2017

	Actual 2017 \$	Budget (Unaudited) 2017 \$	Actual 2016 \$
<b>Balance at 1 January</b>	<u>591,933</u>	<u>591,933</u>	<u>483,025</u>
Total comprehensive revenue and expense for the year	41,061	37,643	104,171
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	5,258	-	4,737
<b>Equity at 31 December</b>	<u>638,252</u>	<u>629,576</u>	<u>591,933</u>
Retained Earnings	638,252	629,576	591,933
<b>Equity at 31 December</b>	<u>638,252</u>	<u>629,576</u>	<u>591,933</u>

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

**Tainui Full Primary School**  
**Statement of Financial Position**  
As at 31 December 2017

		2017	2017	2016
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Current Assets</b>				
Cash and Cash Equivalents	8	263,292	232,022	211,538
Accounts Receivable	9	100,974	90,351	73,648
GST Receivable		8,324	-	15,014
Prepayments		4,390	1,700	2,912
Inventories	10	10,613	6,214	3,596
Investments	11	215,678	250,463	193,764
Funds owed for Capital Works Projects	19	-	-	9,456
		<u>603,271</u>	<u>580,750</u>	<u>509,928</u>
<b>Current Liabilities</b>				
GST Payable		-	549	-
Accounts Payable	13	124,508	97,810	108,341
Revenue Received in Advance	14	-	-	2,337
Provision for Cyclical Maintenance		-	-	-
Painting Contract Liability - Current Portion	16	10,895	10,895	10,895
Finance Lease Liability - Current Portion	17	13,614	-	8,457
Funds held in Trust	18	6,159	3,752	6,232
Funds held for Capital Works Projects	19	228	-	-
		<u>155,404</u>	<u>113,006</u>	<u>136,262</u>
<b>Working Capital Surplus/(Deficit)</b>		<b>447,867</b>	<b>467,744</b>	<b>373,666</b>
<b>Non-current Assets</b>				
Investments (more than 12 months)	11	-	-	21,914
Property, Plant and Equipment	12	251,667	196,078	249,455
		<u>251,667</u>	<u>196,078</u>	<u>271,369</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	15	43,580	32,685	32,685
Painting Contract Liability	16	1,561	1,561	8,944
Finance Lease Liability	17	16,141	-	11,473
		<u>61,282</u>	<u>34,246</u>	<u>53,102</u>
<b>Net Assets</b>		<u><u>638,252</u></u>	<u><u>629,576</u></u>	<u><u>591,933</u></u>
<b>Equity</b>		<u><u>638,252</u></u>	<u><u>629,576</u></u>	<u><u>591,933</u></u>

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

**Tainui Full Primary School**  
**Statement of Cash Flows**  
For the year ended 31 December 2017

		2017	2017	2016
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
<b>Cash flows from Operating Activities</b>				
Government Grants		633,341	631,471	591,663
Locally Raised Funds		111,300	79,320	93,569
Goods and Services Tax (net)		6,690	-	(15,563)
Payments to Employees		(271,272)	(273,282)	(227,802)
Payments to Suppliers		(398,265)	(297,506)	(202,796)
Interest Paid		(1,815)	-	(839)
Interest Received		6,276	6,000	6,885
Net cash from / (to) the Operating Activities		86,255	146,003	245,117
<b>Cash flows from Investing Activities</b>				
Purchase of PPE (and Intangibles)		(75,992)	(71,000)	(63,290)
Purchase of Investments		-	-	(22,105)
Net cash from / (to) the Investing Activities		(75,992)	(71,000)	(85,395)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		5,258	-	4,737
Finance Lease Payments		(8,354)	(10,895)	(9,916)
Painting contract payments		32,295	24,912	(7,382)
Funds Administered on Behalf of Third Parties		(1,053)	-	3,460
Funds Held for Capital Works Projects		13,345	-	(7,000)
Net cash from Financing Activities		41,491	14,017	(16,101)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>51,754</b>	<b>89,020</b>	<b>143,621</b>
Cash and cash equivalents at the beginning of the year	8	211,538	143,002	67,917
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>263,292</b>	<b>232,022</b>	<b>211,538</b>

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.

# Tainui Full Primary School

## Notes to the Financial Statements

### 1. Statement of Accounting Policies

For the year ended 31 December 2017

#### **a) Reporting Entity**

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

#### **b) Basis of Preparation**

##### ***Reporting Period***

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

##### ***Basis of Preparation***

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

##### ***Financial Reporting Standards Applied***

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

##### ***PBE Accounting Standards Reduced Disclosure Regime***

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

##### ***Measurement Base***

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

##### ***Presentation Currency***

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

##### ***Specific Accounting Policies***

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



### ***Critical Accounting Estimates And Assumptions***

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

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

#### ***Useful lives of property, plant and equipment***

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

### ***Critical Judgements in applying accounting policies***

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

#### ***Classification of leases***

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

#### ***Recognition of grants***

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

## **c) Revenue Recognition**

### ***Government Grants***

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

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

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

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

### ***Other Grants***

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

### ***Donations, Gifts and Bequests***

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

**Interest Revenue**

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

**d) Use of Land and Buildings Expense**

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

**e) Operating Lease Payments**

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

**f) Finance Lease Payments**

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

**g) Cash and Cash Equivalents**

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

**h) Accounts Receivable**

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

**i) Inventories**

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

**j) Investments**

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

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

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

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

## **k) Property, Plant and Equipment**

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

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

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

Property, plant and equipment acquired with individual values under \$1000 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 are depreciated over their estimated useful lives on a straight line basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Buildings	8 Years
Furniture and Equipment	4-15 Years
Information and Communication	4 Years
Library Resources	12.5% DV

Leased assets are depreciated over the life of the lease.

## **l) Intangible Assets**

### *Software costs*

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

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

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

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

## **m) Impairment of property, plant, and equipment and intangible assets**

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

### *Non cash generating assets*

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

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

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

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

## **n) Accounts Payable**

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

## **o) Employee Entitlements**

### *Short-term employee entitlements*

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

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

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

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

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

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

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

**(r) Shared Funds**  
 Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. The cluster of schools operate activities outside of school control. These amounts are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

**(s) 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).

**(t) 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.

**u) Borrowings**

Borrowings are recognised at the amount borrowed. Borrowings are classified as current liabilities unless the School has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

**v) 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.

**w) Budget Figures**

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

**x) Services received in-kind**

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

## 2. Government Grants

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operational grants	558,631	581,471	526,572
Teachers' salaries grants	1,279,685	966,232	1,171,728
Use of Land and Buildings grants	310,532	218,672	274,042
Other MoE Grants	84,665	50,000	69,585
	<u>2,233,513</u>	<u>1,816,375</u>	<u>2,041,927</u>

## 3. Locally Raised Funds

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Revenue</b>			
Donations	11,207	22,000	5,828
Fundraising	2,875	3,000	6,257
Trading	44,472	39,800	42,793
Activities	43,587	9,220	29,060
After School Care	8,368	7,000	7,825
	<u>110,509</u>	<u>81,020</u>	<u>91,763</u>
<b>Expenses</b>			
Activities	25,459	4,300	3,285
Trading	61,427	50,400	48,879
Fundraising (costs of raising funds)	739	-	1,104
After School Care	19,279	26,800	18,875
	<u>106,904</u>	<u>81,500</u>	<u>72,143</u>
<i>Surplus for the year Locally raised funds</i>	<u>3,605</u>	<u>(480)</u>	<u>19,620</u>

## 4. Learning Resources

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Curricular	40,511	55,800	40,817
Extra-curricular activities	8,457	-	17,285
Library resources	285	500	398
Employee benefits - salaries	1,437,706	1,103,603	1,288,551
Staff development	31,650	34,000	17,551
Ict	4,794	4,000	6,276
	<u>1,523,403</u>	<u>1,197,903</u>	<u>1,370,878</u>

## 5. Administration

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Audit Fee	3,794	3,851	3,794
Board of Trustees Fees	5,170	5,280	4,205
Board of Trustees Expenses	8,780	6,300	6,372
Communication	3,499	4,000	3,649
Consumables	9,810	10,645	10,071
Operating Lease	3,889	12,000	7,214
Other	50,373	42,400	23,521
Employee Benefits - Salaries	63,957	73,743	65,799
Insurance	2,827	2,200	-
Service Providers, Contractors and Consultancy	6,900	8,050	6,900
	<u>158,999</u>	<u>168,469</u>	<u>131,525</u>

## 6. Property

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Caretaking and Cleaning Consumables	7,216	5,600	5,154
Cyclical Maintenance Expense	10,895	10,895	10,895
Grounds	3,415	3,600	3,899
Heat, Light and Water	22,460	20,800	20,042
Rates	7,477	7,200	7,150
Repairs and Maintenance	27,364	33,521	30,015
Use of Land and Buildings	310,532	218,672	274,042
Employee Benefits - Salaries	49,003	62,168	44,906
	<u>438,362</u>	<u>362,456</u>	<u>396,103</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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Buildings	8,137	14,776	18,163
Building Improvements	1,083	3,398	4,177
Furniture and Equipment	19,805	7,656	9,411
Information and Communication Technology	38,404	24,107	29,634
Leased Assets	11,359	3,392	4,170
Library Resources	2,444	2,095	2,575
	<u>81,232</u>	<u>55,424</u>	<u>68,130</u>



## 8. Cash and Cash Equivalents

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
BNZ BOT Imprest A/c	45,294	43,572	23,088
BNZ BOT On Call A/c	209,568	184,077	184,077
BNZ Activity On Call	18	18	18
BNZ Activity Imprest	8,412	4,355	4,355
Cash equivalents and bank overdraft for Cash Flow Statement	263,292	232,022	211,538

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

Of the \$263,292 Cash and Cash Equivalents, \$1,866 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2018 on Crown owned school buildings under the School's Five Year Property Plan.

## 9. Accounts Receivable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Receivables	1,153	17,613	910
Receivables from the Ministry of Education	961	-	-
Interest Receivable	4,692	3,214	3,214
Teacher Salaries Grant Receivable	94,168	69,524	69,524
	100,974	90,351	73,648
Receivables from Exchange Transactions	6,806	20,827	4,124
Receivables from Non-Exchange Transactions	94,168	69,524	69,524
	100,974	90,351	73,648

## 10. Inventories

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Canteen	539	425	424
Stationery	3,455	4,800	2,183
Uniforms	6,619	989	989
	10,613	6,214	3,596

## 11. Investments

The School's investment activities are classified as follows:

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Current Asset			
Short-term Bank Deposits	215,678	250,463	193,764
Non-current Asset			
Long-term Bank Deposits	-	-	21,914

12. Property, Plant and Equipment

	2017					
	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
<b>Balance at 31 December 2017</b>	<b>249,454</b>	<b>83,444</b>	-	-	<b>(81,232)</b>	<b>251,667</b>
Buildings	29,544	-	-	-	(8,137)	21,407
Building Improvements	5,869	-	-	-	(1,083)	4,786
Furniture and Equipment	87,382	49,304	-	-	(19,805)	116,880
Information and Communication Tech	88,719	12,705	-	-	(38,404)	63,020
Leased Assets	19,313	19,565	-	-	(11,359)	27,519
Library Resources	18,627	1,870	-	-	(2,444)	18,055
<b>Balance at 31 December 2017</b>	<b>217,502</b>	<b>100,083</b>	-	-	<b>(68,130)</b>	<b>249,455</b>
<b>2016</b>	<b>Opening Balance (NBV)</b>	<b>Additions</b>	<b>Disposals</b>	<b>Impairment</b>	<b>Depreciation</b>	<b>Total (NBV)</b>
Buildings	47,707	-	-	-	(18,163)	29,544
Building Improvements	4,917	5,130	-	-	(4,177)	5,869
Furniture and Equipment	56,761	40,032	-	-	(9,411)	87,382
Information and Communication Tech	88,103	36,070	-	-	(29,634)	94,539
Leased Assets	-	17,663	-	-	(4,170)	13,493
Library Resources	20,014	1,188	-	-	(2,575)	18,628
<b>Balance at 31 December 2016</b>	<b>217,502</b>	<b>100,083</b>	-	-	<b>(68,130)</b>	<b>249,455</b>
<b>2016</b>	<b>Cost or Valuation</b>	<b>Accumulated Depreciation</b>	<b>Net Book Value</b>			
Buildings	145,302	(15,758)	29,544			
Building Improvements	85,166	(79,297)	5,869			
Furniture and Equipment	474,337	(386,955)	87,382			
Information and Communication	189,072	(94,533)	94,539			
Leased Assets	17,663	(4,170)	13,493			
Library Resources	68,738	(50,110)	18,628			
<b>Balance at 31 December 2016</b>	<b>980,278</b>	<b>(730,823)</b>	<b>249,455</b>			

### 13. Accounts Payable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operating creditors	24,529	25,980	18,218
Accruals	3,794	-	4,363
Capital accruals for PPE items	-	-	13,930
Employee Entitlements - salaries	94,168	69,524	69,524
Employee Entitlements - leave accrual	2,017	2,306	2,306
	<u>124,508</u>	<u>97,810</u>	<u>108,341</u>
Payables for Exchange Transactions	124,508	97,810	108,341
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>124,508</u>	<u>97,810</u>	<u>108,341</u>

The carrying value of payables approximates their fair value.

### 14. Revenue Received in Advance

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Income Received in Advance	-	-	2,337
	<u>-</u>	<u>-</u>	<u>2,337</u>

### 15. Provision for Cyclical Maintenance

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Provision at the Start of the Year	32,685	21,790	21,790
Increase to the Provision During the Year	10,895	10,895	10,895
Provision at the End of the Year	<u>43,580</u>	<u>32,685</u>	<u>32,685</u>
Cyclical Maintenance - Current	-	-	-
Cyclical Maintenance - Term	43,580	32,685	32,685
	<u>43,580</u>	<u>32,685</u>	<u>32,685</u>

## 16. Painting Contract Liability

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Current Liability	10,895	10,895	10,895
Non Current Liability	1,561	1,561	8,944
	<u>12,456</u>	<u>12,456</u>	<u>19,839</u>

In 2006 the Board signed an agreement with Programmed Maintenance Services Ltd. (the contractor) for an agreed programme of work covering a 14 Years year period. The programme provides for External repaints of the Ministry owned buildings in 2006 and 2013, with regular maintenance in subsequent years. The agreement has an annual commitment of \$10,895. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

## 17. Finance Lease Liability

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
No Later than One Year	14,787	-	8,457
Later than One Year and no Later than Five Years	18,123	-	12,741
Future finance charges	(3,155)	-	(1,268)
	<u>29,755</u>	<u>-</u>	<u>19,930</u>

## 18. Funds held in Trust

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	6,159	3,752	6,232
Funds Held in Trust on Behalf of Third Parties - Non-current	-	-	-
	<u>6,159</u>	<u>3,752</u>	<u>6,232</u>

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

## 19. Funds Held (Owed) for Capital Works Projects

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

	2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Fencing & Ablution	<i>in progress</i>	(9,456)	109,000	101,182	-	(1,638)
Project#204871 - D,E:DQLS & ILE up	<i>in progress</i>	-	222,153	220,287	-	1,866
<b>Totals</b>		<b>(9,456)</b>	<b>331,153</b>	<b>321,469</b>	<b>-</b>	<b>228</b>

### Represented by:

Funds Held on Behalf of the Ministry of Education	1,866
Funds Due from the Ministry of Education	(1,638)
<b>Totals</b>	<b>228</b>

	2016	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Fencing & Ablution	<i>in progress</i>	-	-	9,456	-	(9,456)
<b>Totals</b>		<b>-</b>	<b>-</b>	<b>9,456</b>	<b>-</b>	<b>(9,456)</b>

## 20. 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.

## 21. Remuneration

### Key management personnel compensation

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

	2017 Actual \$	2016 Actual \$
<i>Board Members</i>		
Remuneration	5,170	4,205
Full-time equivalent members	0.18	0.17
<i>Leadership Team</i>		
Remuneration	658,661	463,751
Full-time equivalent members	8.00	5.00
Total key management personnel remuneration	663,831	467,956
Total full-time equivalent personnel	8.18	5.17

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

### Principal

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

	2017 Actual \$000	2016 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	140 - 150	120 - 130
Benefits and Other Emoluments	3 - 4	3 - 4
Termination Benefits	-	-

### Other Employees

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

Remuneration \$000	2017 FTE Number	2016 FTE Number
100 - 110	-	-
	0.00	0.00

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

## 22. Compensation and Other Benefits Upon Leaving

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

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

### 23. Contingencies

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

### 24. Commitments

#### (a) Capital Commitments

There are no capital commitments as at 31 December 2017 (Capital commitments at 31 December 2016: nil).

#### (b) Operating Commitments

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

(a) operating lease of laptops;

	2017 Actual \$	2016 Actual \$
No later than One Year	750	2,632
Later than One Year and No Later than Five Years	-	751
Later than Five Years	-	-
	750	3,383

(b) The School has entered into an agreement with Programmed Maintenance Services Ltd for painting of the School's buildings. The amount committed on the contract is:

	2017 Actual \$	2016 Actual \$
No later than One Year	5,821	3,513
Later than One Year and No Later than Five Years	3,513	9,334
Later than Five Years	-	-
	9,334	12,847

### 25. 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.

## 26. Financial Instruments

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

### Loans and receivables

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Cash and Cash Equivalents	263,292	232,022	211,538
Receivables	100,974	90,351	73,648
Investments - Term Deposits	215,678	250,463	215,678
Total Loans and Receivables	<u>579,944</u>	<u>572,836</u>	<u>500,864</u>

### Financial liabilities measured at amortised cost

Payables	124,508	97,810	108,341
Borrowings - Loans	-	-	-
Finance Leases	29,755	-	19,930
Painting Contract Liability	12,456	12,456	19,839
Total Financial Liabilities Measured at Amortised Cost	<u>166,719</u>	<u>110,266</u>	<u>148,110</u>

## 27. Events After Balance Date

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