

# **DURIE HILL SCHOOL**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

School Address: 109 Portal Street, Durie Hill, Wanganui

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Ministry Number: 2355

# DURIE HILL SCHOOL

Financial Statements - For the year ended 31 December 2017

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# Durie Hill 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.

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Full Name of Board Chairperson

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Full Name of Principal

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Signature of Board Chairperson

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Signature of Principal

24 May 2018

24 May 2018

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Date:

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Date:

Durie Hill School

**Statement of Comprehensive Revenue and Expense**

For the year ended 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Revenue</b>				
Government Grants	2	1,835,957	1,668,074	1,787,264
Locally Raised Funds	3	62,754	18,850	71,535
Interest Earned		2,743	6,000	4,204
		<hr/>	<hr/>	<hr/>
		1,901,454	1,692,924	1,863,003
<b>Expenses</b>				
Locally Raised Funds	3	13,481	1,500	26,772
Learning Resources	4	1,373,506	1,253,373	1,349,045
Administration	5	105,647	102,495	110,522
Finance Costs		3,642	2,500	3,174
Property	6	342,903	316,379	372,603
Depreciation	7	47,650	37,500	39,995
		<hr/>	<hr/>	<hr/>
		1,886,829	1,713,747	1,902,111
<b>Net Surplus / (Deficit)</b>		14,625	(20,823)	(39,108)
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		14,625	(20,823)	(39,108)

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

**Durie Hill 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>372,062</u>	<u>372,062</u>	<u>401,612</u>
Total comprehensive revenue and expense for the year	14,625	(20,823)	(39,108)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	7,465	-	9,558
<b>Equity at 31 December</b>	<u>394,152</u>	<u>351,239</u>	<u>372,062</u>
Retained Earnings	394,152	351,239	372,062
<b>Equity at 31 December</b>	<u>394,152</u>	<u>351,239</u>	<u>372,062</u>

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

**Durie Hill School**  
**Statement of Financial Position**

As at 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	116,959	126,022	196,860
Accounts Receivable	9	75,104	97,330	62,054
GST Receivable		4,949	12,561	-
Prepayments		7,426	6,235	6,779
Inventories	10	2,082	1,656	2,874
Investments	11	24,941	71,798	24,941
		<u>231,461</u>	<u>315,602</u>	<u>293,508</u>
<b>Current Liabilities</b>				
GST Payable		-	-	6,025
Accounts Payable	13	105,806	125,751	89,936
Provision for Cyclical Maintenance	14	6,133	-	-
Finance Lease Liability - Current Portion	15	12,478	7,664	11,638
Funds held for Capital Works Projects	16	4,950	-	49,542
		<u>129,367</u>	<u>133,415</u>	<u>157,141</u>
<b>Working Capital Surplus/(Deficit)</b>		<b>102,094</b>	<b>182,187</b>	<b>136,367</b>
<b>Non-current Assets</b>				
Investments (more than 12 months)	11	48,350	-	48,350
Property, Plant and Equipment	12	295,092	265,009	254,416
		<u>343,442</u>	<u>265,009</u>	<u>302,766</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	14	38,292	81,391	42,866
Finance Lease Liability	15	13,092	14,566	24,205
		<u>51,384</u>	<u>95,957</u>	<u>67,071</u>
<b>Net Assets</b>		<u><u>394,152</u></u>	<u><u>351,239</u></u>	<u><u>372,062</u></u>
<b>Equity</b>		<u><u>394,152</u></u>	<u><u>351,239</u></u>	<u><u>372,062</u></u>

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

**Durie Hill 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		421,417	393,286	400,581
Locally Raised Funds		62,754	17,350	71,535
Goods and Services Tax (net)		(10,974)	-	18,586
Payments to Employees		(232,631)	(229,400)	(232,683)
Payments to Suppliers		(172,570)	(100,136)	(208,744)
Cyclical Maintenance Payments in the year		(10,086)	-	(50,709)
Interest Paid		(3,642)	(2,500)	(3,174)
Interest Received		4,124	6,000	2,816
Net cash from / (to) the Operating Activities		58,392	84,600	(1,792)
<b>Cash flows from Investing Activities</b>				
Purchase of PPE (and Intangibles)		(85,949)	(45,000)	(28,112)
Net cash from / (to) the Investing Activities		(85,949)	(45,000)	(28,112)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		7,465	-	9,558
Finance Lease Payments		(12,017)	(10,343)	(8,830)
Funds Held for Capital Works Projects		(47,792)	-	87,847
Net cash from Financing Activities		(52,344)	(10,343)	88,575
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(79,901)</b>	<b>29,257</b>	<b>58,671</b>
Cash and cash equivalents at the beginning of the year	8	196,860	96,765	138,189
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>116,959</b>	<b>126,022</b>	<b>196,860</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.

# Durie Hill School

## Notes to the Financial Statements

### 1. Statement of Accounting Policies

For the year ended 31 December 2017

#### a) Reporting Entity

Durie Hill 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 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 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 \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

#### **Leased Assets**

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

#### **Depreciation**

Property, plant and equipment 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	20-50 years
Building Improvements	5-50 years
Furniture and Equipment	1-10 years
Information and Communication	4 years
Leased Assets	5 years
Library Resources	8 years

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	373,854	368,359	367,927
Teachers' salaries grants	1,169,494	1,069,953	1,145,977
Use of Land and Buildings grants	240,592	204,835	237,772
Resource teachers learning and behaviour grants	3,263	-	1,404
Other MoE Grants	48,754	17,627	34,184
Other government grants	-	7,300	-
	<u>1,835,957</u>	<u>1,668,074</u>	<u>1,787,264</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	10,551	5,500	11,489
Fundraising	12,897	8,000	23,550
Trading	2,602	-	2,576
Activities	36,704	5,350	33,920
	<u>62,754</u>	<u>18,850</u>	<u>71,535</u>
<b>Expenses</b>			
Activities	6,942	1,500	10,137
Trading	2,855	-	2,524
Fundraising (costs of raising funds)	3,684	-	14,111
	<u>13,481</u>	<u>1,500</u>	<u>26,772</u>
<i>Surplus for the year Locally raised funds</i>	<u>49,273</u>	<u>17,350</u>	<u>44,763</u>

## 4. Learning Resources

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Curricular	21,415	27,510	26,451
Extra-curricular activities	25,725	5,580	23,412
Library resources	830	500	536
Employee benefits - salaries	1,311,057	1,203,453	1,276,413
Staff development	8,969	9,500	16,085
I C T	5,510	6,830	6,148
	<u>1,373,506</u>	<u>1,253,373</u>	<u>1,349,045</u>

## 5. Administration

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Audit Fee	4,345	4,345	4,281
Board of Trustees Fees	4,345	5,000	4,400
Board of Trustees Expenses	1,881	2,550	4,442
Communication	4,295	3,500	3,372
Consumables	9,519	8,900	8,810
Operating Lease	1,910	1,800	3,951
Other	9,848	7,100	7,732
Employee Benefits - Salaries	54,205	54,500	58,732
Insurance	5,579	5,300	5,262
Service Providers, Contractors and Consultancy	9,720	9,500	9,540
	<u>105,647</u>	<u>102,495</u>	<u>110,522</u>

## 6. Property

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Caretaking and Cleaning Consumables	14,074	13,200	13,347
Cyclical Maintenance Expense	11,645	2,484	37,530
Grounds	5,699	16,200	13,354
Heat, Light and Water	17,094	16,350	15,071
Rates	3,835	4,000	3,630
Repairs and Maintenance	8,934	16,910	7,084
Use of Land and Buildings	240,592	204,835	237,772
Security	2,526	1,000	1,294
Employee Benefits - Salaries	38,504	41,400	43,521
	<u>342,903</u>	<u>316,379</u>	<u>372,603</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	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Buildings	1,116	1,047	1,117
Building Improvements	7,264	6,758	7,208
Furniture and Equipment	11,493	9,264	9,880
Information and Communication Technology	12,857	9,531	10,165
Leased Assets	12,418	8,746	9,328
Library Resources	2,502	2,154	2,297
	<u>47,650</u>	<u>37,500</u>	<u>39,995</u>

## 8. Cash and Cash Equivalents

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Cash on Hand	100	100	100
BNZ-0792-0018275-05	79,872	102,746	173,584
Westpac 0487344-00 Chq	14,976	5,573	5,573
Westpac 0478990-00 F/Raising	17,443	13,442	13,442
Westpac 0487344-01 Camp	512	145	145
BNZ 0792-0018275-06	4,056	4,016	4,016
Cash equivalents and bank overdraft for Cash Flow Statement	<u>116,959</u>	<u>126,022</u>	<u>196,860</u>

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

Of the \$116,959 Cash and Cash Equivalents, \$4,950 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 \$
Interest Receivable	7	885	1,388
Teacher Salaries Grant Receivable	75,097	96,445	60,666
	<u>75,104</u>	<u>97,330</u>	<u>62,054</u>

Receivables from Exchange Transactions	7	885	1,388
Receivables from Non-Exchange Transactions	75,097	96,445	60,666
	<u>75,104</u>	<u>97,330</u>	<u>62,054</u>

**10. Inventories**

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Stationery Account	1,529	1,234	1,511
Uniform Account	553	422	1,363
	<u>2,082</u>	<u>1,656</u>	<u>2,874</u>

**11. Investments**

The School's investment activities are classified as follows:

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Current Asset			
Short-term Bank Deposits	24,941	71,798	24,941
Non-current Asset			
Long-term Bank Deposits	48,350	-	48,350



## 12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Buildings	37,072	-	-	-	(1,116)	35,956
Building Improvements	84,091	48,480	-	-	(7,264)	125,307
Furniture and Equipment	47,120	33,834	-	-	(11,493)	69,461
Information and Communication Tech	37,833	1,151	-	-	(12,857)	26,127
Leased Assets	38,523	1,304	-	-	(12,418)	27,409
Library Resources	9,777	3,557	-	-	(2,502)	10,832
<b>Balance at 31 December 2017</b>	<b>254,416</b>	<b>88,326</b>	<b>-</b>	<b>-</b>	<b>(47,650)</b>	<b>295,092</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Buildings	46,724	(10,768)	35,956
Building Improvements	184,898	(59,591)	125,307
Furniture and Equipment	224,348	(154,887)	69,461
Information and Communication	105,549	(79,422)	26,127
Leased Assets	54,320	(26,911)	27,409
Library Resources	45,823	(34,991)	10,832
<b>Balance at 31 December 2017</b>	<b>661,662</b>	<b>(366,570)</b>	<b>295,092</b>

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2016	\$	\$	\$	\$	\$	\$
Buildings	38,189	-	-	-	(1,117)	37,072
Building Improvements	91,299	-	-	-	(7,208)	84,091
Furniture and Equipment	45,271	11,729	-	-	(9,880)	47,120
Information and Communication Tech	36,196	11,802	-	-	(10,165)	37,833
Leased Assets	33,156	14,695	-	-	(9,328)	38,523
Library Resources	8,996	3,078	-	-	(2,297)	9,777
<b>Balance at 31 December 2016</b>	<b>253,107</b>	<b>41,304</b>	<b>-</b>	<b>-</b>	<b>(39,995)</b>	<b>254,416</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2016	\$	\$	\$
Buildings	46,725	(9,653)	37,072
Building Improvements	136,417	(52,326)	84,091
Furniture and Equipment	202,303	(155,183)	47,120
Information and Communication	106,259	(68,426)	37,833
Leased Assets	53,016	(14,493)	38,523
Library Resources	42,266	(32,489)	9,777
<b>Balance at 31 December 2016</b>	<b>586,986</b>	<b>(332,570)</b>	<b>254,416</b>

### 13. Accounts Payable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operating creditors	6,362	8,577	7,852
Accruals	3,693	3,639	3,639
Capital accruals for PPE items	1,924	-	689
Employee Entitlements - salaries	75,097	96,445	60,666
Employee Entitlements - leave accrual	18,730	17,090	17,090
	<u>105,806</u>	<u>125,751</u>	<u>89,936</u>
Payables for Exchange Transactions	105,806	125,751	89,936
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>105,806</u>	<u>125,751</u>	<u>89,936</u>

The carrying value of payables approximates their fair value.

### 14. Provision for Cyclical Maintenance

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Provision at the Start of the Year	42,866	78,907	56,045
Increase to the Provision During the Year	11,645	2,484	37,530
Use of the Provision During the Year	(10,086)	-	(50,709)
Provision at the End of the Year	<u>44,425</u>	<u>81,391</u>	<u>42,866</u>
Cyclical Maintenance - Current	6,133	-	-
Cyclical Maintenance - Term	38,292	81,391	42,866
	<u>44,425</u>	<u>81,391</u>	<u>42,866</u>

### 15. 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	15,157	7,664	14,317
Later than One Year and no Later than Five Years	16,441	14,566	30,233
Future finance charges	(6,028)	-	(8,707)
	<u>25,570</u>	<u>22,230</u>	<u>35,843</u>

## 16. 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
		\$	\$	\$		\$
Block 2 Remodel	<i>completed</i>	49,542	458,773	508,315	-	-
Site Subsidence	<i>in progress</i>	-	4,950	-	-	4,950
Totals		49,542	463,723	508,315	-	4,950

### Represented by:

Funds Held on Behalf of the Ministry of Education	4,950
Funds Due from the Ministry of Education	-
	4,950

	2016	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
Block 2 Remodel	<i>in progress</i>	(35,105)	99,000	14,353	-	49,542
Totals		(35,105)	99,000	14,353	-	49,542

## 17. Related Party Transactions

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

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the school would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

Gene Ridgeway is a trustee of the Board and provides tennis lessons to the value of \$848.

## 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.

	2017 Actual \$	2016 Actual \$
<i>Board Members</i>		
Remuneration	4,345	4,400
Full-time equivalent members	0.35	0.32
<i>Leadership Team</i>		
Remuneration	295,203	206,685
Full-time equivalent members	3.00	2.00
Total key management personnel remuneration	299,548	211,085
Total full-time equivalent personnel	3.35	2.32

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	120 - 130	120 - 130
Benefits and Other Emoluments	15 - 16	14 - 15
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.

## 19. 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	-	-

## 20. Contingencies

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

## 21. Commitments

### (a) Capital Commitments

The Board of Trustees has signed an agreement with CSG Finance over a 60 month period for a photocopier at the rate of \$1,178.34 a month. (Capital commitments at 31 December 2016: \$603,970).

### (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	119	276
Later than One Year and No Later than Five Years	-	119
Later than Five Years	-	-
	<u>119</u>	<u>395</u>

## 22. 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.

## 23. 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	116,959	126,022	196,860
Receivables	75,104	97,330	62,054
Investments - Term Deposits	73,291	71,798	73,291
Total Loans and Receivables	<u>265,354</u>	<u>295,150</u>	<u>332,205</u>

### Financial liabilities measured at amortised cost

Payables	105,806	125,751	89,936
Finance Leases	25,570	22,230	35,843
Total Financial Liabilities Measured at Amortised Cost	<u>131,376</u>	<u>147,981</u>	<u>125,779</u>

## 24. Events After Balance Date

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