

#### **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.

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

The School has met the requirements under Schedule 6 Section 28 of the Education Act 1989 in relation to the acquisition of investment 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 \$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 to Crown Owned Assets	10–75 years
Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Resource Books	3 years
Uniforms	3 years
Leased assets held under a Finance Lease	4 years
Library resources	12.5% Diminishing value

### 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.

**p) Revenue Received in Advance**

Revenue received in advance relates to fees received from funds 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.

**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) 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).

**s) 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.

**t) 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.

**u) Budget Figures**

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

**v) 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.





<b>2. Government Grants</b>			
	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational grants	567,954	497,156	540,157
Teachers' salaries grants	1,796,926	1,668,186	1,681,710
Use of Land and Buildings grants	1,262,688	1,000,000	1,009,615
Other MoE Grants	137,546	79,698	99,383
	<b>3,765,114</b>	<b>3,245,040</b>	<b>3,330,865</b>

### **3. Locally Raised Funds**

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

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Revenue</b>			
Donations	149,678	162,448	207,361
Fundraising	2,671	2,300	3,245
Other revenue	35,487	15,000	33,814
Trading	2,151	10,220	3,978
Activities	69,421	57,216	64,634
	<b>259,408</b>	<b>247,184</b>	<b>313,032</b>
<b>Expenses</b>			
Activities	64,709	60,508	65,201
Trading	767	1,500	1,945
Fundraising (costs of raising funds)	-	-	17,317
	<b>65,476</b>	<b>62,008</b>	<b>84,463</b>
<b>Surplus for the year Locally raised funds</b>	<b>193,932</b>	<b>185,176</b>	<b>228,569</b>

### **4. International Student Revenue and Expenses**

	2017	2017	2016
	Actual	Budget	Actual
	Number	(Unaudited)	Number
International Student Roll	3	6	8
	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Revenue</b>			
International student fees	56,917	58,000	88,156
<b>Expenses</b>			
Other Expenses	5,161	7,835	15,150
	<b>5,161</b>	<b>7,835</b>	<b>15,150</b>
<b>Surplus for the year International Students'</b>	<b>51,756</b>	<b>50,165</b>	<b>73,006</b>



**5. Learning Resources**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	57,254	65,791	48,367
Information and communication technology	9,056	12,000	10,743
Employee benefits - salaries	2,155,658	1,907,993	1,813,974
Resource/attached teacher costs	-	-	526
Staff development	73,983	89,500	88,874
	<u>2,295,951</u>	<u>2,075,284</u>	<u>1,962,484</u>

**6. Administration**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	6,037	6,090	6,016
Board of Trustees Fees	4,160	4,040	4,545
Board of Trustees Expenses	1,863	1,200	3,845
Communication	8,051	7,500	7,527
Consumables	20,312	18,416	18,083
Operating Lease	26,859	55,000	-
Other	9,726	25,950	22,416
Employee Benefits - Salaries	102,702	106,156	97,039
Insurance	5,001	4,000	4,418
Service Providers, Contractors and Consultancy	8,676	6,300	6,156
	<u>193,387</u>	<u>234,652</u>	<u>170,045</u>

**7. Property**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	44,005	43,520	40,656
Cyclical Maintenance Expense	13,348	10,000	43,162
Grounds	8,482	9,300	5,081
Heat, Light and Water	25,377	23,762	20,695
Repairs and Maintenance	83,516	60,037	55,136
Use of Land and Buildings	1,262,688	1,000,000	1,009,615
Employee Benefits - Salaries	37,223	41,760	37,601
	<u>1,474,639</u>	<u>1,188,379</u>	<u>1,211,946</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.



**8. Depreciation**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements	67,841	55,000	56,272
Furniture and Equipment	17,976	10,500	16,296
Information and Communication Technology	28,083	21,996	29,277
Leased Assets	16,408	10,000	29,214
Library Resources	2,506	2,500	2,560
	<u>132,814</u>	<u>99,996</u>	<u>133,619</u>

**9. Cash and Cash Equivalents**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Current Account	47,440	53,534	203,020
Bank Call Account	45	50	45
Short-term Bank Deposits	-	200,000	-
	<u>47,485</u>	<u>253,584</u>	<u>203,065</u>

Cash equivalents and bank overdraft for Cash Flow Statement

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

The following notes should be used where applicable:

Of the \$ 47,485 Cash and Cash Equivalents, \$ 14,258 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.

**10. Accounts Receivable**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	10,306	5,000	1,080
Receivables from the Ministry of Education	14,409	-	-
Interest Receivable	9,789	8,000	7,129
Teacher Salaries Grant Receivable	86,906	90,000	91,173
	<u>121,410</u>	<u>103,000</u>	<u>99,382</u>
Receivables from Exchange Transactions	20,095	13,000	8,209
Receivables from Non-Exchange Transactions	101,315	90,000	91,173
	<u>121,410</u>	<u>103,000</u>	<u>99,382</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	973,707	850,000	1,078,488
Non-current Asset			
Long-term Bank Deposits	-	-	-

## 12. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2017						
Building Improvements	955,533	168,570	-	-	(67,841)	1,056,262
Furniture and Equipment	158,597	64,568	-	-	(17,976)	205,189
Information and Communication	64,500	28,006	(3,064)	-	(28,083)	61,359
Leased Assets	21,299	39,062	-	-	(16,408)	43,953
Library Resources	18,766	2,344	-	-	(2,506)	18,604
<b>Balance at 31 December 2017</b>	<b>1,218,695</b>	<b>302,550</b>	<b>(3,064)</b>	<b>-</b>	<b>(132,814)</b>	<b>1,385,367</b>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2017			
Building Improvements	1,624,369	(568,107)	1,056,262
Furniture and Equipment	412,273	(207,084)	205,189
Information and Communication	305,527	(244,168)	61,359
Resource Books	47,672	(47,672)	-
Uniforms	3,326	(3,326)	-
Leased Assets	89,575	(45,622)	43,953
Library Resources	123,843	(105,239)	18,604
<b>Balance at 31 December 2017</b>	<b>2,606,585</b>	<b>(1,221,218)</b>	<b>1,385,367</b>

The net carrying value of equipment held under a finance lease is \$43,953 (2016: \$21,299)



2016	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Building Improvements	867,264	144,541	-	-	(56,272)	955,533
Furniture and Equipment	151,614	23,279	-	-	(16,296)	158,597
Information and Communication	53,810	39,967	-	-	(29,277)	64,500
Leased Assets	-	50,513	-	-	(29,214)	21,299
Library Resources	19,371	1,955	-	-	(2,560)	18,766
<b>Balance at 31 December 2016</b>	<b>1,092,059</b>	<b>260,255</b>	<b>-</b>	<b>-</b>	<b>(133,619)</b>	<b>1,218,695</b>

2016	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Building Improvements	1,455,799	(500,266)	955,533
Furniture and Equipment	350,520	(191,923)	158,597
Information and Communication Technology	301,326	(236,826)	64,500
Resource Books	47,872	(47,672)	-
Uniforms	3,326	(3,326)	-
Leased Assets	50,513	(29,214)	21,299
Library Resources	121,499	(102,733)	18,766
<b>Balance at 31 December 2016</b>	<b>2,330,655</b>	<b>(1,111,960)</b>	<b>1,218,695</b>

### 13. Accounts Payable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operating creditors	32,146	30,000	31,388
Accruals	6,800	6,800	6,800
Employee Entitlements - salaries	99,777	95,000	93,445
Employee Entitlements - leave accrual	2,490	-	-
	<b>141,213</b>	<b>131,800</b>	<b>131,633</b>
Payables for Exchange Transactions	141,213	131,800	131,633
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<b>141,213</b>	<b>131,800</b>	<b>131,633</b>

The carrying value of payables approximates their fair value.





**14. Revenue Received in Advance**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
International Student Fees	-	10,000	11,528
Other	6,790	8,000	19,138
	<u>6,790</u>	<u>18,000</u>	<u>30,666</u>

**15. Provision for Cyclical Maintenance**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	88,694	88,225	48,477
Increase to the Provision During the Year	13,348	10,000	43,162
Adjustment to the Provision	(798)	-	(2,945)
Use of the Provision During the Year	-	-	-
Provision at the End of the Year	<u>101,244</u>	<u>98,225</u>	<u>88,694</u>
Cyclical Maintenance - Current	-	10,111	18,328
Cyclical Maintenance - Term	101,244	88,114	70,366
	<u>101,244</u>	<u>98,225</u>	<u>88,694</u>

**16. Finance Lease Liability**

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

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
No Later than One Year	26,305	11,000	10,744
Later than One Year and no Later than Five Years	22,311	12,000	11,210
Later than Five Years	-	-	-
	<u>48,616</u>	<u>23,000</u>	<u>21,954</u>



## 17. 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:

	2017	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
Window replacement	<i>in progress</i>	50,220	-	(35,692)	-	14,258
<b>Totals</b>		<u>50,220</u>	<u>-</u>	<u>(35,692)</u>	<u>-</u>	<u>14,258</u>

### Represented by:

Funds Held on Behalf of the Ministry of Education

Funds Due from the Ministry of Education

14,258

-

14,258

	2016	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
Window replacement	<i>in progress</i>	-	63,664	(13,444)	-	50,220
Library/Info Centre/Toilets	<i>in progress</i>	(9,532)	41,450	(76,279)	44,361	-
<b>Totals</b>		<u>(9,532)</u>	<u>105,114</u>	<u>(89,723)</u>	<u>44,361</u>	<u>50,220</u>

## 18. 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.





## 19. 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	4,160	4,545
Full-time equivalent members	0.46	0.08
<i>Leadership Team</i>		
Remuneration	232,007	215,989
Full-time equivalent members	2	2
Total key management personnel remuneration	236,167	220,534
Total full-time equivalent personnel	2.46	2.08

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 -1

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	0-1
Benefits and Other Emoluments	3-4	0-1
Termination Benefits	-	-

### Principal -2

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	-	90-100.
Benefits and Other Emoluments	-	0-1
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
110-120	0.00	0.00
100-110	0.00	1.00
	0.00	1.00

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



## 20. 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	\$0	-
Number of People	0	-

## 21. Contingencies

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

## 22. Commitments

### (a) Capital Commitments

As at 31 December 2017 the Board has entered into contract agreements for capital works as follows:

(a) Quote accepted for carpet replacement in two classrooms to be completed in January 2018 \$ 7,337.

(Capital commitments at 31 December 2016: \$70,000)

### (b) Operating Commitments

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

(a) operating lease of ipads, eftpos machine and visitor recording tablet;

	2017 Actual \$	2016 Actual \$
No later than One Year	23,996	33,778
Later than One Year and No Later than Five Years	13,760	24,033
Later than Five Years	-	-
	<u>37,756</u>	<u>57,811</u>

## 23. 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.





## 24. 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	47,485	253,584	203,065
Receivables	121,410	103,000	99,382
Investments - Term Deposits	973,707	850,000	1,078,488
<b>Total Loans and Receivables</b>	<b>1,142,602</b>	<b>1,206,584</b>	<b>1,380,935</b>

### Financial liabilities measured at amortised cost

Payables	141,213	131,800	131,633
Finance Leases	48,616	23,000	21,954
<b>Total Financial Liabilities Measured at Amortised Cost</b>	<b>189,829</b>	<b>154,800</b>	<b>153,587</b>

## 25. Events After Balance Date

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

