

MATIPO SCHOOL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

School Address:	63B Matipo Road, Te Atatu Peninsula, Auckland
School Postal Address:	63B Matipo Road, Te Atatu Peninsula, Auckland
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Ministry Number:	1365

UHY HAINES NORTON - AUDIT
For identification purposes only

MATIPO SCHOOL

Financial Statements - For the year ended 31 December 2017

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Matipo 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.

DENNIS GRAHAM FINN

Full Name of Commissioner



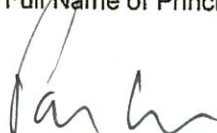
Signature of Commissioner

20-3-19

Date:

PAUL JOSEPH WRIGHT

Full Name of Principal



Signature of Principal

20/3/19

Date:

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Matipo School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Revenue				
Government Grants	2	4,369,268	3,808,978	3,714,415
Locally Raised Funds	3	139,414	93,500	215,192
Interest Earned		13,945	12,000	16,191
International Students	4	24,688	-	-
		<u>4,547,315</u>	<u>3,914,478</u>	<u>3,945,798</u>
Expenses				
Locally Raised Funds	3	76,642	51,500	122,400
International Students	4	485	-	-
Learning Resources	5	2,733,057	2,724,140	2,598,747
Administration	6	207,854	183,170	186,809
Finance Costs		3,262	-	632
Property Depreciation	7	1,478,059	828,960	804,576
Loss on Disposal of Property, Plant and Equipment	8	86,166	79,000	115,188
		<u>4,634,930</u>	<u>3,866,770</u>	<u>3,828,352</u>
Net Surplus / (Deficit)		(87,615)	47,708	117,446
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(87,615)</u>	<u>47,708</u>	<u>117,446</u>

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

Matipo School
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2017

	Actual 2017 \$	Budget (Unaudited) 2017 \$	Actual 2016 \$
Balance at 1 January	<u>1,041,655</u>	<u>1,041,655</u>	<u>924,209</u>
Total comprehensive revenue and expense for the year	(87,614)	47,708	117,446
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	-	-	-
Equity at 31 December	<u>954,041</u>	<u>1,089,363</u>	<u>1,041,655</u>
Retained Earnings	954,041	1,089,363	1,041,655
Reserves	-	-	-
Equity at 31 December	<u>954,041</u>	<u>1,089,363</u>	<u>1,041,655</u>

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

Matipo School Statement of Financial Position

As at 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Current Assets				
Cash and Cash Equivalents	9	152,081	476,015	37,634
Accounts Receivable	10	142,597	146,960	193,816
GST Receivable		8,495	18,087	18,087
Prepayments		4,269	786	786
Inventories	11	1,142	1,031	1,031
Investments	12	358,432	-	300,000
		<u>667,016</u>	<u>642,879</u>	<u>551,354</u>
Current Liabilities				
Accounts Payable	14	208,834	191,376	191,376
Revenue Received in Advance	15	5,215	-	6,957
Provision for Cyclical Maintenance	16	31,360	23,600	8,223
Finance Lease Liability - Current Portion	17	15,110	5,826	5,826
Funds held for Capital Works Projects	18	4,680	-	-
		<u>265,199</u>	<u>220,802</u>	<u>212,382</u>
Working Capital Surplus/(Deficit)		401,817	422,077	338,972
Non-current Assets				
Property, Plant and Equipment	13	748,308	730,035	767,035
		<u>748,308</u>	<u>730,035</u>	<u>767,035</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	16	158,709	52,000	53,603
Finance Lease Liability	17	37,375	10,749	10,749
		<u>196,084</u>	<u>62,749</u>	<u>64,352</u>
Net Assets		<u>954,041</u>	<u>1,089,363</u>	<u>1,041,655</u>
Equity		<u>954,041</u>	<u>1,089,363</u>	<u>1,041,655</u>

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

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Matipo School
Statement of Cash Flows
For the year ended 31 December 2017

	2017	2017	2016
Note	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Cash flows from Operating Activities			
Government Grants	850,549	825,834	805,981
Locally Raised Funds	132,457	86,540	234,450
International Students	29,903	-	-
Goods and Services Tax (net)	9,592	-	(20,988)
Payments to Employees	(385,087)	(352,520)	(441,342)
Payments to Suppliers	(400,056)	(391,476)	(412,745)
Interest Paid	(3,262)	-	(635)
Interest Received	15,034	12,000	16,174
Net cash from / (to) the Operating Activities	249,130	180,378	180,895
Cash flows from Investing Activities			
Proceeds from Sale of PPE (and Intangibles)	(28,792)	(1,989)	21,002
Purchase of PPE (and Intangibles)	(41,828)	(40,011)	(337,383)
Purchase of Investments	(58,432)	300,000	103,668
Proceeds from Sale of Investments	-	-	-
Net cash from / (to) the Investing Activities	(129,052)	258,000	(212,713)
Cash flows from Financing Activities			
Furniture and Equipment Grant	-	-	-
Finance Lease Payments	(10,313)	-	(2,022)
Funds Administered on Behalf of Third Parties	4,680	-	(98,880)
Net cash from Financing Activities	(5,633)	-	(100,902)
Net increase/(decrease) in cash and cash equivalents	114,445	438,378	(132,720)
Cash and cash equivalents at the beginning of the year	9 37,634	37,637	170,354
Cash and cash equivalents at the end of the year	9 152,079	476,015	37,634

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 excluded.

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Matipo School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2017

a) Reporting Entity

Matipo 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 13.

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 are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance.

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

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

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

The School has met the requirements under section 73 of the Education Act 1989 in relation to the acquisition of securities.

k) Property, Plant and Equipment

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

The estimated useful lives of the assets are:

Building improvements – Crown	10–20 years
Furniture and equipment	5-10 years
Information and communication technology	5 years
Motor vehicles	10 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value

l) Accounts Payable

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

m) Employee Entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

n) Revenue Received in Advance

Revenue received in advance relates to fees received from other sources 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.

o) 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).

p) 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.

q) 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.

r) Budget Figures

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

s) 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.

5. Learning Resources

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Curricular	36,857	68,000	41,430
Information and communication technology	17,812	13,000	8,172
Extra-curricular activities	8,164	7,700	6,854
Library resources	597	500	972
Employee benefits - salaries	2,658,172	2,601,940	2,507,490
Staff development	11,455	33,000	33,829
	<u>2,733,057</u>	<u>2,724,140</u>	<u>2,598,747</u>

6. Administration

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Audit Fee	23,997	5,250	5,130
Board of Trustees Fees	4,070	4,500	4,125
Board of Trustees Expenses	7,816	1,700	4,343
Communication	4,342	10,250	7,225
Consumables	15,601	14,500	26,536
Operating Lease	11,219	14,300	15,744
Other	19,035	28,450	11,372
Employee Benefits - Salaries	88,475	91,120	99,626
Insurance	7,653	8,100	7,808
Service Providers, Contractors and Consultancy	25,646	5,000	4,900
	<u>207,854</u>	<u>183,170</u>	<u>186,809</u>

7. Property

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Caretaking and Cleaning Consumables	13,344	9,000	10,041
Consultancy and Contract Services	60,166	56,000	51,800
Cyclical Maintenance Provision	131,643	12,000	(19,837)
Grounds	6,839	6,900	6,500
Heat, Light and Water	29,843	29,000	31,907
Rates	88	100	79
Repairs and Maintenance	32,766	26,000	29,146
Use of Land and Buildings	1,145,736	630,000	634,978
Security	3,546	500	607
Employee Benefits - Salaries	54,088	59,460	59,355
	<u>1,478,059</u>	<u>828,960</u>	<u>804,576</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 of Property, Plant and Equipment

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Building Improvements - Crown	39,240	17,140	57,190
Furniture and Equipment	15,923	22,209	21,658
Information and Communication Technology	18,754	21,756	30,840
Motor Vehicles	1,298	1,989	2,003
Leased Assets	8,026	14,474	1,937
Library Resources	2,925	1,432	1,560
	<u>86,166</u>	<u>79,000</u>	<u>115,188</u>

9. Cash and Cash Equivalents

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Cash on Hand	100	100	100
Bank Current Account	151,926	475,915	30,883
Bank Call Account	55	-	6,651
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>152,081</u>	<u>476,015</u>	<u>37,634</u>

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

10. Accounts Receivable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Receivables from the Ministry of Education	1,696	-	46,856
Interest Receivable	1,123	2,212	2,212
Teacher Salaries Grant Receivable	139,778	144,748	144,748
	<u>142,597</u>	<u>146,960</u>	<u>193,816</u>
Receivables from Exchange Transactions	1,123	2,212	2,212
Receivables from Non-Exchange Transactions	141,474	144,748	191,604
	<u>142,597</u>	<u>146,960</u>	<u>193,816</u>

11. Inventories

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Stationery	1,142	1,031	1,031
	<u>1,142</u>	<u>1,031</u>	<u>1,031</u>

12. Investments

The School's investment activities are classified as follows:

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Current Asset			
Short-term Bank Deposits	358,432	-	300,000
Non-current Asset			
Long-term Bank Deposits	-	-	-

The carrying value of long term deposits longer than 12 months approximates their fair value at 31 December 2017.

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13. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Building Improvements	433,986	1,607	-	-	(18,695)	416,898
Furniture and Equipment	164,373	62,633	(241)	-	(24,223)	202,542
Information and Communication Technology	123,445	4,802	(48,780)	-	(23,729)	55,738
Motor Vehicles	17,645	-	(384)	-	(2,169)	15,092
Leased Assets	16,660	46,224	-	-	(15,787)	47,097
Library Resources	10,927	2,074	(498)	-	(1,562)	10,941
Balance at 31 December 2017	767,036	117,340	(49,903)	-	(86,165)	748,308

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Building Improvements	753,831	(336,933)	416,898
Furniture and Equipment	575,622	(373,079)	202,543
Information and Communication Technology	400,276	(344,538)	55,738
Motor Vehicles	24,676	(9,584)	15,092
Leased Assets	64,820	(17,724)	47,096
Library Resources	92,512	(81,571)	10,941
Balance at 31 December 2017	1,911,737	(1,163,429)	748,308

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2016	\$	\$	\$	\$	\$	\$
Building Improvements	294,519	196,657	-	-	(57,190)	433,986
Furniture and Equipment	143,903	42,128	-	-	(21,658)	164,373
Information and Communication Technology	97,117	57,168	-	-	(30,840)	123,445
Motor Vehicles	389	19,259	-	-	(2,003)	17,645
Leased Assets	-	18,597	-	-	(1,937)	16,660
Library Resources	11,317	540	630	-	(1,560)	10,927
Balance at 31 December 2016	547,245	334,349	630	-	(115,188)	767,036

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2016	\$	\$	\$
Building Improvements	752,224	(318,238)	433,986
Furniture and Equipment	513,229	(348,467)	164,762
Information and Communication Technology	444,254	(320,809)	123,445
Motor Vehicles	25,059	(7,804)	17,255
Leased Assets	18,597	(1,937)	16,660
Library Resources	94,753	(83,826)	10,927
Balance at 31 December 2016	1,848,116	(1,081,081)	767,035

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14. Accounts Payable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operating creditors	30,675	28,631	28,631
Accruals	29,335	6,456	6,456
Employee Entitlements - salaries	145,224	156,289	156,289
Employee Entitlements - leave accrual	3,600	-	-
	<u>208,834</u>	<u>191,376</u>	<u>191,376</u>
Payables for Exchange Transactions	208,834	191,376	191,376
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
	<u>208,834</u>	<u>191,376</u>	<u>191,376</u>

The carrying value of payables approximates their fair value.

15. Revenue Received in Advance

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Other	5,215	-	6,957
	<u>5,215</u>	<u>-</u>	<u>6,957</u>

16. Provision for Cyclical Maintenance

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Provision at the Start of the Year	61,826	61,826	88,535
Increase to the Provision During the Year	131,643	13,774	(19,837)
Use of the Provision During the Year	(3,400)	-	(6,872)
Provision at the End of the Year	<u>190,069</u>	<u>75,600</u>	<u>61,826</u>
Cyclical Maintenance - Current	31,360	23,600	8,223
Cyclical Maintenance - Term	158,709	52,000	53,603
	<u>190,069</u>	<u>75,600</u>	<u>61,826</u>

17. Finance Lease Liability

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
No Later than One Year	19,532	5,826	5,826
Later than One Year and no Later than Five Years	41,889	10,749	10,749
Later than Five Years	-	-	-
	<u>61,421</u>	<u>16,575</u>	<u>16,575</u>

18. 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 \$
Modern Learning Environment	<i>completed</i>	-	51,061	(51,061)		-
Repairs to Tiger Turf	<i>in progress</i>	-	10,680	(6,000)		4,680
Totals		-	61,741	(57,061)	-	4,680

Represented by:

Funds Held on Behalf of the Ministry of Education	4,680
Funds Due from the Ministry of Education	-
Totals	4,680

	2016	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Install Heat Pumps	<i>completed</i>	52,358	5,090	(57,448)	-	-
5 YA	<i>completed</i>	46,522	-	(46,522)	-	-
Modern Learning Environment	<i>in progress</i>	-	512,818	(512,818)		-
Flood Damage	<i>completed</i>	-	4,147	(6,335)	2,188	-
Totals		98,880	522,055	(623,123)	2,188	-

19. Related Party Transactions

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

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

Kris Bainbridge, who is contracted to the Board to do IT support work, is the son of Retired Principal, Wayne Bainbridge. The cost of this contract for the year was \$48,393. Cara Bainbridge, who was employed as an office manager, is the daughter of the retired Principal, Wayne Bainbridge. Wages paid to Cara for the year amounted to \$52,307. Marc James O'Grady, the partner of the Principal's daughter, works at the school as the caretaker, earning a wage of \$48,789 for the year.

(2016: Kris Bainbridge, who is contracted to the Board to do IT support work, is the son of the Principal, Wayne Bainbridge. The cost of this contract for the year was \$53,181. Cara Bainbridge, who is employed as an office manager, is the daughter of the Principal, Wayne Bainbridge. Wages paid to Cara for the year amounted to \$64,435. Anne Bainbridge, the wife of the Principal, Wayne Bainbridge, is an occasional reliever at the school. Wages paid to Anne for the year amounted to \$6,984. Marc James O'Grady, the partner of the Principal's daughter, works at the school as the caretaker, earning a wage of \$54,377 for the year. Leanne Siaki, who is employed as a teacher at the school, is the wife of a Board of Trustee member, Faga Siaki. Wages paid to Leanne for the year amounted to \$77,867).

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20. Remuneration

Key management personnel compensation

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

	2017 Actual \$	2016 Actual \$
<i>Board Members</i>		
Remuneration	4,070	4,125
Full-time equivalent members	0.11	0.05
<i>Leadership Team</i>		
Remuneration	241,347	207,010
Full-time equivalent members	2.00	2.00
Total key management personnel remuneration	245,417	211,135
Total full-time equivalent personnel	2.11	2.05

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 Principal Number 1	110-116	130 - 140
Salary and Other Payments Principal Number 2	40-50	-
Benefits and Other Emoluments Principal Number 1	4 - 5	3 - 4
Benefits and Other Emoluments Principal Number 2	1 - 2	-
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	0.00

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

21. Compensation and Other Benefits Upon Leaving

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

	2017 Actual \$0	2016 Actual \$0
Total Number of People	-	-

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22. Contingencies

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

23. 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 a photocopier; and
- (b) operating lease of laptops.

	2017 Actual \$	2016 Actual \$
No later than One Year	4,243	4,702
Later than One Year and No Later than Five Years	1,888	1,377
Later than Five Years	-	-
	6,131	6,079

24. Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but "attempts" to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.

25. Financial Instruments

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

Loans and receivables

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Cash and Cash Equivalents	152,081	476,015	37,634
Receivables	142,597	146,960	193,816
Investments - Term Deposits	358,432	-	300,000
Total Cash and Receivables	653,110	622,975	531,450

Financial liabilities measured at amortised cost

Payables	208,834	191,376	191,376
Finance Leases	52,485	16,575	16,575
Total Financial Liabilities Measured at Amortised Cost	261,319	207,951	207,951

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26. Events After Balance Date

The Board of Trustees commissioned Canterbury Education Services Society Ltd (CES) to perform a full stock take of the school's fixed assets and library stock. The report found that some of the old iPads which were mostly passed their use by date were missing. These missing items have been reported to the appropriate authorities who are currently investigating the matter.

All resulting accounting adjustments have been booked and the fixed asset register now correctly reflects the actual count of all fixed assets physically held by the school.

In September 2018, the entire Board of Trustees resigned. Following this, The Ministry of Education appointed a Commissioner to oversee the compliance of the school's obligations with the applicable laws and regulations.

27. Breach of Legislation

The Board of Trustees failed to comply with section 87C of the Educational Act 1989 by not providing audited financial statements to the Ministry of Education by 31 May 2018. This was due to additional time incurred with the auditor for resolving possible waste and probity matters identified this year. All matters have been addressed and the Board of Trustees are aware of their obligations of complying with the Act.