# Blind and Low Vision Education Network NZ

# Notes to the Financial Statements

## 1. Statement of Accounting Policies

**For the year ended 31 December 2017**

### a) Reporting Entity

Blind and Low Vision Education Network NZ (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 PBE Accounting standards (PBE IPSAS) 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 publically 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 16.

#### 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 20.

Recognition of Grants:

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carry forward 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 schools

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.

Teacher salary 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 building 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.

#### 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

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](http://basis.Net) realisable value is the estimated selling price in the ordinary course of activities less the estimated costs necessary to make the sale. Thus the fair value of the inventory is determined based on the cost at time of purchase. The 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 10-75 years

Furniture and equipment 10–15 years

Information and communication technology 4–5 years

Motor vehicles 5 years

Textbooks 3 years

Leased assets held under a Finance Lease 4 years

Library resources 12.5% Diminishing value

### l) Impairment of property, plant, and equipment

Blind and Low Vision Education Network NZ (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.

### m) 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.

### n) 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.

### o) Revenue Received in Advance

Revenue received in advance relates to fees received from (international, hostel 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.

### p) Funds Held in Trust

Funds are held in trust where they have been received by the school for a specified purpose. The school holds sufficient funds to enable the funds to be used for their intended purpose at any time.

### q) Shared Funds

Shared Funds are held on behalf of participating schools within a cluster of schools. The school holds sufficient funds to enable the funds to be used for their intended purpose.

### 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.

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, funds held on behalf of the Ministry of Education, 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.

| **2 Government Grants** | 2017 Actual | 2017 Budget (unaudited) | 2016 Actual |
| --- | --- | --- | --- |
| Operational grants | 1,039,884 | 823,248 | 1,122,989 |
| MOE Residential grant | 1,767,770 | 1,767,768 | 1,767,770 |
| MOE Resource Teachers of Vision Impairment grant | 783,327 | 783,328 | 783,327 |
| MOE Vision & Sensory Resource Centre grant | 644,602 | 644,601 | 644,602 |
| MOE Teachers salaries grant | 8,755,014 | 8,370,000 | 8,632,084 |
| Special Education Grants/ORS | 1,055,161 | 1,048,952 | 1,031,473 |
| MOE Document of Accountability Board Support | 15,283 | 15,282 | 15,283 |
| MOE Document of Accountability Assessment/Training | 797,656 | 797,655 | 797,656 |
| Regional Specialist Services | 1,080,272 | 1,036,733 | 1,055,026 |
| Use of land and buildings grant | 2,386,322 | 1,581,057 | 1,696,984 |
| Other government grants | 380,624 | 318,950 | 276,085 |
| **Totals** | **18,705,916** | **17,187,574** | **17,823,279** |

| **3 Local Fundraising** |  2017 Actual | 2017 Budget (unaudited)  | 2016 Actual  |
| --- | --- | --- | --- |
| Revenue |  |  |  |
| Donations | 31,500 | 350 | 22,450 |
| Donations – Playground | - | - | - |
| Fundraising | 51,062 | 49,150 | 40,132 |
| Activities | 33,347 | 37,730 | 23,497 |
| Trading | 176,411 | 110,176 | 148,448 |
|   | **292,320** | **197,406** | **234,527** |
| Expenses |  |  |   |
| Fundraising (costs of raising | 7,191 | - |  - |
| ECC grant payments (Note 22) | 170,972 | 170,922 | 170,972 |
| Trading | 100,152 | 91,908 | 142,724 |
| **Totals**  | **278,315** | **262,830** | **313,696** |
| Net Surplus (deficit) for the year Locally raised funds | 14,005 | (65,424) | (79,169) |

| **4 Learning Resources** |  2017 Actual | 2017 Budget (unaudited) | 2016 Actual |
| --- | --- | --- | --- |
| Curricular | 22,613 | 39,877 | 25,562 |
| Equipment repairs | 7,368 | 4,000 | 4,394 |
| PD Project Expenses | 83,110 | 119,275 | 123,627 |
| Satellite Class - James Cook High | 783 | 4,050 | 1,109 |
| Kickstart | 19,214 | 42,000 | 40,151 |
| General expenses | 5,193 | 4,000 | 3,425 |
| Employee benefits – salaries | 8,823,804 | 8,453,741 | 8,737,986 |
| Staff development | 150,390 | 133,132 | 5,573 |
|  **Totals** | **9,112,475** | **8,800,075** | **8,941,827** |

| **5 Administration** |  2017 Actual | 2017 Budget (unaudited)  | 2016 Actual  |
| --- | --- | --- | --- |
| Service providers, Contractors, and Consultancy | 25,944 | 27,086 | 25,440 |
| Audit Fees | 8,720 | 8,720 | 8,592 |
| Board of Trustees fees | 8,040 | 16,480 |  4,010 |
| Board of Trustees expenses | 59,874 | 59,213 | 63,242 |
| Communication | 13,953 | 7,000 | 12,292 |
| Consumables | 10,611 | 15,350 | 15,788 |
| Postage | 6,998 | 7,100 | 6,815 |
| General Expenses | 94,822 | 219,200 | 72,769 |
| Operating Leases | 31,274 | - | 60,493 |
| ICT | 253,142 | 289,580 | 211,059 |
| Motor Vehicle | 1,499 | 1,550 | 2,464 |
| Employee benefits - salaries | 231,142 | 240,908 | 289,457 |
| Insurance | - | 450 | - |
|  **Totals** | **746,018** | **892,637** | **772,422** |

| **6 Property** |  2017 Actual | 2017 Budget (unaudited)  | 2016 Actual  |
| --- | --- | --- | --- |
| Caretaking and cleaning consumables | 22,786 | 24,500 | 22,984 |
| Consulting and contract services | 25,348 | 23,900 | 23,657 |
| Cyclical maintenance | 22,811 | 8,994 | 15,811 |
| Grounds | 29,681 | 29,700 | 49,682 |
| Heat, light and water | 141,714 | 144,000 | 149,506 |
| Repairs and Maintenance | 38,540 | 22,000 | 37,300 |
| Use of land and buildings | 2,386,322 | 1,581,057 | 1,696,984 |
| Security | 7,979 | 8,000 | 8,966 |
| Employee benefits - salaries | 191,294 | 198,418 | 195,685 |
|  **Totals** | **2,866,475** | **2,040,569** | **2,200,576** |

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 Visual Resource Centres** |  2017 Actual | 2017 Budget (unaudited)  | 2016 Actual  |
| --- | --- | --- | --- |
| Communications | 115,394 | 123,000 | 107,105 |
| Motor Vehicle | 2,142 | 3,672 | 2,609 |
| Consumables | 54,414 | 53,800 | 53,061 |
| General Expenses | 66,384 | 109,770 | 106,856 |
| Property Rental | 42,868 | 57,659 | 46,757 |
| Employee benefits - salaries | 492,591 | 558,593 | 473,270 |
| Professional Development | 19,290 | 33,600 | 13,207 |
| Staff Travel | 164,269 | 180,050 | 171,583 |
| Itinerant Music Teacher | 35,495 | 45,867 | 73,675 |
| Regional Network Costs | 1,437,197 | 2,021,254 | 1,422,843 |
| **Totals** | **2,430,044** | **3,187,265** | **2,470,965** |

| **8 National Assessment Services** |  2017 Actual | 2017 Budget (unaudited)  | 2016 Actual  |
| --- | --- | --- | --- |
| Professional Services | 141,695 | 156,460 | 115,597 |
| Client Travel | 17,409 | 23,500 | 33,806 |
| Communications | 3,455 | 3,600 | 4,124 |
| General Expenses | 8,950 | 9,450 | 12,403 |
| Motor Vehicle | 3,928 | 4,628 | 5,098 |
| Employee benefits – salaries | 348,889 | 350,245 | 357,484 |
| Professional Development | 14,802 | 6,700 | 5,051 |
| Staff Travel | 33,890 | 64,028 | 29,515 |
| Catering Costs | 18,446 | 20,558 | 19,908 |
|  **Totals** | **591,464** | **639,169** | **582,985** |

| **9 Ongoing Resourcing Scheme** |  2017 Actual | 2017 Budget (unaudited)  | 2016 Actual  |
| --- | --- | --- | --- |
| Employee benefits - salaries | 225,656 | 282,143 | 220,831 |
| Professional Development | 210 | 850 | 439 |
| General Expenses | 4,295 | 6,300 | 3,227 |
| Professional Services | 113,563 | 126,000 | 99,839 |
| Consumables | 794 | 4,000 | 1,665 |
| Orientation and Mobility | 52,373 | 67,360 | 49,581 |
| Motor Vehicle | 11,091 | 16,486 | 12,552 |
| **Totals** | **407,981** | **503,139** | **388,134** |

| **10 Residential** |  2017 Actual | 2017 Budget (unaudited)  | 2016 Actual  |
| --- | --- | --- | --- |
| Communications | 2,684 | 2,950 | 2,625 |
| General Expenses | 624 | 4,750 | 1,164 |
| Consumables | 2,144 | 2,000 | 3,115 |
| Student Travel | 5,395 | 10,000 | 5,319 |
| Motor Vehicle | 13,022 | 14,636 | 13,479 |
| Employee benefits - salaries | 538,011 | 771,639 | 796,072 |
| Professional Development | 3,244 | 4,500 | 5,293 |
| Operational Costs | 7,785 | 6,750 | 59,739 |
| Catering | 70,726 | 82,586 | 68,651 |
| Immersion Courses | 366,521 | 570,716 | 389,408 |
|  **Totals** | **1,010,158** | **1,470,527** | **1,344,864** |

| **11 Depreciation** |  2017 Actual | 2017 Budget (unaudited)  | 2016 Actual  |
| --- | --- | --- | --- |
| Building improvements - Crown only | 65,799 | 60,164 | 60,164 |
| Furniture and Equipment | 189,792 | 154,473 | 205,828 |
| Information and Communication Technology | 95,826 | 93,415 | 93,415 |
| Leased assets | 39,592 | - | 8,265 |
| Motor vehicles | 4,900 | 4,948 | 4,948 |
| **Totals** | **395,909** | **313,000** | **372,620** |

|  **12 Cash and Cash Equivalents** |  2017 Actual | 2017 Budget (unaudited)  | 2016 Actual  |
| --- | --- | --- | --- |
| Cash on hand | 1,913 | 1,913 | 1,913 |
| Bank Current Account | 548,127 | 815,031 | 361,620 |
| Bank Call account | 1,097,281 | 238,243 | 238,243 |
| Short-term bank deposits with a maturity of three months or less | 1,076,199 | 1,099,166 | - |
| Net cash and cash equivalents for cashflow statement | **2,723,520** | **2,154,353** | **601,775** |

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

Of the $2,723,520 in the School's funds, $208,028 is held on behalf of Homai Special Funds (2016: $209,528)

| **13 Accounts receivable** | 2017 Actual | 2017 Budget (unaudited) | 2016 Actual |
| --- | --- | --- | --- |
| Debtors | 10,516 | 59,188 | 44,385 |
| Receivables from the Ministry of Education | 48,616 | - | 51,601 |
| Interest accrued | 48,777 | 27,776 | 35,443 |
| Staffing Banking underusage | 249,776 | 259,659 | 288,850 |
| Teacher salaries grant | 625,600 | 758,578 | 528,914 |
| **Totals** | **983,286** | **1,105,201** | **949,194** |
| Receivables from Exhange transactions | 48,777 | 27,776 | 35,443 |
| Receivables from non-exhange transactions | 934,509 | 1,077,425 | 913,751 |
|  | **983,286** | **1,105,201** | **949,194** |

| **14 Inventories** | 2017 Actual | 2017 Budget (unaudited) | 2016 Actual |
| --- | --- | --- | --- |
| Assessment Stock | 3,143 | 3,535 | 3,535 |

| **15 Investments** | 2017 Actual | 2017 Budget (unaudited) | 2016 Actual |
| --- | --- | --- | --- |
| Current Assets: Short term bank deposits with maturities greater than three months and no greater than one year. | 6,101,371 | 2,854,693 | 6,852,768 |
| Non-Current Asset: Long-term bank deposits with maturities greater than one year | - | **-** | - |

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

**16 Property, Plant and Equipment**

| **2017** | Opening Balance(NBV) | Additions | Disposals | Impairment | Depreciation | Total (NBV) |
| --- | --- | --- | --- | --- | --- | --- |
| Building Improvements | 1,146,505 | 71,226 | - | - | (65,799) | 1,151,932 |
| Furniture and equipment | 875,607 | 364,479 | (2,976) | - | (189,792) | 1,047,318 |
| Information and communication technology | 305,015 | 100,239 | (3,204) | - | (95,826) | 306,224 |
| Leased assets | 110,581 | - | - | - | (4,900) | 105,681 |
| Motor Vehicles | 26,600 | 43,498 | - | - | (39,592) | 30,506 |
| Balance at 31 December 2017 | **2,464,308** | **579,442** | **(6,180)** | **-** | **(395,909)** | **2,641,661** |

| **2017** | Cost of Valuation | Accumulated Depreciation | Net Book Value |
| --- | --- | --- | --- |
| Building Improvements | 1,335,710 | (183,778) | 1,151,932 |
| Furniture and equipment | 2,662,935 | (1,615,617) | 1,047,318 |
| Information and communication technology | 829,361 | (523,137) | 306,224 |
| Leased Assets | 118,846 | (13,165) | 105,681 |
| Motor Vehicles | 118,126 | (87,620) | 30,506 |
| Balance at 31 December 2017 | **5,064,978** | **(2,423,317)** | **2,641,661** |

| **2016**  | Opening Balance(NBV) | Additions | Disposals | Impairment | Depreciation | Total (NBV) |
| --- | --- | --- | --- | --- | --- | --- |
| Building Improvements | 1,053,056 | 155,938 | (2,325) | - | (60,164) | 1,146,505 |
| Furniture and equipment | 1,001,283 | 82,558 | (2,406) | - | (205,828) | 875,607 |
| Information and communication technology | 171,247 | 229,957 | (2,774) | - | (93,415) | 305,015 |
| Leased Assets | - | 118,846 | - | - | (8,265) | 110,581 |
| Motor Vehicles | 31,548 | - | - | - | (4,948) | 26,600 |
| Balance at 31 December 2016 | **2,257,134** | **587,299** | **(7,505)** | **-** | **(372,620)** | **2,464,308** |

| **2016** | Cost of Valuation | Accumulated Depreciation | Net Book Value |
| --- | --- | --- | --- |
| Building Improvements | 1,264,484 | (117,979) | 1,146,505 |
| Furniture and equipment | 2,295,480 | (1,419,873) | 875,607 |
| Information and communication technology | 725,918 | (420,903) | 305,015 |
| Leased Assets | 118,846 | (8,565) | 110,581 |
| Motor Vehicles | 74,628 | (48,028) | 26,600 |
| Balance at 31 December 2016 | **4,479,356** | **(2,015,348)** | **2,464,308** |

| **17 Accounts Payable** | 2017 Actual | 2017 Budget (unaudited) | 2016 Actual |
| --- | --- | --- | --- |
| Operating Creditors | 106,856 | 134,003 | 128,884 |
| Accruals | 7,037 | 7,556 | 7,145 |
| Creditors and Accruals for PPE items | 9,997 | 4,399 | 16,747 |
| Employee benefits - salaries accrual | 625,600 | 758,578 | 528,914 |
| Employee benefits - leave accrual | 126,143 | 80,180 | 100,878 |
|  | **875,634** | **984,716** | **782,569** |
| Payable for exchange transactions | 123,890 | 152,776 | 152,776 |
| Payable for non-exchange transactions – Taxes payable | - | - | - |
| Payables for non-exchange transactions - other | 751,743 | 629,792 | 629,792 |
|  | **875,634** | **782,569** | **782,569** |

The carrying value of payables approximates their fair value.

| **18 Revenue received in advance** | 2017 Actual | 2017 Budget (unaudited) | 2016 Actual |
| --- | --- | --- | --- |
| Doherty Fund | 97 | 97 | 97 |
| Other fees received in advance | 30,769 | 62,495 | 25,320 |
|  | **30,866** | **62,592** | **25,416** |

| **19 Cyclical Maintenance** | 2017 Actual | 2017 Budget (unaudited) | 2016 Actual |
| --- | --- | --- | --- |
| Provision as the start of the year | 98,311 | 98,311 | 82,500 |
| Increase to the provision during the year | 22,811 | - | 15,811 |
| Adjustment to the provision | - | - | - |
| Use of the provision during the year | - | - | - |
| Provision as the end of the year | 121,122 | 98,311 | 98,311 |
| Cyclical maintenance – Current | - | - | - |
| Cyclical maintenance – Term | 121,122 | 98,311 | 98,311 |
|   | **121,122** | **98,311** | **98,311** |

The board has a cash management plan to ensure that sufficient cash is available to meet all maintenance obligations as they fall due over the next 10 years. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligations as at 31 December 2017. Present obligations are identified in the school's current 10 year property plan approved by the Ministry of Education. The provision has not been adjusted for inflation and the effect of the time value of money.

**20 Finance Lease Liability**

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

|  | 2017 Actual | 2017 Budget (unaudited) | 2016 Actual |
| --- | --- | --- | --- |
| No Later than One YearLater than One Year | 37,763 | - | 33,451 |
| Later than One Year and no Later than Five Years | 79,944 | - | 75,081 |
| Later than Five Years | - | - | - |
|  | **117,707** | **-** | **108,532** |

**21 Funds Held for Capital Works Projects**

During the year the School did not receive or apply funding from the Ministry of Education for the following capital works projects:

| **2016** | Opening Balances | Receipts from MOE | Payments | BOT contribution (Write-off to R&M) | Closing Balances |
| --- | --- | --- | --- | --- | --- |
| Tauranga (completed) | - | 25,256 | 25,256 | - | - |
| **Totals** | - | 25,256 | 25,256 | - | - |
| Represented by:Funds held on Behalf of the Ministry of Education |  |  |  |  | - |
| Funds Due from the Ministry of Education |  |  |  |  | - |

**22 Related Party Transactions**

The School have a contract with Homai Early Childhood Education Centre to provide services. The value of this contract is $18,830 excl GST (2016: $18,830 excl GST)

The School receive the grant for Homai Early Childhood Education Centre, and pay it out to the Centre when

received. The school paid out $170,972 during 2017.(2016: $170,972)

The school is an entity controlled by 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 withing 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.**23**

**23 Remuneration**

Key management personnel compensation

Key management personnel of the school include all trustees of the board, principal, deputy principals and head of departments.

| **Board Members** | 2017 Actual | 2016 Actual |
| --- | --- | --- |
| Remuneration | 8,040 | 4,010 |
| Full-time Equivalent Members | .18 | .20 |

| **Leadership Team** | 2017 Actual | 2016 Actual |
| --- | --- | --- |
| Remuneration | 454,034 | 441,771 |
| Full-time Equivalent Members | 4.00 | 3.90 |
|  | **4.18** | **4.10** |
|  | **462,074** | **445,781** |

The full time equivalent of 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.

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

| Principal | 2017 Actual | 2016 Actual |
| --- | --- | --- |
| Salary and other payments | 150-160 | 150-160 |
| Benefits and other emoluments | 0 – 10 | - |
| Termination benefits | - | - |

**Other Employees:**

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

| Remuneration | 2017 FTE Number | 2016 FTE Number |
| --- | --- | --- |
| 100-110 | 4 | 3 |
| 110-120 | 1 | - |
| **Total** | **5** | **3** |

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

**24 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 members, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was as follows:

|  | 2017 Actual | 2016 Actual |
| --- | --- | --- |
| Total value | - | - |
| Number of people | - | - |

| **Other Compensation** | 2017 Actual | 2016 Actual |
| --- | --- | --- |
| Total value | - | 139,605 |
| Number of people | - | 9 |

During the 2016 year sleep-over settlements were paid to affected staff at the conclusion of the employment court case. There are no further compensation payments expected.

**25 Contingencies**

There were no contingent assets or liabilities as at 31 December 2017 (2016:Nil)

**26 Commitments**

**(a) Capital Commitments**

As at 31 December 2017 the school has committed to spend $3.68m in 2018 on the upgrade of the swimming pool building. The Ministry has approved funding for this project. Tender procedures have not yet been initiated. (Capital commitments at 31 December 2016: Nil)

**(b) Operating Commitments**

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

(a) Teacher laptops

(b) Vehicles

|  | 2017 Actual | 2016 Actual |
| --- | --- | --- |
| No later than one year | 198,158 | 296,112 |
| Later than one year and no later than five years | 44,199 | 242,362 |
|   | **242,357** | **538,474** |

**27 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.

**28 Financial Instruments**

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

|  Cash and Receivables | 2017 Actual | 2017 Budget (unaudited) | 2016 Actual |
| --- | --- | --- | --- |
| Cash and cash equivalents | 2,723,520 | 2,154,353 | 601,775 |
| Receivables | 983,286 | 1,105,201 | 949,194 |
| Investments - Term deposits | 6,101,371 | 2,854,693 | 6,852,768 |
| Total Cash and Receivables | **9,808,177** | **6,114,247** | **8,403,737** |

| Financial liabilities measured at amortised cost |  2017 Actual | 2017 Budget (unaudited)  | 2016 Actual  |
| --- | --- | --- | --- |
| Payables | 875,634 | 984,716 | 782,569 |
| Borrowings - Loans | - | - | - |
| Finance leases | 117,707 | - | 108,532 |
| Total financial liabilities measured at amortised cost | **993,341** | **984,716** | **891,101** |

**29 Events after balance date**

There have been no subsequent events since balance date the would materially affect these financial statements.(2016: Nil)