

ONSLOW COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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ONSLOW COLLEGE

Financial Statements - For the year ended 31 December 2017

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Onslow College

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.

Michelle Marie Rush

Full Name of Board Chairperson



Signature of Board Chairperson

24-5-18

Date:

PETER DAVID LEGGAT

Full Name of Principal



Signature of Principal

24/05/2018

Date:

Onslow College

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	11,256,169	2,405,004	10,983,803
Locally Raised Funds	3	1,040,692	800,988	938,784
Interest Earned		87,297	75,000	83,419
International Students	4	883,701	770,004	868,537
		<u>13,267,859</u>	<u>4,050,996</u>	<u>12,874,543</u>
Expenses				
Locally Raised Funds	3	370,413	345,012	391,308
International Students	4	203,431	225,000	259,890
Learning Resources	5	8,410,453	1,432,500	7,991,513
Administration	6	1,199,667	1,262,712	1,330,725
Finance		6,876	6,000	5,050
Property	7	2,801,465	596,544	2,636,952
Depreciation	8	191,175	171,996	166,870
Loss on Disposal of Property, Plant and Equipment		1,756	-	-
		<u>13,185,236</u>	<u>4,039,764</u>	<u>12,782,308</u>
Net Surplus / (Deficit) for the year		82,623	11,232	92,235
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u><u>82,623</u></u>	<u><u>11,232</u></u>	<u><u>92,235</u></u>

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

Onslow College
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>2,488,951</u>	<u>2,396,717</u>	<u>2,369,848</u>
Total comprehensive revenue and expense for the year	82,623	11,232	92,235
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	54,241	-	26,868
Equity at 31 December	<u>2,625,815</u>	<u>2,407,949</u>	<u>2,488,951</u>
Retained Earnings	2,625,815	2,407,949	2,488,951
Equity at 31 December	<u>2,625,815</u>	<u>2,407,949</u>	<u>2,488,951</u>

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

Onslow College

Statement of Financial Position

As at 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Current Assets				
Cash and Cash Equivalents	9	944,081	51,362	132,366
Accounts Receivable	10	718,311	748,204	748,204
Inventories	11	-	4,083	4,083
Investments	12	1,400,000	2,400,581	2,400,581
		<u>3,062,392</u>	<u>3,204,230</u>	<u>3,285,234</u>
Current Liabilities				
GST Payable		84,541	119,977	119,977
Accounts Payable	14	724,628	678,437	678,439
Revenue Received in Advance	15	503,377	687,268	687,268
Provision for Cyclical Maintenance	16	71,111	125,013	125,013
Finance Lease Liability - Current Portion	17	2,453	504	504
Funds held in Trust	18	591,283	659,394	659,394
Funds held for Capital Works Projects	19	-	-	-
		<u>1,977,393</u>	<u>2,270,593</u>	<u>2,270,595</u>
Working Capital Surplus/(Deficit)		1,084,999	933,637	1,014,639
Non-current Assets				
Property, Plant and Equipment	13	1,628,550	1,543,754	1,543,754
		<u>1,628,550</u>	<u>1,543,754</u>	<u>1,543,754</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	16	84,375	68,750	68,750
Finance Lease Liability	17	3,359	692	692
		<u>87,734</u>	<u>69,442</u>	<u>69,442</u>
Net Assets		<u>2,625,815</u>	<u>2,407,949</u>	<u>2,488,951</u>
Equity		<u>2,625,815</u>	<u>2,407,949</u>	<u>2,488,951</u>

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

Onslow College
Statement of Cash Flows
For the year ended 31 December 2017

		2017	2017	2016
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		2,594,956	2,393,772	2,676,235
Locally Raised Funds		1,072,758	1,406,217	897,730
Hostel		-	-	-
International Students		709,309	1,433,048	912,272
Goods and Services Tax (net)		(35,436)	119,977	15,358
Payments to Employees		(2,041,341)	(1,431,716)	(1,901,079)
Payments to Suppliers		(2,284,725)	(2,194,008)	(2,247,775)
Cyclical Maintenance Payments in the year		(438)	193,763	-
Interest Paid		(6,876)	(6,000)	(5,050)
Interest Received		89,908	55,681	87,307
Net cash from / (to) the Operating Activities		98,115	1,970,734	434,998
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		3,244	7,914	-
Purchase of PPE (and Intangibles)		(274,963)	(310,629)	(230,246)
Purchase of Investments		1,000,581	(2,400,581)	(342,772)
Proceeds from Sale of Investments		-	-	-
Net cash from / (to) the Investing Activities		728,862	(2,703,296)	(573,018)
Cash flows from Financing Activities				
Furniture and Equipment Grant		54,241	-	26,868
Finance Lease Payments		(1,392)	1,196	(350)
Painting contract payments		-	-	-
Loans Received/ Repayment of Loans		-	-	-
Funds Administered on Behalf of Third Parties		(68,111)	659,394	39,863
Funds Held for Capital Works Projects		-	-	-
Net cash from Financing Activities		(15,262)	660,590	66,381
Net increase/(decrease) in cash and cash equivalents		811,715	(71,972)	(71,639)
Cash and cash equivalents at the beginning of the year	9	132,366	123,334	204,005
Cash and cash equivalents at the end of the year	9	944,081	51,362	132,366

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.

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2017

a) Reporting Entity

Onslow College (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 statements 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.

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

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

i) Inventories

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

j) Investments

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

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

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

The School has met the requirements under section 73 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
Motor vehicles	5 years
Textbooks	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.

Long-term employee entitlements

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

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

p) Revenue Received in Advance

Revenue received in advance relates to fees received from international and grants received where there are unfulfilled obligations for the School to provide services in the future. The fees are recorded as revenue as the obligations are fulfilled and the fees earned.

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

q) Funds Held in Trust

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

r) Shared Funds

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

s) Provision for Cyclical Maintenance

The property from which the School operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).

t) Financial Assets and Liabilities

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are categorised as "loans and receivables" for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

u) Borrowings

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

v) Goods and Services Tax (GST)

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

w) Budget Figures

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

x) Services received in-kind

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

2. Government Grants

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational grants	2,185,726	2,105,004	2,102,355
Teachers' salaries grants	6,558,663	-	6,304,971
Use of Land and Buildings grants	2,095,498	-	2,002,597
Other MoE Grants	349,691	300,000	573,880
Other government grants	66,591	-	-
	<u>11,256,169</u>	<u>2,405,004</u>	<u>10,983,803</u>

3. Locally Raised Funds

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

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations	451,149	390,000	430,440
Fundraising	31,663	20,004	29,382
Other revenue	67,567	10,992	53,358
Trading	116,335	99,996	106,101
Activities	272,475	234,996	235,786
Curriculum Recoveries	101,503	45,000	83,717
	<u>1,040,692</u>	<u>800,988</u>	<u>938,784</u>
Expenses			
Activities	299,276	275,004	305,982
Trading	59,086	65,004	83,100
Fundraising (costs of raising funds)	12,051	5,004	2,226
Transport (local)	-	-	-
Other Locally Raised Funds Expenditure	-	-	-
	<u>370,413</u>	<u>345,012</u>	<u>391,308</u>
<i>Surplus for the year Locally raised funds</i>	<u>670,279</u>	<u>455,976</u>	<u>547,476</u>

4. International Student Revenue and Expenses

	2017	2017	2016
	Actual	Budget	Actual
	Number	(Unaudited)	Number
International Student Roll	77	67	76
	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
International student fees	883,701	770,004	868,537
Expenses			
Advertising	24,746	15,000	24,361
Commissions	94,876	125,004	150,515
Other Expenses	83,809	84,996	85,014
	203,431	225,000	259,890
<i>Surplus for the year International Students'</i>	680,270	545,004	608,647

5. Learning Resources

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	479,639	497,508	505,396
Equipment repairs	4,313	17,496	14,588
Information and communication technology	60,345	54,996	65,674
Library resources	11,145	12,504	91
Employee benefits - salaries	7,626,417	590,004	7,149,072
Resource/attached teacher costs	208,037	219,996	226,342
Staff development	20,557	39,996	30,350
	8,410,453	1,432,500	7,991,513

6. Administration

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	8,700	8,604	8,600
Board of Trustees Fees	2,675	2,496	1,950
Board of Trustees Expenses	10,486	6,504	16,179
Communication	42,392	44,988	35,276
Consumables	77,295	36,504	18,283
Operating Lease	81,035	150,000	112,469
Legal Fees	870	9,996	-
Other	71,412	103,104	61,170
Employee Benefits - Salaries	745,377	757,524	917,228
Insurance	23,795	24,996	33,939
Service Providers, Contractors and Consultancy	135,630	117,996	125,631
	1,199,667	1,262,712	1,330,725

7. Property

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	75,199	15,000	35,463
Consultancy and Contract Services	220,009	205,248	201,407
Cyclical Maintenance Expense	(37,839)	-	1,222
Heat, Light and Water	94,308	98,796	96,688
Rates	13,967	7,500	7,252
Repairs and Maintenance	177,926	120,000	139,350
Use of Land and Buildings	2,095,498	-	2,002,597
Employee Benefits - Salaries	162,397	150,000	152,973
	<u>2,801,465</u>	<u>596,544</u>	<u>2,636,952</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)	\$
Buildings	23,446	-	22,883
Furniture and Equipment	74,156	171,996	67,955
Information and Communication Technology	73,600	-	52,920
Motor Vehicles	6,466	-	5,935
Textbooks	3,816	-	8,837
Leased Assets	1,517	-	387
Library Resources	8,174	-	7,953
	<u>191,175</u>	<u>171,996</u>	<u>166,870</u>

9. Cash and Cash Equivalents

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	2,144	2,122	2,122
Bank Current Account	944,630	51,825	132,829
Bank Call Account	211	210	210
Short-term Bank Deposits	-	-	-
Bank Overdraft	(2,904)	(2,795)	(2,795)
Cash equivalents and bank overdraft for Cash Flow Statement	<u>944,081</u>	<u>51,362</u>	<u>132,366</u>

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

10. Accounts Receivable

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	249,010	290,575	290,575
Receivables from the Ministry of Education	7,052	-	-
Interest Receivable	16,708	19,319	19,319
Teacher Salaries Grant Receivable	445,541	438,310	438,310
	<u>718,311</u>	<u>748,204</u>	<u>748,204</u>
Receivables from Exchange Transactions	265,718	309,894	309,894
Receivables from Non-Exchange Transactions	452,593	438,310	438,310
	<u>718,311</u>	<u>748,204</u>	<u>748,204</u>

11. Inventories

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	-	4,083	4,083
	<u>-</u>	<u>4,083</u>	<u>4,083</u>

12. Investments

The School's investment activities are classified as follows:

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	1,400,000	2,400,581	2,400,581
Non-current Asset			
Long-term Bank Deposits	-	-	-

13. Property, Plant and Equipment

	Opening	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	Balance (NBV)					
	\$	\$	\$	\$	\$	\$
Land	-				-	-
Buildings	785,262	23,021			(23,446)	784,837
Building Improvements	-				-	-
Furniture and Equipment	506,816	69,900			(74,156)	502,560
Information and Communication	158,943	152,749			(73,600)	238,092
Motor Vehicles	21,764	10,600			(6,466)	25,898
Textbooks	5,169	4,691			(3,816)	6,044
Leased Assets	1,159	6,009			(1,517)	5,651
Library Resources	64,641	9,001			(8,174)	65,468
Balance at 31 December 2017	<u>1,543,754</u>	<u>275,971</u>	<u>-</u>	<u>-</u>	<u>(191,175)</u>	<u>1,628,550</u>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2017			
Land	-	-	-
Buildings	1,189,277	(404,440)	784,837
Building Improvements	-	-	-
Furniture and Equipment	1,067,046	(564,486)	502,560
Information and Communication	1,216,917	(978,825)	238,092
Motor Vehicles	40,278	(14,380)	25,898
Textbooks	127,758	(121,714)	6,044
Leased Assets	7,554	(1,903)	5,651
Library Resources	203,578	(138,110)	65,468
Balance at 31 December 2017	<u>3,852,408</u>	<u>(2,223,858)</u>	<u>1,628,550</u>

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2016						
Land					-	-
Buildings	783,921	24,224			(22,883)	785,262
Building Improvements					-	-
Furniture and Equipment	472,769	102,002			(67,955)	506,816
Information and Communication					(52,920)	158,943
Technology	120,696	91,167				
Motor Vehicles	27,699				(5,935)	21,764
Textbooks	10,932	3,075			(8,837)	5,170
Leased Assets		1,546			(387)	1,159
Library Resources	62,815	9,779			(7,953)	64,641
Balance at 31 December 2016	<u>1,478,832</u>	<u>231,793</u>	<u>-</u>	<u>-</u>	<u>(166,870)</u>	<u>1,543,755</u>

2016	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Land	-	-	-
Buildings	1,166,256	(380,994)	785,262
Building Improvements	-	-	-
Furniture and Equipment	1,004,046	(497,230)	506,816
Information and Communication Technology	1,064,168	(905,225)	158,943
Motor Vehicles	29,678	(7,914)	21,764
Textbooks	123,066	(117,897)	5,169
Leased Assets	1,546	(387)	1,159
Library Resources	194,577	(129,936)	64,641
Balance at 31 December 2016	3,583,337	(2,039,583)	1,543,754

Possible Future Building Impairment

The school is currently in discussion with the Ministry regarding weather-tightness issues in the Admin Block. At this time it is uncertain as to what action will be taken to remedy the situation, however because the school has a financial interest of \$192,757 in the Admin Block (which is included in the Property, Plant and Equipment balance for "Buildings" of \$ 784,837.) there may need to be an impairment adjustment to this balance once it becomes more clear as to what action will be taken. In the event the Admin Block was to be demolished, the school would need to expense any loss, after any insurance or Ministry negotiated recoveries were established.

14. Accounts Payable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operating creditors	97,337	78,361	78,361
Accruals	181,749	95,954	95,956
Employee Entitlements - salaries	445,542	438,310	438,310
Employee Entitlements - leave accrual	-	65,812	65,812
	<u>724,628</u>	<u>678,437</u>	<u>678,439</u>
Payables for Exchange Transactions	724,628	678,437	678,439
	<u>724,628</u>	<u>678,437</u>	<u>678,439</u>

The carrying value of payables approximates their fair value.

15. Revenue Received in Advance

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
International Student Fees	488,652	663,044	663,044
Other	14,725	24,224	24,224
	<u>503,377</u>	<u>687,268</u>	<u>687,268</u>

16. Provision for Cyclical Maintenance

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Provision at the Start of the Year	193,763	193,763	193,125
Increase to the Provision During the Year		-	1,222
Adjustment to the Provision	(438)		
Use of the Provision During the Year	(37,839)		
Provision at the End of the Year	155,486	193,763	194,347
Cyclical Maintenance - Current	71,111	125,013	125,013
Cyclical Maintenance - Term	84,375	68,750	68,750
	155,486	193,763	193,763

17. Finance Lease Liability

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
No Later than One Year	2,453	504	504
Later than One Year and no Later than Five Years	3,359	692	692
Later than Five Years	-	-	-
	5,812	1,196	1,196

18. Funds held in Trust

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	591,283	659,394	659,394
Funds Held in Trust on Behalf of Third Parties - Non-current	-	-	-
	591,283	659,394	659,394

The majority of these funds are held in trust for international students' homestay and personal expenses. The remainder is made up funds relating to other school activities like overseas trips and the PTA.

19. 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 \$
Block I - Improvements and Modernisation	<i>completed</i>	-	-	-	-	-
Totals		-	-	-	-	-

	2016	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Block I - Improvements and Modernisation	<i>completed</i>	53,114	447,382	(524,720)	24,224	-
Totals		53,114	447,382	(524,720)	24,224	-

20. Related Party Transactions

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

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

21. Remuneration

Key management personnel compensation

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

	2017 Actual \$	2016 Actual \$
<i>Board Members</i>		
Remuneration	2,675	1,950
Full-time equivalent members	0.45	0.45
<i>Leadership Team</i>		
Remuneration	486,338	478,653
Full-time equivalent members	4	4
Total key management personnel remuneration	489,013	480,603
Total full-time equivalent personnel	4.45	4.45

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	170 - 180	160 - 170

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
	3.00	3.00
	<u>3.00</u>	<u>3.00</u>

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

22. 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).

23. Commitments

(a) Capital Commitments

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

Nil

(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;

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	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Cash and Cash Equivalents	944,081	51,362	132,366
Receivables	718,311	748,204	748,204
Investments - Term Deposits	1,400,000	2,400,581	2,400,581
Total Loans and Receivables	<u>3,062,392</u>	<u>3,200,147</u>	<u>3,281,151</u>

Financial liabilities measured at amortised cost

Payables	724,628	678,437	678,439
Finance Leases	5,812	1,196	1,196
Total Financial Liabilities Measured at Amortised Cost	<u>730,440</u>	<u>679,633</u>	<u>679,635</u>

26. Events After Balance Date

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