

**TO THE READERS OF AMISFIELD SCHOOL'S
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

The Auditor-General is the auditor of Amisfield School (the School). The Auditor-General has appointed me, R K Owen, using the staff and resources of Owen McLeod & Co, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 20, that comprise the statement of financial position as at 31 December 2016, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2016; and
 - its financial performance and cash flows for the year ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime.

Our audit was completed on 26 May 2017. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Trustees and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis of our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Trustees for the financial statements

The Board of Trustees is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Trustees is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board of Trustees is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

The Board of Trustees' responsibilities arise from the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the School's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors

arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

We communicate with the Board of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the information included on page 21 for the List of Trustees and Kiwi Sport Statement and pages 1 to 4 for the Analysis of Variance Report and Statement of Responsibility which form part of the Annual Report, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the School.



R K Owen
Owen McLeod & Co
On behalf of the Auditor-General
Hamilton, New Zealand

Members of the Board of Trustees

For the year ended 31 December 2016

School Name:	AMISFIELD			
CURRENT BOT MEMBERS:				
NAME	POSITION HELD	HOW POSITION WAS GAINED Elected/Co-opted	OCCUPATION	TERM EXPIRES
Jolene Harrison	Chair	Elected	Mother	2019
Charisse Rudolph	Staff Rep	Elected	Teacher	2019
Edward King		Elected	Policeman	2019
Kenneth Mitchell		Elected	Accountant	2019
Deborah King		Elected	Mother	2019
Christine McLiesh			Co Acting Principal	
David Collins			Co Acting Principal	
Bex Kilgour			Principal	
John Carlyon			Commissioner	Dec 2016

Board of Trustee Members that have Resigned / Left during the period

1 January 2016 to 31 December 2016

NAME	POSITION HELD	HOW POSITION WAS GAINED Elected/Co-opted	OCCUPATION	RESIGNED / LEFT - DATE

Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2016, the school received total Kiwisport funding of \$2,268.91 (excluding GST). The funding was spent on sporting endeavours.

26 May 2017

The Chairperson
Amisfield School Board of Trustees
2 Moffat Road
Tokoroa

Dear Sir/Madam

Audit Management Letter For The Year Ended 31 December 2016

1. Introduction

We have completed the audit of Amisfield School for the year ended 31 December 2016.

This letter provides a summary of:

- the audit scope
- the audit opinion
- the issues arising from the audit

You will appreciate that while our audit is carried out in accordance with the Auditor-General's auditing standards, it cannot, and should not, be relied upon to detect every instance of misstatement, fraud, irregularity or inefficiency.

The responsibility for public accountability and the implementation and monitoring of internal and management controls rests with management and the Board of Trustees.

2. Audit Scope

The audit aimed to:

- provide an audit opinion on whether the financial statements fairly reflect your school's reported financial results and financial position.
- assess and report on aspects of the school's financial management and controls.

3. Audit Opinion

We have issued our audit opinion on the financial statements for the year ended 31 December 2016 without any modification.

4. Going Concern Assumption

The financial statements were prepared on the basis that the school is a going concern. As required by the Office of the Auditor-General, we reviewed this assumption in terms of the criteria set out in the Auditing Standard ISA (NZ) 570. Based on the supporting evidence we concluded that the use of the going concern assumption was appropriate.

5. Issues Arising from Audit

Payroll Issues – Novopay System

The assurance work carried out centrally on behalf of the Auditor-General has found that the Novopay system places substantial reliance on schools to check the accuracy of their payroll. It is therefore important that the fortnightly transactions and expenditure reports are scrutinised thoroughly by people independent of the routine payroll processing in a timely manner. We found that appropriate controls were operating in your school.

Assurance work relating to Novopay that is carried out centrally on behalf of the Auditor-General, hasn't identified any major anomalies for investigation. We have received confirmation from the Board that the people on the end of year payroll report were employed during the year, and the total shown against each person is substantially correct.

Independent Checking of Transactions

As there have been a number of high profile school frauds in the news recently we are taking this opportunity to remind all schools of the need to ensure that there is adequate segregation of duties and independent review of transactions throughout the year (even for small schools).

This applies not only to inwards cash, payroll and expenditure but also to contracts and credit / debit card statements and invoices.

With regard to credit / debit card we recommend that a "one up" principle of authorisation applies. This means for example that the credit / debit card transactions of a Principal should be approved by either the Treasurer, Board or the finance sub-committee.

Required Communications

As required by the Auditing Standards we affirm that:

- We have had no disagreements with management during our audit nor have we had any serious difficulties in dealing with management.
- We have not identified any instances of fraud involving senior management or any other frauds that have caused material misstatement in the financial statements.
- We have not noted any significant risks or exposures that are required to be separately disclosed in the financial statements.
- We are also required to advise you of any uncorrected misstatements. There are none to report.

We reaffirm we are independent of your organisation, and that we have no relationship with your organisation that impairs our independence.

6. Conclusion

We remind the school to email a single PDF file of your annual report, including audited financial statements and required signatures to your local Ministry of Education office. These audited accounts must be minuted at your next Board of Trustees meeting.

Please advise us in due course of the actions you propose to take in relation to the matters raised in this letter.

We wish to acknowledge the friendly assistance provided by the school staff during the audit. If there is any further information you require, please do not hesitate to contact me.

Yours faithfully
OWEN McLEOD & CO



Richard Owen

AMISFIELD SCHOOL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

School Address:

School Postal Address: 2 Moffat Road, TOKOROA, 3420

School Phone: 07 886 5968

School Email: office@amisfield.school.nz

Ministry Number: 1682

AMISFIELD SCHOOL

Financial Statements - For the year ended 31 December 2016

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Amisfield School

Statement of Responsibility

For the year ended 31 December 2016

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 2016 fairly reflects the financial position and operations of the school.

The School's 2016 financial statements are authorised for issue by the Board.

Jolene Charie Harris

Full Name of Board Chairperson

Christine Denise McLIESH

Full Name of Principal

dh

Signature of Board Chairperson

CD McLiesh

Signature of Principal

26.05.17

Date:

24.05.17

Date:

Amisfield School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2016

		2016	2016	2015
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	1,312,339	1,247,369	1,324,622
Locally Raised Funds	3	79,829	29,400	69,834
Interest Earned		7,111	10,000	11,760
Gain on Sale of Property, Plant and Equipment		1,455	-	-
		<u>1,400,734</u>	<u>1,286,769</u>	<u>1,406,216</u>
Expenses				
Locally Raised Funds	3	46,789	4,100	47,464
Learning Resources	4	883,746	885,252	1,107,702
Administration	5	100,201	99,550	112,419
Finance Costs		320	-	8
Property	6	297,580	292,963	208,426
Depreciation	7	69,843	57,449	61,702
Loss on Disposal of Property, Plant and Equipment		546	-	-
		<u>1,399,025</u>	<u>1,339,314</u>	<u>1,537,721</u>
Net Surplus / (Deficit)		1,709	(52,545)	(131,505)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>1,709</u>	<u>(52,545)</u>	<u>(131,505)</u>

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

Amisfield School**Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2016

	Actual 2016 \$	Budget (Unaudited) 2016 \$	Actual 2015 \$
Balance at 1 January	781,645	781,645	902,252
Total comprehensive revenue and expense for the year	1,709	(52,545)	(131,505)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	7,834	-	4,832
SNUP School Network Upgrade Project	-	-	6,066
Equity at 31 December	791,188	729,100	781,645
 Retained Earnings	791,188	729,100	781,645
Equity at 31 December	791,188	729,100	781,645

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



Amisfield School

Statement of Financial Position

As at 31 December 2016

	Notes	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Current Assets				
Cash and Cash Equivalents	8	314,501	311,647	416,313
Accounts Receivable	9	42,923	72,411	72,411
GST Receivable		3,008	5,666	5,666
Prepayments		8,612	9,035	9,035
Inventories	10	2,270	2,671	2,671
		<u>371,314</u>	<u>401,430</u>	<u>506,096</u>
Current Liabilities				
Accounts Payable	12	57,107	84,905	84,905
Revenue Received in Advance	13	1,272	34,798	34,798
Provision for Cyclical Maintenance	14	-	71,378	-
Finance Lease Liability - Current Portion	15	9,022	-	-
Funds held for Capital Works Projects	16	-	-	114,264
		<u>67,401</u>	<u>191,081</u>	<u>233,967</u>
Working Capital Surplus/(Deficit)		303,913	210,349	272,129
Non-current Assets				
Property, Plant and Equipment	11	566,426	518,751	560,500
		<u>566,426</u>	<u>518,751</u>	<u>560,500</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	53,383	-	50,984
Finance Lease Liability	15	25,768	-	-
		<u>79,151</u>	<u>-</u>	<u>50,984</u>
Net Assets		<u><u>791,188</u></u>	<u><u>729,100</u></u>	<u><u>781,645</u></u>
Equity		<u><u>791,188</u></u>	<u><u>729,100</u></u>	<u><u>781,645</u></u>

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

Amisfield School
Statement of Cash Flows
For the year ended 31 December 2016

		2016	2016	2015
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		318,988	290,604	347,286
Locally Raised Funds		83,610	28,900	104,461
Hostel				
International Students				
Goods and Services Tax (net)		2,658	-	3,225
Payments to Employees		(190,634)	(174,000)	(258,627)
Payments to Suppliers		(175,276)	171,843	(218,099)
Interest Paid			-	(8)
Interest Received		7,111	10,000	11,763
Net cash from / (to) the Operating Activities		46,457	327,347	(9,999)
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	-	-
Purchase of PPE (and Intangibles)		(36,709)	(15,700)	(72,154)
Purchase of Investments				
Proceeds from Sale of Investments				
Net cash from / (to) the Investing Activities		(36,709)	(15,700)	(72,154)
Cash flows from Financing Activities				
Furniture and Equipment Grant		7,834	-	4,832
Finance Lease Payments		(5,130)	-	-
Painting contract payments				
Loans Received/ Repayment of Loans				
Funds Administered on Behalf of Third Parties		(114,264)	-	114,264
Net cash from Financing Activities		(111,560)	-	119,096
Net increase/(decrease) in cash and cash equivalents		(101,812)	311,647	36,943
Cash and cash equivalents at the beginning of the year	8	416,313	-	379,370
Cash and cash equivalents at the end of the year	8	314,501	311,647	416,313

The statement of cash flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries and the use of land and buildings grant and expense have been omitted.

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Amisfield School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2016

a) Reporting Entity

Amisfield 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 2016 to 31 December 2016 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 11.

Critical Judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

Classification of leases

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 15.

Recognition of grants

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carryforward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

c) Revenue Recognition

Government Grants

The school receives funding from the Ministry of Education. The following are the main types of funding that the School receives;

Operational grants are recorded as revenue when the School has the rights to the funding, which is in the year that the funding is received.

Teachers salaries grants are recorded as revenue when the School has the rights to the funding in the salary period they relate to. The grants are not received in cash by the School and are paid directly to teachers by the Ministry of Education.

Use of land and buildings grants are recorded as revenue in the period the School uses the land and buildings. These are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown.

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

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

i) Inventories

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

j) Investments

Bank term deposits 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 \$1000 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 - Crow	40 years
Furniture and Equipment	5-10 years
Information and communication	4-5 years
Library resources	12.5% DV
Motor Vehicles	5 years
Land	3 years

Leased assets are depreciated over the life of the lease.

l) Intangible Assets

Software costs

Computer software acquired by the School is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software licences with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software that the school receives from the Ministry of Education is normally acquired through a non-exchange transaction and is not of a material amount. It's fair value can be assessed at time of acquisition if no other methods lead to a fair value determination. Computer software purchased directly from suppliers at market rates are considered exchange transactions and the fair value is the amount paid for the software.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

m) Impairment of property, plant, and equipment and intangible assets

The school does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

Non cash generating assets

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

n) Accounts Payable

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

o) Employee Entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

Long-term employee entitlements

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

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

p) Revenue Received in Advance

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

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

q) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party. 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 participating schools within a cluster of schools. 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

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Operational grants	282,804	290,604	305,795
Teachers' salaries grants	737,252	737,252	861,500
Use of Land and Buildings grants	219,513	219,513	114,830
Rtlb Funding	8,124	-	1,558
Other MoE Grants	64,646	-	40,939
	<u>1,312,339</u>	<u>1,247,369</u>	<u>1,324,622</u>

3. Locally Raised Funds

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

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Revenue			
Donations	24,366	5,500	12,091
Fundraising	2,432	1,800	5,890
Other revenue	19,932	17,600	20,275
Trading	14,415	4,500	18,294
Activities	18,684	-	13,284
	<u>79,829</u>	<u>29,400</u>	<u>69,834</u>
Expenses			
Activities	15,932	-	10,515
Trading	13,542	3,000	14,091
Fundraising (costs of raising funds)	1,213	500	574
Other Locally Raised Funds Expenditure	16,102	600	22,284
	<u>46,789</u>	<u>4,100</u>	<u>47,464</u>
<i>Surplus for the year Locally raised funds</i>	<u>33,040</u>	<u>25,300</u>	<u>22,370</u>

4. Learning Resources

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Curricular	16,259	21,150	30,496
Library resources	201	450	571
Employee benefits - salaries	852,708	842,252	1,051,237
Staff development	4,616	10,200	12,167
Ict Technology	9,962	11,200	13,231
	<u>883,746</u>	<u>885,252</u>	<u>1,107,702</u>

5. Administration

	2016	2016	2015
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	3,300	3,300	3,300
Board of Trustees Fees	3,485	2,000	1,615
Board of Trustees Expenses	9,275	8,600	9,557
Communication	1,482	4,100	4,041
Consumables	1,900	2,150	2,017
Operating Lease	6,339	7,500	12,331
Legal Fees	1,408	1,300	217
Other	10,453	9,600	12,168
Employee Benefits - Salaries	47,578	44,000	45,911
Insurance	4,313	5,000	4,138
Service Providers, Contractors and Consultancy	10,668	12,000	17,124
	100,201	99,550	112,419

6. Property

	2016	2016	2015
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	6,909	7,650	8,790
Cyclical Maintenance Provision	2,399	3,000	19,354
Grounds	12,133	5,000	6,227
Heat, Light and Water	15,005	18,600	20,787
Rates	4,886	4,500	4,854
Repairs and Maintenance	8,589	6,000	6,598
Use of Land and Buildings	219,513	219,513	114,830
Security	935	700	1,274
Employee Benefits - Salaries	26,051	25,000	24,212
Consultancy And Contract Services	1,160	3,000	1,500
	297,580	292,963	208,426

The use of land and buildings figure represents 8% of the school's total property value. This is used as a 'proxy' for the market rental of the property. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

7. Depreciation of Property, Plant and Equipment

	2016	2016	2015
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building improvements - Crow	13,442	12,413	13,332
Furniture and Equipment	17,892	15,328	16,463
Information and communication	25,037	25,344	27,220
Library resources	4,477	4,364	4,687
Leased Assets	8,995	-	-
	69,843	57,449	61,702

8. Cash and Cash Equivalents

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Cash on Hand	200	-	200
BNZ Cheque Account	4,857	311,647	91,905
Westpac Imprest Account	83,621	-	104,607
Westpac 001 Account	225,823	-	219,601
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	314,501	311,647	416,313

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

9. Accounts Receivable

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Receivables	-	4,485	4,481
Interest Receivable	-	-	4
Teacher Salaries Grant Receivable	42,923	67,926	67,926
	42,923	72,411	72,411
Receivables from Exchange Transactions	-	4,485	4,485
Receivables from Non-Exchange Transactions	42,923	67,926	67,926
	42,923	72,411	72,411

10. Inventories

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Stationery	1,820	2,054	2,054
Uniforms	450	617	617
	2,270	2,671	2,671

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2016						
Building improvements - Crow	317,438	21,000	-	-	13,442	324,995
Furniture and Equipment	147,927	9,938	1,324	-	17,892	138,650
Information and communication	60,299	4,070	155	-	25,037	39,178
Library resources	34,836	2,001	-	-	4,477	32,359
Leased Assets	-	40,239	-	-	8,995	31,244
Balance at 31 December 2016	560,500	77,248	1,479	-	69,843	566,426

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2016			
Building improvements - Crow	469,681	144,686	324,995
Furniture and Equipment	325,137	186,487	138,650
Information and communication	243,974	204,796	39,178
Library resources	91,013	58,654	32,359
Leased Assets	61,364	30,120	31,244
Motor Vehicles	11,844	11,844	-
Balance at 31 December 2016	1,203,013	636,587	566,426

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2015						
Building improvements - Crow	329,675	1,096	-	-	13,332	317,439
Furniture and Equipment	104,536	59,855	-	-	16,463	147,928
Information and communication	75,069	12,449	-	-	27,220	60,298
Library resources	35,553	3,970	-	-	4,687	34,835
Balance at 31 December 2015	544,833	77,370	-	-	61,702	560,500

Accumulated Depreciation

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2015			
Building improvements - Crow	448,680	131,241	317,439
Furniture and Equipment	318,666	170,738	147,928
Information and communication	242,162	181,864	60,298
Library resources	89,013	54,178	34,835
Leased Assets	21,125	21,125	-
Motor Vehicles	11,844	11,844	-
Balance at 31 December 2015	1,131,490	570,990	560,500



12. Accounts Payable

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Operating creditors	12,131	15,271	13,725
Capital accruals for PPE items	345	-	-
Banking staffing overuse	-	-	1,546
Employee Entitlements - salaries	42,923	67,926	67,926
Employee Entitlements - leave accrual	1,708	1,708	1,708
	<u>57,107</u>	<u>84,905</u>	<u>84,905</u>
Payables for Exchange Transactions	57,107	84,905	83,359
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	1,546
	<u>57,107</u>	<u>84,905</u>	<u>84,905</u>

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Revenue in Advance	1,272	34,798	34,798
	<u>1,272</u>	<u>34,798</u>	<u>34,798</u>

14. Provision for Cyclical Maintenance

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Provision at the Start of the Year	50,984	68,378	31,630
Increase to the Provision During the Year	2,399	3,000	19,354
Provision at the End of the Year	<u>53,383</u>	<u>71,378</u>	<u>50,984</u>
Cyclical Maintenance - Current	-	71,378	-
Cyclical Maintenance - Term	53,383	-	50,984
	<u>53,383</u>	<u>71,378</u>	<u>50,984</u>

15. Finance Lease Liability

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

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
No Later than One Year	9,022	-	-
Later than One Year and no Later than Five Years	25,768	-	-
	<u>34,790</u>	<u>-</u>	<u>-</u>

16. Funds Held (Owed) for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects:

	2016	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Senior Hub	<i>completed</i>	115,884	-	115,884	-	-
Room 11 Upgrade	<i>completed</i>	(1,620)	11,933	10,313	-	-
Totals		<u>114,264</u>	<u>11,933</u>	<u>126,197</u>	<u>-</u>	<u>-</u>

Represented by:

Funds Held on Behalf of the Ministry of Education
Funds Due from the Ministry of Education

-
-

	2015	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Senior Hub	<i>completed</i>	-	120,708	4,824	-	115,884
Room 11 Upgrade	<i>completed</i>	-	-	1,620	-	(1,620)
Totals		<u>-</u>	<u>120,708</u>	<u>6,444</u>	<u>-</u>	<u>114,264</u>

17. Related Party Transactions

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

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

18. Remuneration

Key management personnel compensation

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

	2016 Actual \$	2015 Actual \$
<i>Board Members</i>		
Remuneration	3,485	1,615
Full-time equivalent members	0.09	0.19
<i>Leadership Team</i>		
Remuneration	416,693	116,755
Full-time equivalent members	4.63	1.00
Total key management personnel remuneration	420,178	118,370
Total full-time equivalent personnel	4.72	1.19

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:

	2016 Actual \$000	2015 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	70 - 80	110-120
Benefits and Other Emoluments	1 - 2	3-4
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2016 FTE Number	2015 FTE Number
100 - 110	-	-
	0.00	0.00

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



19. Compensation and Other Benefits Upon Leaving

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

	2016 Actual	2015 Actual
Total	-	-
Number of People	-	-

20. Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2016 (Contingent liabilities and assets at 31 December 2015: nil).

21. Commitments

(a) Capital Commitments

There are no capital commitments as at 31 December 2016 (Capital commitments at 31 December 2015: nil).

(b) Operating Commitments

As at 31 December 2016 the Board has entered into the following contracts:

(a) operating lease of laptops;

	2016 Actual \$	2015 Actual \$
No later than One Year	598	6,746
Later than One Year and No Later than Five Years	213	4,338
Later than Five Years	-	-
	<u>811</u>	<u>11,084</u>

22. Managing Capital

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

23. Financial Instruments

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

Loans and receivables

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Cash and Cash Equivalents	314,501	311,647	416,313
Receivables	42,923	72,411	72,411
Investments - Term Deposits	-	-	-
Total Loans and Receivables	<u>357,424</u>	<u>384,058</u>	<u>488,724</u>

Financial liabilities measured at amortised cost

Payables	57,107	84,905	84,905
Borrowings - Loans	-	-	-
Finance Leases	34,790	-	-
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	<u>91,897</u>	<u>84,905</u>	<u>84,905</u>

24. Events After Balance Date

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

