

# APARIMA COLLEGE



## FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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Ministry Number: 409

# APARIMA COLLEGE

Financial Statements - For the year ended 31 December 2017

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# Aparima 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 reflect the financial position and operations of the school.

The School's 2017 financial statements are authorised for issue by the Board.

\_\_\_\_\_  
Full Name of Commissioner

\_\_\_\_\_  
Full Name of Principal

\_\_\_\_\_  
Signature of Commissioner

\_\_\_\_\_  
Signature of Principal

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Date:

**Aparima College**  
**Statement of Comprehensive Revenue and Expense**  
For the year ended 31 December 2017

		2017	2017	2016
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Revenue</b>				
Government Grants	2	2,636,516	2,674,006	2,693,259
Locally Raised Funds	3	296,312	204,200	294,085
Interest Earned		7,870	7,000	7,850
Gain on Sale of Property, Plant and Equipment		65,579	-	92,696
		<u>3,006,277</u>	<u>2,885,206</u>	<u>3,087,890</u>
<b>Expenses</b>				
Locally Raised Funds	3	45,735	35,400	44,332
Learning Resources	4	2,079,735	1,879,773	2,006,201
Administration	5	189,848	206,349	205,389
Finance Costs		597	-	-
Property	6	753,725	792,433	807,607
Depreciation	7	84,699	55,271	78,897
Loss on Disposal of Property, Plant and Equipment		1,309	-	2,083
Transport		-	-	-
		<u>3,155,648</u>	<u>2,969,226</u>	<u>3,144,509</u>
<b>Net Surplus / (Deficit)</b>		(149,371)	(84,020)	(56,619)
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>(149,371)</u>	<u>(84,020)</u>	<u>(56,619)</u>

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

**Aparima College**  
**Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2017

	Actual 2017 \$	Budget (Unaudited) 2017 \$	Actual 2016 \$
<b>Balance at 1 January</b>	679,205	679,205	875,803
Total comprehensive revenue and expense for the year	(149,371)	(84,020)	(56,619)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	15,520
Contribution - SNUP	10,749	-	-
Distribution - Surplus Property Disposal Incentives Scheme	(135,841)	-	(155,499)
<b>Equity at 31 December</b>	404,742	595,185	679,205
Retained Earnings	404,742	595,185	679,205
<b>Equity at 31 December</b>	404,742	595,185	679,205

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

# Aparima College

## Statement of Financial Position

As at 31 December 2017

		2017	2017	2016
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Current Assets</b>				
Cash and Cash Equivalents	8	849,568	72,340	101,089
Accounts Receivable	9	115,582	112,713	112,713
GST Receivable		-	18,039	18,039
Prepayments		1,266	6,758	6,758
Inventories	9	2,325	-	-
Investments	10	-	289,612	289,612
Funds owing for Capital Works Projects	16	-	-	-
		<u>968,741</u>	<u>499,462</u>	<u>528,211</u>
<b>Current Liabilities</b>				
GST Payable		55,641	-	-
Accounts Payable	12	271,472	206,855	206,855
Revenue Received in Advance	13	15,877	7,977	7,977
Provision for Cyclical Maintenance	14	18,000	60,333	60,333
Finance Lease Liability - Current Portion		23,469	-	-
Funds held for Capital Works Projects	16	495,536	-	-
Funds Held on Behalf of Aparima Transport Network	17	91,078	107,830	107,830
		<u>971,073</u>	<u>382,995</u>	<u>382,995</u>
<b>Working Capital Surplus/(Deficit)</b>		(2,332)	116,467	145,216
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	531,705	500,623	555,894
		<u>531,705</u>	<u>500,623</u>	<u>555,894</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	14	50,393	21,905	21,905
Finance Lease Liability		74,238	-	-
		<u>124,631</u>	<u>21,905</u>	<u>21,905</u>
<b>Net Assets</b>		<u>404,742</u>	<u>595,185</u>	<u>679,205</u>
<b>Equity</b>		<u>404,742</u>	<u>595,185</u>	<u>679,205</u>

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

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

		2017	2017	2016
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
<b>Cash flows from Operating Activities</b>				
Government Grants		610,423	601,292	698,916
Locally Raised Funds		299,092	218,553	233,438
Goods and Services Tax (net)		73,680	(3,127)	(3,127)
Payments to Employees		(428,250)	(292,442)	(309,478)
Payments to Suppliers		(562,919)	(707,209)	(714,620)
Cyclical Maintenance Payments in the Year		3,845	-	-
Interest Received		8,434	14,220	15,070
Net cash from / (to) the Operating Activities		4,305	(168,713)	(79,802)
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of PPE (and Intangibles)		65,579	-	6,095
Purchase of PPE (and Intangibles)		48,900	(10,000)	(36,050)
Purchase of Investments		289,612	209,459	209,459
Net cash from / (to) the Investing Activities		404,091	199,459	179,504
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		(135,841)	-	15,522
Finance Lease Payments		(13,609)	-	-
Funds Administered on Behalf of Third Parties		(16,752)	(59,495)	(59,495)
Funds Held For Capital Works Projects		495,536	-	-
Net cash from Financing Activities		329,334	(59,495)	(43,974)
<b>Net increase/(decrease) in cash and cash equivalents</b>				
		737,730	(28,749)	55,728
Cash and cash equivalents at the beginning of the year	8	101,089	101,089	45,361
<b>Cash and cash equivalents at the end of the year</b>	8	<b>838,819</b>	<b>72,340</b>	<b>101,089</b>

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.

# Aparima College

## Notes to the Financial Statements

### 1. Statement of Accounting Policies

For the year ended 31 December 2017

#### 1.1. Reporting Entity

Aparima 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.

#### 1.2. Basis of Preparation

##### **Reporting Period**

The financial reports have been prepared for the period 1 January 2017 to 31 December 2017 and in accordance with the requirements of the Public Finance Act 1989.

##### **Basis of Preparation**

The financial statements have been prepared on a going concern basis, and the accounting policies have been consistently applied throughout the period.

##### **Financial Reporting Standards Applied**

The Education Act 1989 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as "having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders".

##### **PBE Accounting Standards Reduced Disclosure Regime**

The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the expenditure threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

##### **Measurement Base**

The financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

##### **Presentation Currency**

These financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

##### **Specific Accounting Policies**

The accounting policies used in the preparation of these financial statements are set out below.

##### **Critical Accounting Estimates And Assumptions**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

##### **Useful lives of property, plant and equipment**

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 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.

### **1.3. 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.

### **1.4. 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.

### **1.5. 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.

### **1.6. 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.

### **1.7. 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.

### **1.8. 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.

### **1.9. 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.

### **1.10. 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 28 of schedule 6 of the Education Act 1989 in relation to the acquisition of securities.

### **1.11. 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	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	3 years
Library resources	12.5% Diminishing value

### **1.12. 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.

### **1.13. 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.

### **1.14. Employment 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

### **1.15. Revenue Received in Advance**

Revenue received in advance relates to fees received from students 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.

#### **1.16. 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.

#### **1.17. 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).

#### **1.18. 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, and finance lease liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

#### **1.19. 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.

#### **1.20. Budget Figures**

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

#### **1.21. 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	551,122	542,987	573,146
Teachers' salaries grants	1,521,539	1,518,133	1,531,549
Use of Land and Buildings grants	521,112	555,503	538,716
Other MoE Grants	42,743	57,383	49,848
	<u>2,636,516</u>	<u>2,674,006</u>	<u>2,693,259</u>

## 3. Locally Raised Funds

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

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Revenue</b>			
Donations	6,705	6,500	6,493
Fundraising	-	-	1,054
House rental income	30,258	32,895	32,895
Other revenue	54,450	30,905	59,194
Transport Revenue	52,000	40,000	75,000
Trading	40,333	32,900	37,136
Activities	76,877	31,950	51,692
Curriculum Recoveries	35,689	29,050	30,620
	<u>296,312</u>	<u>204,200</u>	<u>294,085</u>
<b>Expenses</b>			
Activities	-	-	(2,250)
Trading	42,162	32,100	42,915
Transport (local)	3,573	3,300	3,667
	<u>45,735</u>	<u>35,400</u>	<u>44,332</u>
<i>Surplus for the year Locally raised funds</i>	<u>250,577</u>	<u>168,800</u>	<u>249,753</u>

## 4. Learning Resources

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	134,830	133,814	194,138
Information and communication technology	34,330	26,420	26,884
Extra-curricular activities	85,053	32,550	64,397
Library resources	1,007	4,500	1,440
Employee benefits - salaries	1,798,416	1,659,939	1,692,346
Resource/attached teacher costs	250	400	-
Staff development	25,849	22,150	26,997
	<u>2,079,735</u>	<u>1,879,773</u>	<u>2,006,201</u>

## 5. Administration

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	5,102	5,257	5,257
Board of Trustees Expenses	45,248	41,030	40,385
Communication	13,631	15,100	15,706
Consumables	16,637	31,080	37,836
Other	11,898	10,290	8,809
Employee Benefits - Salaries	91,111	98,000	92,979
Insurance	2,803	1,800	1,242
Service Providers, Contractors and Consultancy	3,418	3,792	3,175
	<u>189,848</u>	<u>206,349</u>	<u>205,389</u>

## 6. Property

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	3,737	4,750	4,812
Consultancy and Contract Services	45,522	52,950	45,256
Cyclical Maintenance Provision	15,626	-	13,308
Adjustment to the Provision	(19,471)	-	-
Grounds	6,668	6,200	7,415
Heat, Light and Water	54,133	58,100	51,481
Rates	5,060	4,900	4,932
Repairs and Maintenance	72,946	63,980	91,849
Use of Land and Buildings	521,112	555,503	538,716
Security	550	1,050	1,770
Employee Benefits - Salaries	47,842	45,000	48,067
	<u>753,725</u>	<u>792,433</u>	<u>807,607</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.

## 7. Depreciation of Property, Plant and Equipment

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements	8,762	10,000	10,735
Furniture and Equipment	21,560	15,000	22,361
Information and Communication Technology	36,775	18,000	35,931
Motor Vehicles	2,833	2,000	8,178
Leased Assets	13,145	10,000	-
Library Resources	1,624	271	1,692
	<u>84,699</u>	<u>55,271</u>	<u>78,897</u>

## 8. Cash and Cash Equivalents

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	-	-	-
Bank Current Account	849,568	72,340	101,089
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>849,568</u>	<u>72,340</u>	<u>101,089</u>

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

The School has a credit card facility of \$10,000.

Of the \$849,568 Cash and Cash Equivalents, \$495,536 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2018 on Crown owned school buildings under the School's Five Year Property Plan. Also, \$91,078 of unspent transport funding is held by the School. This funding is to be spent on shared transport for Aparima College and Riverton Primary School.

## 9. Accounts Receivable

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	3,450	4,749	4,749
Receivables from the Ministry of Education	2,406	12,545	12,545
Interest Receivable	21	585	585
Teacher Salaries Grant Receivable	109,705	94,834	94,834
	<u>115,582</u>	<u>112,713</u>	<u>112,713</u>
Receivables from Exchange Transactions	3,471	5,334	5,334
Receivables from Non-Exchange Transactions	112,111	107,379	107,379
	<u>115,582</u>	<u>112,713</u>	<u>112,713</u>

## 10. Investments

The School's investment activities are classified as follows:

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	-	289,612	289,612

## 11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Land	36,000	-	(12,000)	-	-	24,000
Building Improvements	285,025	-	(58,261)	-	(8,762)	218,002
Furniture and Equipment	136,948	5,469	-	-	(21,560)	120,857
Information and Communication	83,241	13,436	-	-	(36,775)	59,902
Motor Vehicles	2,833	-	-	-	(2,833)	-
Leased Assets	-	110,719	-	-	(13,145)	97,574
Library Resources	11,847	2,456	(1,309)	-	(1,624)	11,370
<b>Balance at 31 December 2017</b>	<b>555,894</b>	<b>132,080</b>	<b>(71,570)</b>	<b>-</b>	<b>(84,699)</b>	<b>531,705</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Land	24,000	-	24,000
Building Improvements	326,647	(108,645)	218,002
Furniture and Equipment	592,528	(471,671)	120,857
Information and Communication	475,481	(415,579)	59,902
Motor Vehicles	45,911	(45,911)	-
Leased Assets	110,719	(13,145)	97,574
Library Resources	39,074	(27,704)	11,370
<b>Balance at 31 December 2017</b>	<b>1,614,360</b>	<b>(1,082,655)</b>	<b>531,705</b>

The net carrying value of equipment held under a finance lease is \$97,574 (2016: \$0)

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2016	\$	\$	\$	\$	\$	\$
Land	42,000	-	(6,000)	-	-	36,000
Building Improvements	352,565	-	(56,805)	-	(10,735)	285,025
Furniture and Equipment	154,866	4,443	-	-	(22,361)	136,948
Information and Communication	95,813	23,359	-	-	(35,931)	83,241
Motor Vehicles	11,011	-	-	-	(8,178)	2,833
Library Resources	13,467	2,155	(2,083)	-	(1,692)	11,847
<b>Balance at 31 December 2016</b>	<b>669,722</b>	<b>29,957</b>	<b>(64,888)</b>	<b>-</b>	<b>(78,897)</b>	<b>555,894</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2016	\$	\$	\$
Land	36,000	-	36,000
Building Improvements	405,646	(120,621)	285,025
Furniture and Equipment	587,060	(450,112)	136,948
Information and Communication	462,045	(378,804)	83,241
Motor Vehicles	45,911	(43,078)	2,833
Library Resources	40,552	(28,705)	11,847
<b>Balance at 31 December 2016</b>	<b>1,577,214</b>	<b>(1,021,320)</b>	<b>555,894</b>



**12. Accounts Payable**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operating creditors	109,673	55,609	55,609
Accruals	8,102	-	-
Employee Entitlements - salaries	98,332	94,834	94,834
Employee Entitlements - leave accrual	55,365	56,412	56,412
	<u>271,472</u>	<u>206,855</u>	<u>206,855</u>
Payables for Exchange Transactions	271,472	206,855	206,855
	<u>271,472</u>	<u>206,855</u>	<u>206,855</u>

The carrying value of payables approximates their fair value.

**13. Revenue Received in Advance**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Grants in Advance - Ministry of Education	6,419	-	-
Other	9,458	7,977	7,977
	<u>15,877</u>	<u>7,977</u>	<u>7,977</u>

**14. Provision for Cyclical Maintenance**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	82,238	82,238	85,930
Increase to the Provision During the Year	15,626	-	13,308
Adjustment to the Provision	(19,471)	-	-
Use of the Provision During the Year	(10,000)	-	(17,000)
Provision at the End of the Year	<u>68,393</u>	<u>82,238</u>	<u>82,238</u>
Cyclical Maintenance - Current	18,000	60,333	60,333
Cyclical Maintenance - Term	50,393	21,905	21,905
	<u>68,393</u>	<u>82,238</u>	<u>82,238</u>

## 15. 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 Year	24,475	-	-
Later than One Year and no Later than Five Years	74,914	-	-
	<u>99,389</u>	<u>-</u>	<u>-</u>

## 16. Funds Held for Capital Works

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 \$
Design Services	<i>In progress</i>	-	689,346	193,810	-	495,536
Totals		<u>-</u>	<u>689,346</u>	<u>193,810</u>	<u>-</u>	<u>495,536</u>

### Represented by:

Funds Held on Behalf of the Ministry of Education	<u>495,536</u>
	<u>495,536</u>

## 17. Funds Held on Behalf of Aparima Transport Network Cluster

Aparima College is the lead school and holds funds on behalf of the Aparima Transport Network cluster, a group of schools funded by the Ministry of Education to share transport network.

	2017 Actual \$	2017 Budget \$	2016 Actual \$
Funds Held at Beginning of the Year	107,830	107,830	167,325
Funds Received from MoE	359,350	-	359,050
Funds Received Other	3,200	-	-
Funds Spent on Behalf of the Cluster	(275,302)	-	(268,545)
	<u>195,078</u>	<u>107,830</u>	<u>257,830</u>
Distribution of Cluster Funds			
Aparima College	(52,000)	-	(75,000)
Riverton Primary School	(52,000)	-	(75,000)
Funds Held at Year End	<u>91,078</u>	<u>107,830</u>	<u>107,830</u>

## 18. Related Party Transactions

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

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

## 19. Remuneration

### Key management personnel compensation

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

	2017 Actual \$	2016 Actual \$
<i>Board Members</i>		
Remuneration	-	-
Full-time equivalent members	-	-
<i>Leadership Team</i>		
Remuneration	526,987	406,264
Full-time equivalent members	4.00	4.00
Total key management personnel remuneration	526,987	406,264
Total full-time equivalent personnel	4.00	4.00

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	165-175	120-130
Benefits and Other Emoluments	2-3	0 - 0
Termination Benefits	60-70	0 - 0
Salary and Other Payments - Acting Principal	100-110	0 - 0

### Other Employees

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

Remuneration \$000	2017 FTE Number	2016 FTE Number
110 - 120	-	-
100 - 110	2.00	1.00
	2.00	1.00

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

## 20. Compensation and Other Benefits Upon Leaving

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

	2017 Actual \$	2016 Actual \$
Total	65,000	-
Number of People	1	-

## 21. Contingencies

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

## 22. Commitments

### (a) Capital Commitments

As at 31 December 2017 the school has committed to contribute up to \$36,062 (if required) for the Ministry's Remodel & Upgrade of Block C2. The final contribution amount and the treatment of this contribution will be determined during the finalisation of the project, targeted for 2018. The total estimated project cost is \$802,002, of which an amount of \$689,346 has been received to date from the Ministry, with \$193,810 of this used during the year.

(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, phone system and computer laptops;
- (b) ICT commitment;

	2017 Actual \$	2016 Actual \$
No later than One Year	16,498	21,824
Later than One Year and No Later than Five Years	54,000	25,723
	<u>70,498</u>	<u>47,547</u>

## 23. Managing Capital

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

## 24. Financial Instruments

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

### Loans and Receivables

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Cash and Cash Equivalents	849,568	72,340	101,089
Receivables	115,582	112,713	112,713
Investments - Term Deposits	-	289,612	289,612
Total Loan and Receivables	<u>965,150</u>	<u>474,665</u>	<u>503,415</u>

### Financial liabilities measured at amortised cost

Payables	271,472	206,855	206,855
Finance Leases	97,707	-	-
Total Financial Liabilities Measured at Amortised Cost	<u>369,179</u>	<u>206,855</u>	<u>206,855</u>

## 25. Events After Balance Date

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

## 25. Working Capital Deficit

The School is experiencing financial difficulties, at balance date the School has a working capital deficit of \$2,332. The financial difficulties have arisen mainly due to the deficit incurred this year. The school has had a Commissioner in place since September 2014.

The school is managing this by tighter budgetary control to reduce future deficits.

These financial statements are prepared on a going concern basis. The going concern assumption is dependent on the continuing support from the Ministry of Education. The Ministry of Education has confirmed it will continue to provide the School with resources, so it may meet its obligations as they fall due.