

# **BAYSWATER SCHOOL**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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# BAYSWATER SCHOOL

Financial Statements - For the year ended 31 December 2017

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# BAYSWATER SCHOOL

## Statement of Responsibility

For the year ended 31 December 2017

The Board of Trustees accepts responsibility for the preparation of the annual financial statements and the judgements used in these financial statements.

The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2017 fairly reflects the financial position and operations of the school.

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

Craig Erskine

Full Name of Board Chairperson

Lindsay Child

Full Name of Principal



Signature of Board Chairperson

Lindsay J. Child

Signature of Principal

18/5/18

Date:

18/05/18

Date:

**BAYSWATER SCHOOL****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	2,545,837	2,189,130	2,190,058
Locally Raised Funds	3	101,710	120,900	148,151
Interest Earned		6,235	2,500	5,770
International Students	4	75,149	20,000	24,209
		<u>2,728,931</u>	<u>2,332,530</u>	<u>2,368,188</u>
<b>Expenses</b>				
Locally Raised Funds	3	24,999	32,000	54,891
International Students	4	10,537	-	5,014
Learning Resources	5	1,229,748	1,134,009	1,173,371
Administration	6	119,886	115,577	118,509
Finance		986	-	4,069
Property	7	1,239,422	1,018,175	1,017,683
Depreciation	8	53,837	51,300	50,297
Loss on Disposal of Property, Plant and Equipment		24	-	-
		<u>2,679,439</u>	<u>2,351,061</u>	<u>2,423,834</u>
<b>Net Surplus / (Deficit) for the year</b>		<b>49,492</b>	<b>(18,531)</b>	<b>(55,646)</b>
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u><u>49,492</u></u>	<u><u>(18,531)</u></u>	<u><u>(55,646)</u></u>

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

**BAYSWATER SCHOOL****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>	<u>458,825</u>	<u>458,826</u>	<u>486,056</u>
Total comprehensive revenue and expense for the year	49,492	(18,531)	(55,646)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	9,750	-	28,415
<b>Equity at 31 December</b>	<u>518,067</u>	<u>440,295</u>	<u>458,825</u>
Retained Earnings	518,067	440,295	458,825
Reserves	-	-	-
<b>Equity at 31 December</b>	<u>518,067</u>	<u>440,295</u>	<u>458,825</u>

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

**BAYSWATER SCHOOL**  
**Statement of Financial Position**  
As at 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	9	148,839	86,935	179,706
Accounts Receivable	10	99,266	68,000	57,540
GST Receivable		-	-	3,245
Prepayments		8,301	7,000	4,864
Inventories	11	2,123	3,000	2,054
Investments	12	150,000	106,000	20,176
		<u>408,529</u>	<u>270,935</u>	<u>267,585</u>
<b>Current Liabilities</b>				
GST Payable		2,716	(5,000)	-
Accounts Payable	14	92,815	105,165	87,068
Revenue Received in Advance	15	59,457	5,000	14,078
Provision for Cyclical Maintenance	16	16,200	16,200	12,600
Painting Contract Liability - Current Portion	17	13,682	13,682	13,682
Finance Lease Liability - Current Portion	18	4,590	4,220	4,221
Funds held for Capital Works Projects	19	13,048	-	-
		<u>202,508</u>	<u>139,267</u>	<u>131,649</u>
<b>Working Capital Surplus/(Deficit)</b>		206,021	131,668	135,936
<b>Non-current Assets</b>				
Property, Plant and Equipment	13	351,676	352,847	384,147
		<u>351,676</u>	<u>352,847</u>	<u>384,147</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	16	31,667	31,667	38,241
Painting Contract Liability	17	3,623	3,623	14,087
Finance Lease Liability	18	4,340	8,930	8,930
		<u>39,630</u>	<u>44,220</u>	<u>61,258</u>
<b>Net Assets</b>		<u>518,067</u>	<u>440,295</u>	<u>458,825</u>
<b>Equity</b>		<u>518,067</u>	<u>440,295</u>	<u>458,825</u>

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



# BAYSWATER SCHOOL

## 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		401,979	364,380	374,833
Locally Raised Funds		148,054	112,421	155,212
International Students		75,149	20,000	24,209
Goods and Services Tax (net)		5,961	(1,755)	4,618
Payments to Employees		(287,490)	(234,417)	(282,492)
Payments to Suppliers		(234,983)	(225,755)	(248,490)
Cyclical Maintenance Payments in the year		(1)	(12,974)	
Interest Paid		(986)	-	(4,069)
Interest Received		4,548	1,618	7,125
<b>Net cash from / (to) the Operating Activities</b>		<b>112,232</b>	<b>23,518</b>	<b>30,946</b>
<b>Cash flows from Investing Activities</b>				
Purchase of PPE (and Intangibles)		(21,390)	(33,657)	(63,222)
Purchase of Investments		(129,824)	(85,824)	-
Proceeds from Sale of Investments		-	-	179,824
<b>Net cash from / (to) the Investing Activities</b>		<b>(151,214)</b>	<b>(119,481)</b>	<b>116,602</b>
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		9,750	-	28,415
Finance Lease Payments		(4,221)	13,656	(506)
Painting contract payments		(10,464)	(10,464)	(10,464)
Funds Held for Capital Works Projects		13,049	-	
<b>Net cash from Financing Activities</b>		<b>8,114</b>	<b>3,192</b>	<b>17,445</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(30,868)</b>	<b>(92,771)</b>	<b>164,993</b>
Cash and cash equivalents at the beginning of the year	9	179,707	179,706	14,713
<b>Cash and cash equivalents at the end of the year</b>	<b>9</b>	<b>148,839</b>	<b>86,935</b>	<b>179,706</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 excluded.

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

# BAYSWATER SCHOOL

## Notes to the Financial Statements

### 1. Statement of Accounting Policies

For the year ended 31 December 2017

#### **a) Reporting Entity**

Kiwi Park School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

#### **b) Basis of Preparation**

##### ***Reporting Period***

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

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

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

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

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

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

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

##### ***Measurement Base***

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

##### ***Presentation Currency***

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

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

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

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

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

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



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

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 14.

#### **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 21.

##### *Recognition of grants*

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

#### **c) Revenue Recognition**

##### **Government Grants**

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 \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

Gains and losses on disposals (*i.e.* sold or given away) are determined by comparing the proceeds received with the



carrying amounts (*i.e.* the book value). The gain or loss arising from the disposal of an item of property, plant and equipment is recognised in the Statement of Comprehensive Revenue and Expense.

### **Leased Assets**

Leases where the School assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets acquired by way of finance lease are measured at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Leased assets and corresponding liability are recognised in the Statement of Financial Position and leased assets are depreciated over the period the School is expected to benefit from their use or over the term of the lease.

### **Depreciation**

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

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	10–50 years
Furniture and equipment	02–15 years
Information and communication technology	03–10 years
Library resources	12.5% Diminishing value

### **l) Accounts Payable**

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

### **m) Employee Entitlements**

#### *Short-term employee entitlements*

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

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

### **n) Revenue Received in Advance**

Revenue received in advance relates to fees received from [international, hostel students and grants and camps 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.

### **o) Provision for Cyclical Maintenance**

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

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

### **p) Financial Assets and Liabilities**

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

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

**q) Goods and Services Tax (GST)**

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

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

Commitments and contingencies are disclosed exclusive of GST.

**r) Budget Figures**

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

## 2. Government Grants

	2017	2017 Budget (Unaudited)	2016
	Actual		Actual
	\$	\$	\$
Operational grants	285,599	288,180	289,082
Teachers' salaries grants	990,956	924,750	931,431
Use of Land and Buildings grants	1,115,205	900,000	883,794
Resource teachers learning and behaviour grants	4,653	8,000	7,725
Other MoE Grants	126,853	44,200	78,026
Other government grants	22,571	24,000	-
	<u>2,545,837</u>	<u>2,189,130</u>	<u>2,190,058</u>

## 3. Locally Raised Funds

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

	2017	2017 Budget (Unaudited)	2016
	Actual		Actual
	\$	\$	\$
<b>Revenue</b>			
Donations	39,988	66,000	55,916
Fundraising	-	-	3,893
Other revenue	24,515	14,400	23,170
Trading	13,724	15,500	17,550
Activities	23,483	25,000	47,622
	<u>101,710</u>	<u>120,900</u>	<u>148,151</u>
<b>Expenses</b>			
Activities	17,775	24,500	46,819
Trading	7,224	7,000	7,541
Fundraising (costs of raising funds)	-	-	75
Other Locally Raised Funds Expenditure	-	500	456
	<u>24,999</u>	<u>32,000</u>	<u>54,891</u>
<i>Surplus for the year Locally raised funds</i>	<u>76,711</u>	<u>88,900</u>	<u>93,260</u>



#### 4. International Student Revenue and Expenses

	2017	2017	2016
	Actual	Budget	Actual
	Number	(Unaudited)	Number
International Student Roll	26	2	1
	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Revenue</b>			
International student fees	75,149	20,000	24,209
<b>Expenses</b>			
Commissions	3,834	-	2,054
International student levy	1,054	-	485
Employee Benefit - Salaries	-	-	2,208
Other Expenses	5,649	-	267
	10,537	-	5,014
<i>Surplus for the year International Students'</i>	64,612	20,000	19,195

#### 5. Learning Resources

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	23,593	26,850	21,112
Equipment repairs	14,980	20,000	17,132
Library resources	940	600	830
Employee benefits - salaries	1,180,621	1,076,559	1,111,258
Staff development	9,614	10,000	23,039
	1,229,748	1,134,009	1,173,371

#### 6. Administration

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	6,049	7,165	7,164
Board of Trustees Fees	(3,430)	3,750	3,750
Board of Trustees Expenses	3,705	2,250	3,423
Communication	4,964	6,400	5,910
Consumables	3,359	2,600	2,651
Operating Lease	4,954	3,132	7,405
Other	9,478	11,400	9,070
Employee Benefits - Salaries	76,835	68,380	66,098
Insurance	3,972	500	3,438
Service Providers, Contractors and Consultancy	10,000	10,000	9,600
	119,886	115,577	118,509

**7. Property**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	7,971	7,000	6,857
Consultancy and Contract Services	28,848	30,000	29,699
Cyclical Maintenance Expense	(2,973)	10,000	11,027
Grounds	11,211	7,150	7,576
Heat, Light and Water	17,965	17,700	15,136
Rates	84	72	79
Repairs and Maintenance	24,765	18,006	29,834
Use of Land and Buildings	1,115,205	900,000	883,794
Security	11,449	5,000	8,667
Employee Benefits - Salaries	24,897	23,247	25,014
	<u>1,239,422</u>	<u>1,018,175</u>	<u>1,017,683</u>

**8. Depreciation**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Buildings	12,756	13,000	12,400
Furniture and Equipment	18,429	20,000	21,693
Information and Communication Technology	16,123	15,000	13,901
Leased Assets	4,552	-	566
Library Resources	1,977	3,300	1,737
	<u>53,837</u>	<u>51,300</u>	<u>50,297</u>

**9. Cash and Cash Equivalents**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	100	100	100
Bank Current Account	41,447	23,835	42,754
Bank Call Account	107,292	63,000	15,100
Short-term Bank Deposits	-	-	121,752
Cash equivalents and bank overdraft for Cash Flow Statement	<u>148,839</u>	<u>86,935</u>	<u>179,706</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	6,632	7,000	7,598
Receivables from the Ministry of Education	37,697	-	-
Interest Receivable	1,805	1,000	118
Teacher Salaries Grant Receivable	53,132	60,000	49,824
	<u>99,266</u>	<u>68,000</u>	<u>57,540</u>
Receivables from Exchange Transactions	8,437	8,000	7,716
Receivables from Non-Exchange Transactions	90,829	60,000	49,824
	<u>99,266</u>	<u>68,000</u>	<u>57,540</u>

## 11. Inventories

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	2,123	3,000	2,054
	<u>2,123</u>	<u>3,000</u>	<u>2,054</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	150,000	106,000	20,176
Non-current Asset			
Long-term Bank Deposits	-	-	-

## 13. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Buildings	258,343	-	-	-	(12,756)	245,587
Furniture and Equipment	58,924	3,957	-	-	(18,429)	44,452
Information and Communication Technology	41,629	13,750	-	-	(16,123)	39,256
Leased Assets	13,091	-	-	-	(4,552)	8,539
Library Resources	12,160	3,683	(24)	-	(1,977)	13,842
<b>Balance at 31 December</b>	<u>384,147</u>	<u>21,390</u>	<u>(24)</u>	<u>-</u>	<u>(53,837)</u>	<u>351,676</u>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2017			
Buildings	393,680	(148,093)	245,587
Furniture and Equipment	414,066	(369,614)	44,452
Information and Communication Technology	109,656	(70,400)	39,256
Leased Assets	13,657	(5,118)	8,539
Library Resources	31,064	(17,222)	13,842
<b>Balance at 31 December 2017</b>	<b>962,123</b>	<b>(610,447)</b>	<b>351,676</b>

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2016						
Buildings	232,703	38,040	-	-	(12,400)	258,343
Furniture and Equipment	72,188	8,429	-	-	(21,693)	58,924
Information and Communication Technology	42,050	13,480	-	-	(13,901)	41,629
Leased Assets	-	13,657	-	-	(566)	13,091
Library Resources	10,624	3,273	-	-	(1,737)	12,160
<b>Balance at 31 December</b>	<b>357,565</b>	<b>76,879</b>	<b>-</b>	<b>-</b>	<b>(50,297)</b>	<b>384,147</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2016			
Buildings	393,680	(135,337)	258,343
Furniture and Equipment	410,108	(351,184)	58,924
Information and Communication Technology	95,906	(54,277)	41,629
Leased Assets	13,657	(566)	13,091
Library Resources	27,435	(15,275)	12,160
<b>Balance at 31 December 2016</b>	<b>940,786</b>	<b>(556,639)</b>	<b>384,147</b>

#### 14. Accounts Payable

	2017 Actual	2017 Budget (Unaudited)	2016 Actual
	\$	\$	\$
Operating creditors	17,130	15,000	15,147
Accruals	14,665	17,165	18,116
Employee Entitlements - salaries	57,541	70,000	51,168
Employee Entitlements - leave accrual	3,479	3,000	2,637
	<b>92,815</b>	<b>105,165</b>	<b>87,068</b>
Payables for Exchange Transactions	92,815	105,165	87,068
	<b>92,815</b>	<b>105,165</b>	<b>87,068</b>

The carrying value of payables approximates their fair value.



**15. Revenue Received in Advance**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Other	59,457	5,000	14,078
	59,457	5,000	14,078

**16. Provision for Cyclical Maintenance**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	50,841	50,841	39,814
Increase to the Provision During the Year	(2,973)	10,000	11,027
Adjustment to the Provision	-	(12,974)	6,912
Use of the Provision During the Year	-	-	(6,912)
Provision at the End of the Year	47,868	47,867	50,841
Cyclical Maintenance - Current	16,200	16,200	12,600
Cyclical Maintenance - Term	31,667	31,667	38,241
	47,867	47,867	50,841

**17. Painting Contract Liability**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Liability	13,682	13,682	13,682
Non Current Liability	3,623	3,623	14,087
	17,305	17,305	27,769

**18. 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	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
No Later than One Year	4,590	4,220	4,220
Later than One Year and no Later than Five Years	4,340	8,930	8,930
Later than Five Years	-	-	-
	8,930	13,150	13,150



## 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

	2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Playground Relocation <i>in progress</i>		-	15,000	-	-	15,000
Moe Project Water Shed <i>in progress</i>		-	-	(1,952)	-	(1,952)
Totals		-	15,000	(1,952)	-	13,048

### Represented by:

Funds Held on Behalf of the Ministry of Education

13,048

Funds Due from the Ministry of Education

-

13,048

## 20. Remuneration

### Key management personnel compensation

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

	2017 Actual \$	2016 Actual \$
<i>Board Members</i>		
Remuneration	3,750	3,750
Full-time equivalent members	0.11	0.07
<i>Leadership Team</i>		
Remuneration	481,106	491,197
Full-time equivalent members	5	6
Total key management personnel remuneration	484,856	494,947
Total full-time equivalent personnel	5.11	6.07

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	120-130	110-120
Benefits and Other Emoluments	3-4	3-4
Termination Benefits	-	-

### Other Employees

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

Remuneration \$000	2017 FTE Number	2016 FTE Number
110 - 120	-	-
	0.00	0.00

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

## 21. Compensation and Other Benefits Upon Leaving

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

	2017 Actual	2016 Actual
Total	-	-
Number of People	-	-

## 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) Operating Commitments

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

(a) operating lease of a photocopier;

	2017 Actual \$	2016 Actual \$
No later than One Year	3,523	4,954
Later than One Year and No Later than Five Years	5,100	8,063
Later than Five Years	-	-
	<u>8,623</u>	<u>13,017</u>

## 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	148,839	86,935	179,706
Receivables	99,266	68,000	57,540
Investments - Term Deposits	150,000	106,000	20,176
Total Loans and Receivables	<u>398,105</u>	<u>260,935</u>	<u>257,422</u>

### Financial liabilities measured at amortised cost

Payables	92,815	105,165	87,068
Finance Leases	8,930	13,150	13,151
Painting Contract Liability	17,305	17,305	27,769
Total Financial Liabilities Measured at Amortised Cost	<u>119,050</u>	<u>135,620</u>	<u>127,988</u>

## 25. Events After Balance Date

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

## Independent Auditor's Report

RSM Hayes Audit

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### To the readers of Bayswater School's Financial statements For the year ended 31 December 2017

The Auditor-General is the auditor of Bayswater School (the School). The Auditor-General has appointed me, Colin Henderson, using the staff and resources of RSM Hayes Audit, 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 18, that comprise the statement of financial position as at 31 December 2017, 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 2017; and
  - its financial performance and cash flows for the year then 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 22 May 2018. 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 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 the statement of responsibility, board member list, analysis of variance and kiwisport 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 Bayswater School.

A handwritten signature in black ink that reads "Colin Henderson".

**Colin Henderson**  
RSM Hayes Audit  
On behalf of the Auditor-General  
Auckland, New Zealand



