

# **Bruce McLaren Intermediate School**

## **Financial Statements for the year ended 31 December 2017**

<b>School Address:</b>	61-69 Bruce McLaren Rd, Henderson
<b>School Postal Address:</b>	61-69 Bruce McLaren Rd, Henderson
<b>School Phone:</b>	09 836 3175
<b>School Email:</b>	accounts@brucemclaren.school.nz
<b>Ministry Number:</b>	1238

# **Bruce McLaren Intermediate School**

## **Financial Statements**

For the year ended 31 December 2017

### **Index**

<b>Page</b>	<b>Statement</b>
1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expense
3	Statement of Changes in Net Assets/Equity
4	Statement of Financial Position
5	Statement of Cash Flows
6 - 10	Statement of Accounting Policies
11 - 18	Notes to the Financial Statements

**Bruce McLaren Intermediate 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.

Riki Williscroft

Full Name of Board Chairperson



Digitally signed by Riki Williscroft  
Date: 2018.05.30 15:23:36 +12'00'

Signature of Board Chairperson

30.05.18

Date:

LIZ WOOD

Full Name of Principal



Signature of Principal

30.05.18

Date:

**Bruce McLaren Intermediate School**  
**Statement of Comprehensive Revenue and Expense**

For the year ended 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Revenue</b>				
Government Grants	2	2,484,773	2,165,986	2,267,860
Locally Raised Funds	3	128,356	70,100	180,629
Interest Earned		1,929	2,000	2,826
		<u>2,615,058</u>	<u>2,238,086</u>	<u>2,451,315</u>
<b>Expenses</b>				
Locally Raised Funds	3	77,377	44,400	25,563
Learning Resources	4	1,180,785	1,159,125	1,261,637
Administration	5	175,792	161,870	207,438
Finance Costs		1,302	-	331
Property	6	1,148,942	878,279	935,838
Depreciation	7	36,505	40,000	33,505
Loss on Disposal of Property, Plant and Equipment		2,693	-	562
Loss on Uncollectable Accounts Receivable		-	-	12,913
		<u>2,623,396</u>	<u>2,283,674</u>	<u>2,477,787</u>
<b>Net Surplus / (Deficit)</b>		<b>(8,338)</b>	<b>(45,588)</b>	<b>(26,472)</b>
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b><u>(8,338)</u></b>	<b><u>(45,588)</u></b>	<b><u>(26,472)</u></b>

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

**Bruce McLaren Intermediate School**  
**Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2017

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Balance at 1 January</b>	<u>152,054</u>	<u>152,054</u>	<u>178,526</u>
Total comprehensive revenue and expense for the year	(8,338)	(45,588)	(26,472)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	12,345	-	-
<b>Equity at 31 December</b>	<u>156,061</u>	<u>106,466</u>	<u>152,054</u>
Retained Earnings	156,061	106,466	152,054
<b>Equity at 31 December</b>	<u>156,061</u>	<u>106,466</u>	<u>152,054</u>

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

**Bruce McLaren Intermediate 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	8	85,882	2,394	48,599
Accounts Receivable	9	62,282	50,000	47,437
GST Receivable		11,542	10,000	10,027
Prepayments		882	6,500	6,442
Inventories	10	1,038	100	88
		<u>161,626</u>	<u>68,994</u>	<u>112,593</u>
<b>Current Liabilities</b>				
Accounts Payable	12	83,407	82,000	73,197
Revenue Received in Advance	13	27,196	5,000	10,882
Finance Lease Liability - Current Portion	15	6,781	5,286	4,859
		<u>117,384</u>	<u>92,286</u>	<u>88,938</u>
<b>Working Capital Surplus/(Deficit)</b>		<b>44,242</b>	<b>(23,292)</b>	<b>23,655</b>
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	268,358	258,451	287,951
		<u>268,358</u>	<u>258,451</u>	<u>287,951</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	14	150,000	124,426	150,000
Finance Lease Liability	15	6,539	4,267	9,552
		<u>156,539</u>	<u>128,693</u>	<u>159,552</u>
<b>Net Assets</b>		<u><u>156,061</u></u>	<u><u>106,466</u></u>	<u><u>152,054</u></u>
<b>Equity</b>		<u><u>156,061</u></u>	<u><u>106,466</u></u>	<u><u>152,054</u></u>

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

# Bruce McLaren Intermediate School

## Statement of Cash Flows

For the year ended 31 December 2017

	Note	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		545,449	485,167	490,475
Locally Raised Funds		137,499	76,100	175,245
Goods and Services Tax (net)		(1,515)	(9,000)	(10,107)
Payments to Employees		(215,008)	(213,070)	(248,569)
Payments to Suppliers		(427,392)	(335,748)	(351,146)
Interest Paid		(1,302)	-	(331)
Interest Received		1,930	2,350	3,167
<b>Net cash from / (to) the Operating Activities</b>		<b>39,661</b>	<b>5,799</b>	<b>58,734</b>
<b>Cash flows from Investing Activities</b>				
Purchase of PPE (and Intangibles)		(13,965)	(128,946)	(97,174)
Purchase of Investments		-	60,000	-
Proceeds from Sale of Investments		-	-	55,131
<b>Net cash from / (to) the Investing Activities</b>		<b>(13,965)</b>	<b>(68,946)</b>	<b>(42,043)</b>
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		12,345	-	-
Finance Lease Payments		(758)	9,553	(109)
Funds Administered on Behalf of Third Parties		-	-	(9,230)
<b>Net cash from / (to) Financing Activities</b>		<b>11,587</b>	<b>9,553</b>	<b>(9,339)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>37,283</b>	<b>(53,594)</b>	<b>7,352</b>
Cash and cash equivalents at the beginning of the year	8	48,599	55,988	41,247
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>85,882</b>	<b>2,394</b>	<b>48,599</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.

# Bruce McLaren Intermediate School

## Statement of Accounting Policies

For the year ended 31 December 2017

### 1. Statement of Accounting Policies

#### **Reporting Entity**

Bruce McLaren Intermediate 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.

#### **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.



# Bruce McLaren Intermediate School

## Statement of Accounting Policies (cont.)

For the year ended 31 December 2017

### *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 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.

### **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.

#### ***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.

#### ***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.

#### ***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.

# Bruce McLaren Intermediate School

## Statement of Accounting Policies (cont.)

For the year ended 31 December 2017

### 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.

### 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.

### 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.

### 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 schedule 6 section 28 of the Education Act 1989 in relation to the acquisition of investment securities.

### 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.

# Bruce McLaren Intermediate School

## Statement of Accounting Policies (cont.)

For the year ended 31 December 2017

### **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:

Buildings - School	40 years
Furniture and equipment	5-10 years
Information and communication technology	4-5 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value

### **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.

### **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.

### **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.

# Bruce McLaren Intermediate School

## Statement of Accounting Policies (cont.)

For the year ended 31 December 2017

### *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.

### **Revenue Received in Advance**

Revenue received in advance relates to fees received from 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 the grants received, should the School be unable to provide the services to which they relate.

### **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).

### **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.

### **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 Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

### **Budget Figures**

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

### **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.

**Bruce McLaren Intermediate School**  
**Notes to the Financial Statements**

For the year ended 31 December 2017

**2 Government Grants**

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operational grants	478,249	464,167	479,155
Teachers' salaries grants	997,059	1,000,000	1,086,174
Use of Land and Buildings grants	938,373	680,819	680,819
Other MoE Grants	52,381	21,000	21,712
Other government grants	18,711	-	-
	<u>2,484,773</u>	<u>2,165,986</u>	<u>2,267,860</u>

**3 Locally Raised Funds**

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Revenue</b>			
Donations	11,862	26,000	83,750
Fundraising	-	-	9,136
Trading	12,581	5,200	7,667
Activities	103,913	38,900	80,076
	<u>128,356</u>	<u>70,100</u>	<u>180,629</u>
<b>Expenses</b>			
Activities	59,329	27,400	13,946
Trading	18,048	17,000	7,442
Fundraising (costs of raising funds)	-	-	4,175
	<u>77,377</u>	<u>44,400</u>	<u>25,563</u>
<i>Surplus for the year Locally Raised Funds</i>	<u>50,979</u>	<u>25,700</u>	<u>155,066</u>

**4 Learning Resources**

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Curricular	35,813	29,025	28,239
Equipment repairs	785	-	2,667
Information and communication technology	25,479	45,500	39,171
Extra-curricular activities	5,722	-	52
Employee benefits - salaries	1,085,713	1,076,600	1,180,820
Resource/attached teacher costs	14,748	-	6,288
Staff development	12,525	8,000	4,400
	<u>1,180,785</u>	<u>1,159,125</u>	<u>1,261,637</u>

Bruce McLaren Intermediate School

**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2017

**5 Administration**

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Audit Fee	8,490	7,850	7,889
Board of Trustees Fees	2,557	3,000	3,209
Board of Trustees Expenses	4,395	3,500	4,862
Communication	4,505	4,500	6,056
Consumables	6,914	6,500	6,568
Operating Lease	19,074	-	19,547
Other	34,923	38,350	34,546
Employee Benefits - Salaries	79,494	83,470	105,854
Insurance	2,252	1,700	2,383
Service Providers, Contractors and Consultancy	13,188	13,000	16,524
	<u>175,792</u>	<u>161,870</u>	<u>207,438</u>

**6 Property**

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Caretaking and Cleaning Consumables	14,569	15,500	16,995
Consultancy and Contract Services	48,246	53,000	47,332
Cyclical Maintenance Provision	-	10,000	57,072
Grounds	4,649	5,000	5,120
Heat, Light and Water	51,750	33,000	33,137
Rates	84	60	79
Repairs and Maintenance	32,578	18,900	38,135
Use of Land and Buildings	938,373	680,819	680,819
Security	11,087	9,000	9,080
Employee Benefits - Salaries	47,606	53,000	48,069
	<u>1,148,942</u>	<u>878,279</u>	<u>935,838</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 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Buildings - School	6,527	6,947	5,819
Furniture and Equipment	10,595	15,687	13,140
Information and Communication Technology	10,959	12,518	10,485
Leased Assets	6,262	1,972	1,652
Library Resources	2,162	2,876	2,409
	<u>36,505</u>	<u>40,000</u>	<u>33,505</u>

**Bruce McLaren Intermediate School**

**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2017

**8 Cash and Cash Equivalents**

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Cash on Hand	500	500	500
Bank Current Account	81,731	1,394	44,456
Bank Call Account	3,651	500	3,643
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>85,882</u>	<u>2,394</u>	<u>48,599</u>

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

Of the \$85,882 Cash and Cash Equivalents, \$0 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.

**9 Accounts Receivable**

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Receivables	18,564	-	12,913
Receivables from the Ministry of Education	-	-	1,801
Provision for Uncollectibility	(12,393)	-	(12,913)
Interest Receivable	-	-	1
Teacher Salaries Grant Receivable	56,111	50,000	45,635
	<u>62,282</u>	<u>50,000</u>	<u>47,437</u>
Receivables from Exchange Transactions	6,171	-	1
Receivables from Non-Exchange Transactions	56,111	50,000	47,436
	<u>62,282</u>	<u>50,000</u>	<u>47,437</u>

**10 Inventories**

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Stationery	-	100	88
School Uniforms	1,038	-	-
	<u>1,038</u>	<u>100</u>	<u>88</u>

Bruce McLaren Intermediate School

**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2017

**11 Property, Plant and Equipment**

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2017						
Buildings	192,036	-	(455)	-	(6,527)	185,054
Furniture and equipment	31,052	13,885	(1,587)	-	(10,595)	32,755
Information and communication technology	34,086	-	(1)	-	(10,959)	23,126
Leased assets	13,911	4,640	-	-	(6,262)	12,289
Library resources	16,866	1,080	(650)	-	(2,162)	15,134
<b>Balance at 31 December 2017</b>	<b>287,951</b>	<b>19,605</b>	<b>(2,693)</b>	<b>-</b>	<b>(36,505)</b>	<b>268,358</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2017			
Buildings	261,425	(76,371)	185,054
Furniture and equipment	457,651	(424,896)	32,755
Information and communication technology	231,183	(208,057)	23,126
Leased assets	20,203	(7,914)	12,289
Library resources	67,782	(52,648)	15,134
<b>Balance at 31 December 2017</b>	<b>1,038,244</b>	<b>(769,886)</b>	<b>268,358</b>

The Board considers that no assets have suffered an impairment during the year.

The net carrying value of equipment held under a finance lease is \$12,289 (2016: \$13,911).

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2016						
Buildings	125,905	71,950	-	-	(5,819)	192,036
Furniture and equipment	36,200	7,992	-	-	(13,140)	31,052
Information and communication technology	27,716	16,855	-	-	(10,485)	34,086
Leased assets	-	15,563	-	-	(1,652)	13,911
Library resources	18,884	953	(562)	-	(2,409)	16,866
<b>Balance at 31 December 2016</b>	<b>208,705</b>	<b>113,313</b>	<b>(562)</b>	<b>-</b>	<b>(33,505)</b>	<b>287,951</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2016			
Buildings	262,638	(70,602)	192,036
Furniture and equipment	637,723	(606,671)	31,052
Information and communication technology	429,704	(395,618)	34,086
Leased assets	15,563	(1,652)	13,911
Library resources	69,376	(52,510)	16,866
<b>Balance at 31 December 2016</b>	<b>1,415,004</b>	<b>(1,127,053)</b>	<b>287,951</b>



**Bruce McLaren Intermediate School**  
**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2017

**12 Accounts Payable**

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operating creditors	20,700	25,000	20,573
Accruals	5,850	7,000	6,989
Employee Entitlements - salaries	56,857	50,000	45,635
	<u>83,407</u>	<u>82,000</u>	<u>73,197</u>
Payables for Exchange Transactions	83,407	82,000	73,197
	<u>83,407</u>	<u>82,000</u>	<u>73,197</u>

The carrying value of payables approximates their fair value.

**13 Revenue Received in Advance**

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Other	27,196	5,000	10,882
	<u>27,196</u>	<u>5,000</u>	<u>10,882</u>

**14 Provision for Cyclical Maintenance**

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Provision at the Start of the Year	150,000	150,000	92,928
Increase to the Provision During the Year	-	10,000	57,072
Use of the Provision During the Year	-	(35,574)	-
Provision at the End of the Year	<u>150,000</u>	<u>124,426</u>	<u>150,000</u>
Cyclical Maintenance - Current	-	-	-
Cyclical Maintenance - Term	150,000	124,426	150,000
	<u>150,000</u>	<u>124,426</u>	<u>150,000</u>

**15 Finance Lease Liability**

The school has entered into a number of finance lease agreements for laptops (TELA).  
 Minimum lease payments payable (includes interest portion):

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
No Later than One Year	7,700	-	4,859
Later than One Year and no Later than Five Years	6,884	-	9,552
	<u>14,584</u>	<u>-</u>	<u>14,411</u>

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

### 16 Funds Held for Capital Works Projects

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

	2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M) \$	Closing Balances \$
Nil Projects		-	-	-	-	-
Totals		-	-	-	-	-

  

	2016	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M) \$	Closing Balances \$
Vinyl Flooring	<i>completed</i>	2,006	-	2,006	-	-
Unspent Project Balances prior years	<i>completed</i>	7,714	-	7,714	-	-
CCTV, Security	<i>completed</i>	(490)	23,579	35,668	12,579	-
10YPP	<i>in progress</i>	-	1,801	1,801	-	-
Totals		9,230	25,380	47,189	12,579	-

### 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.

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

### 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.

	2017 Actual \$	2016 Actual \$
<i>Board Members</i>		
Remuneration	2,557	3,209
Full-time equivalent members	0.05	0.06
<i>Leadership Team</i>		
Remuneration	211,496	296,414
Full-time equivalent members	2.00	3.00
Total key management personnel remuneration	214,053	299,623
Total full-time equivalent personnel	2.05	3.06

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	0-5	-
Termination Benefits	-	-

#### Other Employees

No other employee received total remuneration over \$100,000 (2016: Nil).

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

### 19 Compensation and Other Benefits Upon Leaving

There were no compensation or other benefits paid or payable to persons upon leaving.

### 20 Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2017.

(Contingent liabilities and assets as at 31 December 2016: nil)

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

### 21 Commitments

#### (a) Capital Commitments

The Board considers there to be no contractual commitments at the above date other than those disclosed in the preceding financial statements and detailed below.

(Capital commitments as at 31 December 2016: nil)

#### (b) Operating Commitments

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

- operating lease of a photocopier
- operating lease for phone system

	2017 Actual \$	2016 Actual \$
No later than One Year	7,001	16,713
Later than One Year and No Later than Five Years	1,572	8,573
	<u>8,573</u>	<u>25,286</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:

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Loans and Receivables</b>			
Cash and Cash Equivalents	85,882	2,394	48,599
Receivables	62,282	50,000	47,437
Total Loans and Receivables	<u>148,164</u>	<u>52,394</u>	<u>96,036</u>
<b>Financial liabilities measured at amortised cost</b>			
Payables	83,407	82,000	73,197
Finance Leases	13,320	9,553	14,411
Total Financial Liabilities Measured at Amortised Cost	<u>96,727</u>	<u>91,553</u>	<u>87,608</u>

### 24 Events After Balance Date

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

### 25 Prior Year Comparatives

Comparative figures included in the financial statements relate to the financial year ended 31 December 2016. Where necessary these figures have been reclassified on a basis consistent with current disclosure for the year ended 31 December 2017.