

Nayland Primary

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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Ministry Number:	3208

Nayland Primary

Financial Statements - For the year ended 31 December 2017

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Nayland Primary School

Statement of Responsibility

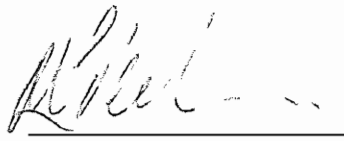
For the year ended 31 December 2017

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

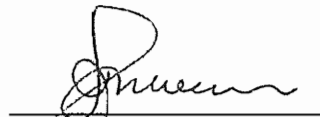
The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the School's financial reporting.

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.



Chairperson



Principal

3.5.18
Date

3.5.18
Date

Nayland Primary
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Revenue				
Government Grants	2	2,874,885	2,852,018	2,890,768
Locally Raised Funds	3	164,811	148,240	129,053
Interest Earned		19,316	17,000	16,728
International Students	5	23,084	17,665	11,594
		<u>3,082,096</u>	<u>3,034,923</u>	<u>3,048,143</u>
Expenses				
Locally Raised Funds	3	85,889	82,340	67,105
International Students	5	827	1,500	248
Learning Resources	4	2,054,349	2,110,329	2,131,456
Administration	6	189,316	189,497	205,965
Property	7	650,431	653,725	588,223
Depreciation	8	74,459	63,000	61,499
Loss on Disposal of Property, Plant and Equipment		-	-	14,021
		<u>3,055,271</u>	<u>3,100,391</u>	<u>3,068,517</u>
Net Surplus / (Deficit)		26,825	(65,468)	(20,374)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u><u>26,825</u></u>	<u><u>(65,468)</u></u>	<u><u>(20,374)</u></u>

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

Nayland Primary
Statement of Changes in Net Assets/Equity

For the year ended 31 December 2017

	Actual 2017 \$	Budget (Unaudited) 2017 \$	Actual 2016 \$
Balance at 1 January 2017	<u>887,876</u>	<u>887,876</u>	<u>896,068</u>
Total comprehensive revenue and expense for the year	26,825	(65,468)	(20,374)
Capital Contributions from the Ministry of Education Furniture and Equipment Grant	13,001	-	12,182
Equity at 31 December 2017	<u>927,702</u>	<u>822,408</u>	<u>887,876</u>
Retained Earnings	927,702	822,408	887,876
Reserves	-	-	-
Equity at 31 December 2017	<u>927,702</u>	<u>822,408</u>	<u>887,876</u>

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

References to Equity Statement are to meet the requirements of **PBE Accounting Standards Reduced Disclosure Regime** and the accompanying notes form part of these financial statements.

Nayland Primary

Statement of Financial Position

As at 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Current Assets				
Cash and Cash Equivalents	9	884,089	531,320	523,788
Accounts Receivable	10	104,358	96,255	96,255
GST Receivable		-	2,199	2,199
Prepayments		1,174	256	256
Inventories	11	2,950	2,762	2,762
		<u>992,571</u>	<u>632,792</u>	<u>625,260</u>
Current Liabilities				
GST Payable		33,518	-	-
Accounts Payable	13	147,203	127,781	127,781
Revenue Received in Advance	14	19,936	6,096	6,096
Provision for Cyclical Maintenance	15	18,855	18,855	18,855
Finance Lease Liability - Current Portion	16	19,389	16,983	16,983
Funds held for Capital Works Projects	17	215,335	-	-
		<u>454,236</u>	<u>169,715</u>	<u>169,715</u>
Working Capital Surplus/(Deficit)		538,335	463,077	455,545
Non-current Assets				
Property, Plant and Equipment	12	511,453	490,581	553,581
		<u>511,453</u>	<u>490,581</u>	<u>553,581</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	97,100	97,100	87,100
Finance Lease Liability	16	24,986	34,150	34,150
		<u>122,086</u>	<u>131,250</u>	<u>121,250</u>
Net Assets		<u>927,702</u>	<u>822,408</u>	<u>887,876</u>
Equity		<u>927,702</u>	<u>822,408</u>	<u>887,876</u>

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

Nayland Primary
Statement of Cash Flows
For the year ended 31 December 2017

		2017	2017	2016
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		697,597	674,730	698,988
Locally Raised Funds		167,256	148,240	126,909
International Students		37,119	17,665	1,736
Goods and Services Tax (net)		35,717	-	403
Payments to Employees		(190,616)	(199,292)	(213,678)
Payments to Suppliers		(596,221)	(650,811)	(584,025)
Interest Paid		-	-	-
Interest Received		20,202	17,000	17,200
Net cash from / (to) the Operating Activities		171,054	7,532	47,533
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	-	-
Purchase of PPE (and Intangibles)		(32,331)	-	(96,902)
Purchase of Investments		-	-	-
Proceeds from Sale of Investments		-	-	-
Net cash from / (to) the Investing Activities		(32,331)	-	(96,902)
Cash flows from Financing Activities				
Furniture and Equipment Grant		13,001	-	12,182
Finance Lease Payments		(6,758)	-	51,133
Painting contract payments		-	-	-
Loans Received/ Repayment of Loans		-	-	-
Funds Administered on Behalf of Third Parties		215,335	-	-
Net cash from Financing Activities		221,578	-	63,315
Net increase/(decrease) in cash and cash equivalents		360,301	7,532	13,946
Cash and cash equivalents at the beginning of the year	9	523,788	523,788	509,842
Cash and cash equivalents at the end of the year	9	884,089	531,320	523,788

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.

Nayland Primary

Notes to the Financial Statements

For the year ended 31 December 2017

1. Statement of Accounting Policies

a) Reporting Entity

Nayland Primary (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 12.

Nayland Primary

Notes to the Financial Statements

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 16.

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.

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

e) Operating Lease Payments

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

f) Finance Lease Payments

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

Nayland Primary

Notes to the Financial Statements

For the year ended 31 December 2017

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

j) Investments

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance.

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

After initial recognition bank term deposits are measured at amortised cost using the effective interest method less impairment.

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

The School has met the requirements under section 73 of the Education Act 1989 in relation to the acquisition of securities.

k) Property, Plant and Equipment

Land and buildings owned by the Crown are excluded from these financial statements. The Board's use of the land and buildings as 'occupant' is based on a property occupancy document.

Improvements to buildings owned by the Crown are recorded at cost, less accumulated depreciation and impairment losses.

Property, plant and equipment are recorded at cost or, in the case of donated assets, fair value at the date of receipt, less accumulated depreciation and impairment losses. Cost or fair value as the case may be, includes those costs that relate directly to bringing the asset to the location where it will be used and making sure it is in the appropriate condition for its intended use.

Property, plant and equipment acquired with individual values under \$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.

Nayland Primary

Notes to the Financial Statements

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:

Furniture & Equipment	5-15 years
Information and communication technology	3-5 years
Building improvements - Crown	50 years
Library Books	8 years
Leased Assets	3-5 years

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.

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

n) Revenue Received in Advance

Revenue received in advance relates to fees received from international 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.

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).

Nayland Primary
Notes to the Financial Statements
For the year ended 31 December 2017

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.

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

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

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.

s) 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.

Nayland Primary
Notes to the Financial Statements
For the year ended 31 December 2017

2. Government Grants

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational grants	600,174	606,132	602,858
Teachers' salaries grants	1,699,504	1,699,504	1,785,471
Use of Land and Buildings grants	473,928	473,928	413,344
Other government grants	101,279	72,454	89,095
	<u>2,874,885</u>	<u>2,852,018</u>	<u>2,890,768</u>

3. Locally Raised Funds

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

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations	-	-	-
Fundraising	92,151	94,500	68,128
Trading	11,789	14,200	12,379
Activities	50,910	22,000	35,335
Curriculum Recoveries	9,961	17,540	13,211
	<u>164,811</u>	<u>148,240</u>	<u>129,053</u>
Expenses			
Activities	28,847	20,000	21,636
Trading	11,059	14,000	12,528
Fundraising (costs of raising funds)	36,639	38,200	22,737
Other Locally Raised Funds Expenditure	9,344	10,140	10,204
	<u>85,889</u>	<u>82,340</u>	<u>67,105</u>
<i>Surplus for the year Locally raised funds</i>	<u>78,922</u>	<u>65,900</u>	<u>61,948</u>

4. Learning Resources

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	35,557	51,697	55,644
Information and communication technology	2,775	8,660	22,948
Library resources	2,569	2,995	2,394
Employee benefits - salaries	1,699,504	1,699,504	1,785,471
Resource/attached teacher costs	305,895	329,523	252,070
Staff development	8,049	17,950	12,929
	<u>2,054,349</u>	<u>2,110,329</u>	<u>2,131,456</u>

Nayland Primary
Notes to the Financial Statements
For the year ended 31 December 2017

5. International Student Revenue and Expenses

	2017 Actual Number	2017 Budget (Unaudited) Number	2016 Actual Number
International Student Roll	0	0	0
	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Revenue			
International student fees	23,084	17,665	11,594
Expenses			
Other Expenses	827	1,500	248
	<u>827</u>	<u>1,500</u>	<u>248</u>
<i>Surplus for the year International Students'</i>	<u><u>22,257</u></u>	<u><u>16,165</u></u>	<u><u>11,346</u></u>

6. Administration

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Audit Fee	2,900	3,110	2,860
Board of Trustees Fees	4,905	5,610	4,400
Board of Trustees Expenses	19,337	18,936	20,326
Communication	5,642	7,300	6,070
Consumables	1,904	5,200	4,687
Operating Lease	15,979	10,430	30,033
Other	11,749	11,150	17,795
Employee Benefits - Salaries	115,018	116,261	114,032
Insurance	6,502	5,800	5,762
Service Providers, Contractors and Consultancy	5,380	5,700	-
	<u>189,316</u>	<u>189,497</u>	<u>205,965</u>

7. Property

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Caretaking and Cleaning Consumables	11,792	13,200	13,817
Cyclical Maintenance Provision	10,000	10,000	10,000
Grounds	14,505	22,450	15,731
Heat, Light and Water	31,231	31,000	27,544
Repairs and Maintenance	23,393	16,260	14,239
Use of Land and Buildings	473,928	473,928	413,344
Employee Benefits - Salaries	85,582	86,887	93,548
	<u>650,431</u>	<u>653,725</u>	<u>588,223</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.

Nayland Primary
Notes to the Financial Statements
For the year ended 31 December 2017

8. Depreciation of Property, Plant and Equipment

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Furniture & Equipment	15,349	19,000	19,105
Information and communication technology	1,668	1,000	1,302
Other Equipment	9,869	5,000	5,507
Building improvements - Crown	21,546	25,000	23,613
Library Resources	4,311	5,000	4,327
Leased Assets	21,716	8,000	7,645
	<u>74,459</u>	<u>63,000</u>	<u>61,499</u>

9. Cash and Cash Equivalents

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	-	90	90
Bank Current Account	13,035	18,387	10,855
Bank Call Account	-	67,871	67,871
Short-term Bank Deposits	871,054	444,972	444,972
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>884,089</u>	<u>531,320</u>	<u>523,788</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	60	2,700	2,700
Receivables from the Ministry of Education	-	-	-
Interest Receivable	7,407	8,293	8,293
Teacher Salaries Grant Receivable	96,891	85,262	85,262
	<u>104,358</u>	<u>96,255</u>	<u>96,255</u>
Receivables from Exchange Transactions	7,467	10,993	10,993
Receivables from Non-Exchange Transactions	96,891	85,262	85,262
	<u>104,358</u>	<u>96,255</u>	<u>96,255</u>

11. Inventories

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	2,950	2,762	2,762
	<u>2,950</u>	<u>2,762</u>	<u>2,762</u>

Nayland Primary
Notes to the Financial Statements
For the year ended 31 December 2017

12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Furniture & Equipment	60,831	11,062	-	-	(15,349)	56,544
Other Equipment	71,843	-	-	-	(9,869)	61,974
Information and communication technology	2,529	4,037	-	-	(1,668)	4,898
Building improvements - Crown	347,722	(1)	-	-	(21,546)	326,175
Library Resources	17,358	3,599	-	-	(4,311)	16,646
Text Books	-	-	-	-	-	-
Leased Assets	53,298	13,634	-	-	(21,716)	45,216
Balance at 31 December 2017	553,581	32,331	-	-	(74,459)	511,453

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Furniture & Equipment	376,404	(319,860)	56,544
Other Equipment	147,330	(85,356)	61,974
Information and communication technology	27,799	(22,901)	4,898
Building improvements - Crown	487,818	(161,643)	326,175
Library Resources	77,348	(60,702)	16,646
Leased Assets	74,577	(29,361)	45,216
Balance at 31 December 2017	1,191,276	(679,823)	511,453

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2016	\$	\$	\$	\$	\$	\$
Furniture & Equipment	65,854	14,082	-	-	(19,105)	60,831
Other Equipment	48,417	28,933	-	-	(5,507)	71,843
Information and communication technology	16,682	970	(13,821)	-	(1,302)	2,529
Building improvements - Crown	369,268	2,067	-	-	(23,613)	347,722
Library Resources	17,959	3,726	-	-	(4,327)	17,358
Leased Assets	-	60,943	-	-	(7,645)	53,298
Balance at 31 December 2016	518,180	110,721	(13,821)	-	(61,499)	553,581

Nayland Primary
Notes to the Financial Statements
For the year ended 31 December 2017

12. Property, Plant and Equipment Continued

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2016			
Furniture & Equipment	365,342	(304,511)	60,831
Other Equipment	147,330	(75,487)	71,843
Information and communication technology	23,762	(21,233)	2,529
Building improvements - Crown	487,818	(140,096)	347,722
Library Resources	73,749	(56,391)	17,358
Leased Assets	60,943	(7,645)	53,298
Balance at 31 December 2016	1,158,944	(605,363)	553,581

13. Accounts Payable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operating creditors	14,823	13,158	13,158
Banking staffing overuse	-	3,856	3,856
Employee Entitlements - salaries	119,580	98,967	98,967
Employee Entitlements - leave accrual	12,800	11,800	11,800
	147,203	127,781	127,781
Payables for Exchange Transactions	147,203	127,781	127,781
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	147,203	127,781	127,781

The carrying value of payables approximates their fair value.

Nayland Primary
Notes to the Financial Statements
For the year ended 31 December 2017

14. Revenue Received in Advance

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
International Student Fees	17,700	3,665	3,665
Other	2,236	2,431	2,431
	19,936	6,096	6,096

15. Provision for Cyclical Maintenance

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Provision at the Start of the Year	105,955	105,955	95,955
Increase to the Provision During the Year	10,000	10,000	10,000
Adjustment to the Provision	-	-	-
Use of the Provision During the Year	-	-	-
Provision at the End of the Year	115,955	115,955	105,955
Cyclical Maintenance - Current	18,855	18,855	18,855
Cyclical Maintenance - Term	97,100	97,100	87,100
	115,955	115,955	105,955

16. Finance Lease Liability

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
No Later than One Year	19,389	(16,983)	16,983
Later than One Year and no Later than Five Years	24,985	(34,150)	34,150
Later than Five Years	-	-	-
	44,374	(51,133)	51,133

Nayland Primary
Notes to the Financial Statements
For the year ended 31 December 2017

17. 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 \$
Totals		-	260,946	45,611	-	215,335

Represented by:

Funds Held on Behalf of the Ministry of Education						215,335
Funds Due from the Ministry of Education						-
						<u>215,335</u>

	2016	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
MOE Fence/gates	<i>complete</i>	-	-	-	-	-
Totals		-	-	-	-	-

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.

Nayland Primary
Notes to the Financial Statements
For the year ended 31 December 2017

19. 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	4,905	4,400
Full-time equivalent members	0.30	0.30
<i>Leadership Team</i>		
Remuneration	299,113	299,113
Full-time equivalent members	3.0	2.0
Total key management personnel remuneration	304,018	303,513
Total full-time equivalent personnel	3.30	2.30

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
<i>Salaries and Other Short-term Employee Benefits:</i>		
Salary and Other Payments	130-140	130-140
Benefits and Other Emoluments	0-5	0-5
Termination Benefits	0 - 0	0 - 0

Other Employees

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

Remuneration	2017	2016
\$000	FTE Number	FTE Number
110 - 120	1.00	1.00
100 - 110	-	-
	1.00	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	\$0	\$0
Number of People	0	0

Nayland Primary
Notes to the Financial Statements
For the year ended 31 December 2017

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 Board has entered into no contract agreements for capital works.

(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 Computer Equipment

No later than One Year

Later than One Year and No Later than Five Years

2017 Actual \$	2016 Actual \$
-	-
-	-
-	-

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

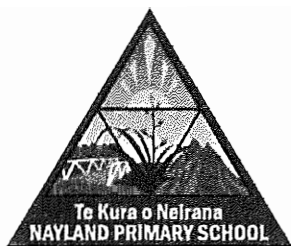
	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash and Cash Equivalents	884,089	531,320	523,788
Receivables	104,358	96,255	96,255
Investments - Term Deposits	-	-	-
Total Loans and Receivables	988,447	627,575	620,043

Financial liabilities measured at amortised cost

Payables	147,203	127,781	127,781
Borrowings - Loans	-	-	-
Finance Leases	44,375	51,133	51,133
Capital Works Projects	215,335	-	-
Total Financial Liabilities Measured at Amortised Cost	406,913	178,914	178,914

25. Events After Balance Date

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



MEMBERS OF THE BOARD OF TRUSTEES

For the year ended 31 December 2017

Name	Position	How Appointed	Term Expired / Expires
Margie Meleisea	Chairperson	Elected	9 June 2019
Janice Gulbransen	Principal	Appointed	9 June 2019
Richard Haynes	Parent Rep	Elected	9 June 2019
Nathalie Lacaze	Parent Rep	Elected 15.9.2017	9 June 2019
Catherine McLellan	Parent Rep	Elected	9 June 2019
Trevor Mackean	Parent Rep	Elected	9 June 2019
Daniel Mahony	Parent Rep	Elected	Resigned 2.6.2017
Gill Todd	Staff Rep	Elected	9 June 2019

**INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF NAYLAND PRIMARY SCHOOL'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

The Auditor-General is the auditor of Nayland Primary School (the School). The Auditor-General has appointed me, John Hooper, using the staff and resources of John Hooper & Co, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 20, that comprise the statement of financial position as at 31 December 2017, the statements of comprehensive revenue and expense, changes in net assets / equity and 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 Standards, Reduced Disclosure Regime.

Our audit was completed on 8 May 2018. This is the date at which our opinion is expressed.

The basis of 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

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 other information. The other information obtained at the date of our report is the list of board of trustee members and the analysis of variance report.

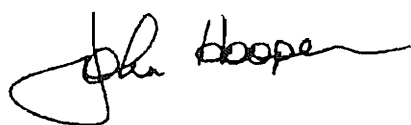
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

Independence

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

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



JOHN HOOPER

John Hooper & Co
On behalf of the Auditor-General
Nelson, New Zealand