



Beckenham
Te Kura o Pūroto

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

School Address:	77 Sandwich Road, Beckenham, Christchurch
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Ministry Number:	3291

BECKENHAM TE KURA O PŪROTO

Financial Statements - For the year ended 31 December 2017

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Beckenham Te Kura o Pūroto

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.

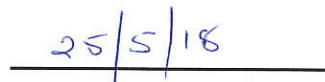
The School's 2017 financial statements are authorised for issue by the Board.



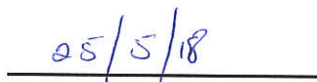
Chairperson



Principal



Date



Date

Beckenham Te Kura o Pūroto

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2017

		2017	2017	2016
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	2,845,878	2,663,866	2,740,125
Locally Raised Funds	3	98,437	116,165	157,246
Interest Earned		23,215	20,000	24,475
		<u>2,967,530</u>	<u>2,800,031</u>	<u>2,921,847</u>
Expenses				
Locally Raised Funds	3	13,572	4,000	2,274
Learning Resources	4	2,195,874	2,164,811	2,312,223
Administration	5	172,234	187,364	140,415
Finance Costs		930	-	179
Property	6	570,305	412,979	433,475
Depreciation	7	60,499	61,000	60,690
Loss on Disposal of Property, Plant and Equipment		5,292	-	11,622
		<u>3,018,706</u>	<u>2,830,154</u>	<u>2,960,878</u>
Net Surplus / (Deficit)		(51,176)	(30,123)	(39,031)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(51,176)</u>	<u>(30,123)</u>	<u>(39,031)</u>

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

Beckenham Te Kura o Pūroto

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	1,008,079	1,008,079	959,360
Total comprehensive revenue and expense for the year	(51,176)	(30,123)	(39,031)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	31,610	-	87,750
Contribution to Ministry Building & Redevelopment	(377,885)	-	-
Equity at 31 December	610,628	977,956	1,008,079
Retained Earnings	610,628	977,956	1,008,079
Equity at 31 December	610,628	977,956	1,008,079

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

Beckenham Te Kura o Pūroto
Statement of Financial Position
As at 31 December 2017

		2017	2017	2016
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
Current Assets				
Cash and Cash Equivalents	8	412,668	748,111	717,234
Accounts Receivable	9	119,069	112,911	112,911
GST Receivable		13,102	17,463	17,463
Prepayments		6,274	7,121	7,119
Inventories	10	666	3,863	3,863
		<u>551,779</u>	<u>889,469</u>	<u>858,590</u>
Current Liabilities				
Accounts Payable	12	194,271	143,977	143,977
Revenue Received in Advance	13	6,329	5,603	5,603
Provision for Cyclical Maintenance	14	4,658	17,597	17,597
Painting Contract Liability - Current Portion	15	16,961	3,567	3,567
Finance Lease Liability - Current Portion		8,074	6,265	6,265
Funds held in Trust	16	928	-	-
Funds held for Capital Works Projects	16	-	-	-
		<u>231,221</u>	<u>177,009</u>	<u>177,008</u>
Working Capital Surplus/(Deficit)		320,558	712,460	681,582
Non-current Assets				
Property, Plant and Equipment	11	358,071	273,963	334,963
		<u>358,071</u>	<u>273,963</u>	<u>334,963</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	14,671	-	-
Painting Contract Liability	15	49,441	-	-
Finance Lease Liability		3,889	8,467	8,467
		<u>68,001</u>	<u>8,467</u>	<u>8,467</u>
Net Assets		<u>610,628</u>	<u>977,956</u>	<u>1,008,079</u>
Equity		<u>610,628</u>	<u>977,956</u>	<u>1,008,079</u>

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

Beckenham Te Kura o Pūroto
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		643,779	599,854	609,813
Locally Raised Funds		97,164	116,222	157,304
Goods and Services Tax (net)		4,361	(6,110)	(6,110)
Payments to Employees		(267,491)	(305,258)	(308,099)
Payments to Suppliers		(300,006)	(370,689)	(493,797)
Cyclical Maintenance Payments in the Year		(87,725)	(18,000)	-
Interest Paid		-	-	-
Interest Received		25,337	21,638	26,112
Net cash from / (to) the Operating Activities		115,419	37,657	(14,777)
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(84,076)	(28,167)	(31,177)
Purchase of Investments		-	8,621	-
Proceeds from Sale of Investments		-	-	8,621
Net cash from / (to) the Investing Activities		(84,076)	(19,546)	(22,556)
Cash flows from Financing Activities				
Furniture and Equipment Grant		31,610	-	87,750
Contribution to the Crown		(377,885)	-	-
Finance Lease Payments		(8,524)	14,732	(4,749)
Painting Contract Payments		16,961	(2,967)	(2,967)
Funds Administered on Behalf of Third Parties		928	-	-
Net cash from Financing Activities		(336,910)	11,765	80,035
Net increase/(decrease) in cash and cash equivalents		(305,567)	29,876	42,702
Cash and cash equivalents at the beginning of the year	8	718,235	718,235	675,533
Cash and cash equivalents at the end of the year	8	412,668	748,111	718,235

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.

Beckenham Te Kura o Pūroto

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2017

1.1. Reporting Entity

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

1.2. Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 11.

Critical Judgements in applying accounting policies

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

Classification of leases

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 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 carryforward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

1.3. Revenue Recognition

Government Grants

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

1.4. Use of Land and Buildings Expense

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

1.5. Operating Lease Payments

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

1.6. Finance Lease Payments

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

1.7. Cash and Cash Equivalents

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

1.8. Accounts Receivable

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

1.9. Inventories

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

1.10. Investments

Bank term deposits for periods exceeding 90 days are classified as investments and are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. After initial recognition bank term deposits are measured at amortised cost using the effective interest method less impairment.

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

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

The School has met the requirements under section 28 of schedule 6 of the Education Act 1989 in relation to the acquisition of securities.

1.11. Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense, except for sets like Furniture and ICT where the collective worth exceeds \$1,000.

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	2-20 % Diminishing value
Furniture and equipment	10-20 % Diminishing value
Information and communication technology	25 % Diminishing value
Motor vehicles	20 % Diminishing value
Leased assets held under a Finance Lease	33 % Diminishing value
Library resources	12.5% Diminishing value

1.12. Impairment of property, plant and equipment and intangible assets

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

Non cash generating assets

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

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

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

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

1.13. Accounts Payable

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

1.14. Employment Entitlements

Short-term employee entitlements

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

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

Long-term employee entitlements

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

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

1.15. Revenue Received in Advance

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

1.16. Provision for Cyclical Maintenance

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

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

1.17. 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.

1.18. Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

1.19. Budget Figures

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

1.20. Services received in-kind

From time to time the School receives services in-kind, including the time of volunteers. The School has elected not to recognise services received in kind in the Statement of Comprehensive Revenue and Expense.

2. Government Grants

	2017	2017 Budget	2016
	Actual	(Unaudited)	Actual
	\$	\$	\$
Operational grants	563,077	570,499	573,674
Teachers' salaries grants	1,875,894	1,790,000	1,856,300
Use of land and buildings grants	326,205	255,999	255,999
Other MoE grants	66,602	32,703	37,860
Other government grants	14,100	14,665	16,292
	<u>2,845,878</u>	<u>2,663,866</u>	<u>2,740,125</u>

3. Locally Raised Funds

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

	2017	2017 Budget	2016
	Actual	(Unaudited)	Actual
	\$	\$	\$
Revenue			
Donations	23,965	30,000	47,508
Fundraising	2,606	5,000	5,214
Other revenue	9,210	12,125	9,423
Trading	18,071	12,700	22,595
Activities	44,585	56,340	72,506
	<u>98,437</u>	<u>116,165</u>	<u>157,246</u>
Expenses			
Trading	12,639	4,000	1,676
Fundraising (costs of raising funds)	933	-	598
	<u>13,572</u>	<u>4,000</u>	<u>2,274</u>
<i>Surplus for the year Locally Raised Funds</i>	<u>84,865</u>	<u>112,165</u>	<u>154,972</u>

4. Learning Resources

	2017	2017 Budget	2016
	Actual	(Unaudited)	Actual
	\$	\$	\$
Curricular	42,933	85,602	110,850
Equipment repairs	19,087	20,500	26,444
Information and communication technology	4,568	4,700	12,911
Extra-curricular activities	51,839	59,675	74,944
Library resources	702	600	16,376
Employee benefits - salaries	2,058,233	1,969,460	2,035,623
Staff development	18,512	24,274	35,076
	<u>2,195,874</u>	<u>2,164,811</u>	<u>2,312,223</u>

5. Administration

	2017	2017 Budget	2016
	Actual	(Unaudited)	Actual
	\$	\$	\$
Audit Fee	2,740	2,740	2,910
Board of Trustees Fees	3,995	4,320	4,085
Board of Trustees Expenses	7,836	8,130	12,485
Communication	4,586	4,900	4,864
Consumables	30,981	41,988	17,880
Operating Lease	11,249	11,848	-
Other	2,760	11,605	1,556
Employee Benefits - Salaries	81,738	76,470	74,089
Insurance	5,769	5,713	5,422
Service Providers, Contractors and Consultancy	20,580	19,650	13,545
	<u>172,234</u>	<u>187,364</u>	<u>140,416</u>

6. Property

	2017	2017 Budget	2016
	Actual	(Unaudited)	Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	4,565	5,700	5,221
Consultancy and Contract Services	39,443	37,380	48,127
Cyclical Maintenance Provision	17,661	18,000	25,000
Adjustment to the Provision	70,064	-	-
Grounds	27,084	13,500	6,543
Heat, Light and Water	29,221	22,000	23,106
Rates	4,007	4,000	3,996
Repairs and Maintenance	10,802	17,400	20,124
Use of Land and Buildings	326,205	255,999	255,999
Employee Benefits - Salaries	41,253	39,000	45,359
	<u>570,305</u>	<u>412,979</u>	<u>433,475</u>

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

7. Depreciation of Property, Plant and Equipment

	2017	2017 Budget	2016
	Actual	(Unaudited)	Actual
	\$	\$	\$
Building Improvements	789	500	877
Furniture and Equipment	18,053	15,000	17,265
Information and Communication Technology	26,276	30,000	29,120
Textbooks	-	500	-
Leased Assets	7,900	8,000	4,437
Library Resources	7,481	7,000	8,991
	<u>60,499</u>	<u>61,000</u>	<u>60,690</u>

8. Cash and Cash Equivalents

	2017	2017 Budget (Unaudited)	2016
	Actual \$	\$	Actual \$
Bank Current Account	216,180	748,111	37,877
Bank Call Account	24	-	-
Short-term Bank Deposits	196,464	-	679,358
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	412,668	748,111	717,235

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

9. Accounts Receivable

	2017	2017 Budget (Unaudited)	2016
	Actual \$	\$	Actual \$
Receivables	2,249	250	250
Interest Receivable	206	2,328	2,328
Teacher Salaries Grant Receivable	116,614	110,333	110,333
	119,069	112,911	112,911
Receivables from Exchange Transactions	2,455	2,578	2,578
Receivables from Non-Exchange Transactions	116,614	110,333	110,333
	119,069	112,911	112,911

10. Inventories

	2017	2017 Budget (Unaudited)	2016
	Actual \$	\$	Actual \$
Stationery	-	3,197	3,197
School Uniforms	666	666	666
	666	3,863	3,863

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Building Improvements	7,894	-	-	-	(789)	7,105
Furniture and Equipment	129,568	35,447	-	-	(18,053)	146,962
Information and Communication	119,699	46,428	-	-	(26,276)	139,851
Leased Assets	14,863	4,824	-	-	(7,900)	11,787
Library Resources	62,937	2,202	(5,292)	-	(7,481)	52,366
Balance at 31 December 2017	334,962	88,901	(5,292)	-	(60,499)	358,071

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Building Improvements	17,515	(10,410)	7,105
Furniture and Equipment	419,277	(272,315)	146,962
Information and Communication	388,590	(248,739)	139,851
Leased Assets	24,125	(12,338)	11,787
Library Resources	95,349	(42,983)	52,366
Balance at 31 December 2017	944,856	(586,785)	358,071

The net carrying value of equipment held under a finance lease is \$11,787 (2016: \$14,863)

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2016	\$	\$	\$	\$	\$	\$
Building Improvements	1,640	15,414	(8,283)	-	(877)	7,894
Furniture and Equipment	139,163	11,531	(3,861)	-	(17,265)	129,568
Information and Communication	149,114	14,365	(14,660)	-	(29,120)	119,699
Leased Assets	-	19,300	-	-	(4,437)	14,863
Library Resources	66,878	5,281	(231)	-	(8,991)	62,937
Balance at 31 December 2016	356,796	65,891	(27,035)	-	(60,690)	334,962

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2016	\$	\$	\$
Building Improvements	17,515	(9,621)	7,894
Furniture and Equipment	383,831	(254,263)	129,568
Information and Communication	342,162	(222,463)	119,699
Leased Assets	19,300	(4,437)	14,863
Library Resources	101,698	(38,761)	62,937
Balance at 31 December 2016	864,508	(529,545)	334,962

12. Accounts Payable

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Operating creditors	8,541	14,307	14,307
Accruals	11,940	-	-
Banking staffing overuse	43,277	-	-
Employee Entitlements - salaries	120,782	110,333	110,333
Employee Entitlements - leave accrual	9,731	19,337	19,337
	<u>194,271</u>	<u>143,977</u>	<u>143,977</u>
Payables for Exchange Transactions	194,271	143,977	143,977
	<u>194,271</u>	<u>143,977</u>	<u>143,977</u>

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Other	6,329	5,603	5,603
	<u>6,329</u>	<u>5,603</u>	<u>5,603</u>

14. Provision for Cyclical Maintenance

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Provision at the Start of the Year	17,597	17,597	22,000
Increase to the Provision During the Year	17,661	-	25,000
Adjustment to the Provision	70,064	-	-
Use of the Provision During the Year	(85,993)	-	(29,403)
Provision at the End of the Year	<u>19,329</u>	<u>17,597</u>	<u>17,597</u>
Cyclical Maintenance - Current	4,658	17,597	17,597
Cyclical Maintenance - Term	14,671	-	-
	<u>19,329</u>	<u>17,597</u>	<u>17,597</u>

15. Painting Contract Liability

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Current Liability	16,961	3,567	3,567
Non Current Liability	49,441	-	-
	<u>66,402</u>	<u>3,567</u>	<u>3,567</u>

In 2017 the Board signed two agreements with Programmed Maintenance Services Ltd (the contractor) for an agreed programme of work covering a seven year period. The programme provides for painting of nominated areas within the school between 2017 to 2023. The agreement has an annual commitment of \$16,961. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect on the time value of money.

16. Finance Lease Liability

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
No Later than One Year	8,685	6,264	6,264
Later than One Year and no Later than Five Years	4,108	8,466	8,466
	<u>12,793</u>	<u>14,730</u>	<u>14,730</u>

17. Related Party Transactions

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

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

18. Remuneration

Key management personnel compensation

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

	2017 Actual \$	2016 Actual \$
<i>Board Members</i>		
Remuneration	3,995	4,085
Full-time equivalent members	0.15	0.15
<i>Leadership Team</i>		
Remuneration	238,857	232,676
Full-time equivalent members	2.00	2.00
Total key management personnel remuneration	242,852	236,761
Total full-time equivalent personnel	2.15	2.15

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	130-140	130 - 140
Benefits and Other Emoluments	4 - 5	4 - 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 \$000	2017 FTE Number	2016 FTE Number
110 - 120	-	-
100 - 110	-	-
	-	-

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

19. Compensation and Other Benefits Upon Leaving

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

	2017 Actual	2016 Actual
Total	-	\$ 8,500
Number of People	-	1

20. Contingencies

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

21. Commitments

(a) Capital Commitments

As at 31 December 2017 the Board has not entered into any contract agreements for capital works.

(a) As noted in the statement of Equity in 2017 the school has contributed an amount of \$377,885 to the Ministry's school rebuild project. The Board has committed to contribute a further amount of up to \$75,578 to the Ministry of Education as manager of Crown owned buildings for the school's rebuild where required to complete the project. This contribution will not give rise to an ownership interest in the buildings redeveloped by the Board.

(Capital commitments at 31 December 2016:)

(a) The Board of Trustees has resolved to contribute \$453,000 toward the renewal building project.

(b) Operating Commitments

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

(a) operating lease of a photocopier and computers:

	2017 Actual \$	2016 Actual \$
No later than One Year	14,048	18,701
Later than One Year and No Later than Five Years	18,642	32,690
	<u>32,690</u>	<u>51,391</u>

22. Managing Capital

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

23. Financial Instruments

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

Loans and Receivables

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Cash and Cash Equivalents	412,668	748,111	717,235
Receivables	119,069	112,911	112,911
Total Cash and Receivables	<u>531,737</u>	<u>861,022</u>	<u>830,146</u>

Financial liabilities measured at amortised cost

Payables	194,271	143,977	143,977
Finance Leases	11,963	14,732	14,732
Painting Contract Liability	66,402	3,567	3,567
Total Financial Liabilities Measured at Amortised Cost	<u>272,636</u>	<u>162,276</u>	<u>162,275</u>

24. Events After Balance Date

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

**INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF BECKENHAM TE KURA O PŪROTO'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

The Auditor-General is the auditor of Beckenham Te Kura o Pūroto (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 18, 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 25 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, Kiwisport statement, and the analysis of variance report.

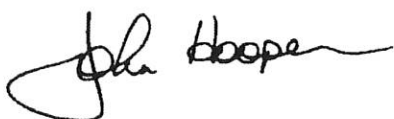
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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