

Banks Avenue School



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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BANKS AVENUE SCHOOL

Financial Statements - For the year ended 31 December 2017

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Banks Avenue 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.

Kirk Melloy
Full Name of Board Chairperson

[Signature]
Signature of Board Chairperson

28 May 2018
Date:

Tom Burnside
Full Name of Principal

[Signature]
Signature of Principal

28 May 2018
Date:

Banks Avenue School
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	2,512,266	2,350,719	2,424,178
Locally Raised Funds	3	146,547	84,510	97,896
Interest Received		18,102	15,000	17,249
		<u>2,676,916</u>	<u>2,450,229</u>	<u>2,539,322</u>
Expenses				
Locally Raised Funds	3	83,487	63,000	54,159
Learning Resources	4	1,946,292	1,917,124	1,928,133
Administration	5	181,338	163,425	154,853
Finance Costs		2,654	-	594
Property	6	362,209	283,997	307,629
Depreciation	7	88,098	78,000	88,564
Loss on Disposal of Property, Plant and Equipment		3,753	-	521
		<u>2,667,830</u>	<u>2,505,546</u>	<u>2,534,453</u>
Net Surplus / (Deficit)		9,085	(55,317)	4,869
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>9,085</u>	<u>(55,317)</u>	<u>4,869</u>

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



Banks Avenue School
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	916,711	916,711	895,443
Total comprehensive revenue and expense for the year	9,085	(55,317)	4,869
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	16,399
Equity at 31 December	925,796	861,394	916,711
Retained Earnings	925,796	861,394	916,711
Reserves			
Equity at 31 December	925,796	861,394	916,711

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



Banks Avenue School
Statement of Financial Position
As at 31 December 2017

		2017	2017	2016
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	8	64,867	60,059	93,915
Accounts Receivable	9	115,742	146,000	105,568
GST Receivable		15,166	15,000	-
Prepayments		6,145	8,000	9,185
Inventories	10	2,904	2,500	2,331
Investments	11	567,162	550,000	547,504
		<u>771,987</u>	<u>781,559</u>	<u>758,502</u>
Current Liabilities				
GST Payable		-	-	9,695
Accounts Payable	13	136,514	174,900	129,286
Revenue Received in Advance	14	955	-	7,973
Finance Lease Liability - Current Portion	16	34,517	27,571	27,571
		<u>171,986</u>	<u>202,471</u>	<u>174,526</u>
Working Capital Surplus/(Deficit)		600,001	579,088	583,976
Non-current Assets				
Property, Plant and Equipment	12	358,581	304,519	382,519
		<u>358,581</u>	<u>304,519</u>	<u>382,519</u>
Non-current Liabilities				
Finance Lease Liability	16	32,786	22,214	49,785
		<u>32,786</u>	<u>22,214</u>	<u>49,785</u>
Net Assets		<u><u>925,796</u></u>	<u><u>861,394</u></u>	<u><u>916,711</u></u>
Equity		<u><u>925,796</u></u>	<u><u>861,394</u></u>	<u><u>916,711</u></u>

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

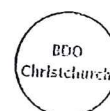


Banks Avenue School
Statement of Cash Flows
For the year ended 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Cash flows from Operating Activities				
Government Grants		629,951	595,719	643,935
Locally Raised Funds		147,965	84,510	91,488
Goods and Services Tax (net)		(24,861)	-	26,016
Payments to Employees		(320,280)	(306,450)	(291,092)
Payments to Suppliers		(381,099)	(366,096)	(366,554)
Interest Paid		(2,654)	-	(594)
Interest Received		19,554	15,000	17,013
Net cash from / (to) the Operating Activities		68,576	22,683	120,212
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		(3,753)	-	(521)
Purchase of PPE (and Intangibles)		(45,241)	48,692	(4,871)
Purchase of Investments		(19,659)	(50,000)	(16,147)
Net cash from / (to) the Investing Activities		(68,652)	(1,308)	(21,539)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	16,399
Finance Lease Payments		(28,972)	(29,223)	(19,363)
Net cash from Financing Activities		(28,972)	(29,223)	(2,964)
Net increase/(decrease) in cash and cash equivalents		(29,048)	(7,847)	95,708
Cash and cash equivalents at the beginning of the year	8	93,915	67,907	(1,793)
Cash and cash equivalents at the end of the year	8	64,867	60,060	93,915

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.



Banks Avenue School

Notes to the Financial Statements

1 Statement of Accounting Policies

For the year ended 31 December 2017

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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.

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.

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.

g) Cash and Cash Equivalents

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

h) Accounts Receivable

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

i) Inventories

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

j) Investments

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

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

The School has met the requirements under section 28 of schedule 6 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.

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 – Crown	10–75 years
Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Leased assets held under a Finance Lease	4 years
Library resources	12.5% Diminishing value

l) Intangible Assets

Software costs

Computer software acquired by the School is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software licences with individual values under \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software that the school receives from the Ministry of Education is normally acquired through a non-exchange transaction and is not of a material amount. Its fair value can be assessed at time of acquisition if no other methods lead to a fair value determination. Computer software purchased directly from suppliers at market rates are considered exchange transactions and the fair value is the amount paid for the software.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

m) 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.

n) 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.

o) 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.

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

p) Revenue Received in Advance

Revenue received in advance relates to fees received from students and 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.

q) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

r) 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).

t) Financial Assets and Liabilities

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

The School's financial liabilities comprise accounts payable 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.

s) 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.

t) Budget Figures

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

u) 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 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operational grants	551,613	551,567	543,218
Teachers' salaries grants	1,683,499	1,630,000	1,656,737
Use of Land and Buildings grants	189,184	125,000	132,148
Resource teachers learning and behaviour grants	2,586	1,000	4,905
Other MoE Grants	74,624	-	85,474
Other government grants	10,760	43,152	1,695
	<u>2,512,266</u>	<u>2,350,719</u>	<u>2,424,178</u>

3 Locally Raised Funds

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Revenue			
Donations	51,111	10,000	25,005
Fundraising	6,980	-	-
Other revenue	10,386	10,410	10,925
Trading	11,026	9,100	9,182
Activities	67,044	55,000	52,784
	<u>146,547</u>	<u>84,510</u>	<u>97,896</u>
Expenses			
Activities	63,602	55,000	45,935
Trading	10,566	8,000	8,224
Fundraising (costs of raising funds)	9,320	-	-
Other Locally Raised Funds Expenditure	-	-	-
	<u>83,487</u>	<u>63,000</u>	<u>54,159</u>
<i>Surplus for the year Locally raised funds</i>	<u>63,060</u>	<u>21,510</u>	<u>43,737</u>

4 Learning Resources

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Curricular	46,432	60,174	46,496
Equipment repairs	-	-	336
Information and communication technology	31,467	51,200	47,513
Library resources	475	850	482
Employee benefits - salaries	1,849,718	1,787,500	1,792,186
Resource/attached teacher costs	2,977	2,200	2,161
Staff development	15,223	15,200	38,960
	<u>1,946,292</u>	<u>1,917,124</u>	<u>1,928,133</u>

5 Administration

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Audit Fee	3,528	3,600	3,476
Board of Trustees Fees	5,698	6,000	6,024
Board of Trustees Expenses	8,906	8,000	10,135
Communication	4,626	5,100	5,133
Consumables	10,881	10,200	3,461
Legal Fees	-	300	339
Other	11,933	11,745	(664)
Employee Benefits - Salaries	111,162	105,850	118,283
Insurance	19,164	9,000	6,466
Service Providers, Contractors and Consultancy	5,440	3,630	2,200
	<u>181,338</u>	<u>163,425</u>	<u>154,853</u>

6 Property

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Caretaking and Cleaning Consumables	11,363	11,000	11,790
Consultancy and Contract Services	33,640	36,700	39,756
Cyclical Maintenance Provision	-	-	10,731
Grounds	24,508	13,297	4,255
Heat, Light and Water	39,972	39,500	41,727
Rates	4,689	5,400	5,366
Repairs and Maintenance	14,183	10,000	16,902
Use of Land and Buildings - Non Integrated	189,184	125,000	132,148
Employee Benefits - Salaries	44,670	43,100	44,954
	<u>362,209</u>	<u>283,997</u>	<u>307,629</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 \$
Building Improvements - Crown	3,420	3,012	3,420
Furniture and Equipment	32,091	31,981	36,312
Information and Communication Technology	19,385	22,361	25,389
Motor Vehicles	53	-	-
Leased Assets	28,248	15,768	17,903
Library Resources	4,900	4,879	5,539
	<u>88,098</u>	<u>78,000</u>	<u>88,564</u>

8 Cash and Cash Equivalents

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Cash on Hand	400	400	400
Bank Current Account	26,834	14,800	27,293
Bank Call Account	37,633	44,860	66,222
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>64,867</u>	<u>60,059</u>	<u>93,915</u>

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

Of the \$93,915 Cash and Cash Equivalents, \$7,948 of unspent grant funding is held by the School. This funding is subject to restrictions which specify how the grant is required to be spent in providing specified deliverables of the grant arrangement.

9 Accounts Receivable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Receivables	5,785	4,000	7,228
Interest Receivable	793	2,000	2,244
Teacher Salaries Grant Receivable	109,164	140,000	96,095
	<u>115,742</u>	<u>146,000</u>	<u>105,568</u>
Receivables from Exchange Transactions	6,578	6,000	9,473
Receivables from Non-Exchange Transactions	109,164	140,000	96,095
	<u>115,742</u>	<u>146,000</u>	<u>105,568</u>

10 Inventories

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Stationery	2,904	2,500	2,331
	<u>2,904</u>	<u>2,500</u>	<u>2,331</u>

11 Investments

The School's investment activities are classified as follows:

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Current Asset			
Short-term Bank Deposits	567,162	550,000	547,504
Non-current Asset			
Long-term Bank Deposits	-	-	-

The carrying value of long term deposits longer than 12 months approximates their fair value at 31 December 2017.

12 Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2017						
Building improvements - Crown	129,704				(3,420)	126,284
Furniture and equipment	97,091	12,714			(32,091)	77,714
Information and communication technology	38,369	33,010			(19,385)	51,994
Motor vehicles	-	1,591			(53)	1,538
Leased assets	78,193	18,919			(28,248)	68,863
Library resources	39,163	1,678	(3,753)		(4,900)	32,188
Balance at 31 December 2017	<u>382,519</u>	<u>67,912</u>	<u>(3,753)</u>	<u>-</u>	<u>(88,098)</u>	<u>358,581</u>

Accumulated Depreciation

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2017			
Building improvements - Crown	290,504	(164,220)	126,284
Furniture and equipment	500,113	(422,399)	77,714
Information and communication technology	312,479	(260,486)	51,994
Motor vehicles	1,591	(53)	1,538
Leased assets	131,094	(62,231)	68,863
Library resources	97,100	(64,912)	32,188
Balance at 31 December 2017	<u>1,332,881</u>	<u>(974,300)</u>	<u>358,581</u>

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2016						
Building improvements - Crown	133,124				(3,420)	129,704
Furniture and equipment	133,403				(36,312)	97,091
Information and communication technology	58,847	4,911			(25,389)	38,369
Leased assets	64,320	31,775			(17,903)	78,192
Library resources	44,742	486	(526)		(5,539)	39,163
Balance at 31 December 2016	<u>434,436</u>	<u>37,172</u>	<u>(526)</u>	<u>-</u>	<u>(88,564)</u>	<u>382,519</u>



Accumulated Depreciation

2016	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Building improvements - Crown	290,504	(160,800)	129,704
Furniture and equipment	487,399	(390,308)	97,091
Information and communication technology	279,469	(241,100)	38,369
Leased assets	112,175	(33,983)	78,193
Library resources	105,534	(66,371)	39,163
Balance at 31 December 2016	1,275,082	(892,562)	382,519

13 Accounts Payable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operating creditors	9,946	25,000	15,639
Accruals	5,595	4,900	4,876
Banking staffing overuse	-	-	2,639
Employee Entitlements - salaries	109,164	140,000	96,095
Employee Entitlements - leave accrual	11,808	5,000	10,037
	<u>136,514</u>	<u>174,900</u>	<u>129,286</u>
Payables for Exchange Transactions	136,514	174,900	129,286
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>136,514</u>	<u>174,900</u>	<u>129,286</u>

The carrying value of payables approximates their fair value.

14 Revenue Received in Advance

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Grants in Advance	955	-	7,948
Other	-	-	25
	<u>955</u>	<u>-</u>	<u>7,973</u>

15 Provision for Cyclical Maintenance

The school does not have provision for cyclical maintenance because it will be relocated to an alternative site yet to be determined.

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	34,517	27,571	27,571
Later than One Year and no Later than Five Years	32,786	22,214	49,785
Later than Five Years	-	-	-
	<u>67,303</u>	<u>49,785</u>	<u>77,356</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, Deputy Principals and Heads of Departments.

	2017 Actual \$	2016 Actual \$
<i>Board Members</i>		
Remuneration	5,698	6,024
Full-time equivalent members	0.18	-
<i>Leadership Team</i>		
Remuneration	307,604	553,728
Full-time equivalent members	3.00	6.00
Total key management personnel remuneration	313,302	559,752
Total full-time equivalent personnel	3.18	6.00

The full time equivalent for Board members has been determined based on attendance at Board meetings, Committee meetings and for other obligations of the Board, such as stand downs and suspensions, plus the estimated time for Board members to prepare for meetings.

Principal

The total value of remuneration paid or payable to the Principal was in the following bands:

	2017 Actual \$000	2016 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	130-140	130-140
Benefits and Other Emoluments	0-10	0-10
Termination Benefits		

Other Employees

No other employees received remuneration greater than \$100,000.

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 \$0	2016 Actual \$0
Total	0	0
Number of People	0	0

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 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 a equipment

	2017 Actual \$	2016 Actual \$
No later than One Year	741	11,769
Later than One Year and No Later than Five Years	247	988
Later than Five Years		
	988	12,758

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	64,867	60,059	93,915
Receivables	115,742	146,000	105,568
Investments - Term Deposits	567,162	550,000	547,504
Total Cash and Receivables	747,772	756,059	746,986

Financial liabilities measured at amortised cost

Payables	136,514	174,900	129,286
Finance Leases	67,303	49,785	77,356
Total Financial Liabilities Measured at Amortised Cost	203,817	224,685	206,643

24 Events After Balance Date

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

Banks Avenue School
Members of the Board of Trustees
For the year ended 31 December 2017

Name	Position	How position on Board gained	Term expires
Kirk McKay	Chairperson	Co Opted Jun 2016	May 2019
Aaron Reid	Chairperson	Elected May 2016	Feb 2017
Glenn Bongartz	Parent Representative	Elected May 2016	May 2019
Noella Gould	Parent Representative	Elected May 2016	May 2019
David Campbell	Parent Representative	Elected May 2016	May 2019
Paul O'Donovan	Parent Representative	Elected May 2016	May 2019
Michael Stewart	Parent Representative	Elected May 2016	May 2019
Helen Stowers	Staff Representative	Elected May 2016	May 2019
Toni Burnside	Principal		

Banks Avenue School
91 Banks Avenue
Christchurch 8061
Phone: 03 385 4163
Email: office@banksave.school.nz



31 December 2017

Banks Avenue School

MOE No. 3289

Kiwisport is a Government funding initiative to support students' participation in organised sport. During 2017, the school received a total Kiwisport funding of \$5,250.17 (excluding GST). The funding was spent on a contribution to the employment of a kiwisport coach who follows the Sport Canterbury Skills Programme to develop children's skills across the sporting spectrum.

Every child at Banks Avenue School participated in the Kiwisport Programme.

**INDEPENDENT AUDIT REPORT TO THE READERS OF
BANKS AVENUE SCHOOL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

The Auditor-General is the auditor of Banks Avenue School (the School). The Auditor-General has appointed me, Michael Rondel, using the staff and resources of BDO Christchurch, to carry out the audit of the financial statements of the School on her behalf.

Opinion

We have audited the financial statements of the School on pages 3 to 16 that comprise the statement of financial position as at 31 December 2017, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - financial position as at 31 December 2017; and
 - financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practices in New Zealand and have been prepared in accordance with Public Benefit Entity Standards with disclosure concessions.

Our audit was completed on 28 May 2018. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Trustees and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis of Opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Trustees

The Board of Trustees is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Trustees is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board of Trustees is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

The Board of Trustees' responsibilities arise from the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the School's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

We communicate with the Board of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the Analysis of Variance, Kiwisport notice and Board of trustees listing, but does not include the financial statements, and our auditor's report thereon.

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

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

Independence

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

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



Michael Rondel
BDO Christchurch

On behalf of the Auditor-General
Christchurch, New Zealand