

Annual Financial Statements

For the year ended 31 December 2013

Clevedon School

North Road, Clevedon
School Number

1249



BDO AUCKLAND

Index

Annual Financial Statements for the year ended 31 December 2013

	Page
Statement of Responsibility	1
Board of Trustees	2
Statement of Comprehensive Income	3
Statement of Changes in Equity	4
Statement of Financial Position	5
Notes to the Financial Statements	6
Independent Auditors Report	18
Statement of Variance	
National Standards/ Ngā Whanaketanga Rumaki Māori	

Clevedon School

North Road, Clevedon
School Number

1279



BDO AUCKLAND

Clevedon School

Statement of Responsibility

For the year ended 31 December 2013

The Board of Trustees (the Board) have pleasure in presenting the annual report of Clevedon School (the School), incorporating the financial statements and the auditor's report, for the year ended 31 December 2013.

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

The Board's management 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.

In the opinion of the Board and management, the annual financial statements for the financial year fairly reflect the financial position and operations of the School.

During the 2012 year the Ministry of Education introduced a new payroll system, Novopay, which has resulted in many errors. To the best of our knowledge, all material matters are properly reflected in the financial statements.

The School's 2013 financial statements are authorised for issue by the Board Chairperson and Principal.



 Chairperson Board of Trustees



 Principal

22/5/14

 Date

22/5/2014

 Date

Clevedon School

For the year ended 31 December 2013

Board of Trustees

Name	How position on Board gained	Term expired/ expires
Julie Schumacher	Principal	
Sheelagh McLeay	re-elected April 2013	April 2016
Mike Kensington	re-elected April 2013	April 2016
Charlotte Anderson	elected April 2013	April 2016
Jo Chiplin	elected April 2013	April 2016
Hamish Bell	elected April 2013	April 2016
Rachael Baker	elected April 2013	April 2016
Carol McKenzie-Rex	resigned	April 2013
Karen Eastgate	resigned	April 2013
Caroline Walsh	resigned	April 2013
Emma Frizzell	resigned	April 2013

Clevedon School
Statement of Comprehensive Income
For the year ended 31 December 2013

	Notes	2013 Actual \$	2013 Budget \$	2012 Actual \$
Income				
Government grants	2	2,367,076	1,979,110	2,358,424
Local fundraising	3	245,156	89,000	157,926
Other income	4	155,732	48,000	69,575
Interest		10,959	9,000	12,238
		<u>2,778,923</u>	<u>2,125,110</u>	<u>2,598,163</u>
Expenditure				
Fundraising expenditure	3	2,406	-	1,190
Other income expenditure	4	83,458	40,000	69,027
Learning resources	5	1,584,414	1,379,301	1,555,767
Administration	6	200,694	163,950	158,024
Property	7	677,684	522,900	678,557
Depreciation	8	80,567	84,000	57,928
Loss on Disposal of Assets		-	-	12,863
		<u>2,629,223</u>	<u>2,190,151</u>	<u>2,533,356</u>
Net Surplus (Deficit)		<u>149,700</u>	<u>(65,041)</u>	<u>64,807</u>
Total Comprehensive Income		<u>149,700</u>	<u>(65,041)</u>	<u>64,807</u>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.



BDO AUCKLAND

Cleveland School

Statement of Changes in Equity

For the year ended 31 December 2013

	2013 Actual \$	2013 Budget \$	2012 Actual \$
Equity at the start of the year	<u>506,398</u>	<u>506,398</u>	<u>435,330</u>
Total comprehensive income	149,700	(65,041)	64,807
Ministry capital contribution for equipment	-	-	6,261
Equity at the end of the year	<u>656,098</u>	<u>441,357</u>	<u>506,398</u>

Trust Funds

Equity includes Trust funds held on deposit analysed as follows

E H Dawe Memorial Sports Fund

Opening Balance	6,000	6,000	6,000
Net Movement	-	-	-
Closing Balance	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.



BDO AUCKLAND

Clevedon School
Statement of Financial Position
As at 31 December 2013

	Notes	2013 Actual \$	2013 Budget \$	2012 Actual \$
Total Equity		<u>656,098</u>	<u>441,357</u>	<u>506,398</u>
Represented by:				
Current Assets				
Cash and cash equivalents	9	248,449	78,846	137,058
Accounts receivable	10	161,345	130,000	178,060
Prepayments		5,737	4,000	3,825
Inventories		4,573	5,000	7,457
Investments	9a	30,295	-	-
		<u>450,399</u>	<u>217,846</u>	<u>326,400</u>
Current Liabilities				
Accounts payable	11	170,463	130,000	142,519
Income received in advance	12	17,635	15,000	21,687
Funds held for capital works projects	13	38,890	-	-
Provision for cyclical maintenance	15	39,758	-	60,000
		<u>266,746</u>	<u>145,000</u>	<u>224,206</u>
Working Capital		183,653	72,846	102,194
Non Current Assets				
Property, plant and equipment	14	521,760	452,511	472,011
E H Dawe Memorial Sports Fund		6,000	6,000	6,000
		<u>527,760</u>	<u>458,511</u>	<u>478,011</u>
Non Current Liabilities				
Provision for cyclical maintenance	15	55,315	90,000	73,807
		<u>55,315</u>	<u>90,000</u>	<u>73,807</u>
Net Assets		<u>656,098</u>	<u>441,357</u>	<u>506,398</u>

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



Clevedon School
Notes to the Financial Statements
 For the year ended 31 December 2013

1. Statement of Significant Accounting Policies

a) Reporting Entity

Clevedon 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 is of the view the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

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 New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) as appropriate to public benefit entities that qualify for differential reporting.

Differential Reporting

The School qualifies for differential reporting exemptions because it is not publicly accountable as defined in the Framework for Differential Reporting (the Framework) and it is not large. Many of the reporting exemptions available under the Framework have been applied.

Measurement Basis

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

Specific Accounting Policies

The accounting policies used in the preparation of these financial statements are set out below. The policies have been consistently applied to all the years presented.

c) Revenue Recognition

Government grants

Operational grants are recorded as income as received.

Teachers' salaries grants are not received in cash by the school but are paid directly to teachers by the Ministry of Education (the Ministry). They are recorded as income in the salary period they relate to.

Grants for the use of land and buildings are also 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. Use of land and building grants are recorded as income in the period the school uses the land and buildings.

Other grants are recorded as income as received unless there are unfulfilled conditions attaching to the grant, in which case the amount relating to the unfulfilled conditions is recognised as a liability and released to income as the conditions are fulfilled.

Clevedon School
Notes to the Financial Statements
For the year ended 31 December 2013

Donations

Donations are recorded as revenue when their receipt is formally acknowledged by the School.

Interest income

Interest income 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 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 received from the Ministry.

The use of land and buildings figure represents 8% of the school's total property value. 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. Following consultation, certain changes to the revaluation methodology were adopted as part of the 30 June 2013 revaluation exercise. These changes improved the previous revaluation methodology, and have resulted in an improvement to the quality of calculations. These improvements will be carried forward into future revaluations (next one timed for 30 June 2014).

e) Lease Payments

Operating Lease Payments

Payments made under operating leases are recognised in the statement of comprehensive income on a straight line basis over the term of the lease.

Finance Lease Payments

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

f) 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 three months or less, and bank overdrafts.

The carrying amount of cash and cash equivalents represent fair value.

g) Accounts Receivable

'Accounts Receivable' represents items that the School has issued invoices for, but has not received payment for at year end. They are initially recorded at fair value and subsequently recorded at the amount the School realistically expects to receive. A provision for impairment of accounts receivable is established where there is objective evidence the School will not be able to collect all amounts due according to the original terms of the debt.

h) Inventories

Inventories are consumable items held for sale, for example 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. The write down from cost to net realisable value is recorded as an expense in the statement of comprehensive income in the period of the write down.

i) Investments

Investments are held with registered trading banks and are classified as current assets if they have maturities of between three months and one year. Those with maturities greater than 12 months after the balance date are classified as non-current assets. After initial recognition investments are measured at amortised cost using the effective interest method less impairment.

At balance sheet date the School assesses whether there is any objective evidence that an investment is impaired. Any impairment loss is recorded as an expense in the statement of comprehensive income.



Clevedon School
Notes to the Financial Statements
For the year ended 31 December 2013

j) 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 income.

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 income.

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. The 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 income.

The estimated useful lives of the assets are:

Building improvements	50 years
Furniture and equipment	10-15 years
Teaching and ICT Equipment	4-10 years
Plant and Equipment	5-10 years
Leased Equipment	3 years
Library resources	12.5% Diminishing value

k) 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. Creditors 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.

Clevedon School
Notes to the Financial Statements
For the year ended 31 December 2013

l) Employee Entitlements - Salary Accruals

Salary Accruals

Salary accruals mainly reflect annual leave owing to teachers and ancillary staff and are recognised in respect of employees' services to balance date and are measured at the amounts expected to be paid when the liabilities are settled. There is a corresponding teacher's salaries grant receivable from the Ministry to fund the liability.

Leave Accruals

No provision is required to be recognised for sick leave of any teachers, irrespective of whether a school is above its teaching entitlement as in practise most teacher sick leave is grant funded by the Ministry.

For non-teaching staff, the school is required to report a liability in dollar terms for the relevant leave types, where this information is readily available. Any liability is reported in the school's Current Accounts Payable note to the Financial Statements.

The school is required to recognise a provision for annual leave for non teaching staff where this information can be measured reliably. No provision has been made for annual leave for non teaching staff at 31 December 2012 and 31 December 2013 as the provision cannot be measured reliably.

m) Income Received in Advance

Income received in advance relates to fees received from international and hostel 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.

n) 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 the 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 10-year property plan.

o) Financial Assets and Liabilities

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

The School's financial liabilities comprise creditors, funds held on behalf of the Ministry of Education, provision for cyclical maintenance and GST payable. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

The carrying amount of these financial assets and liabilities represent their fair value.

p) Goods and Services Tax (GST)

The financial statements have been prepared exclusive of GST, with the exception of debtors and creditors which are stated GST inclusive.

q) Budget figures

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



Clevedon School
Notes to the Financial Statements
For the year ended 31 December 2013

2. Government Grants

	2013 Actual \$	2013 Budget \$	2012 Actual \$
Operational grants	446,119	418,110	393,846
Teachers salaries grant	1,366,135	1,200,000	1,388,378
Use of land and buildings grant	496,852	360,000	498,029
Other government grants	57,970	1,000	78,171
	<u>2,367,076</u>	<u>1,979,110</u>	<u>2,358,424</u>

3. Local Fundraising

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

	2013 Actual \$	2013 Budget \$	2012 Actual \$
<i>Income</i>			
Donations and community grants	245,156	77,000	142,119
Fundraising	-	12,000	15,807
	<u>245,156</u>	<u>89,000</u>	<u>157,926</u>
<i>Expenditure</i>			
Fundraising	2,406	-	1,190
	<u>2,406</u>	<u>-</u>	<u>1,190</u>
<i>Net surplus for the year</i>	<u>242,750</u>	<u>89,000</u>	<u>156,736</u>

4. Other Income

	2013 Actual \$	2013 Budget \$	2012 Actual \$
<i>Income</i>			
Activities	88,095	40,000	41,654
Trading and other income	67,637	8,000	27,921
	<u>155,732</u>	<u>48,000</u>	<u>69,575</u>
<i>Expenditure</i>			
Activities	65,150	40,000	44,376
Trading	18,308	-	24,651
	<u>83,458</u>	<u>40,000</u>	<u>69,027</u>
<i>Net surplus for the year</i>	<u>72,274</u>	<u>8,000</u>	<u>548</u>

Clevedon School
Notes to the Financial Statements
For the year ended 31 December 2013

5. Learning Resources

	2013 Actual \$	2013 Budget \$	2012 Actual \$
Curricular	47,602	45,000	23,848
Library resources	256	800	897
Information and communication technology	34,452	26,001	23,753
Employee benefits - salaries	1,474,809	1,262,500	1,470,145
Staff development	27,295	45,000	37,124
	<u>1,584,414</u>	<u>1,379,301</u>	<u>1,555,767</u>

6. Administration

	2013 Actual \$	2013 Budget \$	2012 Actual \$
Audit fees	5,175	5,400	5,475
Board of Trustees fees	3,075	5,000	3,315
Board of Trustees expenses	7,416	8,800	3,052
Communication	7,302	7,000	7,319
Consumables and other expenses	48,205	32,200	37,245
Insurance	5,382	5,500	4,820
Consultancy and contract services	15,858	10,800	10,480
Employee benefits - salaries	108,281	89,250	86,318
	<u>200,694</u>	<u>163,950</u>	<u>158,024</u>

7. Property

	2013 Actual \$	2013 Budget \$	2012 Actual \$
Caretaking and cleaning	28,961	17,700	14,358
Cyclical maintenance provision	(17,472)	9,000	34,547
Grounds	10,981	10,500	7,714
Heat, light and water	20,017	24,500	20,493
Repairs and maintenance	61,563	25,200	23,815
Use of land and buildings	496,852	360,000	498,029
Employee benefits - salaries	76,782	76,000	79,601
	<u>677,684</u>	<u>522,900</u>	<u>678,557</u>

Clevedon School
Notes to the Financial Statements
For the year ended 31 December 2013

8. Depreciation

	2013 Actual \$	2013 Budget \$	2012 Actual \$
Building improvements	17,567	18,000	17,839
Furniture and equipment	15,489	14,000	11,146
Teaching and ICT Equipment	41,052	45,000	22,736
Plant and Equipment	3,859	4,000	3,236
Library resources	2,600	3,000	2,971
	<u>80,567</u>	<u>84,000</u>	<u>57,928</u>

9. Cash and Cash Equivalents

	2013 Actual \$	2013 Budget \$	2012 Actual \$
Current accounts	198,449	78,846	137,058
Short-term deposits, maturity less than 3 months	50,000	-	-
	<u>248,449</u>	<u>78,846</u>	<u>137,058</u>

9a. Investments

	2013 Actual \$	2013 Budget \$	2012 Actual \$
Short-term deposits, between 3 to 12 months	30,295	-	-

10. Accounts Receivable

	2013 Actual \$	2013 Budget \$	2012 Actual \$
Debtors	58,155	22,000	70,837
Teacher salaries grant and payroll debtors	90,553	100,000	99,714
GST receivable	12,637	8,000	7,509
	<u>161,345</u>	<u>130,000</u>	<u>178,060</u>

The carrying value of receivables approximates their fair value.

Clevedon School
Notes to the Financial Statements
For the year ended 31 December 2013

11. Accounts Payable

	2013 Actual \$	2013 Budget \$	2012 Actual \$
Creditors & Accruals	71,198	30,000	29,480
Banked Staffing Deficit	-	-	16,675
Employee benefits - salaries accrual	99,265	100,000	96,364
	<u>170,463</u>	<u>130,000</u>	<u>142,519</u>

The carrying value of payables approximates their fair value.

12. Income Received in Advance

	2013 Actual \$	2013 Budget \$	2012 Actual \$
Community grant, Trillian Trust	-	-	4,147
Other funds held on behalf	915	-	-
Income received in advance	16,720	15,000	17,540
	<u>17,635</u>	<u>15,000</u>	<u>21,687</u>

13. 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:

		Opening Balance \$	Receipts from MOE \$	Payments \$	Closing Balance \$
2013					
Wastewater (5YA)	<i>in progress</i>	-	44,992	(6,102)	38,890
Totals		<u>-</u>	<u>44,992</u>	<u>(6,102)</u>	<u>38,890</u>
2012					
Filing System (5YA)	<i>completed</i>	-	20,000	(20,000)	-
Modernisation (5YA)	<i>completed</i>	6,629	375,045	(381,674)	-
Totals		<u>6,629</u>	<u>395,045</u>	<u>(401,674)</u>	<u>-</u>

Clevedon School
Notes to the Financial Statements
For the year ended 31 December 2013

14. Property, Plant and Equipment

	Cost \$	Accumulated Depreciation \$	Net Book Value \$
2013			
Building improvements, Board owned	587,665	(353,409)	234,256
Furniture and equipment	291,900	(166,439)	125,461
Teaching and ICT Equipment	228,735	(134,247)	94,488
Plant and Equipment	111,375	(62,020)	49,355
Library resources	75,833	(57,633)	18,200
	<u>1,295,508</u>	<u>(773,748)</u>	<u>521,760</u>

2012			
Building improvements, Board owned	587,665	(335,842)	251,823
Furniture and equipment	256,571	(150,950)	105,621
Teaching and ICT Equipment	167,677	(81,654)	86,023
Plant and Equipment	77,446	(69,702)	7,744
Library resources	75,833	(55,033)	20,800
	<u>1,165,192</u>	<u>(693,181)</u>	<u>472,011</u>

	2013 Actual \$	2013 Budget \$	2012 Actual \$
Net book value reconciliation			
Net book value at start of year	472,011	472,011	435,454
Less: Disposals at book value	-	-	(12,863)
Less: Depreciation charge for the year	(80,567)	(84,000)	(57,928)
Add: Asset acquisition at cost	130,316	64,500	107,348
Net book value at year end	<u>521,760</u>	<u>452,511</u>	<u>472,011</u>

Clevedon School
Notes to the Financial Statements
For the year ended 31 December 2013

15. Provision for Cyclical Maintenance

	2013 Actual \$	2013 Budget \$	2012 Actual \$
Provision at the start of the year	133,807	133,807	99,260
Increase (Decrease) to the provision	(38,734)	(43,807)	34,547
Provision at the end of the year	95,073	90,000	133,807
Current Liability	39,758	-	60,000
Non Current Liability	55,315	90,000	73,807
	95,073	90,000	133,807

The board has a cash management plan to ensure that sufficient cash is available to meet all maintenance obligations as they fall due over the next 10 years. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligations at 31 December 2013. Present obligations are identified in the school's current 10-year property plan approved by the Ministry of Education. The provision has not been adjusted for inflation and the effect of the time value of money.

16. Related Party Transactions

The school is an entity controlled by 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.

There have been no other related party transactions during the year (2012: nil).

Clevedon School
Notes to the Financial Statements
For the year ended 31 December 2013

17. Remuneration

Board of Trustee and Committee members

The total value of the remuneration paid or payable to trustees of the Board and Committee members was as follows:

	2013 Actual \$	2012 Actual \$
Board of Trustees	3,075	3,315
Committee members	-	-
	3,075	3,315

Principal

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

	2013 Actual \$000	2012 Actual \$000
Salaries and other short term employee benefits:		
Salary and other payments	120-130	120-130
Benefits and other emoluments	-	-
Termination benefits	-	-

Other Employees

One other employee received total remuneration over \$100,000 (2012: nil).

18. 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 as follows:

	2013 Actual	2012 Actual
Total value	-	-
Number of people	-	-