

Annual Financial Statements

For the year ended 31 December 2014

Clevedon School

North Road, Clevedon
School Number

1249

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Annual Financial Statements for the year ended 31 December 2014

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Clevedon School

North Road, Clevedon
School Number

1279

Clevedon School Statement of Responsibility

For the year ended 31 December 2014

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 2014.

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.

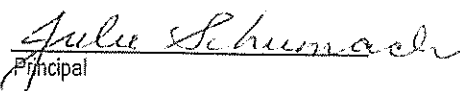
In the opinion of the Board and management, the annual financial statements for the financial year fairly reflect the financial position and operations of the School.

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 2014 financial statements are authorised for issue by the Board Chairperson and Principal.



Chairperson Board of Trustees



Principal

28/5/15

Date

28/5/15

Date

Clevedon School
For the year ended 31 December 2014

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
Charlie Sellars	elected April 2013	April 2016
Jo Chiplin	elected April 2013	April 2016
Hamish Bell	elected April 2013	April 2016
Racheal Baker	elected April 2013	April 2016

Clevedon School
Statement of Comprehensive Income
For the year ended 31 December 2014

	Notes	2014 Actual \$	2014 Budget \$	2013 Actual \$
Income				
Government grants	2	2,512,203	2,560,000	2,367,076
Local fundraising	3	209,854	165,000	245,156
Other income	4	126,166	147,950	155,732
Interest		9,890	9,000	10,959
		<hr/>	<hr/>	<hr/>
		2,858,113	2,881,950	2,778,923
Expenditure				
Fundraising expenditure	3	624	220	2,406
Other income expenditure	4	85,261	78,950	83,458
Learning resources	5	1,771,982	1,776,643	1,584,414
Administration	6	172,071	170,750	200,694
Property	7	686,743	739,160	677,684
Depreciation	8	119,536	90,000	80,567
Loss on Disposal of Assets		-	-	-
		<hr/>	<hr/>	<hr/>
		2,836,217	2,855,723	2,629,223
Net Surplus (Deficit)		<hr/>	<hr/>	<hr/>
		21,896	26,227	149,700
Total Comprehensive Income		<hr/>	<hr/>	<hr/>
		21,896	26,227	149,700

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

Clevedon School

Statement of Changes in Equity

For the year ended 31 December 2014

	2014 Actual \$	2014 Budget \$	2013 Actual \$
Equity at the start of the year	<u>656,098</u>	<u>656,098</u>	<u>506,398</u>
Total comprehensive income	21,896	26,227	149,700
Ministry capital contribution for equipment	7,436	-	-
Equity at the end of the year	<u>685,430</u>	<u>682,325</u>	<u>656,098</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.

Clevedon School
Statement of Financial Position
As at 31 December 2014

	Notes	2014 Actual \$	2014 Budget \$	2013 Actual \$
Total Equity		<u>685,430</u>	<u>682,325</u>	<u>656,098</u>
Represented by:				
Current Assets				
Cash and cash equivalents	9	178,563	196,277	248,449
Accounts receivable	10	137,704	160,000	161,345
Prepayments		9,069	4,000	5,737
Inventories		3,016	5,000	4,573
Investments	9a	31,486	30,000	30,295
		<u>359,838</u>	<u>395,277</u>	<u>450,399</u>
Current Liabilities				
Accounts payable	11	166,875	150,000	170,463
Income received in advance	12	22,663	15,000	17,635
Funds held for capital works projects	13	-	-	38,890
Provision for cyclical maintenance	15	27,388	39,758	39,758
Finance Lease Liability	16	22,728	-	-
		<u>239,654</u>	<u>204,758</u>	<u>266,746</u>
Working Capital		120,184	190,519	183,653
Non Current Assets				
Property, plant and equipment	14	607,985	575,760	521,760
E H Dawe Memorial Sports Fund		6,000	6,000	6,000
		<u>613,985</u>	<u>581,760</u>	<u>527,760</u>
Non Current Liabilities				
Provision for cyclical maintenance	15	33,871	67,315	55,315
Finance Lease Liability	16	14,868	-	-
		<u>48,739</u>	<u>67,315</u>	<u>55,315</u>
Net Assets		<u>685,430</u>	<u>704,964</u>	<u>656,098</u>

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

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Clevedon School
Notes to the Financial Statements
 For the year ended 31 December 2014

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 equal 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.

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.

Clevedon School
Notes to the Financial Statements
 For the year ended 31 December 2014

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 properly 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 2012 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.

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.



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Clevedon School
Notes to the Financial Statements
 For the year ended 31 December 2014

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	3-5 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.

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Clevedon School
Notes to the Financial Statements
 For the year ended 31 December 2014

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 practice 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.

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.

r) Budget Figures

Funds are held in trust where they have been received by the School for a specified purpose. The school holds sufficient funds to enable the funds to be used for their intended purpose at any time.

Clevedon School
Notes to the Financial Statements
For the year ended 31 December 2014

2. Government Grants

	2014 Actual \$	2014 Budget \$	2013 Actual \$
Operational grants	433,099	445,000	446,119
Teachers salaries grant	1,544,951	1,560,000	1,366,135
Use of land and buildings grant	499,710	540,000	496,852
Other government grants	34,443	15,000	57,970
	<u>2,512,203</u>	<u>2,560,000</u>	<u>2,367,076</u>

3. Local Fundraising

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

	2014 Actual \$	2014 Budget \$	2013 Actual \$
<i>Income</i>			
Donations and community grants	182,898	153,000	245,156
Fundraising	26,956	12,000	-
	<u>209,854</u>	<u>165,000</u>	<u>245,156</u>
<i>Expenditure</i>			
Fundraising	624	220	2,406
	<u>624</u>	<u>220</u>	<u>2,406</u>
<i>Net surplus for the year</i>	<u>209,230</u>	<u>164,780</u>	<u>242,750</u>

4. Other Income

	2014 Actual \$	2014 Budget \$	2013 Actual \$
<i>Income</i>			
Activities	36,757	53,500	88,095
Trading and other income	89,409	94,450	67,637
	<u>126,166</u>	<u>147,950</u>	<u>155,732</u>
<i>Expenditure</i>			
Activities	41,525	59,500	65,150
Trading	43,736	19,450	18,308
	<u>85,261</u>	<u>78,950</u>	<u>83,458</u>
<i>Net surplus for the year</i>	<u>40,905</u>	<u>69,000</u>	<u>72,274</u>

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Clevedon School
Notes to the Financial Statements
For the year ended 31 December 2014

5. Learning Resources

	2014 Actual \$	2014 Budget \$	2013 Actual \$
Curricular	36,014	36,800	47,602
Library resources	916	750	256
Information and communication technology	30,515	49,293	34,452
Employee benefits - salaries	1,662,400	1,642,300	1,474,809
Staff development	42,137	47,500	27,295
	<u>1,771,982</u>	<u>1,776,643</u>	<u>1,584,414</u>

6. Administration

	2014 Actual \$	2014 Budget \$	2013 Actual \$
Audit fees	5,575	5,100	5,175
Board of Trustees fees	4,385	2,000	3,075
Board of Trustees expenses	3,673	4,800	7,416
Communication	7,526	9,200	7,302
Consumables and other expenses	35,691	30,900	48,205
Insurance	5,916	3,300	5,382
Consultancy and contract services	9,120	13,500	15,858
Employee benefits - salaries	100,185	101,950	108,281
	<u>172,071</u>	<u>170,750</u>	<u>200,694</u>

7. Property

	2014 Actual \$	2014 Budget \$	2013 Actual \$
Caretaking and cleaning	53,590	51,500	28,961
Cyclical maintenance provision	7,561	12,000	(17,472)
Grounds	21,214	24,400	10,981
Heat, light and water	19,899	22,660	20,017
Repairs and maintenance	37,400	40,600	61,563
Use of land and buildings	499,710	540,000	496,852
Employee benefits - salaries	47,369	48,000	76,782
	<u>686,743</u>	<u>739,160</u>	<u>677,684</u>



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Clevedon School
Notes to the Financial Statements
For the year ended 31 December 2014

8. Depreciation

	2014 Actual \$	2014 Budget \$	2013 Actual \$
Building improvements	16,501	16,000	17,567
Furniture and equipment	20,224	15,000	15,489
Teaching and ICT Equipment	66,399	50,000	41,052
Plant and Equipment	13,069	6,000	3,859
Library resources	3,343	3,000	2,600
	<u>119,536</u>	<u>90,000</u>	<u>80,567</u>

9. Cash and Cash Equivalents

	2014 Actual \$	2014 Budget \$	2013 Actual \$
Current accounts	178,563	196,277	198,449
Short-term deposits, maturity less than 3 months	-	-	50,000
	<u>178,563</u>	<u>196,277</u>	<u>248,449</u>

9a. Investments

	2014 Actual \$	2014 Budget \$	2013 Actual \$
Short-term deposits, between 3 to 12 months	31,486	30,000	30,295

10. Accounts Receivable

	2014 Actual \$	2014 Budget \$	2013 Actual \$
Debtors	14,339	45,000	58,155
Teacher salaries grant and payroll debtors	106,890	100,000	90,553
GST receivable	16,475	15,000	12,637
	<u>137,704</u>	<u>160,000</u>	<u>161,345</u>

The carrying value of receivables approximates their fair value.



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Clevedon School
Notes to the Financial Statements
For the year ended 31 December 2014

11. Accounts Payable

	2014 Actual \$	2014 Budget \$	2013 Actual \$
Creditors & Accruals	43,082	50,000	71,198
Employee benefits - salaries accrual	123,793	100,000	99,265
	<u>166,875</u>	<u>150,000</u>	<u>170,463</u>

The carrying value of payables approximates their fair value.

12. Income Received in Advance

	2014 Actual \$	2014 Budget \$	2013 Actual \$
Other funds held on behalf	-	-	915
E-Learning and Donations received in advance	22,663	15,000	16,720
	<u>22,663</u>	<u>15,000</u>	<u>17,635</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 \$
2014					
Wastewater (5YA)	<i>Completed</i>	38,890	4,739	(43,629)	-
Totals		<u>38,890</u>	<u>4,739</u>	<u>(43,629)</u>	<u>-</u>
		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>

Clevedon School
Notes to the Financial Statements
For the year ended 31 December 2014

14. Property, Plant and Equipment

	Cost	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2014			
Building improvements, Board owned	587,665	(369,910)	217,755
Furniture and equipment	331,944	(186,664)	145,280
Teaching and ICT Equipment	349,372	(200,645)	148,727
Plant and Equipment	139,371	(75,089)	64,282
Library resources	92,916	(60,975)	31,941
	<u>1,501,268</u>	<u>(893,283)</u>	<u>607,985</u>
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>
	2014 Actual	2014 Budget	2013 Actual
	\$	\$	\$
Net book value reconciliation			
Net book value at start of year	521,760	521,760	472,011
Less: Disposals at book value	-	-	-
Less: Depreciation charge for the year	(119,536)	(90,000)	(80,567)
Add: Asset acquisition at cost	205,761	144,000	130,316
Net book value at year end	<u>607,985</u>	<u>575,760</u>	<u>521,760</u>

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Clevedon School
Notes to the Financial Statements
For the year ended 31 December 2014

15. Provision for Cyclical Maintenance

	2014 Actual \$	2014 Budget \$	2013 Actual \$
Provision at the start of the year	95,073	95,073	133,807
Increase (Decrease) to the provision	7,562	12,000	(38,734)
Use of the provision	(41,376)	-	-
Provision at the end of the year	61,259	107,073	95,073
Current Liability	27,388	39,758	39,758
Non Current Liability	33,871	67,315	55,315
	61,259	107,073	95,073

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 2014. 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. Finance Lease Liability

The School has entered into two finance lease agreements for computers and E-Learning equipment. Finance lease liabilities are payable as follows:

	2014 Actual \$	2014 Budget \$	2013 Actual \$
Not later than one year	23,640	-	-
Later than one year and not later than five years	17,811	-	-
Later than five years	-	-	-
	41,451	-	-
Future finance charges Liability	(3,855)	-	-
	37,596	-	-
Current Liability	22,728	-	-
Non Current Liability	14,868	-	-
	37,596	-	-

17. 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 (2013: nil).



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Clevedon School
Notes to the Financial Statements
For the year ended 31 December 2014

18. 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:

	2014 Actual \$	2013 Actual \$
Board of Trustees	4,385	3,075
Committee members	-	-
	4,385	3,075

Principal

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

	2014 Actual \$000	2013 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 (2013: nil).

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 as follows:

	2014 Actual	2013 Actual
Total value	-	-
Number of people	-	-