

# **Ranzau School**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

School Address: 111 Ranzau West Road  
Hope 7020

School Postal Address: 111 Ranzau West Road  
Hope 7020

School Phone: 03 544 7083

School Email: [principal@ranzau.school.nz](mailto:principal@ranzau.school.nz)

Ministry Number: 3214

# **Ranzau School**

Financial Statements - For the year ended 31 December 2017

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# Ranzau School

## Statement of Responsibility

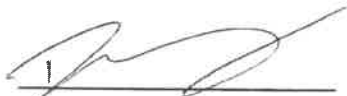
For the year ended 31 December 2017

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

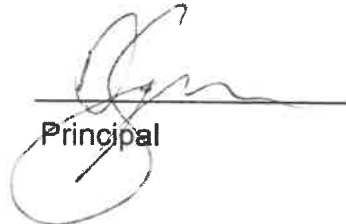
The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the School's financial reporting.

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2017 fairly reflect the financial position and operations of the School.

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



Chairperson



Principal

4/4/18

Date

4/4/18

Date

**Ranzau School**  
**Statement of Comprehensive Revenue and Expense**  
For the year ended 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Revenue</b>				
Government Grants	2	1,114,281	1,091,649	984,857
Locally Raised Funds	3	40,763	48,155	37,054
Interest Earned		4,530	1,750	4,660
		<hr/>	<hr/>	<hr/>
		1,159,574	1,141,554	1,026,571
<b>Expenses</b>				
Locally Raised Funds	3	25,890	26,200	21,977
Learning Resources	4	800,721	815,239	746,467
Administration	5	45,169	44,228	42,618
Property	6	225,277	239,303	170,837
Depreciation	7	39,306	20,353	39,988
		<hr/>	<hr/>	<hr/>
		1,136,363	1,145,323	1,021,887
<b>Net Surplus / (Deficit)</b>		23,211	(3,769)	4,684
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		23,211	(3,769)	4,684

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

**Ranzau School**  
**Statement of Changes in Net Assets/Equity**  
For the year ended 31 December 2017

	Actual 2017 \$	Budget (Unaudited) 2017 \$	Actual 2016 \$
<b>Balance at 1 January 2017</b>	413,563	413,563	408,879
Total comprehensive revenue and expense for the year	23,211	(3,769)	4,684
Capital Contributions from the Ministry of Education			
Furniture and Equipment Grant	2,016	-	-
<b>Equity at 31 December 2017</b>	438,790	409,794	413,563
Retained Earnings	438,790	409,794	413,563
Reserves	-	-	-
<b>Equity at 31 December 2017</b>	438,790	409,794	413,563

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

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

# Ranzau School Statement of Financial Position

As at 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	341,712	326,293	308,409
Accounts Receivable	9	38,239	41,298	41,298
GST Receivable		4,833	3,441	3,441
Prepayments		1,182	873	873
Inventories	10	36	-	-
		<u>386,002</u>	<u>371,905</u>	<u>354,021</u>
<b>Current Liabilities</b>				
GST Payable		-	-	-
Accounts Payable	12	54,058	58,695	58,695
Revenue Received in Advance	13	1,573	40	40
Provision for Cyclical Maintenance	14	8,487	8,487	8,487
Painting Contract Liability - Current Portion	14A	9,828	-	-
Finance Lease Liability - Current Portion	15	11,794	9,626	9,626
		<u>85,740</u>	<u>76,848</u>	<u>76,848</u>
<b>Working Capital Surplus/(Deficit)</b>		<b>300,262</b>	<b>295,057</b>	<b>277,173</b>
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	173,208	169,521	189,874
		<u>173,208</u>	<u>169,521</u>	<u>189,874</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	14	690	47,583	46,283
Painting Contract Liability	14A	30,937	-	-
Finance Lease Liability	15	3,053	7,201	7,201
		<u>34,680</u>	<u>54,784</u>	<u>53,484</u>
<b>Net Assets</b>		<u><u>438,790</u></u>	<u><u>409,794</u></u>	<u><u>413,563</u></u>
<b>Equity</b>		<u><u>438,790</u></u>	<u><u>409,794</u></u>	<u><u>413,563</u></u>

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

**Ranzau School**  
**Statement of Cash Flows**  
For the year ended 31 December 2017

		2017	2017	2016
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
<b>Cash flows from Operating Activities</b>				
Government Grants		249,880	227,248	225,193
Locally Raised Funds		47,554	48,155	32,359
Goods and Services Tax (net)		(1,392)	-	5,054
Payments to Employees		(20,541)	(10,959)	(5,491)
Payments to Suppliers		(264,889)	(248,310)	(208,782)
Interest Received		4,530	1,750	4,660
<b>Net cash from / (to) the Operating Activities</b>		<b>15,142</b>	<b>17,884</b>	<b>52,993</b>
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of PPE (and Intangibles)		-	-	-
Purchase of PPE (and Intangibles)		(22,640)	-	(33,835)
Purchase of Investments		-	-	-
Proceeds from Sale of Investments		-	-	-
<b>Net cash from / (to) the Investing Activities</b>		<b>(22,640)</b>	<b>-</b>	<b>(33,835)</b>
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		2,016	-	-
Finance Lease		(1,980)	-	16,827
Painting contract payments		40,765	-	-
Loans Received/ Repayment of Loans		-	-	-
Funds Administered on Behalf of Third Parties		-	-	(1,715)
<b>Net cash from Financing Activities</b>		<b>40,801</b>	<b>-</b>	<b>15,112</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>33,303</b>	<b>17,884</b>	<b>34,270</b>
Cash and cash equivalents at the beginning of the year	8	308,409	308,409	274,139
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>341,712</b>	<b>326,293</b>	<b>308,409</b>

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.

# **Ranzau School**

## **Notes to the Financial Statements**

For the year ended 31 December 2017

### **1. Statement of Accounting Policies**

#### **a) Reporting Entity**

Ranzau 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.

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

##### ***Useful lives of property, plant and equipment***

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



# **Ranzau School**

## **Notes to the Financial Statements**

### **For the year ended 31 December 2017**

#### ***Critical Judgements in applying accounting policies***

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

##### *Classification of leases*

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 15.

##### *Recognition of grants*

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carry forward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

#### **c) Revenue Recognition**

##### ***Government Grants***

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

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

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

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

##### ***Other Grants***

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

##### ***Donations, Gifts and Bequests***

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

##### ***Interest Revenue***

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

#### **d) Use of Land and Buildings Expense**

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

#### **e) Operating Lease Payments**

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

#### **f) Finance Lease Payments**

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

# **Ranzau School**

## **Notes to the Financial Statements**

### **For the year ended 31 December 2017**

#### **g) Cash and Cash Equivalents**

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

#### **h) Accounts Receivable**

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

#### **i) Inventories**

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

#### **j) Investments**

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

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

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

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

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

#### **k) Property, Plant and Equipment**

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

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

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

Property, plant and equipment acquired with individual values under \$200 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.

# Ranzau School

## Notes to the Financial Statements

### For the year ended 31 December 2017

#### **Leased Assets**

Leases where the School assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets acquired by way of finance lease are measured at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Leased assets and corresponding liability are recognised in the Statement of Financial Position and leased assets are depreciated over the period the School is expected to benefit from their use or over the term of the lease.

#### **Depreciation**

Property, plant and equipment except for library resources are depreciated over their estimated useful lives on a straight line basis. Library resources are depreciated on a diminishing value basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

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

#### **l) Accounts Payable**

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

#### **m) Employee Entitlements**

##### *Short-term employee entitlements*

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

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

##### *Long-term employee entitlements*

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

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

#### **n) 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).

# **Ranzau School**

## **Notes to the Financial Statements**

### **For the year ended 31 December 2017**

#### **o) Financial Assets and Liabilities**

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

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

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

#### **p) 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.

#### **q) Budget Figures**

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

#### **r) 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.

**Ranzau School**  
**Notes to the Financial Statements**  
For the year ended 31 December 2017

**2. Government Grants**

	2017	2017 Budget	2016
	Actual	(Unaudited)	Actual
	\$	\$	\$
Operational grants	250,377	232,356	216,121
Teachers' salaries grants	699,320	699,320	635,911
Use of Land and Buildings grants	154,451	154,451	123,753
Other government grants	10,133	5,522	9,072
	1,114,281	1,091,649	984,857

**3. Locally Raised Funds**

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

	2017	2017 Budget	2016
	Actual	(Unaudited)	Actual
	\$	\$	\$
<b>Revenue</b>			
Donations	9,243	4,875	4,614
Fundraising	-	5,000	-
Other revenue	-	-	5,370
Trading	3,153	3,300	3,224
Activities	28,367	34,980	23,846
	40,763	48,155	37,054
<b>Expenses</b>			
Activities	22,741	21,900	19,019
Trading	3,149	3,300	2,958
Fundraising (costs of raising funds)	-	1,000	-
	25,890	26,200	21,977
<i>Surplus for the year Locally raised funds</i>	14,873	21,955	15,077

**4. Learning Resources**

	2017	2017 Budget	2016
	Actual	(Unaudited)	Actual
	\$	\$	\$
Curricular	25,175	27,398	16,142
Equipment repairs	131	2,625	501
Information and communication technology	1,579	2,500	1,591
Library resources	976	2,160	1,756
Employee benefits - salaries	699,320	699,320	635,911
Resource/attached teacher costs	62,536	66,236	72,935
Staff development	11,004	15,000	17,631
	800,721	815,239	746,467

**Ranzau School**  
**Notes to the Financial Statements**  
For the year ended 31 December 2017

**5. Administration**

	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
		<b>\$</b>	
Audit Fee	2,965	2,928	2,928
Board of Trustees Fees	4,360	3,760	4,360
Board of Trustees Expenses	1,096	2,420	3,008
Communication	3,131	3,320	2,841
Consumables	3,609	2,744	1,251
Operating Lease	87	-	1,361
Other	3,083	2,360	2,162
Employee Benefits - Salaries	21,694	21,589	19,772
Insurance	1,434	1,397	1,297
Service Providers, Contractors and Consultancy	3,710	3,710	3,638
	<u>45,169</u>	<u>44,228</u>	<u>42,618</u>

**6. Property**

	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
		<b>\$</b>	
Caretaking and Cleaning Consumables	1,355	2,500	2,234
Consultancy and Contract Services	20,952	20,760	21,011
Cyclical Maintenance Provision	5,000	1,300	5,000
Grounds	6,475	7,585	6,893
Heat, Light and Water	8,094	10,408	8,274
Repairs and Maintenance	28,950	42,299	3,672
Use of Land and Buildings	154,451	154,451	123,753
	<u>225,277</u>	<u>239,303</u>	<u>170,837</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.

**Depreciation of Property, Plant and Equipment**

	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
		<b>\$</b>	
Furniture & Equipment	9,089	7,000	9,081
Information and communication technology	6,584	5,000	8,888
Building improvements - Crown	10,805	7,000	10,805
Library Resources	2,593	1,353	2,307
Leased Assets	10,235	-	8,907
	<u>39,306</u>	<u>20,353</u>	<u>39,988</u>

**Ranzau School**  
**Notes to the Financial Statements**  
For the year ended 31 December 2017

**8. Cash and Cash Equivalents**

	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Bank Current Account	26,202	84,270	66,386
Bank Call Account	315,510	242,023	242,023
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>341,712</u>	<u>326,293</u>	<u>308,409</u>

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

**9. Accounts Receivable**

	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Receivables	777	6,035	6,035
Teacher Salaries Grant Receivable	37,462	35,263	35,263
	<u>38,239</u>	<u>41,298</u>	<u>41,298</u>
Receivables from Exchange Transactions	777	6,035	6,035
Receivables from Non-Exchange Transactions	37,462	35,263	35,263
	<u>38,239</u>	<u>41,298</u>	<u>41,298</u>

**10. Inventories**

	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Stationery	36	-	-
	<u>36</u>	<u>-</u>	<u>-</u>

**Ranzau School**  
**Notes to the Financial Statements**  
For the year ended 31 December 2017

**11. Property, Plant and Equipment**

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Furniture & Equipment	38,693	9,210	-	-	(9,089)	<b>38,814</b>
Information and communication technology	18,201	1,351	-	-	(6,584)	<b>12,968</b>
Building improvements - Crown	106,977	-	-	-	(10,805)	<b>96,172</b>
Library Resources	9,396	2,637	-	-	(2,593)	<b>9,440</b>
Leased Assets	16,607	9,441	-	-	(10,235)	<b>15,813</b>
<b>Balance at 31 December 2017</b>	<b>189,874</b>	<b>22,639</b>	<b>-</b>	<b>-</b>	<b>(39,306)</b>	<b>173,207</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Furniture & Equipment	204,437	(165,621)	<b>38,816</b>
Information and communication technology	97,850	(84,882)	<b>12,968</b>
Building improvements - Crown	236,769	(140,597)	<b>96,172</b>
Library Resources	57,809	(48,370)	<b>9,439</b>
Leased Assets	34,955	(19,142)	<b>15,813</b>
<b>Balance at 31 December 2017</b>	<b>631,820</b>	<b>(458,612)</b>	<b>173,208</b>

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2016	\$	\$	\$	\$	\$	\$
Furniture & Equipment	41,624	6,150	-	-	(9,081)	<b>38,693</b>
Information and communication technology	27,089	-	-	-	(8,888)	<b>18,201</b>
Building improvements - Crown	117,782	-	-	-	(10,805)	<b>106,977</b>
Library Resources	9,531	2,172	-	-	(2,307)	<b>9,396</b>
Leased Assets	-	25,514	-	-	(8,907)	<b>16,607</b>
<b>Balance at 31 December 2016</b>	<b>196,026</b>	<b>33,836</b>	<b>-</b>	<b>-</b>	<b>(39,988)</b>	<b>189,874</b>



**Ranzau School**  
**Notes to the Financial Statements**  
For the year ended 31 December 2017

**11. Property, Plant and Equipment Continued**

	<b>Cost or Valuation \$</b>	<b>Accumulated Depreciation \$</b>	<b>Net Book Value \$</b>
<b>2016</b>			
Furniture & Equipment	195,226	(156,533)	<b>38,693</b>
Information and communication technology	96,499	(78,298)	<b>18,201</b>
Building improvements - Crown	236,769	(129,792)	<b>106,977</b>
Library Resources	55,173	(45,777)	<b>9,396</b>
Leased Assets	25,514	(8,907)	<b>16,607</b>
<b>Balance at 31 December 2016</b>	<u>609,181</u>	<u>(419,307)</u>	<u><b>189,874</b></u>

**12. Accounts Payable**

	<b>2017 Actual \$</b>	<b>2017 Budget (Unaudited) \$</b>	<b>2016 Actual \$</b>
Operating creditors	11,792	9,151	9,151
Banking staffing overuse	401	10,630	10,630
Employee Entitlements - salaries	41,865	38,914	38,914
	<u>54,058</u>	<u>58,695</u>	<u>58,695</u>
Payables for Exchange Transactions	54,058	58,695	58,695
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>54,058</u>	<u>58,695</u>	<u>58,695</u>

The carrying value of payables approximates their fair value.

**Ranzau School**  
**Notes to the Financial Statements**  
For the year ended 31 December 2017

**13. Revenue Received in Advance**

	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
Other	1,573	40	40
	<u>1,573</u>	<u>40</u>	<u>40</u>

**14. Provision for Cyclical Maintenance**

	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
Provision at the Start of the Year	54,770	54,770	49,770
Increase to the Provision During the Year	5,000	1,300	5,000
Adjustment to the Provision		-	-
Use of the Provision During the Year	(50,593)	-	-
Provision at the End of the Year	<u>9,177</u>	<u>56,070</u>	<u>54,770</u>
Cyclical Maintenance - Current	8,487	8,487	8,487
Cyclical Maintenance - Term	690	47,583	46,283
	<u>9,177</u>	<u>56,070</u>	<u>54,770</u>

**14A. Painting Contract Liability**

	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
Current Liability	9,828	-	-
Non Current Liability	30,937	-	-
	<u>40,765</u>	<u>-</u>	<u>-</u>

In 2017 the Board signed an agreement with Programmed Maintenance Services Ltd (the contractor) for an agreed programme of work covering a seven year period. The agreement has an annual commitment of \$9,828. The programme provides for an interior and exterior repaint of the Ministry owned buildings in 2016 with regular maintenance in subsequent years. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

**15. Finance Lease Liability**

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

	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
No Later than One Year	11,794	9,626	9,626
Later than One Year and no Later than Five Years	3,053	7,201	7,201
Later than Five Years	-	-	-
	<u>14,847</u>	<u>16,827</u>	<u>16,827</u>

**Ranzau School**  
**Notes to the Financial Statements**  
For the year ended 31 December 2017

**16. Funds Held for Capital Works Projects**

During the year the School received and applied funding from the Ministry of Education for the following capital works projects:

	2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
MOE Swimming Pool Upgrade	<i>in progress</i>	-	-	-	-	-
Totals		-	-	-	-	-

**Represented by:**

Funds Held on Behalf of the Ministry of Education

Funds Due from the Ministry of Education

-

-

-

	2016	Opening Balances \$	Receipts from MoE \$	Payments \$	BOI Contribution/ (Write-off to R&M)	Closing Balances \$
MOE Swimming Pool Upgrade	<i>in progress</i>	1,715	-	1,715	-	-
Totals		1,715	-	1,715	-	-

**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 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.

**Ranzau School**  
**Notes to the Financial Statements**  
For the year ended 31 December 2017

**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.

	<b>2017</b>	<b>2016</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
<i>Board Members</i>		
Remuneration	4,360	4,360
Full-time equivalent members	0.30	0.30
<i>Leadership Team</i>		
Remuneration	123,134	115,090
Full-time equivalent members	1	1
Total key management personnel remuneration	<u>127,494</u>	<u>119,450</u>
Total full-time equivalent personnel	<u>1.30</u>	<u>1.30</u>

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:

	<b>2017</b>	<b>2016</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$000</b>	<b>\$000</b>
<i>Salaries and Other Short-term Employee Benefits:</i>		
Salary and Other Payments	120-130	110-120
Benefits and Other Emoluments	0-10	0-10
Termination Benefits	0 - 0	0 - 0

*Other Employees*

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

<b>Remuneration</b>	<b>2017</b>	<b>2016</b>
<b>\$000</b>	<b>FTE Number</b>	<b>FTE Number</b>
110 - 120	-	-
100 - 110	-	-
	<u>0.00</u>	<u>0.00</u>

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:

	<b>2017</b>	<b>2016</b>
	<b>Actual</b>	<b>Actual</b>
Total	\$0	\$0
Number of People	0	0

**Ranzau School**  
**Notes to the Financial Statements**  
For the year ended 31 December 2017

**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 Computer Equipment

No later than One Year

Later than One Year and No Later than Five Years

2017 Actual \$	2016 Actual \$
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**23. Managing Capital**

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

## 24. Financial Instruments

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

### Loans and receivables

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Cash and Cash Equivalents	341,712	326,293	308,409
Receivables	38,239	41,298	41,298
Investments - Term Deposits	-	-	-
Total Loans and Receivables	<u>379,951</u>	<u>367,591</u>	<u>349,707</u>

### Financial liabilities measured at amortised cost

Payables	54,058	58,695	58,695
Borrowings - Loans	-	-	-
Finance Leases	14,847	16,827	16,827
Painting Contract Liability	40,765	-	-
Total Financial Liabilities Measured at Amortised Cost	<u>109,670</u>	<u>75,522</u>	<u>75,522</u>

## 25. Events After Balance Date

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

**Ranzau School**  
**Members of the Board of Trustees**  
 For the year ended 31 December 2017

<u>Name</u>	<u>Position</u>	<u>How Appointed</u>	<u>Term Expired / Expires</u>
Daniel Haring	Chairperson	Re-elected Apr 2016	Apr 2019
Dave Sampson	Principal	Appointed Sept 2011	N/A
Annette Moorhead	Minute Secretary	Re-elected Apr 2016	Apr 2019
Bryce Borlase	Parent Rep	Re-elected Apr 2016	Apr 2019
Declan O'Malley	Staff Rep	Re-elected Apr 2016	Apr 2019
Lesley Quigley	Parent Rep	Re-elected Apr 2016	Apr 2019
Louise McGillivray	Parent Rep	Elected Apr 2016	Apr 2019
Penny Sue Franklin	Chairperson	Re-elected Apr 2013	resigned Apr 2017

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

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

**Opinion**

We have audited the financial statements of the School on pages 2 to 20, that comprise the statement of financial position as at 31 December 2017, the statements of comprehensive revenue and expense, changes in net assets / equity and cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
  - its financial position as at 31 December 2017; and
  - its financial performance and cash flows for the year then ended: and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector - Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 15 May 2018. This is the date at which our opinion is expressed.

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

**Basis of Opinion**

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

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

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

**Responsibilities of the Board of Trustees**

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

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

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

**Responsibilities of the Auditor for the Audit of the Financial Statements**

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

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

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



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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

#### **Other information**

The Board of Trustees is responsible for other information. The other information obtained at the date of our report is the list of board of trustee members.

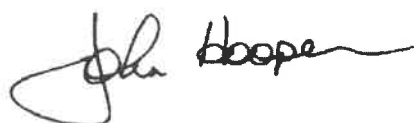
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

#### **Independence**

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

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



#### **JOHN HOOPER**

John Hooper & Co

On behalf of the Auditor-General

Nelson, New Zealand