

Our Lady Star of the Sea School

Financial Statements for the year ended 31 December 2016

School Address:	14 Oakridge Way, Howick
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Our Lady Star of the Sea School

Financial Statements

For the year ended 31 December 2016

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Our Lady Star of the Sea School
Statement of Responsibility
For the year ended 31 December 2016

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2016 fairly reflects the financial position and operations of the school.

The School's 2016 financial statements are authorised for issue by the Board.

STEPHEN MASCARENHAS
Full Name of Board Chairperson

[Signature]
Signature of Board Chairperson

24/05/2017
Date:

CARMEL PLATT
Full Name of Principal

[Signature]
Signature of Principal

24/05/2017
Date:

Our Lady Star of the Sea School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2016

	Notes	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Revenue				
Government Grants	2	2,775,141	3,080,062	2,819,454
Locally Raised Funds	3	511,425	276,400	383,467
Use of Land and Buildings Integrated		857,500	980,000	980,000
Interest Earned		5,233	5,000	12,266
International Students	4	70,172	77,000	76,303
		<hr/>	<hr/>	<hr/>
		4,219,471	4,418,462	4,271,490
Expenses				
Locally Raised Funds	3	164,063	90,000	182,620
International Students	4	2,435	-	2,304
Learning Resources	5	2,645,549	2,832,650	2,524,599
Administration	6	273,381	255,252	242,963
Finance Costs		1,529	-	117
Property	7	1,023,427	1,165,500	1,145,384
Depreciation	8	58,710	75,000	59,876
Amortisation of Equitable Lease		3,081	-	3,081
Loss on Disposal of Property, Plant and Equipment		1,062	-	1,041
		<hr/>	<hr/>	<hr/>
		4,173,237	4,418,402	4,161,985
Net Surplus		46,234	60	109,505
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		46,234	60	109,505

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



Our Lady Star of the Sea School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2016

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Balance at 1 January	358,420	358,420	248,915
Total comprehensive revenue and expense for the year	46,234	60	109,505
Equity at 31 December	404,654	358,480	358,420
Retained Earnings	404,654	358,480	358,420
Equity at 31 December	404,654	358,480	358,420

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



Our Lady Star of the Sea School
Statement of Financial Position

As at 31 December 2016

	Notes	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Current Assets				
Cash and Cash Equivalents	9	190,834	268,425	304,662
Accounts Receivable	10	131,008	162,500	156,364
GST Receivable		25,185	10,000	13,354
Prepayments		13,740	13,000	12,618
Inventories	11	10,178	18,500	18,518
		<u>370,945</u>	<u>472,425</u>	<u>505,516</u>
Current Liabilities				
Accounts Payable	14	189,470	221,426	205,582
Revenue Received in Advance	15	68,057	61,000	62,184
Provision for Cyclical Maintenance	16	7,429	74,036	58,479
Finance Lease Liability - Current Portion	17	6,584	872	423
		<u>271,540</u>	<u>357,334</u>	<u>326,668</u>
Working Capital Surplus/(Deficit)		99,405	115,091	178,848
Non-current Assets				
Property, Plant and Equipment	12	365,790	249,280	183,280
Equitable Leasehold Interest	13	49,294	49,294	52,375
		<u>415,084</u>	<u>298,574</u>	<u>235,655</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	16	81,604	55,185	55,210
Finance Lease Liability	17	28,231	-	873
		<u>109,835</u>	<u>55,185</u>	<u>56,083</u>
Net Assets		<u>404,654</u>	<u>358,480</u>	<u>358,420</u>
Equity		<u>404,654</u>	<u>358,480</u>	<u>358,420</u>

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



Our Lady Star of the Sea School

Statement of Cash Flows

For the year ended 31 December 2016

	2016	2016	2015
Note	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Cash flows from Operating Activities			
Government Grants	863,117	780,062	795,209
Locally Raised Funds	543,805	229,400	363,063
International Students	47,781	123,000	87,825
Goods and Services Tax (net)	(11,831)	5,000	5,243
Payments to Employees	(727,759)	(513,300)	(541,206)
Payments to Suppliers	(624,987)	(557,275)	(585,715)
Interest Paid	(1,529)	-	(117)
Interest Received	5,458	5,100	12,501
Net cash from / (to) the Operating Activities	94,055	71,987	136,803
Cash flows from Investing Activities			
Proceeds from Sale of PPE (and Intangibles)	(1,062)	-	-
Purchase of PPE (and Intangibles)	(203,079)	(96,571)	(40,488)
Net cash from / (to) the Investing Activities	(204,141)	(96,571)	(40,488)
Cash flows from Financing Activities			
Finance Lease Payments	(3,742)	872	1,296
Net cash from Financing Activities	(3,742)	872	1,296
Net increase/(decrease) in cash and cash equivalents	(113,828)	(23,712)	97,611
Cash and cash equivalents at the beginning of the year	9 304,662	292,137	207,051
Cash and cash equivalents at the end of the year	9 190,834	268,425	304,662

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.



Our Lady Star of the Sea School

Notes to the Financial Statements

For the year ended 31 December 2016

1. Statement of Accounting Policies

Reporting Entity

Our Lady Star of the Sea 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.

Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2016 to 31 December 2016 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 12.



Our Lady Star of the Sea School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2016

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 17.

Recognition of grants

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

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.

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.

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 Proprietor. Use of land and building grants are recorded as income in the period the school uses the land and building.

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.

Use of Land and Buildings Expense

The property from which the School operates is owned by the Proprietor. The expense is based on an assumed market rental yield on the land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Proprietor.

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.



Our Lady Star of the Sea School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2016

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.

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.

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.

Inventories

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

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.

Property, Plant and Equipment

Land and buildings owned by the Proprietor 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 Proprietor 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.



Our Lady Star of the Sea School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2016

Property, plant and equipment acquired with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

Gains and losses on disposals (*i.e.* sold or given away) are determined by comparing the proceeds received with the carrying amounts (*i.e.* the book value). The gain or loss arising from the disposal of an item of property, plant and equipment is recognised in the Statement of Comprehensive Revenue and Expense.

Leased Assets

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

Depreciation

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

The estimated useful lives of the assets are:

Furniture and equipment	10–15 years
Information and communication technology	4–10 years
Leased assets held under a Finance Lease	over the term of the lease
Library resources	12.5% Diminishing value

Impairment of property, plant, and equipment and intangible assets

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

Non cash generating assets

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

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

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

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

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.

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.



Our Lady Star of the Sea School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2016

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

Revenue Received in Advance

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

The School holds sufficient funds to enable the refund of unearned fees in relation to students fees, should the School be unable to provide the services to which they relate.

Provision for Cyclical Maintenance

The property from which the school operates is owned by the Proprietor. The Board is responsible for maintaining the land, building 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 provisions for cyclical maintenance represents the obligations the Board has to the Proprietor and is based on the Board's ten year property plan (10YPP).

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 and finance lease liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

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.

Budget Figures

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

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.



Our Lady Star of the Sea School
Notes to the Financial Statements (cont.)

For the year ended 31 December 2016

2 Government Grants

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Operational grants	675,139	591,760	628,531
Teachers' salaries grants	1,902,892	2,300,000	2,005,894
Other MoE Grants	195,168	188,302	185,029
Other government grants	1,942	-	-
	<u>2,775,141</u>	<u>3,080,062</u>	<u>2,819,454</u>

3 Locally Raised Funds

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

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Revenue			
Donations	193,996	147,400	137,492
Fundraising	41,255	-	40
Other revenue	86,852	18,000	20,515
Trading	103,851	93,000	103,400
Activities	85,471	18,000	122,020
	<u>511,425</u>	<u>276,400</u>	<u>383,467</u>
Expenses			
Activities	83,056	10,000	102,102
Trading	81,007	80,000	80,518
	<u>164,063</u>	<u>90,000</u>	<u>182,620</u>
	<u>347,362</u>	<u>186,400</u>	<u>200,847</u>

Surplus for the year Locally Raised Funds

4 International Student Revenue and Expenses

	2016 Actual Number	2016 Budget (Unaudited) Number	2015 Actual Number
International Student Roll	9	9	8
Revenue			
International student fees	70,172	77,000	76,303
Expenses			
International student levy	2,435	-	2,304
	<u>2,435</u>	<u>-</u>	<u>2,304</u>
	<u>67,737</u>	<u>77,000</u>	<u>73,999</u>

Surplus for the year International Students'



Our Lady Star of the Sea School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2016

5 Learning Resources

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Curricular	52,068	73,150	59,196
Equipment repairs	-	1,500	-
Information and communication technology	87,168	80,000	71,026
Library resources	2,489	5,000	2,267
Employee benefits - salaries	2,429,940	2,613,000	2,337,500
Staff development	73,884	60,000	54,610
	<u>2,645,549</u>	<u>2,832,650</u>	<u>2,524,599</u>

6 Administration

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Audit Fee	7,426	7,426	7,428
Board of Trustees Fees	5,115	7,000	5,650
Board of Trustees Expenses	10,593	4,000	9,164
Communication	7,948	8,700	8,400
Consumables	37,953	52,000	29,098
Operating Lease	7,550	7,550	6,907
Other	6,551	9,600	3,818
Employee Benefits - Salaries	180,685	148,200	162,138
Insurance	4,484	5,700	5,180
Service Providers, Contractors and Consultancy	5,076	5,076	5,180
	<u>273,381</u>	<u>255,252</u>	<u>242,963</u>

7 Property

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Caretaking and Cleaning Consumables	12,478	14,800	13,820
Consultancy and Contract Services	43,942	44,000	42,122
Cyclical Maintenance Provision	19,756	35,000	16,296
Grounds	7,130	16,100	10,170
Heat, Light and Water	27,138	23,000	23,937
Repairs and Maintenance	13,965	10,500	19,094
Use of Land and Buildings	857,500	980,000	980,000
Security	6,642	8,000	6,692
Employee Benefits - Salaries	34,876	34,100	33,253
	<u>1,023,427</u>	<u>1,165,500</u>	<u>1,145,384</u>

The use of land and buildings figure represents 7% of the school's total property value, as used for rating purposes. This is used as a 'proxy' for the market rental yield on the value of land and buildings.



Our Lady Star of the Sea School
Notes to the Financial Statements (cont.)

For the year ended 31 December 2016

8 Depreciation of Property, Plant and Equipment

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Furniture and Equipment	27,173	34,650	24,435
Information and Communication Technology	24,030	36,000	32,453
Leased Assets	4,579	550	200
Library Resources	2,928	3,800	2,788
	<u>58,710</u>	<u>75,000</u>	<u>59,876</u>

9 Cash and Cash Equivalents

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Cash on Hand	200	200	200
Bank Current Account	8,735	88,225	134,230
Bank Call Account	181,899	180,000	170,232
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>190,834</u>	<u>268,425</u>	<u>304,662</u>

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

10 Accounts Receivable

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Receivables	7,681	12,000	11,797
Interest Receivable	82	500	307
Teacher Salaries Grant Receivable	123,245	150,000	144,260
	<u>131,008</u>	<u>162,500</u>	<u>156,364</u>
Receivables from Exchange Transactions	7,763	12,500	12,104
Receivables from Non-Exchange Transactions	123,245	150,000	144,260
	<u>131,008</u>	<u>162,500</u>	<u>156,364</u>

11 Inventories

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
School Uniforms	10,178	18,500	18,518
	<u>10,178</u>	<u>18,500</u>	<u>18,518</u>



Our Lady Star of the Sea School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2016

12 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2016	\$	\$	\$	\$	\$	\$
Furniture and Equipment	96,082	192,543	-	-	(27,173)	261,452
Information and Communication Technology	66,437	6,633	-	-	(24,030)	49,040
Leased Assets	1,243	38,141	-	-	(4,579)	34,805
Library Resources	19,518	4,966	(1,063)	-	(2,928)	20,493
Balance at 31 December 2016	183,280	242,283	(1,063)	-	(58,710)	365,790

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2016	\$	\$	\$
Furniture and Equipment	779,770	(518,318)	261,452
Information and Communication Technology	575,126	(526,086)	49,040
Leased Assets	39,584	(4,779)	34,805
Library Resources	53,256	(32,763)	20,493
Balance at 31 December 2016	1,447,736	(1,081,946)	365,790

The net carrying value of equipment held under a finance lease is \$34,805.

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2015	\$	\$	\$	\$	\$	\$
Furniture and Equipment	101,883	18,633	-	-	(24,435)	96,081
Information and Communication Technology	83,177	15,715	-	-	(32,453)	66,439
Leased Assets	-	1,443	-	-	(200)	1,243
Library Resources	18,649	4,697	(1,041)	-	(2,788)	19,517
Balance at 31 December 2015	203,709	40,488	(1,041)	-	(59,876)	183,280

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2015	\$	\$	\$
Furniture and Equipment	587,227	(491,145)	96,082
Information and Communication Technology	568,493	(502,056)	66,437
Leased Assets	1,443	(200)	1,243
Library Resources	51,070	(31,552)	19,518
Balance at 31 December 2015	1,208,233	(1,024,953)	183,280



Our Lady Star of the Sea School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2016

13 Equitable Leasehold Interest

An equitable leasehold interest recognises an interest in an asset without transferring ownership or creating a charge over the asset. This equitable leasehold interest represents the Board's interest in capital works assets owned by the Proprietor but paid for in whole or part by the Board of Trustees, either from Government funding or community raised funds.

A lease between the Board and the Proprietor records the terms of the equitable leasehold interest and includes a detailed schedule of capital works assets. The equitable leasehold interest is amortised over the economic life of the capital works asset(s) involved. The interest may be realised on the sale of the capital works by the Proprietor or the closure of the school.

The major capital works assets included in the equitable leasehold interest are:
Network Cabling

2016 Actual \$	2016 Budget \$	2015 Actual \$
49,294	49,294	52,375
<u>49,294</u>	<u>49,294</u>	<u>52,375</u>

The amortisation charge in relation to the equitable leasehold interest during the year was \$3,081.
(2015: \$3,081).

14 Accounts Payable

Operating creditors
Accruals
Employee Entitlements - salaries
Employee Entitlements - leave accrual

2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
17,132	32,000	27,002
4,951	7,426	5,028
123,245	182,000	143,473
44,142	-	30,079
<u>189,470</u>	<u>221,426</u>	<u>205,582</u>
189,470	221,426	205,582
<u>189,470</u>	<u>221,426</u>	<u>205,582</u>

Payables for Exchange Transactions

The carrying value of payables approximates their fair value.

15 Revenue Received in Advance

International Student Fees
Other

2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
23,913	46,000	46,304
44,144	15,000	15,880
<u>68,057</u>	<u>61,000</u>	<u>62,184</u>

16 Provision for Cyclical Maintenance

Provision at the Start of the Year
Increase to the Provision During the Year
Use of the Provision During the Year
Provision at the End of the Year

2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
113,689	113,689	99,519
19,756	35,000	16,296
(44,412)	(35,000)	(2,126)
<u>89,033</u>	<u>113,689</u>	<u>113,689</u>
7,429	74,036	58,479
81,604	55,185	55,210
<u>89,033</u>	<u>129,221</u>	<u>113,689</u>

Cyclical Maintenance - Current
Cyclical Maintenance - Term



Notes to the Financial Statements (cont.)

For the year ended 31 December 2016

17 Finance Lease Liability

The school has entered into a number of finance lease agreements for IT equipment. Minimum lease payments payable (includes interest portion):

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
No Later than One Year	15,861	872	423
Later than One Year and no Later than Five Years	23,579	-	873
Later than Five Years	-	-	-
	39,440	872	1,296

This note does not agree to the Statement of Financial Position as it includes interest.

18 Related Party Transactions

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

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

The Proprietor of the School (Catholic Diocese of Auckland) is a related party of the Board because the proprietor appoints representatives to the Board, giving the proprietor significant influence over the Board. Any services or contributions between the Board and Proprietor that are material transactions that have occurred has been disclosed appropriately.

The Proprietor provides land and buildings free of charge for use by the Board as noted in Note 1. The estimated value of this use during 2016 is included in the Statement of Comprehensive Revenue and Expense as "Use of land and buildings".



Our Lady Star of the Sea School
Notes to the Financial Statements (cont.)

For the year ended 31 December 2016

19 Remuneration

Key management personnel compensation

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

	2016 Actual \$	2015 Actual \$
<i>Board Members</i>		
Remuneration	5,115	5,650
Full-time equivalent members	2.35	2.35
<i>Leadership Team</i>		
Remuneration	458,413	381,303
Full-time equivalent members	5.00	4.00
Total key management personnel remuneration	<u>463,528</u>	<u>386,953</u>
Total full-time equivalent personnel	<u>7.35</u>	<u>6.35</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:

	2016 Actual \$000	2015 Actual \$000
<i>Salaries and Other Short-term Employee Benefits:</i>		
Salary and Other Payments	120-130	100-110
Benefits and Other Emoluments	0-10	-
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2016 FTE Number	2015 FTE Number
100-110	-	1
	<u>0.00</u>	<u>1.00</u>

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

20 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:

	2016 Actual	2015 Actual
Total	-	\$19,695
Number of People	-	1



Our Lady Star of the Sea School
Notes to the Financial Statements (cont.)

For the year ended 31 December 2016

21 Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2016.

(Contingent liabilities and assets as at 31 December 2015: nil)

22 Commitments

(a) Capital Commitments

The Board considers there to be no contractual commitments at the above date other than those disclosed in the preceding financial statements and detailed below.

(Capital commitments as at 31 December 2015: nil)

(b) Operating Commitments

As at 31 December 2016 the Board has entered into the following contracts:

- operating lease of a photocopier

	2016 Actual \$	2015 Actual \$
No later than One Year	21,722	38,471
Later than One Year and No Later than Five Years	2,857	25,484
Later than Five Years	-	-
	24,579	63,955

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:

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Loans and receivables			
Cash and Cash Equivalents	190,834	268,425	304,662
Receivables	131,008	162,500	156,364
Total Loans and Receivables	321,842	430,925	461,026
Financial liabilities measured at amortised cost			
Payables	189,470	221,426	205,582
Finance Leases	34,815	872	1,296
Total Financial Liabilities Measured at Amortised Cost	224,285	222,298	206,878

25 Events After Balance Date

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

26 Prior Year Comparatives

Comparative figures included in the financial statements relate to the financial year ended 31 December 2015. Where necessary these figures have been reclassified on a basis consistent with current disclosure for the year ended 31 December 2016.



Our Lady Star of the Sea School

Members of the Board of Trustees

Name	Position	How position on Board gained	Occupation	Term expired/expires
Barney Culloty	Proprietors Rep	Elected	Manager Building	June 2016
Chay Andrews	Parent Rep	Elected May 2016		April 2019
Graham Bottom	Parent Rep	Elected May 2016	Manager	April 2019
Stephen McKenzie	Parent Rep	Elected May 2016	Lawyer	April 2019
Ian Olan	Parent Rep	Elected May 2016		April 2019
John Cole	Proprietors Rep	Appointed	Manager	June 2016
Paul Devane	Parent Rep	Elected	Govt Employee	June 2016
Stephen Mascarenhas	Chairperson/Proprietors Rep	Appointed	Lawyer	April 2019
Carmel Platt	Principal		Principal	
Jacqueline White	Parent Rep	Elected May 2016	Accountant	April 2019
Karen Noble-Campbell	Staff Rep	Elected May 2016	Teacher	April 2019
Jacqui Carston	Proprietors Rep	Appointed		April 2019
John Kuok	Proprietors Rep	Appointed		April 2019
Nocolette Palinich	Parent Rep	Appointed	Accountant	June 2016
Nathalie Watson	Chairperson	Elected	Lawyer	June 2016
Fr Benedict Francis	Parish Priest	Appointed	Priest	January 2017
Barry Vernon	Staff Rep	Elected	Teacher	June 2016
Peta Lindstrom	Acting Principal		Teacher	Resigned

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF OUR LADY STAR OF THE SEA SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

The Auditor-General is the auditor of Our Lady Star of the Sea School (the School). The Auditor-General has appointed me, Kurt Sherlock, using the staff and resources of Crowe Horwath New Zealand Audit Partnership, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 18, that comprise the statement of financial position as at 31 December 2016, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2016; 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 26 May 2017. This is the date at which our opinion is expressed.

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

Basis for our 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 for the financial statements

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 are responsible for the other information. The other information obtained at the date of our report is the Analysis of Variance Reporting, Members of the Board of Trustees, Kiwisport Report, Principals Report, and Chairpersons Report, but does not include the financial statements and our auditor's report thereon.

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

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

Independence

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

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



Kurt Sherlock
Crowe Horwath New Zealand Audit Partnership
On behalf of the Auditor-General
Auckland, New Zealand