

# **Chaucer School**

## **Financial Statements for the year ended 31 December 2016**

<b>School Address:</b>	Chaucer Place, Blockhouse Bay, Auckland, 0600
<b>School Postal Address:</b>	Chaucer Place, Blockhouse Bay, Auckland, 0600
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<b>Ministry Number:</b>	1243

# **Chaucer School**

## **Financial Statements**

For the year ended 31 December 2016

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**Chaucer 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.

TAITUHA KINCH  
Full Name of Board Chairperson

  
Signature of Board Chairperson

31-5-17  
Date:

MICHAEL FLETCHER  
Full Name of Principal

  
Signature of Principal

31-5-17  
Date:

Chaucer School

**Statement of Comprehensive Revenue and Expense**

For the year ended 31 December 2016

	Notes	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
<b>Revenue</b>				
Government Grants	2	2,313,458	1,847,641	2,155,648
Locally Raised Funds	3	75,008	18,000	69,971
Interest Earned		13,940	11,500	17,302
International Students	4	348	-	452
		<u>2,402,754</u>	<u>1,877,141</u>	<u>2,243,373</u>
<b>Expenses</b>				
Locally Raised Funds	3	27,310	-	47,197
International Students	4	39	-	244
Learning Resources	5	1,261,771	1,020,266	1,257,536
Administration	6	117,296	106,600	112,001
Finance Costs		184	-	-
Property	7	859,537	749,347	727,238
Depreciation	8	34,317	5,000	24,519
Loss on Disposal of Property, Plant and Equipment		62	-	-
		<u>2,300,516</u>	<u>1,881,213</u>	<u>2,168,735</u>
<b>Net Surplus / (Deficit)</b>		<b>102,238</b>	<b>(4,072)</b>	<b>74,638</b>
<b>Other Comprehensive Revenue and Expenses</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u><b>102,238</b></u>	<u><b>(4,072)</b></u>	<u><b>74,638</b></u>

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

**Chaucer 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	582,945	582,945	508,307
Total comprehensive revenue and expense for the year	102,238	(4,072)	74,638
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	6,424	-	-
Equity at 31 December	691,607	578,873	582,945
Retained Earnings	691,607	578,873	582,945
Equity at 31 December	691,607	578,873	582,945

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

# Chaucer School

## Statement of Financial Position

As at 31 December 2016

	Notes	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	9	174,513	140,538	141,183
Accounts Receivable	10	139,422	97,000	99,938
GST Receivable		29	-	-
Prepayments		581	2,000	1,758
Inventories	11	1,312	2,000	2,395
Investments	12	359,578	330,000	326,675
		<u>675,435</u>	<u>571,538</u>	<u>571,949</u>
<b>Current Liabilities</b>				
GST Payable		-	3,500	3,112
Accounts Payable	14	76,790	117,500	106,378
Revenue Received in Advance	15	4,036	3,000	2,786
Provision for Cyclical Maintenance	16	-	6,218	14,580
Finance Lease Liability - Current Portion	17	2,697	-	-
		<u>83,523</u>	<u>130,218</u>	<u>126,856</u>
<b>Working Capital Surplus/(Deficit)</b>		<u>591,912</u>	<u>441,320</u>	<u>445,093</u>
<b>Non-current Assets</b>				
Property, Plant and Equipment	13	199,697	190,130	169,630
		<u>199,697</u>	<u>190,130</u>	<u>169,630</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	16	94,700	52,577	31,778
Finance Lease Liability	17	5,302	-	-
		<u>100,002</u>	<u>52,577</u>	<u>31,778</u>
<b>Net Assets</b>		<u>691,607</u>	<u>578,873</u>	<u>582,945</u>
<b>Equity</b>		<u>691,607</u>	<u>578,873</u>	<u>582,945</u>

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



# Chaucer School

## Statement of Cash Flows

For the year ended 31 December 2016

	Note	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		414,642	357,825	419,776
Locally Raised Funds		62,730	17,600	70,632
International Students		348	-	452
Goods and Services Tax (net)		(3,141)	6,600	6,189
Payments to Employees		(174,259)	(251,643)	(268,627)
Payments to Suppliers		(199,258)	(113,538)	(171,075)
Interest Paid		(184)	-	-
Interest Received		14,528	13,000	18,707
<b>Net cash from / (to) the Operating Activities</b>		<b>115,406</b>	<b>29,844</b>	<b>76,054</b>
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of PPE (and Intangibles)		(124)	-	(24,415)
Purchase of PPE (and Intangibles)		(54,434)	(23,646)	-
Purchase of Investments		(32,903)	(10,000)	(60,632)
<b>Net cash from / (to) the Investing Activities</b>		<b>(87,461)</b>	<b>(33,646)</b>	<b>(85,047)</b>
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		6,424	-	-
Finance Lease Payments		(1,039)	-	-
Funds Administered on Behalf of Third Parties		-	-	(918)
<b>Net cash from Financing Activities</b>		<b>5,385</b>	<b>-</b>	<b>(918)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>33,330</b>	<b>(3,802)</b>	<b>(9,911)</b>
Cash and cash equivalents at the beginning of the year	9	141,183	144,340	151,094
Cash and cash equivalents at the end of the year	9	174,513	140,538	141,183

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.

## Chaucer School

# Notes to the Financial Statements

For the year ended 31 December 2016

### 1. Statement of Accounting Policies

#### **Reporting Entity**

Chaucer 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 13.



## Chaucer 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.

#### *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 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.

#### *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.

#### *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.

## Chaucer School

# Notes to the Financial Statements (cont.)

For the year ended 31 December 2016

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

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

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

Property, plant and equipment acquired with individual values under \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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



## Chaucer School

# Notes to the Financial Statements (cont.)

For the year ended 31 December 2016

### **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:

Buildings - School	35 years
Furniture and equipment	10-15 years
Information and communication technology	4-10 years
Leased assets held under a Finance Lease	3 years
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.

## Chaucer 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 school 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, 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 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).

### **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.

# Chaucer School

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2016

### 2 Government Grants

Operational grants  
Teachers' salaries grants  
Use of Land and Buildings grants  
Other MoE Grants  
Other government grants

2016	2016 Budget (Unaudited)	2015
Actual \$	\$	Actual \$
353,661	318,006	363,862
1,173,708	850,000	1,057,617
700,429	614,816	614,816
79,026	64,819	119,353
6,634	-	-
<b>2,313,458</b>	<b>1,847,641</b>	<b>2,155,648</b>

### 3 Locally Raised Funds

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

#### Revenue

Donations  
Fundraising  
Trading  
Activities

#### Expenses

Activities  
Trading  
Fundraising (costs of raising funds)

*Surplus for the year Locally Raised Funds*

2016	2016 Budget (Unaudited)	2015
Actual \$	\$	Actual \$
5,476	4,500	7,551
8,544	-	-
9,446	-	14,439
51,542	13,500	47,981
<b>75,008</b>	<b>18,000</b>	<b>69,971</b>
16,675	-	33,872
7,619	-	13,325
3,016	-	-
<b>27,310</b>	<b>-</b>	<b>47,197</b>
<b>47,698</b>	<b>18,000</b>	<b>22,774</b>

### 4 International Student Revenue and Expenses

International Student Roll

#### Revenue

International student fees

#### Expenses

Advertising  
International student levy

*Surplus for the year International Students'*

2016	2016 Budget (Unaudited)	2015
Actual Number	Number	Actual Number
0	0	0
2016	2016 Budget (Unaudited)	2015
Actual \$	\$	Actual \$
348	-	452
-	-	203
39	-	41
<b>39</b>	<b>-</b>	<b>244</b>
<b>309</b>	<b>-</b>	<b>208</b>



# Chaucer 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	24,219	21,523	29,015
Information and communication technology	13,705	10,000	12,462
Library resources	286	300	195
Employee benefits - salaries	1,218,610	978,443	1,199,936
Staff development	4,951	10,000	15,928
	<u>1,261,771</u>	<u>1,020,266</u>	<u>1,257,536</u>

### 6 Administration

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Audit Fee	5,432	5,000	4,626
Board of Trustees Fees	4,315	4,000	3,655
Board of Trustees Expenses	7,663	7,800	3,798
Communication	3,039	3,400	3,447
Consumables	11,405	12,200	11,621
Other	3,320	4,200	6,056
Employee Benefits - Salaries	75,337	62,700	72,135
Insurance	2,045	2,300	2,347
Service Providers, Contractors and Consultancy	4,740	5,000	4,316
	<u>117,296</u>	<u>106,600</u>	<u>112,001</u>

### 7 Property

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Caretaking and Cleaning Consumables	9,073	10,700	9,726
Cyclical Maintenance Provision	48,342	15,000	4,209
Grounds	3,246	3,492	2,116
Heat, Light and Water	18,416	19,000	22,023
Repairs and Maintenance	17,696	17,839	12,622
Use of Land and Buildings	700,429	614,816	614,816
Security	8,315	7,500	7,553
Employee Benefits - Salaries	54,020	61,000	54,173
	<u>859,537</u>	<u>749,347</u>	<u>727,238</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.

Chaucer 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 \$
Buildings - School	2,418	493	2,418
Furniture and Equipment	16,037	3,123	15,315
Information and Communication Technology	13,193	1,016	4,982
Leased Assets	942	-	-
Library Resources	1,727	368	1,804
	<u>34,317</u>	<u>5,000</u>	<u>24,519</u>

## 9 Cash and Cash Equivalents

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Bank Current Account	10,180	538	4,156
Bank Call Account	164,333	140,000	137,027
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>174,513</u>	<u>140,538</u>	<u>141,183</u>

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

Of the \$63,000 Cash and Cash Equivalents, \$- is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2017 on Crown owned school buildings under the School's Five Year Property Plan.

## 10 Accounts Receivable

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Receivables	12,278	-	-
Interest Receivable	1,446	2,000	2,034
Bank Staffing Underuse	61,329	25,000	32,490
Teacher Salaries Grant Receivable	64,369	70,000	65,414
	<u>139,422</u>	<u>97,000</u>	<u>99,938</u>
Receivables from Exchange Transactions	13,724	2,000	2,034
Receivables from Non-Exchange Transactions	125,698	95,000	97,904
	<u>139,422</u>	<u>97,000</u>	<u>99,938</u>

## 11 Inventories

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Stationery	444	500	447
School Uniforms	868	1,500	1,948
	<u>1,312</u>	<u>2,000</u>	<u>2,395</u>

## 12 Investments

The School's investment activities are classified as follows:

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Current Asset			
Short-term Bank Deposits	359,578	330,000	325,675

The carrying value of long term deposits longer than 12 months approximates their fair value at 31 December 2016.

**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2016

**13 Property, Plant and Equipment**

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2016						
Buildings	47,605	-	-	-	(2,418)	45,187
Furniture and Equipment	97,560	11,735	-	-	(16,037)	93,258
Information and Communication Technology	11,834	42,821	-	-	(13,193)	41,462
Leased Assets	-	8,639	-	-	(942)	7,697
Library Resources	12,631	1,250	(61)	-	(1,727)	12,093
Balance at 31 December 2016	169,630	64,445	(61)	-	(34,317)	199,697

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2016			
Buildings	84,551	(39,364)	45,187
Furniture and Equipment	355,238	(261,980)	93,258
Information and Communication Technology	107,360	(65,898)	41,462
Leased Assets	8,638	(941)	7,697
Library Resources	56,364	(44,271)	12,093
Balance at 31 December 2016	612,151	(412,454)	199,697

The Board considers that no assets have suffered an impairment during the year.

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2015						
Buildings	50,023	-	-	-	(2,418)	47,605
Furniture and Equipment	88,944	23,931	-	-	(15,315)	97,560
Information and Communication Technology	16,816	-	-	-	(4,982)	11,834
Library Resources	13,951	484	-	-	(1,804)	12,631
Balance at 31 December 2015	169,734	24,415	-	-	(24,519)	169,630

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2015			
Buildings	84,551	(36,946)	47,605
Furniture and Equipment	343,502	(245,942)	97,560
Information and Communication Technology	64,539	(52,705)	11,834
Library Resources	55,385	(42,754)	12,631
Balance at 31 December 2015	547,977	(378,347)	169,630

**14 Accounts Payable**

	2016 Actual	2016 Budget (Unaudited)	2015 Actual
	\$	\$	\$
Operating creditors	5,290	40,000	33,949
Accruals	4,742	5,000	4,626
Employee Entitlements - salaries	64,369	70,000	65,414
Employee Entitlements - leave accrual	2,389	2,500	2,389
	76,790	117,500	106,378
Payables for Exchange Transactions	76,790	117,500	106,378
	76,790	117,500	106,378

The carrying value of payables approximates their fair value.

Chaucer School

# Notes to the Financial Statements (cont.)

For the year ended 31 December 2016

## 15 Revenue Received in Advance

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Other	4,036	3,000	2,786
	<u>4,036</u>	<u>3,000</u>	<u>2,786</u>

## 16 Provision for Cyclical Maintenance

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Provision at the Start of the Year	46,358	46,358	41,953
Increase to the Provision During the Year	48,342	15,000	4,209
Use of the Provision During the Year	-	(15,000)	196
Provision at the End of the Year	<u>94,700</u>	<u>46,358</u>	<u>46,358</u>
Cyclical Maintenance - Current	-	6,218	14,580
Cyclical Maintenance - Term	<u>94,700</u>	<u>52,577</u>	<u>31,778</u>
	<u>94,700</u>	<u>58,795</u>	<u>46,358</u>

## 17 Finance Lease Liability

The school has entered into a finance lease agreement for laptops (TELA).

Minimum lease payments payable:

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
No Later than One Year	2,697	-	-
Later than One Year and no Later than Five Years	5,302	-	-
Later than Five Years	-	-	-
	<u>7,999</u>	<u>-</u>	<u>-</u>

## 18 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:

	2016	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M) \$	Closing Balances \$
Totals	<i>nil projects</i>	-	-	-	-	-
	2015	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M) \$	Closing Balances \$
Prior Year Projects	<i>completed</i>	918	-	918	-	-
Totals		<u>918</u>	<u>-</u>	<u>918</u>	<u>-</u>	<u>-</u>



## Notes to the Financial Statements (cont.)

For the year ended 31 December 2016

### 19 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.

### 20 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	4,315	3,655
Full-time equivalent members	0.11	0.18
<i>Leadership Team</i>		
Remuneration	307,999	354,219
Full-time equivalent members	3.00	4.00
Total key management personnel remuneration	312,314	357,874
Total full-time equivalent personnel	3.11	4.18

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
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	115-120	115-120
Benefits and Other Emoluments	0-5	0-5
Termination Benefits	0	0

#### 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
110-120	1	1
100-110	1	-
	2.00	1.00

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

### 21 Compensation and Other Benefits Upon Leaving

There were no compensation or other benefits paid or payable to persons upon leaving.



## Notes to the Financial Statements (cont.)

For the year ended 31 December 2016

### 22 Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2016.

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

### 23 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 for laptops (TELA)

	2016 Actual \$	2015 Actual \$
No later than One Year	4,592	6,790
Later than One Year and No Later than Five Years	2,003	6,596
Later than Five Years	-	-
	<u>6,595</u>	<u>13,386</u>

### 24 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.

### 25 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	174,513	140,538	141,183
Receivables	139,422	97,000	99,938
Investments - Term Deposits	359,578	330,000	326,675
Total Loans and Receivables	<u>673,513</u>	<u>567,538</u>	<u>567,796</u>
Financial liabilities measured at amortised cost			
Payables	76,790	117,500	106,378
Finance Leases	7,999	-	-
Total Financial Liabilities Measured at Amortised Cost	<u>84,789</u>	<u>117,500</u>	<u>106,378</u>

### 26 Events After Balance Date

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

### 27 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.

## Chaucer School

### Members of the Board of Trustees

Name	Position	How position on Board gained	Occupation	Term expired/expires
Michael Fletcher	Principal	Appointed October 2013		
Robyn McMillan	Chairperson	Re-elected June 2013	Teacher	April 2016
Nassim Lalehzari	Parent Rep	Re-elected June 2013	Legal Services	April 2016
Valerie Filemoni	Parent Rep	Elected June 2013	Legal Worker	April 2016
Darren Kalka	Parent Rep	Elected June 2013	Govt Worker	April 2016
Jeff Morris	Parent Rep	Co-opted August 2015		April 2016
Taituha Kingi	Chairperson	Elected May 2016	Bank Manager	April 2019
Carol TeBay	Parent Rep	Elected May 2016	Teacher	April 2019
Frian Wadia	Parent Rep	Elected May 2016	ECE Teacher	April 2019
Nik Edwards	Parent Rep	Elected May 2016	Teacher	April 2019
Christina Esau-Elu	Parent Rep	Elected May 2016	Teacher	April 2019

# Analysis of Variance Reporting



School Name:	Chaucer	School Number: 1243
Strategic Aim:	Chaucer students to be empowered, confident learners. This to be achieved through a focus on: Student led learning; Collaboration; Respect.	
Annual Aim:	To increase the number of students achieving at or above the National Standard for Writing	
Target:	For the whole school cohort to go from 73% to 80% achieving at or above the National Standard in writing by the end of 2016.	
Baseline Data:	After analysing the 2015 writing achievement data it was noted that 73% of students were achieving at or above the National Standard. This maintained the level of achievement from the previous year and we wanted to build on this. Within the whole school cohort 37% of Maori students were achieving below the Standard in writing.	



<b>Actions</b> <i>What did we do?</i>	<b>Outcomes</b> <i>What happened?</i>	<b>Reasons for the variance</b> <i>Why did it happen?</i>	<b>Evaluation</b> <i>Where to next?</i>
<ol style="list-style-type: none"> <li>Teacher inquiries (through LWDT PLD) – Maori priority learners targeted, based on literacy learning needs.</li> <li>Mutukaroa programme – increased involvement of parents in goal setting</li> <li>Cultural leadership programme trialled</li> <li>Reading Together workshops and writing workshops implemented for parents</li> <li>Teacher opportunity project – a middle school teacher worked with a Resource Teacher of Literacy on this year-long project.</li> <li>Learner maps trialled with priority learners in all classes</li> <li>Student led learning approach implemented in classes.</li> <li>Interim &amp; end of year National Standards information matrix co-constructed with other primary schools within our Community of Learning (CoL).</li> </ol>	<ul style="list-style-type: none"> <li>- Analysis of the end of 2016 data showed that, of the 59 priority learners identified and targeted in teacher inquiries:               <ul style="list-style-type: none"> <li>25 are now At Standard (42%)</li> <li>3 are now Above Standard (5%)</li> <li>31 are Below Standard (52%)</li> </ul> </li> <li>- 62% of Maori students achieved at or above the National Standard in writing. This maintained the level of achievement from 2015.</li> <li>- 64% of the whole school cohort achieved at or above the National Standard in writing. This was a negative shift of 9%.</li> <li>- 20% of the whole school cohort achieved above the National Standard in writing. This is a positive shift compared to 2015 data.</li> <li>- 75% of the whole school cohort achieved at or above the National Standard in reading. This maintained the level of achievement (within 2%) achieved in 2015.</li> </ul>	<p>The positive results achieved with nearly 50% of the identified priority learners resulted from the focus afforded by the teacher inquiry process. The use of online tools (including specific apps) was trialled in some classes to support deeper engagement with parents around their child's learning. The 9% negative shift in the whole school writing achievement level has been analysed at an individual student level. Surveying and further support will be implemented for these students. Each teacher identified two target children, then achieving at the National Standard in writing, to support to achieve above the National Standard in writing. We believe this contributed to the positive shift in the percentage of children (whole school) who achieved above the standard.</p>	<p>CoL – between school moderation sessions to be planned, with support from an external facilitator. All students who are currently achieving below the National Standard in writing will be surveyed, including gauging their attitudes towards writing. A specific teacher inquiry around Maori boys and writing to be trialled.</p> <p>An extension group for identified able writers (year 5 &amp; 6) to be implemented to further raise achievement within this group.</p> <p>The CoL Across Community teachers and Within school Teachers to be utilised through a PLG programme based around teacher inquiries (using the Spiral of Inquiry model).</p>
<b>Planning for next year:</b>			

- Literacy leader to conduct an inquiry (using the Spiral of Inquiry model) involving Maori boys who are achieving below the National Standard in writing.
- Student led learning approach to continue to be implemented in classes. Teachers to utilise self-reflection rubric to gauge the progress of their practice in this area.
- Priority learners who are achieving below the National Standard in writing to be surveyed assessing their attitudes towards writing.
- Reading and writing workshops implemented for parents and whanau.
- Online tools (including the Seesaw app) utilised to strengthen collaborative relationships with parents of priority learners.
- Group of year 5 and 6 children who are achieving above the National Standard in writing to be identified and extended through 'Stretch' writing sessions.





*Empowering confident learners*

#### Kiwisport Report – 2016

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2016, the school received total Kiwisport funding of \$2823 (excluding GST). The funding was spent on facilitated coaching sessions for the following sports: Turbo touch in term 1; Futsal in term 2; netball (Juniors) and AFL (middle & seniors) in term 3; Fundamental skills (Juniors) in term 4. These sessions were facilitated by Sport Waitakere. These programmes ensured that all classes, for Years 1-6, benefited from the funding.

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## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF CHAUCER SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

The Auditor-General is the auditor of Chaucer School (the School). The Auditor-General has appointed me, Sungesh Singh using the staff and resources of UHY Haines Norton, 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 17, 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 31 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 is responsible for the other information. The other information comprises of the Members of the Board of Trustees, the Analysis of Variance Reporting and Kiwisport Report but does not include the financial statements, and our auditor's report thereon.

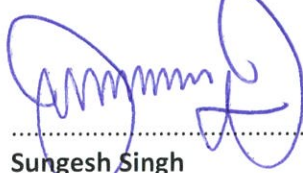
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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.



.....  
**Sungesh Singh**  
**UHY Haines Norton**  
**On behalf of the Auditor-General**  
**Auckland, New Zealand**