

ROLLESTON CHRISTIAN SCHOOL

Financial Statements For the year ended 31 December 2015

School Address:	571-575 Springston Rolleston Road, Rolleston
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Ministry Number:	710

Rolleston Christian School Table of Contents

Page	
1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expenses
3	Statement of Changes in Net Assets/Equity
4	Statement of Financial Position
5	Cashflow Statement
6	Statement of Accounting Policies
9	Notes and Disclosures
14	Members of the Board of Trustees
15	Independent Auditor's Report
	Analysis of Variance

Rolleston Christian School
Statement of Responsibility

For the year ended 31 December 2015

The Board of Trustees (the Board) has pleasure in presenting the annual report of Rolleston Christian School incorporating the financial statements and the auditor's report, for the year ended 31 December 2015.

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 2015 fairly reflects the financial position and operations of the school.

The School's 2015 financial statements are authorised for issue by the Board Chairperson and the principal.

Mark Larson

Full Name of Board Chairperson

Elizabeth Horn

Full Name of Principal

Mark Larson

Signature of Board Chairperson

ETH

Signature of Principal

27/05/2016

Date:

27/05/2016

Date:

Rolleston Christian School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2015

	Notes	2015 Actual \$	2015 Budget (Unaudited) \$
Revenue			
Government Grants	2	768,109	619,730
Locally Raised Funds	3	43,337	37,300
Use of Land and Buildings Integrated		192,400	200,000
Interest Earned		1,576	900
		<hr/>	<hr/>
		1,005,422	857,930
Expenses			
Locally Raised Funds	3	15,789	18,000
Learning Resources	4	535,745	496,350
Administration	5	57,097	56,300
Property	6	216,002	223,300
Depreciation	7	10,304	13,000
		<hr/>	<hr/>
		834,937	806,950
Net Surplus / (Deficit)		170,485	50,980
Other Comprehensive Revenue and Expenses		-	-
Total Comprehensive Revenue and Expense for the Year		<hr/> <hr/>	<hr/> <hr/>
		170,485	50,980

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

Rolleston Christian School
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2015

	Actual 2015 \$	Budget (Unaudited) 2015 \$
Balance at 1 January	-	-
Total comprehensive revenue and expense for the year	170,485	50,980
Equity at 31 December	170,485	50,980
Retained Earnings	170,485	50,980
Reserves	-	-
Equity at 31 December 2015	170,485	50,980

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

Rolleston Christian School
Statement of Financial Position

As at 31 December 2015

	Notes	2015 Actual \$	2015 Budget (Unaudited) \$
Current Assets			
Cash and Cash Equivalents	8	37,597	27,980
Accounts Receivable	9	87,781	40,000
GST Receivable		5,742	3,000
Inventories		7,752	5,000
Investments	10	30,000	-
		<u>168,872</u>	<u>75,980</u>
Current Liabilities			
Accounts Payable	12	61,961	62,000
Revenue Received in Advance	13	10,226	5,000
Finance Lease Liability - Current Portion	14	2,500	-
		<u>74,687</u>	<u>67,000</u>
Working Capital Surplus or (Deficit)		94,185	8,980
Non-current Assets			
Property, Plant and Equipment	11	85,050	42,000
		<u>85,050</u>	<u>42,000</u>
Non-current Liabilities			
Finance Lease Liability	14	8,750	-
		<u>8,750</u>	<u>-</u>
Net Assets		<u><u>170,485</u></u>	<u><u>50,980</u></u>
Equity		<u><u>170,485</u></u>	<u><u>50,980</u></u>

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

Rolleston Christian School

Cash Flow Statement

For the year ended 31 December 2015

	2015	2015
Note	Actual	Budget
	\$	(Unaudited)
		\$
Cash flows from Operating Activities		
Government Grants	268,510	189,230
Locally Raised Funds	36,177	37,300
Goods and Services Tax (net)	(5,742)	(3,000)
Payments to Employees	(28,584)	(28,000)
Payments to Suppliers	(130,462)	(118,450)
Interest Received	1,576	900
Funds Administered on Behalf of Third Parties	10,226	5,000
Net cash from / (to) the Operating Activities	151,701	82,980
Cash flows from Investing Activities		
Purchase of PPE (and Intangibles)	(82,854)	(55,000)
Purchase of Investments	(30,000)	-
Net cash from / (to) the Investing Activities	(112,854)	(55,000)
Cash flows from Financing Activities		
Finance Lease Payments	(1,250)	-
Banking Staffing payments	-	-
Net cash from Financing Activities	(1,250)	-
Net increase/(decrease) in cash and cash equivalents	37,597	27,980
Cash and cash equivalents at the beginning of the year	8	-
Cash and cash equivalents at the end of the year	8	27,980

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Rolleston Christian School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2015

a) Reporting Entity

Rolleston Christian School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2015 to 31 December 2015 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 PBE Accounting Standards (PBE IPSAS) 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 publically 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. This is the first year of adoption of the PBE Accounting Standards.

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

In preparing these financial statements the School has made estimates and assumptions concerning the future in regard to asset lives, provisions for cyclical maintenance and impairment of assets. Where these estimates and assumptions are considered critical by the School, they are disclosed in the relevant note below.

c) Revenue Recognition

Government Grants

The school receives funding from the Ministry of Education. The following are the main types of funding that the School receives; *Operational grants* are recorded as revenue when the School has the rights to the funding, which is in the year that the funding is received.

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

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

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

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

Interest Revenue

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

d) Use of Land and Buildings Expense

The property from which the School operates is owned by the 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.

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

Accounts Receivable represents items that the School has issued invoices for, but has not received payment for at year end. They are initially recorded at fair value and subsequently recorded at the amount the School realistically expects to receive. A provision for impairment of Accounts Receivable is established where there is objective evidence the School will not be able to collect all amounts due according to the original terms of the debt. This impairment loss is the difference between the carrying amount of the receivable and the present value of the amounts expected to be collected and has been included under Other Expenditure in the Statement of Comprehensive Revenue and Expense, if not otherwise shown separately.

i) 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. Thus the fair value of the inventory is determined based on the cost at time of purchase. The write down from cost to net realisable value is recorded as an expense in the Statement of Comprehensive Revenue and Expense in the period of the write down.

j) Investments

Investments are held with registered trading banks and are classified as current assets if they have maturities greater than three months and less than one year. Those with maturities greater than 12 months after the balance date are classified as non-current assets.

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

Share investments held by the School are measured at fair value plus transaction costs. Any gains and losses are recognised in other comprehensive revenue and expense.

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

k) Property, Plant and Equipment

Land and buildings owned by the 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.

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.

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.

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

The estimated useful lives of the assets are:	Years
Furniture and equipment	10
Information and communication technology	5
Leased	5
Plant	10

l) Accounts Payable

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

m) Employee Entitlements

Short-term employee entitlements

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

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

n) Revenue Received in Advance

Revenue received in advance relates to fees received from grants received 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, should the School be unable to provide the services to which they relate.

o) 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).

p) Funds Held in Trust

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

q) 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, funds held on behalf of the Ministry of Education, and painting contract liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

r) 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.

s) Budget Figures

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

t) Classification of Comparatives

The classification of some comparative figures has been changed to ensure compliance with the Ministry of Education's model financial statements, which is now compulsory. These changes do not materially alter the financial statements.

2. Government Grants

	2015 Actual \$	2015 Budget (Unaudited) \$
Operational grants	177,027	101,230
Teachers' salaries grants	461,346	430,500
Other government grants	129,736	88,000
	<u>768,109</u>	<u>619,730</u>

3. Locally Raised Funds

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

	2015 Actual \$	2015 Budget (Unaudited) \$
<i>Revenue</i>		
Donations	17,358	14,300
Activities	2,973	4,000
Trading	23,006	19,000
	<u>43,337</u>	<u>37,300</u>
<i>Expenses</i>		
Activities	3,102	4,000
Trading	12,687	14,000
	<u>15,789</u>	<u>18,000</u>
<i>Surplus for the year Locally raised funds</i>	<u>27,548</u>	<u>19,300</u>

4. Learning Resources

	2015 Actual \$	2015 Budget (Unaudited) \$
Curricular	65,244	59,850
Employee Benefits - Salaries	464,269	430,500
Staff Development	6,232	6,000
	<u>535,745</u>	<u>496,350</u>

5. Administration

	2015 Actual \$	2015 Budget (Unaudited) \$
Audit Fee	3,477	3,500
Board of Trustees Expenses	2,410	-
Communication	4,420	6,500
Consumables	7,350	9,000
Staff Expenses	920	-
Other	12,417	9,300
Employee Benefits - Salaries	26,103	28,000
	<u>57,097</u>	<u>56,300</u>

6. Property

	2015 Actual \$	2015 Budget (Unaudited) \$
Caretaking and Cleaning Consumables	1,658	1,500
Consultancy and Contract Services	12,222	9,500
Cyclical Maintenance Provision	-	2,500
Heat, Light and Water	8,217	9,300
Repairs and Maintenance	1,505	500
Use of Land and Buildings - Integrated	192,400	200,000
	<u>216,002</u>	<u>223,300</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.

7. Depreciation of Property, Plant and Equipment

	2015 Actual \$	2015 Budget (Unaudited) \$
Furniture and Equipment	5,460	6,000
Information and Communication Technology	3,185	5,500
Plant & Equipment	409	1,500
Leased Assets	1,250	-
	<u>10,304</u>	<u>13,000</u>

8. Cash and Cash Equivalents

	2015 Actual \$	2015 Budget (Unaudited) \$
Cash on Hand	50	50
Bank Current Account	14,581	7,930
Bank Call Account	22,966	20,000
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>37,597</u>	<u>27,980</u>

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

9. Accounts Receivable

	2015 Actual \$	2015 Budget (Unaudited) \$
Debtors	7,160	-
Debtor Ministry of Education	38,253	-
Teacher Salaries Grant Receivable	42,368	40,000
	<u>87,781</u>	<u>40,000</u>
Receivables from Exchange Transactions	7,160	-
Receivables from Non-Exchange Transactions	80,621	40,000
	<u>87,781</u>	<u>40,000</u>

10. Investments

The School's investment activities are classified as follows:

	2015 Actual \$	2015 Budget (Unaudited) \$
Current Asset		
Short-term Bank Deposits with Maturities Greater than Three Months and No Greater than One Year	30,000	-

The carrying value of long term deposits longer than 12 months approximates their fair value at 31 December 2015.

11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2015						
Furniture and Equipment	-	60,892	-	-	(5,460)	55,432
Information and Communication	-	17,370	-	-	(3,185)	14,185
Plant	-	4,592	-	-	(409)	4,183
Leased Assets	-	12,500	-	-	(1,250)	11,250
Balance at 31 December 2015	-	95,354	-	-	(10,304)	85,050

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2015			
Furniture and Equipment	60,892	(5,460)	55,432
Information and Communication	17,370	(3,185)	14,185
Plant	4,592	(409)	4,183
Leased Assets	12,500	(1,250)	11,250
Balance at 31 December 2015	95,354	(10,304)	85,050

12. Accounts Payable

	2015 Actual \$	2015 Budget (Unaudited) \$
Operating Creditors	19,151	22,000
Employee Benefits Payable - Salaries	42,368	40,000
Employee Benefits Payable - Leave Accrual	442	-
	<u>61,961</u>	<u>62,000</u>
Payables for Exchange Transactions	61,961	62,000
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-
Payables for Non-exchange Transactions - Other	-	-
	<u>61,961</u>	<u>62,000</u>

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2015 Actual \$	2015 Budget (Unaudited) \$
Funds Held on Behalf of Third Parties	10,226	5,000
	<u>10,226</u>	<u>5,000</u>

14. Finance Lease Liability

The School has entered into a finance lease agreement for a photocopier. Minimum lease payments payable:

	2015 Actual \$	2015 Budget (Unaudited) \$	2014 Actual \$
No Later than One Year	2,500	-	-
Later than One Year and no Later than Five Years	8,750	-	-
Later than Five Years	-	-	-
	11,250	-	-

15. Related Party Transactions

The School is a controlled entity of the Crown.

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 (Christian Schools Trust) , 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 are disclosed appropriately with an indication of the amount where relevant.

The Proprietor provides land and buildings free of charge for use by the Board as noted in Note 1(c). The estimated value of this use during 2015 is included in the notes of the Statement of Comprehensive Income as "Use of land and buildings".

16. Remuneration

Key management personnel compensation

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

	2015 Actual \$
Salaries and Other Short-term Employee Benefits FTE 4	333,289
Post-employment Benefits	-
Other Long-term Benefits	-
Termination Benefits	-
	333,289

Board of Trustee and Committee Members

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

	2015 Actual \$
Board of Trustees FTE .3	-
Committee Members	-
	-

Principal

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

	2015 Actual \$000
Salaries and Other Short-term Employee Benefits:	
Salary and Other Payments	100-110
Benefits and Other Emoluments	-
Termination Benefits	-

Other Employees

No other employee received total remuneration over \$100,000 (2014: nil).

17. 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:

	2015 Actual
Total	\$0
Number of People	-

18. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2015 (Contingent liabilities and assets at 31 December 2014: nil).

19. Commitments

(a) Capital Commitments

As at 31 December 2015 the School has no capital commitments.

(Capital commitments at 31 December 2014: nil)

(b) Operating Commitments

As at 31 December 2015 the Board has entered into the following contracts:

(a) operating lease of laptops

	2015 Actual
	\$
No later than One Year	17,627
Later than One Year and No Later than Five Years	18,774
Later than Five Years	-
	<hr/> 36,401

20. 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.

21. Financial Instruments

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

Cash and receivables

	2015 Actual	2015 Budget (Unaudited)
	\$	\$
Cash and Cash Equivalents	37,597	27,980
Receivables	87,781	40,000
Investments - Term Deposits	30,000	-
Total Cash and Receivables	<hr/> 155,378	<hr/> 67,980

Financial liabilities measured at amortised cost

Payables	61,961	62,000
Finance Leases	8,750	-
Total Financial Liabilities Measured at Amortised Cost	<hr/> 70,711	<hr/> 62,000

22. Events After Balance Date

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

Rolleston Christian School Members of the Board of Trustees

Name	Ceased
Liz Horn	Principal
Mark Larson	
Lyn Scott	
Dennis Marshall	
Rebekah Wain	
Nih McKay	
Joe Fleener	
Sam Broughton	

The term finishes except for the principal in May 2016.

