

Western Springs College

Financial Statements for the year ended 31 December 2017

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WESTERN SPRINGS COLLEGE

Financial Statements – For the year ended 31 December 2017

Index

Page	Statement
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	Statement of Cash Flows
6 – 10	Statement of Accounting Policies
11 – 18	Notes to the Financial Statements
19 – 21	Independent auditor's Report
	Board of Trustees
	Analysis of Variance
	Kiwisports Report

Western Springs College
Statement of Responsibility
For the year ended 31 December

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 2017 fairly reflects the financial position and operations of the school.

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

Carol Gunn

Full Name of Board Chairperson



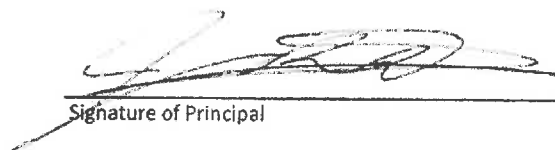
Signature of Board Chairperson

31 May 2018

Date:

IVAN ROBERT DAVIS

Full Name of Principal



Signature of Principal

31st May 2018

Date:

Western Springs College

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2017

		2017	2017	2016
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	16,242,160	11,847,068	15,997,127
Local Raised Funds	3	1,751,192	448,153	1,457,000
Interest Earned		67,266	52,500	52,768
International Students	4	2,265,700	1,426,478	2,158,390
Other Revenue		8,972	-	-
		20,335,290	13,774,199	19,665,285
Expenses				
Local Raised Funds	3	500,836	109,100	458,274
International Students	4	864,199	169,335	774,467
Learning Resources	5	11,292,601	9,974,261	10,912,120
Administration	6	623,475	673,158	590,006
Finance Costs		18,185	20,000	9,740
Property	7	6,651,061	2,661,647	6,575,782
Depreciation	8	329,751	272,408	305,517
Loss on Disposal of Property, Plant and Equipment		25,713	-	34,430
		20,305,821	13,879,909	19,660,336
Net Surplus / (Deficit)		29,469	(105,710)	4,949
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		29,469	(105,710)	4,949

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

Western Springs College
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2017

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Balance at 1 January	1,243,516	1,266,176	1,238,567
Total comprehensive revenue and expense for the year	29,469	(105,710)	4,949
Equity at 31 December	1,272,985	1,160,466	1,243,516
Retained Earnings	1,272,985	1,160,466	1,243,516
Equity at 31 December	1,272,985	1,160,466	1,243,516

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

Western Springs College
Statement of Financial Position

As at 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Current Assets				
Cash and Cash Equivalents	9	2,461,445	1,674,138	2,773,521
Accounts Receivable	10	553,408	521,350	488,989
GST Receivable		2,031	2,600	2,590
Prepayments		269,785	55,000	70,827
Inventories	11	10,268	15,000	15,510
Investments	12	45,500	545,500	45,500
		<u>3,342,437</u>	<u>2,813,588</u>	<u>3,396,937</u>
Current Liabilities				
GST Payable		24,930	30,000	37,394
Accounts Payable	14	693,114	734,000	734,309
Revenue Received in Advance	15	2,274,230	1,670,000	2,293,763
Provision for Cyclical Maintenance	16	28,578	63,578	-
Finance Lease Liability - Current Portion	17	75,436	45,697	45,697
Funds Held for Capital Works Projects	18	53,327	120,000	135,138
		<u>3,149,615</u>	<u>2,663,275</u>	<u>3,246,301</u>
Working Capital Surplus/(Deficit)		192,822	150,313	150,636
Non-current Assets				
Property, Plant and Equipment	13	1,235,023	1,185,517	1,274,989
Trust Assets		41,050	41,128	41,128
		<u>1,276,073</u>	<u>1,226,645</u>	<u>1,316,117</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	16	140,480	186,167	147,215
Finance Lease Liability	17	55,430	30,325	76,022
		<u>195,910</u>	<u>216,492</u>	<u>223,237</u>
Net Assets		<u>1,272,985</u>	<u>1,160,466</u>	<u>1,243,516</u>
Equity				
		<u>1,272,985</u>	<u>1,160,466</u>	<u>1,243,516</u>

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

Western Springs College

Statement of Cash Flows

For the year ended 31 December 2017

	Note	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Cash flows from Operating Activities				
Government Grants		3,208,664	2,915,147	3,042,039
Locally Raised Funds		1,886,392	(250,047)	1,426,598
International Students		2,160,191	1,626,478	2,356,831
Goods and Services Tax (net)		(11,905)	9,400	15,883
Payments to Employees		(2,923,959)	(2,585,907)	(2,718,582)
Payments to Suppliers		(4,236,887)	(2,046,103)	(3,719,307)
Interest Paid		(18,185)	(20,000)	(9,740)
Interest Received		66,640	53,050	53,727
Net cash from / (to) the Operating Activities		130,951	(297,982)	447,449
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	(13,420)	(69,926)
Purchase of PPE (and Intangibles)		(244,482)	(261,904)	(246,070)
Purchase of Investments		-	(500,000)	-
Net cash from / (to) the Investing Activities		(244,482)	(775,324)	(315,996)
Cash flows from Financing Activities				
Finance Lease Payments		(46,605)	76,022	61,662
Funds Administered on Behalf of Third Parties		(70,129)	340,000	266,253
Funds Held for Capital Works Projects		(81,811)	118,833	-
Net cash from / (to) Financing Activities		(198,545)	534,855	327,915
Net increase/(decrease) in cash and cash equivalents		(312,076)	(538,451)	459,368
Cash and cash equivalents at the beginning of the year	9	2,773,521	2,212,589	2,314,153
Cash and cash equivalents at the end of the year	9	2,461,445	1,674,138	2,773,521

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.

Western Springs College

Notes to the Financial Statements

For the year ended 31 December

1. Statement of Accounting Policies

Reporting Entity

Western Springs College (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 to 31 December 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.

Western Springs College

Notes to the Financial Statements (cont.)

For the year ended 31 December

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.

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

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.

Notes to the Financial Statements (cont.)

For the year ended 31 December

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 for periods exceeding 90 days are classified as investments and are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. After initial recognition bank term deposits are measured at amortised cost using the effective interest method less impairment.

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 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 schedule 6 section 28 of the Education Act 1989 in relation to the acquisition of investment 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 \$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.

Western Springs College

Notes to the Financial Statements (cont.)

For the year ended 31 December

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/Alterations	20 years
Furniture and fittings	10 years
Plant and machinery	10 years
Musical equipment	10 years
Computer equipment	3 years
Office administration equipment	3 years
Sports equipment	10 years
Other/Classroom equipment	4 years
Electrical equipment	4 years
Motor vehicles	10 years
ICT FFF	4 years
FFE	10 years
Leased equipment	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.

Western Springs College

Notes to the Financial Statements (cont.)

For the year ended 31 December

Employee Entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

Long-term employee entitlements

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

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

Revenue Received in Advance

Revenue received in advance relates to fees received from international students, student fees and grassroots funding 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 the above revenue received in advance, 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 Statement 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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

2 Government Grants

	2017	2017 Budget	2016
	Actual	(Unaudited)	Actual
	\$	\$	\$
Operational grants	2,883,123	2,781,475	2,776,667
Teachers' salaries grants	7,203,070	7,000,000	7,093,243
Use of Land and Buildings grants	5,804,852	1,861,921	5,786,089
Resource teachers learning and behaviour grants	12,174	-	9,000
Other MoE Grants	255,756	122,072	219,288
Other government grants	83,185	81,600	112,840
	16,242,160	11,847,068	15,997,127

3 Locally Raised Funds

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

	2017	2017 Budget	2016
	Actual	(Unaudited)	Actual
	\$	\$	\$
Revenue			
Donations	369,983	303,360	328,057
Trading	27,262	25,573	33,728
Activities	128,793	119,220	120,321
Curriculum Recoveries	1,225,154	-	974,894
	1,751,192	448,153	1,457,000
Expenses			
Activities	97,132	87,000	85,739
Trading	37,034	22,100	22,427
Other Locally Raised Funds Expenditure	366,670	-	350,108
	500,836	109,100	458,274
	1,250,356	339,053	998,726

Surplus for the year Locally Raised Funds

4 International Student Revenue and Expenses

	2017	2017 Budget	2016
	Actual	(Unaudited)	Actual
	Number	Number	Number
International Student Roll	110	100	88
	2017	2017	2016
	Actual	(Unaudited)	Actual
	\$	\$	\$
Revenue			
International student fees	2,265,700	1,426,478	2,158,390
Expenses			
Advertising	121,767	120,000	88,038
Commissions	244,190	-	262,978
Recruitment	26,677	-	20,155
International student levy	22,774	49,335	55,057
Other Expenses	448,791	-	348,239
	864,199	169,335	774,467
	1,401,501	1,257,143	1,383,923

Surplus for the year International Students'

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

5 Learning Resources

	2017	2017 Budget	2016
	Actual	(Unaudited)	Actual
	\$	\$	\$
Curricular	1,583,120	746,158	1,524,499
Information and communication technology	18,884	30,500	58,445
Extra-curricular activities	236,977	225,937	122,796
Library resources	3,954	5,750	4,729
Employee benefits - salaries	9,403,738	8,905,916	9,135,486
Staff development	45,928	60,000	66,165
	<u>11,292,601</u>	<u>9,974,261</u>	<u>10,912,120</u>

6 Administration

	2017	2017 Budget	2016
	Actual	(Unaudited)	Actual
	\$	\$	\$
Audit Fee	8,601	15,100	15,836
Board of Trustees Fees	5,284	12,500	6,575
Board of Trustees Expenses	72,694	65,500	33,535
Communication	44,126	48,450	43,206
Consumables	(78,051)	(52,100)	(82,154)
Operating Lease	-	-	87
Other	168,790	149,800	143,738
Employee Benefits - Salaries	365,542	392,321	386,905
Insurance	24,417	30,183	30,893
Service Providers, Contractors and Consultancy	12,072	11,404	11,305
	<u>623,475</u>	<u>673,158</u>	<u>590,006</u>

7 Property

	2017	2017 Budget	2016
	Actual	(Unaudited)	Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	98,793	47,000	65,176
Consultancy and Contract Services	3,060	2,950	2,900
Cyclical Maintenance Provision	20,000	20,000	(84,176)
Grounds	49,185	62,800	67,205
Heat, Light and Water	135,157	122,800	147,466
Rates	198	250	151
Repairs and Maintenance	162,510	171,656	228,570
Use of Land and Buildings	5,804,852	1,861,921	5,786,089
Security	17,646	14,600	14,845
Employee Benefits - Salaries	359,660	357,670	347,556
	<u>6,651,061</u>	<u>2,661,647</u>	<u>6,575,782</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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

8 Depreciation of Property, Plant and Equipment

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Buildings - School	16,988	15,200	19,921
Furniture and Equipment	165,936	141,338	145,912
Information and Communication Technology	58,360	54,200	93,277
Motor Vehicles	14,864	13,420	13,197
Leased Assets	67,926	43,000	26,888
Library Resources	5,677	5,250	6,322
	<u>329,751</u>	<u>272,408</u>	<u>305,517</u>

9 Cash and Cash Equivalents

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	100	100	100
Bank Current Account	2,204,400	1,130,038	2,202,802
Bank Call Account	256,945	544,000	570,619
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>2,461,445</u>	<u>1,674,138</u>	<u>2,773,521</u>

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

Of the \$2,461,445 Cash and Cash Equivalents, \$53,327 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2018 on Crown owned school buildings under the School's Five Year Property Plan.

10 Accounts Receivable

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	61,643	50,700	31,766
Interest Receivable	897	650	271
Teacher Salaries Grant Receivable	490,868	470,000	456,952
	<u>553,408</u>	<u>521,350</u>	<u>488,989</u>
Receivables from Exchange Transactions	62,540	51,350	32,037
Receivables from Non-Exchange Transactions	490,868	470,000	456,952
	<u>553,408</u>	<u>521,350</u>	<u>488,989</u>

11 Inventories

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	3,098	5,000	1,250
School Uniforms	7,170	10,000	6,810
Canteen	-	-	7,450
	<u>10,268</u>	<u>15,000</u>	<u>15,510</u>

12 Investments

The School's investment activities are classified as follows:

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	45,500	545,500	45,500
	<u>45,500</u>	<u>545,500</u>	<u>45,500</u>

The carrying value of long term deposits longer than 12 months approximates their fair value at 31 December 2017.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

13 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Buildings	173,472	-	-	-	(16,988)	156,484
Furniture and equipment	697,527	240,359	(17,348)	-	(165,936)	754,602
Information and communication technology	197,360	-	(5,328)	-	(58,360)	133,672
Motor vehicles	44,304	-	-	-	(14,864)	29,440
Leased assets	118,069	70,938	-	-	(67,926)	121,081
Library resources	44,257	4,201	(3,037)	-	(5,677)	39,744
Balance at 31 December 2017	1,274,989	315,498	(25,713)	-	(329,751)	1,235,023

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Buildings	341,194	(184,710)	156,484
Furniture and equipment	1,638,647	(884,045)	754,602
Information and communication technology	417,998	(284,326)	133,672
Motor vehicles	201,351	(171,911)	29,440
Leased assets	215,896	(94,815)	121,081
Library resources	152,093	(112,349)	39,744
Balance at 31 December 2017	2,967,179	(1,732,156)	1,235,023

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

The net carrying value of equipment held under a finance lease is \$121,081(2016: \$118,069).

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2016	\$	\$	\$	\$	\$	\$
Buildings	193,393	-	-	-	(19,921)	173,472
Furniture and equipment	737,039	110,721	(4,321)	-	(145,912)	697,527
Information and communication technology	247,840	42,797	-	-	(93,277)	197,360
Motor vehicles	18,831	38,670	-	-	(13,197)	44,304
Leased assets	34,768	144,958	(34,769)	-	(26,888)	118,069
Library resources	46,832	3,850	(103)	-	(6,322)	44,257
Balance at 31 December 2016	1,278,703	340,996	(39,193)	-	(305,517)	1,274,989

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2016	\$	\$	\$
Buildings	449,204	(275,732)	173,472
Furniture and equipment	1,843,419	(1,145,892)	697,527
Information and communication technology	825,698	(628,338)	197,360
Motor vehicles	201,351	(157,047)	44,304
Leased assets	144,958	(26,889)	118,069
Library resources	158,821	(114,564)	44,257
Balance at 31 December 2016	3,623,451	(2,348,462)	1,274,989

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

14 Accounts Payable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operating creditors	33,826	115,000	99,787
Accruals	16,642	4,000	27,703
Employee Entitlements - salaries	538,930	525,000	509,156
Employee Entitlements - leave accrual	103,716	90,000	97,663
	<u>693,114</u>	<u>734,000</u>	<u>734,309</u>
Payables for Exchange Transactions	693,114	734,000	734,309
	<u>693,114</u>	<u>734,000</u>	<u>734,309</u>

The carrying value of payables approximates their fair value.

15 Revenue Received in Advance

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
International Student Fees	973,590	1,050,000	1,079,099
Funds Held on Behalf of Third Parties	997,158	470,000	1,067,287
Other	303,482	150,000	147,377
	<u>2,274,230</u>	<u>1,670,000</u>	<u>2,293,763</u>

16 Provision for Cyclical Maintenance

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Provision at the Start of the Year	147,215	147,215	245,372
Increase to the Provision During the Year	20,000	20,000	(84,176)
Use of the Provision During the Year	1,843	82,530	(13,981)
Provision at the End of the Year	<u>169,058</u>	<u>249,745</u>	<u>147,215</u>
Cyclical Maintenance - Current	28,578	63,578	-
Cyclical Maintenance - Term	140,480	186,167	147,215
	<u>169,058</u>	<u>249,745</u>	<u>147,215</u>

17 Finance Lease Liability

The school has entered into a number of finance lease agreements for computer equipment and photocopiers.

Minimum lease payments payable (includes interest portion):

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
No Later than One Year	85,300	45,697	55,798
Later than One Year and no Later than Five Years	58,139	30,325	82,646
	<u>143,439</u>	<u>76,022</u>	<u>138,444</u>

Western Springs College

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

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:

					BOT Contribution/ (Write-off to R&M)	
	2017	Opening Balances \$	Receipts from MoE \$	Payments \$		Closing Balances \$
Classroom Roll Growth	<i>Completed</i>	5,974	-	-	-	5,974
Roll Growth Block 5	<i>Completed</i>	38,770	-	-	-	38,770
Roofing Project	<i>Completed</i>	-	-	-	-	-
PE Shelter	<i>In Progress</i>	64,481	227,116	292,609	-	(1,012)
Building Redevelopment Fund	<i>In Progress</i>	40,937	50,000	41,491	-	49,446
5YA Minor Projects	<i>In Progress</i>	(2,100)	-	-	2,100	-
Compound	<i>In Progress</i>	(12,924)	-	598	-	(13,522)
Rebuild errors	<i>In Progress</i>	-	-	6,313	-	(6,313)
F&E Consultancy	<i>In Progress</i>	-	-	17,392	-	(17,392)
C Block	<i>In Progress</i>	-	30,754	33,378	-	(2,624)
Totals		195,138	307,870	391,781	2,100	53,327

Represented by:

Funds Held on Behalf of the Ministry of Education

53,327

53,327

					BOT Contribution/ (Write-off to R&M)	
	2016	Opening Balances \$	Receipts from MoE \$	Payments \$		Closing Balances \$
Classroom Roll Growth	<i>Completed</i>	6,128	-	-	154	5,974
Roll Growth Block 5	<i>Completed</i>	38,770	-	-	-	38,770
Roofing Project	<i>Completed</i>	1,168	-	-	1,168	-
PE Shelter	<i>In Progress</i>	-	75,000	10,519	-	64,481
Building Redevelopment Fund	<i>In Progress</i>	-	50,000	9,063	-	40,937
5YA Minor Projects	<i>In Progress</i>	-	118,392	120,492	-	(2,100)
Compound	<i>In Progress</i>	-	-	12,924	-	(12,924)
Totals		46,066	243,392	152,998	1,322	135,138

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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

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.

	2017 Actual \$	2016 Actual \$
<i>Board Members</i>		
Remuneration	5,284	6,575
Full-time equivalent members	-	5.22
<i>Leadership Team</i>		
Remuneration	589,754	534,956
Full-time equivalent members	5.00	5.00
Total key management personnel remuneration	595,038	541,531
Total full-time equivalent personnel	5.00	10.22

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:

	2017 Actual \$000	2016 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	160-170	160-170
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	2017 FTE Number	2016 FTE Number
110-120	-	1
100-110	4	4
	4.00	5.00

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.

22 Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2017.

(Contingent liabilities and assets as at 31 December 2016: nil)

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

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 2016: nil)

(b) Operating Commitments

As at 31 December 2017 the Board has entered into the following contracts:

- operating leases for laptops (TELA)
- operating leases for projectors

No later than One Year

Later than One Year and No Later than Five Years

2017 Actual \$	2016 Actual \$
-	18,030
1,890	5,821
<u>1,890</u>	<u>23,851</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:

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Loans and Receivables			
Cash and Cash Equivalents	2,461,445	1,674,138	2,773,521
Receivables	553,408	521,350	488,989
Investments - Term Deposits	45,500	545,500	45,500
Total Loans and Receivables	<u>3,060,353</u>	<u>2,740,988</u>	<u>3,308,010</u>
Financial liabilities measured at amortised cost			
Payables	693,114	734,000	734,309
Finance Leases	130,866	76,022	121,719
Total Financial Liabilities Measured at Amortised Cost	<u>823,980</u>	<u>810,022</u>	<u>856,028</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 2016. Where necessary these figures have been reclassified on a basis consistent with current disclosure for the year ended 31 December 2017.

**INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF WESTERN SPRINGS COLLEGE'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

The Auditor-General is the auditor of Western Springs College (the School). The Auditor-General has appointed me, Chris Neves, using the staff and resources of BDO Auckland, 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 2017, 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 2017; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime

Our audit was completed on 31 May 2018. 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 arises from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the Board of Trustees listing, Kiwisports Funding Report and Analysis of Variance, 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.



Chris Neves
BDO Auckland
On behalf of the Auditor-General
Auckland, New Zealand

