

Ridgway School
Financial Statements
For the year ended 31 December 2014

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Ridgway School
Statement of Responsibility
For the year ended 31 December 2014

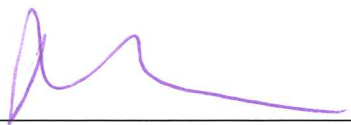
The Board of Trustees (the Board) of Ridgway School (the School) accepts responsibility for the preparation of the annual financial statements and the judgements used in these statements.

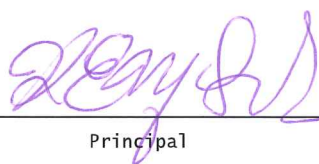
The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

In the opinion of the Board and management, the annual financial statements for the financial year fairly reflect the financial position and operations of the school.

During the 2012 year the Ministry of Education introduced a new payroll system, Novopay, which has resulted in many errors. To the best of our knowledge, all material matters are properly reflected in the financial statements.

The school's 2014 financial statements are authorised for issue by the Board Chairperson and Principal.



Chairperson

Principal

Dated 27/5/15

Ridgway School
Statement of Comprehensive Income
For the year ended 31 December 2014

	Notes	2014 Actual	2014 Budget	2013 Actual
Income				
Government Grants	2	1,392,607	1,358,821	1,477,889
Investment income		7,466	500	5,531
Local funds	3	148,449	70,750	81,135
Gain on asset disposal		381	0	0
		-----	-----	-----
		1,548,903	1,430,071	1,564,555
 Expenditure				
Learning resources	4	1,028,795	1,038,708	1,060,476
Administration	5	100,544	107,760	121,282
Property maintenance	6	252,474	266,864	307,572
Local Funds	3	24,141	2,530	677
Depreciation	10	26,556	20,609	21,904
Finance costs		600	0	0
Loss on asset disposal		445	0	0
		-----	-----	-----
		1,433,555	1,436,471	1,511,911
		-----	-----	-----
Net surplus (deficit) and total comprehensive income		115,348	(6,400)	52,644
		=====	=====	=====

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Ridgway School
Statement of Changes in Equity
For the year ended 31 December 2014

	2014 Actual	2014 Budget	2013 Actual
Equity at the start of the period	234,345	234,345	160,022
Net surplus (deficit) and total comprehensive income	115,348	(6,400)	52,644
MOE Capital Contribution	14,090	0	21,679
Equity at end of the period	363,783	227,945	234,345

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

Ridgway School
Statement of Financial Position
As at 31 December 2014

	Notes	2014 Actual	2014 Budget	2013 Actual
Total Equity		363,783	227,945	234,345
Current Assets				
Cash and Cash Equivalents		242,301	156,006	133,297
Accounts Receivable	7	76,396	78,347	78,347
Prepayments		554	1,800	1,800
GST Receivable		6,906	7,446	7,446
Inventories		539	0	0
		-----	-----	-----
		326,696	243,599	220,890
Current Liabilities				
Accounts Payable	8	90,205	95,798	95,798
Hall Bond		50	0	0
		-----	-----	-----
		90,255	95,798	95,798
Working Capital		236,441	147,801	125,092
Non Current Assets				
Property, Plant and Equipment	10	162,217	121,644	140,753
		-----	-----	-----
		162,217	121,644	140,753
Non Current Liabilities				
Cyclical Maintenance Provision	9	34,875	41,500	31,500
		-----	-----	-----
		34,875	41,500	31,500
		-----	-----	-----
Net Assets		363,783	227,945	234,345
		=====	=====	=====

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

Ridgway School
Notes to the Financial Statements
For the year ended 31 December 2014

1. Statement of Significant Accounting Policies

a) Reporting Entity

Ridgway 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 is of the view the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

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 New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) as appropriate to public benefit entities that qualify for differential reporting.

Differential reporting

The School qualifies for differential reporting exemptions because it is not publicly accountable as defined in the Framework for Differential Reporting (the Framework) and it is not large. Many of the reporting exemptions available under the Framework have been applied.

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.

Specific accounting policies

The accounting policies used in the preparation of these financial statements are set out below. The policies have been consistently applied to all years presented.

c) Income Recognition

Government grants

Operational grants are recorded as income as received. Teachers' salaries grants are not received in cash by the school but are paid directly to teachers by the Ministry of Education (the Ministry). They are recorded as income in the salary period they relate to. Other grants are recorded as income as received 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 income as the conditions are fulfilled.

Grants for the use of land and buildings are also not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown. Use of land and building grants are recorded as income in the period the school uses the land and buildings.

Donations

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

Interest income

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

d) Use of Land and Buildings Expense

The property from which the School operates is owned by the Crown and managed by the Ministry 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 received from the Ministry.

e) Operating Lease Payments

Payments made under operating leases are recognised in the Statement of Comprehensive Income 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 represents 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.

i) Inventories

Inventories are consumable items held for sale. 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. The write down from cost to net realisable value is recorded as an expense in the Statement of Comprehensive Income 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 of between three months and 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. At balance date the School assesses whether there is any objective evidence that an investment is impaired. Any impairment loss is recorded as an expense in the Statement of Comprehensive Income.

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

k) Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$250 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Income.

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 Income.

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. The 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 are depreciated over their estimated useful lives on a straight line basis. Depreciation of all assets is reported in the Statement of Comprehensive Income.

The estimated useful lives of the assets are:

Equipment, Computers	5 years
Furniture, Fittings	10 years
Library Books	8 years
Leasehold Improvements	20 years
Leased assets are depreciated over the life of the lease.	

l) Accounts Payable

Accounts Payable represent 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

Salary Accruals

Salary accruals mainly reflect annual leave owing to teachers and ancillary staff and are recognised in respect of employees' services to balance date and are measured at the amounts expected to be paid when the liabilities are settled. There is a corresponding teacher's salaries grant receivable from the Ministry to fund the liability.

Leave Accruals

No provision is required to be recognised for sick leave for any teachers, irrespective of whether a School is above its teaching entitlement, as in practice most teachers' sick leave is grant funded by the Ministry. For non-teaching staff, the school is required to report a liability in dollar terms for the relevant leave types, where this information is readily available. Any liability is reported in the school's Current Accounts Payable note to the Financial Statements.

n) Income Received in Advance

Income received in advance relates to money that has been received by the School for services it has yet to provide. The money will be shown as income as the obligations are fulfilled.

o) Shared funds

Where shared funds are held on behalf of third parties, these funds are recognised as a liability until they are used for their intended purpose. The School holds sufficient funds to enable these funds to be used for their intended purpose.

p) 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 School, makes up the most significant part of the Board's responsibilities outside the 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 10-year property plan.

q) Financial Assets and Liabilities

The School's financial assets comprise cash and cash equivalents, accounts receivable and investments. All of these financial assets are categorised as 'loans and receivables' 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 (if applicable). 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 of Trustees.

	2014 Actual	2014 Budget	2013 Actual
2 Government Grants			
Operational grants	296,283	278,676	280,194
Other government grants	38,174	21,995	39,168
Teachers salaries grant	873,886	873,886	917,012
Use of land and buildings grant	184,264	184,264	241,515
	-----	-----	-----
	1,392,607	1,358,821	1,477,889
	=====	=====	=====
	2014	2014	2013
	Income	Expenditure	Income
			2013
			Expenditure
3 Local Funds			
Trading	1,971	1,617	800
Fundraising	95,278	22,396	52,916
Activities	51,200	128	27,419
	-----	-----	-----
	148,449	24,141	81,135
	=====	=====	=====
4 Learning Resources			
Professional Development	6,269	9,700	4,334
Teaching Resources	25,964	36,756	24,511
Personnel	942,404	961,733	1,004,623
Extra Curricular Activities	54,158	30,519	27,008
	-----	-----	-----
	1,028,795	1,038,708	1,060,476
	=====	=====	=====
5 Administration			
Communication Expenses	3,816	5,050	4,658
Board Of Trustee Expenses	13,602	5,300	14,709
Audit Costs	9,235	8,500	6,014
Consumables	7,222	9,250	8,683
Staff Expenses	54,116	72,610	78,878
General	12,553	7,050	8,340
	-----	-----	-----
	100,544	107,760	121,282
	=====	=====	=====
6 Property Maintenance			
Cleaning & Sanitation	35,515	34,750	33,752
Energy	9,154	11,200	9,957
Rates	2,554	3,000	2,649
Grounds	2,214	2,000	2,199
Repairs & Maintenance	15,398	21,650	8,500
Use of Land and Buildings	184,264	184,264	241,515
Cyclical Maintenance	3,375	10,000	9,000
	-----	-----	-----
	252,474	266,864	307,572
	=====	=====	=====

	2014 Actual	2013 Actual
7 Accounts Receivable		
Debtors	2,408	1,440
Teachers salaries accrual	73,988	76,907
	-----	-----
	76,396	78,347
	=====	=====
8 Accounts Payable		
Creditors	14,744	18,891
Teachers salaries accrual	73,988	76,907
Leave accrual	1,473	0
	-----	-----
	90,205	95,798
	=====	=====
9 Provision for Cyclical Maintenance		
Provision at the start of the year	31,500	22,500
Increase in the provision during the year	3,375	9,000
	-----	-----
Provision at the end of the year	34,875	31,500
	=====	=====

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligations at the balance sheet date. Present obligations are identified in the school's current 10-year property plan. The provision has not been adjusted for inflation and the effect of the time value of money.

10 Property, Plant and Equipment

	31 December 2014				31 December 2013			
	Cost/ Value	Accum Depn	Book Value	2014 Depn	Cost/ Value	Accum Depn	Book Value	2013 Depn
Equipment, Computers	213,342	147,448	65,894	10,927	188,059	156,265	31,794	6,898
Furniture, Fittings	155,140	105,834	49,306	11,261	153,682	94,057	59,625	10,768
Library Books	43,091	38,938	4,153	1,347	41,040	37,590	3,450	1,210
Leasehold Improvements	66,231	23,367	42,864	3,021	66,231	20,347	45,884	3,028
	-----	-----	-----	-----	-----	-----	-----	-----
	477,804	315,587	162,217	26,556	449,012	308,259	140,753	21,904
	=====	=====	=====	=====	=====	=====	=====	=====

	2014	2013
Net book value reconciliation		
Net book value at start of year	140,753	138,184
Less: Disposals at book value	445	0
Less: Depreciation charge for the year	26,556	21,904
Add: Asset acquisition at cost	48,465	24,473
	-----	-----
Net book value at year end	162,217	140,753
	=====	=====

11 Commitments

	2014	2013
(a) Operating Commitments	Actual	Actual

The School has the following obligations for non-cancellable leases at balance date:

No later than one year	3,210	1,132
Later than one year and no later than five years	6,652	706
	-----	-----
	9,862	1,838
	=====	=====

(b) Capital Commitments

There are no capital commitments. (2013 Nil)

12 Contingencies

There are no contingent assets or contingent liabilities. (2013 Nil)

13 Comparative Figures

Due to the change in accounting service provider this year some comparative figures have been restated. This change does not materially alter the financial statements.

14 Related Party Transactions

The school is an entity controlled by 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.

15 Remuneration

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:

	2014	2013
	Actual	Actual
Board of Trustees	350	770
Committee members	0	0
	-----	-----
	350	770

Principal

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

	2014	2013
	Actual	Actual
	\$000	\$000
Salary and other payments	110-120	110-120
Benefits and other emoluments	0-10	-
Termination benefits	-	-

Other Employees

No other employees received total remuneration over \$100,000. (2013 Nil)

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

16 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 members, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was as follows:

	2014 Actual	2013 Actual
Total value	-	-
Number of people	-	-

INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF
RIDGWAY SCHOOL'S
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

The Auditor-General is the auditor of Ridgway School (the School). The Auditor-General has appointed me, Mark Bewley, using the staff and resources of BDO Wellington, to carry out the audit of the financial statements of the School on her behalf.

We have audited the financial statements of the School on pages 2 to 12, that comprise the statement of financial position as at 31 December 2014, the statement of comprehensive income and statement of changes in equity for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

Opinion

In our opinion the financial statements of the School on pages 2 to 12:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the School's:
 - financial position as at 31 December 2014; and
 - financial performance for the year ended on that date.

Our audit was completed on 27 May 2015. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board of Trustees and our responsibilities, and we explain our independence.

Basis of opinion

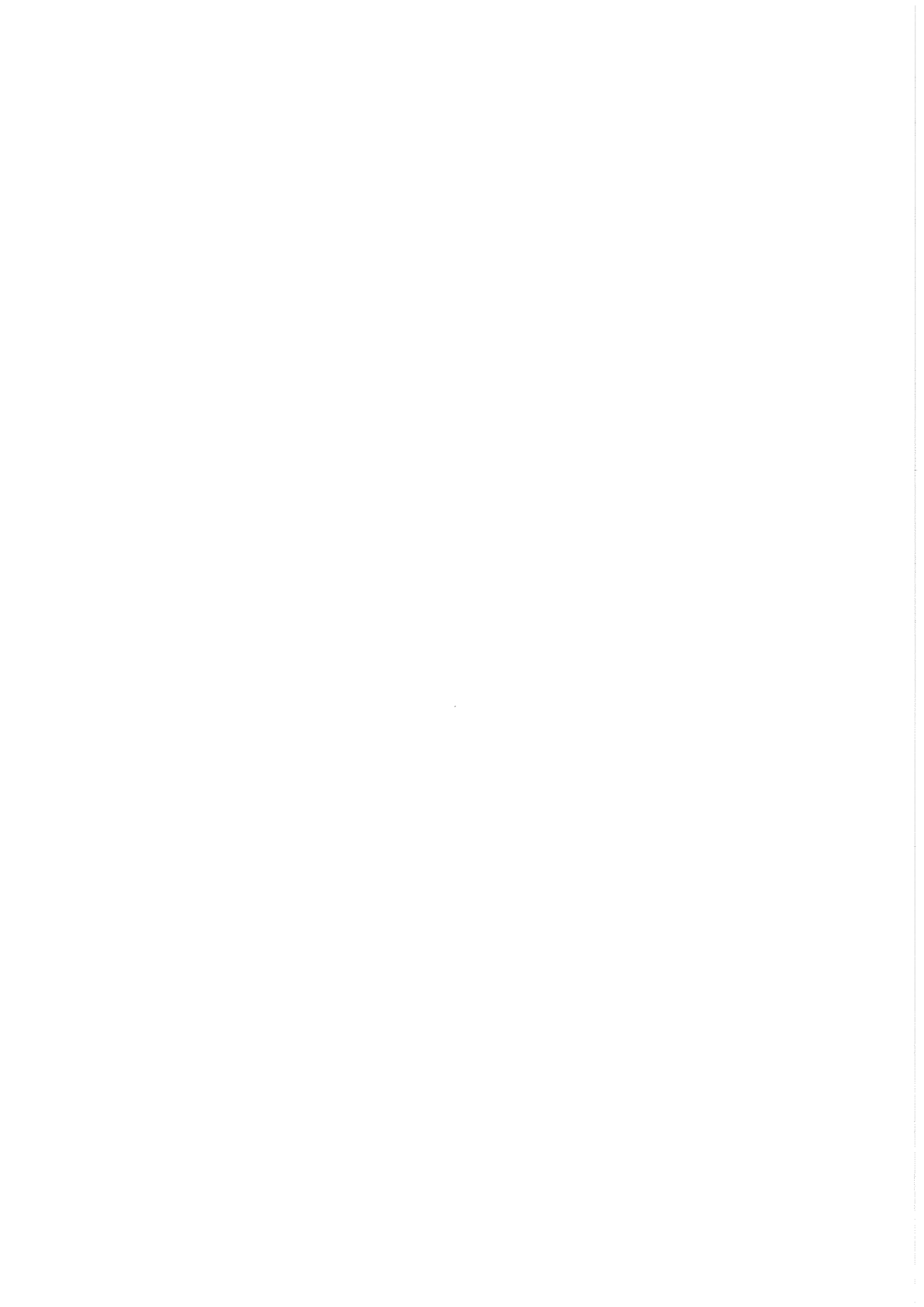
We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the School's preparation of financial statements that fairly reflect the matters to which they relate. We consider internal control 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.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board of Trustees;
- the adequacy of all disclosures in the financial statements; and
- the overall presentation of the financial statements.



We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

During our audit we assessed the risk of material misstatement arising from the Novopay payroll system that was introduced by the Ministry of Education in August 2012. Our assessment of risk acknowledges that the financial statements may contain errors arising from the Novopay payroll system, but that the cumulative effect of the errors is unlikely to influence readers' overall understanding of the financial statements. We performed audit procedures that included:

- assessing the extent to which school staff, and the Board of Trustees, have examined the year end Novopay payroll reports to satisfy themselves that the payroll total for the year, and the associated payroll related disclosures that are included in the financial statements, are materially correct; and
- carrying out other independent audit tests and procedures to examine the payroll total for the year, and the associated payroll related disclosures, as reported in the financial statements.

As a result of these audit tests and procedures we have obtained all the information and explanations we have required, including obtaining sufficient information about the payroll totals and the associated payroll related disclosures, and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our opinion.

Responsibilities of the Board of Trustees

The Board of Trustees is responsible for preparing financial statements that:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the School's financial position, financial performance.

The Board of Trustees is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Trustees is also responsible for the publication of the financial statements, whether in printed or electronic form.

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

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and the Education Act 1989.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

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



Mark Bewley
BDO Wellington
On behalf of the Auditor-General
Wellington, New Zealand

