

WESLEY COLLEGE



FOUNDED 1844

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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Wesley College

Financial Statements - For the year ending 31 December 2016

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Wesley College

Statement of Responsibility

For the year ended 31 December 2016

The Board of Trustees (the Board) has pleasure in presenting the annual report of Wesley College incorporating the financial statements and the auditor's report, for the year ended 31 December 2016.

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

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

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

The College's 2016 financial statements are authorised for issue by the Board Chairperson and the principal.

Norman Leslie Johnston
Full Name of Board Chairperson

N Johnston
Signature of Board Chairperson

16-May-17
Date:

Steven Hargreaves
Full Name of Principal

S V Hargreaves
Signature of Principal

16-May-17
Date:

Wesley College

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2016

	Notes	2016 Actual \$	2016 Budget (unaudited) \$	2015 Actual \$
Revenue				
Government grants	2	3,413,400	3,138,214	3,229,249
Locally raised funds	3	286,315	194,950	163,604
Use of land and buildings integrated		806,860	-	806,860
Interest earned		7,324	10,000	10,726
International students	4	71,443	55,762	60,450
		4,585,342	3,398,926	4,270,889
Expenses				
Locally raised funds	3	25,315	29,750	21,189
International students	4	5,076	5,944	4,022
Learning resources	5	2,855,514	2,595,761	2,712,701
Administration	6	416,630	377,549	380,215
Finance Costs		1,825	-	-
Property	7	1,074,723	225,832	1,019,418
Depreciation	8	143,299	143,085	138,850
Loss on disposal of property, plant and equipment		1,295	-	5,938
Amortisation of equitable lease		21,015	21,015	21,015
		4,544,691	3,398,936	4,303,348
Net Surplus / (Deficit)		40,652	(10)	(32,459)
Other comprehensive revenue and expenses		-	-	-
Total comprehensive revenue and expense for the year		40,652	(10)	(32,459)

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

Wesley College

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2016

	2016 Actual \$	2016 Budget (unaudited) \$	2015 Actual \$
Balance at 1 January	<u>895,410</u>	<u>927,870</u>	<u>927,869</u>
Total comprehensive revenue and expense for the year	40,652	(10)	(32,459)
Owner transactions			
Equity at 31 December	<u>936,062</u>	<u>927,860</u>	<u>895,410</u>
Retained earnings	936,062	927,860	895,410
Reserves	-	-	-
Equity at 31 December 2016	<u>936,062</u>	<u>927,860</u>	<u>895,410</u>

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

Wesley College

Statement of Financial Position

As at 31 December 2016

	Notes	2016 Actual \$	2016 Budget (unaudited) \$	2015 Actual \$
Current Assets				
Cash and cash equivalents	9	155,194	156,321	68,967
Accounts receivable	10	201,968	23,000	221,856
Investments	11	171,304	165,622	168,855
GST receivable		2,374	2,875	2,875
Prepayments		4,629	1,500	3,529
		<u>535,467</u>	<u>349,318</u>	<u>466,082</u>
Current Liabilities				
Accounts payable	14	194,493	45,467	247,732
Revenue received in advance	15	56,893	41,500	39,783
Provision for cyclical maintenance current portion	16	64,500	-	-
Painting contract liability - current portion	17	-	-	10,407
Finance lease liability	18	10,371	-	-
		<u>326,258</u>	<u>86,967</u>	<u>297,922</u>
Working Capital Surplus or (Deficit)		209,211	262,351	168,160
Non-current Assets				
Property, plant and equipment	12	452,904	346,070	428,826
Equitable Leasehold	13	277,409	319,439	298,424
		<u>730,313</u>	<u>665,509</u>	<u>727,250</u>
Non-current Liabilities				
Painting contract liability	17	-	-	-
Finance lease liability	18	3,462	-	-
		<u>3,462</u>	<u>-</u>	<u>-</u>
Net Assets		<u>936,062</u>	<u>927,860</u>	<u>895,410</u>
Equity		<u>936,062</u>	<u>927,860</u>	<u>895,410</u>

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

Wesley College

Cash Flow Statement

For the year ended 31 December 2016

	Note	2016 Actual \$	2016 Budget (unaudited) \$	2015 Actual \$
Cash flows from Operating Activities				
Government Grants		1,178,736	1,002,031	1,029,177
Locally Raised Funds		268,048	129,315	162,263
International Students		71,443	55,762	60,450
Goods and Services Tax (net)		501	(8,900)	8,981
Payments to Employees		(602,897)	(609,557)	(450,326)
Payments to Suppliers		(665,676)	(399,443)	(748,437)
Interest Received		5,251	10,000	10,302
Interest Paid		(1,825)	-	-
Net cash from / (to) the Operating Activities		253,582	179,208	72,411
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(145,982)	(94,806)	(100,934)
Purchase of Investments		(2,108)	-	-
Proceeds from Sale of Investments		-	2,952	96,766
Net cash from / (to) the Investing Activities		(148,090)	(91,854)	(4,168)
Cash flows from Financing Activities				
Finance lease payments		(8,857)	-	-
Painting contract payments		(10,407)	-	(14,081)
Net cash from Financing Activities		(19,264)	-	(14,081)
Net increase/(decrease) in cash and cash equivalents		86,228	87,354	54,162
Cash and cash equivalents at the beginning of the year	9	68,967	68,967	14,805
Cash and cash equivalents at the end of the year	9	155,194	156,321	68,967

The statement of cash flows records only those cash flows directly within the control of the College. 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.

Wesley College

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2016

a) Reporting Entity

Wesley College (the College) is a Crown entity as specified in the Crown Entities Act 2004 and a College as described in the Education Act 1989. The Board of Trustees (the Board) is of the view that the College 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 2016 to 31 December 2016** and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been consistently applied throughout the period.

Financial Reporting Standards Applied

The Education Act 1989 requires the College, 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 (PBE IPSAS) Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The college 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 College qualifies for Tier 2 as the College 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 College reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The College 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 11.

Critical Judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

Classification of leases

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

c) Revenue Recognition***Government Grants Colleges***

The College receives funding from the Ministry of Education. The following are the main types of funding that the College receives;

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

Grants

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

Donations

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

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 College 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 College 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 College realistically expects to receive. A provision for impairment of Accounts Receivable is established where there is objective evidence the College 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) Investments

Bank term deposits are initially measured at the amount invested.

Investments that are shares are categorised as “available for sale” for accounting purposes in accordance with financial reporting standards. Share investments are recognised initially by the School at fair value plus transaction costs. At balance date the School has assessed whether there is any evidence that an investment is impaired. Any impairment, gains or losses are recognised in the Statement of Comprehensive Revenue and Expense.

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

After initial recognition any investments categorised as available for sale are measured at their fair value without any deduction for transaction costs the school may incur on sale or other disposal.

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

j) Property, Plant and Equipment

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

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

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

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

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

Leased Assets

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

Depreciation

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

The estimated useful lives of the assets are:

Audio Visual	10 years
Plant and Machinery	10 years
Furniture and equipment	10 years
Information and communication technology	2-5 years
Leased assets	3 years
Motor vehicles	10 years
Textbooks	3 years
Library resources	12.5% Diminishing value

k) Intangible Assets

Software costs

Computer software acquired by the College is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software licences with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software that the college receives from the Ministry of Education is normally acquired through a non-exchange transaction and is not of a material amount. Its fair value can be assessed at time of acquisition if no other methods lead to a fair value determination. Computer software purchased directly from suppliers at market rates are considered exchange transactions and the fair value is the amount paid for the software.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

l) Impairment of property, plant, and equipment and intangible

Wesley College 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.

m) Accounts Payable

Accounts Payable represents liabilities for goods and services provided to the College 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.

n) 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.

o) Revenue Received in Advance

Revenue received in advance relates to fees received from international students and grants where there are

unfulfilled obligations for the College to provide services in the future. The fees are recorded as revenue as the obligations are fulfilled and the fees earned.

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

p) Provision for Cyclical Maintenance

The property from which the college operates is owned by the Proprietor. The Board is responsible for maintaining the land, building and other facilities on the College site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the College, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provisions for cyclical maintenance represents the obligations the Board has to the Proprietor and is based on the Board's ten year property plan (10YPP).

q) Financial Assets and Liabilities

The College'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 College'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.

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and finance activities, is classified as a net operating cash flow in the statements of cash flow.

Commitments and contingencies are disclosed exclusive of GST.

s) Budget Figures

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

t) Services received in-kind

From time to time the College receives services in-kind, including the time of volunteers. The College has elected not to recognise services received in kind in the Statement of Comprehensive Revenue and Expense.

2. Government Grants

	2016 Actual	2016 Budget (unaudited)	2015 Actual
	\$	\$	\$
Operational grants	1,067,314	955,809	973,930
Teachers' salaries grants	2,242,727	2,136,183	2,199,053
Resource teachers learning and behaviour grants	12,208	-	4,481
Other MOE grants	2,442		4,388
Other government grants	88,709	46,222	47,397
	<u>3,413,400</u>	<u>3,138,214</u>	<u>3,229,249</u>

3. Locally Raised Funds

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

	2016 Actual	2016 Budget	2015 Actual
	\$	\$	\$
<i>Revenue</i>			
Donations	20,710	-	154,331
Other revenue	265,605	194,950	9,273
	<u>286,315</u>	<u>194,950</u>	<u>163,604</u>
<i>Expenses</i>			
Activities	25,315	29,750	21,189
	<u>25,315</u>	<u>29,750</u>	<u>21,189</u>
<i>Surplus for the year locally raised funds</i>	<u>260,999</u>	<u>165,200</u>	<u>142,415</u>

4. International Student Revenue and Expenses

	2016 Actual Number	2016 Budget Number	2015 Actual Number
International student roll	9	7	8
	2016 Actual	2016 Budget (unaudited)	2015 Actual
	\$	\$	\$
<i>Revenue</i>			
International student fees	71,443	55,762	60,450
<i>Expenses</i>			
General expenses	1,823	2,864	1,210
International student levy	3,253	3,080	2,812
	<u>5,076</u>	<u>5,944</u>	<u>4,022</u>
<i>Surplus for the year International Student</i>	<u>66,367</u>	<u>49,818</u>	<u>56,428</u>

5. Learning Resources

	2016 Actual	2016 Budget (unaudited)	2015 Actual
	\$	\$	\$
Curricular	190,301	151,529	234,457
Equipment repairs	842	6,075	715
Information and communication technology	27,905	30,000	27,609
Extra-curricular activities	117,828	46,320	81,299
Library resources	2,395	2,829	2,225
Employee benefits - salaries	2,501,743	2,342,008	2,355,631
Staff development	14,500	17,000	10,765
	<u>2,855,514</u>	<u>2,595,761</u>	<u>2,712,701</u>

6. Administration

	2016 Actual	2016 Budget (unaudited)	2015 Actual
	\$	\$	\$
Audit fee	8,550	8,550	8,580
Board of Trustees fees	6,320	7,500	9,240
Board of Trustees expenses	4,168	4,650	2,339
Communication	4,398	4,000	3,969
Consumables	23,060	13,230	21,004
Postage	1,180	800	1,078
Operating lease	-	-	-
Other	22,952	27,310	16,198
Employee benefits - salaries	343,357	308,770	303,709
Insurance	2,646	2,739	2,098
Service providers	-	-	12,000
	<u>416,630</u>	<u>377,549</u>	<u>380,215</u>

7. Property

	2016 Actual	2016 Budget (unaudited)	2015 Actual
	\$	\$	\$
Caretaking and consumables	9,405	48,250	52,408
Cyclical maintenance provision	64,500	-	-
Grounds	53,054	43,000	41,035
Heat, light and water	51,679	55,582	50,358
Repairs and maintenance	22,738	36,000	25,197
Use of land and buildings integrated	806,860	-	806,860
Consultancy and contract services	66,486	43,000	43,561
	<u>1,074,723</u>	<u>225,832</u>	<u>1,019,419</u>

The use of land and buildings figure represents 8% of the college's total property value as used for rating purposes This is used as a 'proxy' for the market rental of the property yield on the value of land and buildings.

8. Depreciation of Property, Plant and Equipment

	2016 Actual	2016 Budget (unaudited)	2015 Actual
	\$	\$	\$
Audio visual	17,153	19,000	17,480
Furniture and equipment	19,192	19,000	16,634
Information and communication technology	48,701	48,000	51,437
		-	
Leased Assets	7,260	-	-
Library Resources	6,064	13,500	8,959
Miscellaneous assets	-	-	19,833
Motor vehicles	597	500	2,446
Plant and equipment	28,370	27,085	6,077
Textbooks	15,963	16,000	15,984
	<u>143,299</u>	<u>143,085</u>	<u>138,850</u>

9. Cash and Cash Equivalents

	2016 Actual	2016 Budget (unaudited)	2015 Actual
	\$	\$	\$
Current bank account	155,194	156,321	68,967
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>155,194</u>	<u>156,321</u>	<u>68,967</u>

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

A portion of the 2015 cash and cash equivalents balance has been reclassified to investments. The Cash Flow Statement 2015 comparatives have been changed to reflect this.

10. Accounts Receivable

	2016 Actual	2016 Budget (unaudited)	2015 Actual
	\$	\$	\$
Receivables	48,821	20,038	21,507
Interest receivable	2,497	2,962	424
Teacher salaries grant receivable	150,650	-	199,925
	<u>201,968</u>	<u>23,000</u>	<u>221,856</u>
Receivables from exchange transactions	51,318	23,000	21,931
Receivables from non-exchange transactions	150,650	-	199,925
	<u>201,968</u>	<u>23,000</u>	<u>221,856</u>

11. Investments

The School's investment activities are classified as follows:

	2016 Actual	2016 Budget (Unaudited)	2015 Actual
	\$	\$	\$
Current Asset			
Short term investments			
Short-term Bank Deposits	171,304	165,622	168,855

12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2016	\$	\$	\$	\$	\$	\$
Audio visual	75,264	10,301	-		(17,153)	68,412
Furniture and equipment	68,669	58,346	-		(19,192)	107,823
Information and communication technology	121,872	45,420	-		(48,701)	118,591
Leased assets	18,272	4,510			(7,260)	15,523
Library resources	48,060	5,418	(1,296)	-	(6,064)	46,118
Motor vehicles	597	-			(597)	-
Plant and machinery	81,040	13,924	-		(28,370)	66,594
Textbooks	33,323	12,483	-		(15,963)	29,842
Balance at 31 December 2016	<u>447,097</u>	<u>150,402</u>	<u>(1,296)</u>	<u>-</u>	<u>(143,299)</u>	<u>452,904</u>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2016			
Audio visual	239,299	(170,887)	68,412
Furniture and equipment	519,847	(412,023)	107,824
Information and communication technology	774,233	(655,642)	118,591
Leased assets	22,691	(7,166)	15,524
Library resources	219,667	(173,549)	46,119
Motor vehicles	59,933	(59,933)	-
Plant and machinery	674,079	(607,485)	66,594
Textbooks	437,913	(408,071)	29,842
Balance at 31 December 2016	2,947,661	(2,494,756)	452,904

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2015						
Audio visual	83,000	10,526	(782)	-	(17,480)	75,264
Furniture and equipment	54,037	31,347	(81)	-	(16,634)	68,669
Information and communication technology	151,941	21,368	-	-	(51,437)	121,872
Library resources	49,215	9,170	(1,552)	-	(8,773)	48,060
Miscellaneous	70,547	10,660	(3,523)	-	(20,019)	57,665
Motor vehicles	3,043	-	-	-	(2,446)	597
Plant and machinery	29,452	-	-	-	(6,077)	23,375
Textbooks	31,444	17,863	-	-	(15,984)	33,323
Balance at 31 December 2015	472,679	100,934	(5,938)	-	(138,850)	428,825

Accumulated Depreciation

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2015			
Audio visual	228,998	(153,734)	75,264
Furniture and equipment	461,501	(392,832)	68,669
Information and communication technology	728,813	(606,941)	121,872
Library resources	220,118	(172,058)	48,060
Miscellaneous	517,961	(460,296)	57,665
Motor vehicles	59,933	(59,335)	598
Plant and machinery	142,194	(118,819)	23,375
Textbooks	425,431	(392,108)	33,323
Balance at 31 December 2015	2,784,949	(2,356,123)	428,826

13. Equitable Leasehold Interest

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

A lease between the Board and the proprietor records the terms of the equitable leasehold interest and includes a detailed schedule of capital works assets. The equitable leasehold interests are amortised over between 8 and 47 years, based on the economic life of the capital works asset(s) involved. The interest may be realised on the sale of the capital works by the proprietor or the closure of the college.

The major capital works assets included in the equitable leasehold interest are buildings, building improvements and land improvements:

	2016 Actual	2016 Budget (unaudited)	2015 Actual
	\$	\$	\$
Cost			
Accumulated amortisation	468,651	468,651	468,651
	(191,242)	(170,227)	(170,227)
Net book value	<u>277,409</u>	<u>298,424</u>	<u>298,424</u>

On 7 November 2013 the Proprietor acquired the Board's share of equitable leasehold interest in improvements to the information and communication technology suite for a book value of \$201,412.

14. Accounts Payable

	2016 Actual	2016 Budget (unaudited)	2015 Actual
	\$	\$	\$
Operating creditors	14,289	19,467	18,281
Accruals	8,453	7,000	7,900
Employee benefits payable - salaries	150,650	-	199,925
Employee benefits payable - leave accrual	21,101	19,000	21,626
	<u>194,493</u>	<u>45,467</u>	<u>247,732</u>
Payables for exchange transactions	194,493	45,467	246,231
Payables for non-exchange transactions - taxes payable (PAYE and Rates)	-	-	1,500
Payables for non-exchange transactions - other	-	-	-
	<u>194,493</u>	<u>45,467</u>	<u>247,731</u>

The carrying value of payables approximates their fair value.

15. Revenue Received in Advance

	2016 Actual	2016 Budget (unaudited)	2015 Actual
	\$	\$	\$
Grants in advance - Ministry of Education	8,063	-	37,783
International student fees	48,805	38,500	2,000
Other	25	3,000	-
	<u>56,893</u>	<u>41,500</u>	<u>39,783</u>

16. Provision for Cyclical Maintenance

	2016 Actual	2016 Budget (unaudited)	2015 Actual
	\$	\$	\$
Provision at the Start of the Year	-	-	-
Increase to the Provision During the Year	64,500	-	-
Adjustment to the Provision	-	-	-
Use of the Provision During the Year	-	-	-
Provision at the End of the Year	<u>64,500</u>	<u>-</u>	<u>-</u>
Cyclical Maintenance - Current	64,500	-	-
Cyclical Maintenance - Term	<u>64,500</u>	<u>-</u>	<u>-</u>

17. Painting Contract Liability

	2016 Actual	2016 Budget (unaudited)	2015 Actual
Current liability	\$ -	\$ -	\$ 10,407
Non current liability	-	-	-
	<u>-</u>	<u>-</u>	<u>10,407</u>

In 2005 the Board signed an agreement with Programmed Property Services Ltd (the contractor) for an agreed programme of work covering a twelve year period. The programme provides for an exterior repaint of the Proprietor owned buildings in 2006, with regular maintenance in subsequent years. The agreement has an annual commitment of \$14,108. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

18. Finance Lease Liability

The College has entered into a number of finance lease agreements for computers. Minimum lease payments payable:

	2016 Actual	2016 Budget (Unaudited)	2015 Actual
No Later than One Year	\$ 10,371	\$ -	-
Later than One Year and no Later than Five Years	3,462	-	-
	<u>13,833</u>	<u>-</u>	<u>-</u>

19. Related Party Transactions

The College is a controlled entity of the Crown, and the Crown provides the major source of revenue to the college. The college 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 college 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 Wesley College Trust Board (WCTB) is a related party of the Board because the proprietor appoints representatives to the Board, giving the proprietor significant influence over the Board. Any services or contributions between the Board and Proprietor that are material transactions that have occurred has been disclosed appropriately.

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

The following transactions occurred between the board and the proprietor during 2016:

During the year the Board received grants and donations from the WCTB of \$198,314.00 (2015: \$129,551.00). The balance receivable at year end is \$Nil (2015 : Nil).

During the year the Board received income on behalf of WCTB which was paid over to the WCTB and the WCTB paid expenses on behalf of the Board for which they were reimbursed by the Board. The balance payable at year end is \$10,629 (2015: \$19,500).

20. Remuneration

Key management personnel compensation

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

	2016 Actual \$	2015 Actual \$
<i>Board Members</i>		
Remuneration	6,320	9,240
Full-time equivalent members	0.19	0.57
<i>Leadership Team</i>		
Remuneration	584,834	389,460
Full-time equivalent members	5.00	4
Total key management personnel remuneration	<u>591,154</u>	<u>398,700</u>
Total full-time equivalent personnel	<u>5.19</u>	<u>4.57</u>

The full time equivalent for Board members has been determined based on attendance at Board meetings, Committee meetings and for other obligations of the Board, such as stand downs and suspensions, plus the estimated time for Board members to prepare for meetings.

Principal

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

	2016 Actual \$000	2015 Actual \$000
Salaries and other short-term employee benefits:		
Salary and other payments	130 - 140	120 - 130
Benefits and other emoluments	1 - 5	1 - 5

Other Employees

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

Remuneration \$000	2016 FTE Number	2015 FTE Number
100 - 110	3	1
	<u>3</u>	<u>1</u>

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

21. Contingencies

There are no contingent liabilities and no contingent assets as at **31 December 2016** (Contingent liabilities and assets at **31 December 2015**: nil).

22. Commitments

(a) Capital Commitments

As at **31 December 2015** the Board has no contract agreements for capital works.

(Capital commitments at **31 December 2015**: nil)

(b) Operating Commitments

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

- (a) Painting exterior of the college buildings
- (b) TELA Laptops for teachers lease programme

	2016 Actual \$	2015 Actual \$
No later than one year	-	13,202
Later than one year and no later than five years	-	2,555
Later than five years	-	-
	<u>-</u>	<u>15,757</u>

23. Managing Capital

The College'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 College does not actively manage capital but "attempts" to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.

24. Financial Instruments

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

Cash and receivables

	2016 Actual	2016 Budget (unaudited)	2015 Actual
	\$	\$	\$
Cash and cash equivalents	155,194	156,321	68,967
Investments	171,304	165,622	168,855
Receivables	201,968	23,000	221,856
Total cash and receivables	<u>528,466</u>	<u>344,943</u>	<u>459,678</u>

Financial liabilities measured at amortised cost

Payables	194,493	45,467	256,639
Finance Leases	13,833	-	-
Total financial liabilities measured at amortised cost	<u>208,326</u>	<u>45,467</u>	<u>256,639</u>

25. Events After Balance Date

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

26. Members of the Board of Trustees for year ended 31 December 2016

Board Member	Position	How position on Board gained	Occupation	Term Expires
Norman Johnston	Chairperson Trust Board appointee	Appointed 1991	Chartered Accountant retired	May 2019
David McGeorge	Deputy Chairperson Trust Board appointee	Appointed May 2013	Manager	May 2019
Steven Hargreaves	Principal/ Secretary	Appointed January 2015	Principal	
Patisepa Tala'imanu	Trust Board appointee	Appointed May 2006	Teacher	May 2019
Gillian Laird	Trust Board appointee	Appointed July 2015		May 2019
David Denny	Parent Rep	Elected May 2016	Bank Manager	May 2019
Uinise Smythe	Parent Rep	Re-elected May 2016	Teacher	May 2019
Jeff Johansson	Parent Rep	Re-elected May 2016	Crown Prosecutor	May 2019
Rose Papuni	Parent Rep	Elected May 2016		May 2019
Sue Easterher	Parent Rep	Elected May 2013	Early Childhood Teacher	Apr 2016
Ruby Schaumkel	Parent Rep	Elected May 2013	Lawyer	Apr 2016
Nasili Vaka'uta	Parent Rep	Elected May 2016		May 2019
Imraz Sahib	Staff Rep	Elected May 2016	Teacher	May 2019
Ben Hancock	Staff Rep	Elected May 2013	Teacher	Apr 2016
Bella Brewster	Student Rep	Elected September 2016	Student	Sep 2017
Akapei Tau'fo'ou	Student Rep	Elected September 2015	Student	Sep 2016

Wesley College

Kiwisport

For the year ended 31 December 2016

Kiwisport is a Government funding initiative to support students' participation in organised sport.

In 2016, the college received total Kiwisport funding of \$6,930 (excluding GST). The funding was spent on the sports coordinator's remuneration. The college maintained a level of 86% sports