

The Gardens School

Financial Statements for the year ended 31 December 2017

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Ministry Number: 6947

The Gardens School

Financial Statements

For the year ended 31 December 2017

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THE GARDENS SCHOOL

STATEMENT OF RESPONSIBILITY

FOR THE YEAR ENDED 31 DECEMBER 2017

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.



J PIZZINI, BOARD CHAIRPERSON

Date: 30/5 /18



S FOWLER, PRINCIPAL

Date: 30/May / 2018

The Gardens School
Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Revenue				
Government Grants	2	3,732,828	3,200,175	3,482,618
Locally Raised Funds	3	201,480	128,200	317,701
Interest Earned		33,880	20,000	26,656
International Students	4	-	12,000	7,043
		<u>3,968,188</u>	<u>3,360,375</u>	<u>3,834,018</u>
Expenses				
Locally Raised Funds	3	53,002	17,800	165,489
International Students	4	140	-	-
Learning Resources	5	2,773,612	2,472,250	2,740,146
Administration	6	225,198	226,100	200,732
Finance Costs		7,284	2,000	8,100
Property	7	771,140	666,568	642,737
Depreciation	8	130,394	146,000	124,487
Loss on Disposal of Property, Plant and Equipment		2,546	-	32,411
		<u>3,963,316</u>	<u>3,530,718</u>	<u>3,914,102</u>
Net (Deficit)		4,872	(170,343)	(80,084)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>4,872</u>	<u>(170,343)</u>	<u>(80,084)</u>

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

The Gardens School
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	<u>1,390,424</u>	<u>1,390,424</u>	<u>816,318</u>
Total comprehensive revenue and expense for the year	4,872	(170,343)	(80,084)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	6,979	-	654,190
Equity at 31 December	<u>1,402,275</u>	<u>1,220,081</u>	<u>1,390,424</u>
Retained Earnings	1,402,275	1,220,081	1,390,424
Equity at 31 December	<u>1,402,275</u>	<u>1,220,081</u>	<u>1,390,424</u>

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

The Gardens School
Statement of Financial Position

As at 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Current Assets				
Cash and Cash Equivalents	9	212,049	9,620	7,231
Accounts Receivable	10	169,251	145,000	150,211
GST Receivable		36,556	5,000	19,483
Prepayments		21,852	2,000	2,000
Inventories	11	-	200	191
Investments	12	674,255	565,000	1,136,553
		<u>1,113,963</u>	<u>726,820</u>	<u>1,315,669</u>
Current Liabilities				
Accounts Payable	14	211,443	191,000	227,125
Finance Lease Liability - Current Portion	15	34,305	27,000	26,921
Funds Held for Capital Works Projects	16	-	-	7,580
		<u>245,748</u>	<u>218,000</u>	<u>261,626</u>
Working Capital Surplus/(Deficit)		868,215	508,820	1,054,043
Non-current Assets				
Property, Plant and Equipment	13	575,144	747,059	399,179
		<u>575,144</u>	<u>747,059</u>	<u>399,179</u>
Non-current Liabilities				
Finance Lease Liability	15	41,084	35,798	62,798
		<u>41,084</u>	<u>35,798</u>	<u>62,798</u>
Net Assets		<u>1,402,275</u>	<u>1,220,081</u>	<u>1,390,424</u>
Equity		<u>1,402,275</u>	<u>1,220,081</u>	<u>1,390,424</u>

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

The Gardens School

Statement of Cash Flows

For the year ended 31 December 2017

	2017	2017	2016
Note	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Cash flows from Operating Activities			
Government Grants	874,895	851,542	771,339
Locally Raised Funds	194,552	128,200	317,562
International Students	-	12,000	7,043
Goods and Services Tax (net)	(17,073)	6,000	(8,583)
Payments to Employees	(544,104)	(625,774)	(569,894)
Payments to Suppliers	(479,011)	(435,511)	(459,750)
Interest Paid	(7,284)	(2,000)	(8,100)
Interest Received	44,381	18,500	17,752
Net cash from / (to) the Operating Activities	66,356	(47,043)	67,369
Cash flows from Investing Activities			
Proceeds from Sale of PPE (and Intangibles)	(2,546)	-	4,432
Purchase of PPE (and Intangibles)	(291,055)	(466,991)	(104,743)
Purchase of Investments	462,298	(125,000)	(936,553)
Net cash from / (to) the Investing Activities	168,697	(591,991)	(1,036,864)
Cash flows from Financing Activities			
Furniture and Equipment Grant	6,979	-	654,190
Finance Lease Payments	(29,634)	(1,954)	(22,191)
Funds Held for Capital Works Projects	(7,580)	-	-
Net cash from / (to) Financing Activities	(30,235)	(1,954)	631,999
Net increase/(decrease) in cash and cash equivalents	204,818	(640,988)	(337,496)
Cash and cash equivalents at the beginning of the year	9 7,231	650,608	344,727
Cash and cash equivalents at the end of the year	9 212,049	9,620	7,231

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.

The Gardens School

Statement of Accounting Policies

For the year ended 31 December 2017

1. Statement of Accounting Policies

Reporting Entity

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

Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2017 to 31 December 2017 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.

The Gardens School

Statement of Accounting Policies (cont.)

For the year ended 31 December 2017

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 15.

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.

Statement of Accounting Policies (cont.)

For the year ended 31 December 2017

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 \$250 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.

The Gardens School

Statement of Accounting Policies (cont.)

For the year ended 31 December 2017

Leased Assets

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

Depreciation

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

The estimated useful lives of the assets are:

Buildings - School	3 years
Furniture and equipment	5-15 years
Information and communication technology	3-4 years
Leased assets held under a Finance Lease	3-5 years
Library resources	12.5% Diminishing value

Impairment of property, plant, and equipment and intangible assets

The School does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

Non cash generating assets

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

Accounts Payable

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

Employee Entitlements

Short-term employee entitlements

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

The Gardens School

Statement of Accounting Policies (cont.)

For the year ended 31 December 2017

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.

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.

The Gardens School

Notes to the Financial Statements

For the year ended 31 December 2017

2 Government Grants

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operational grants	747,921	703,322	685,197
Teachers' salaries grants	2,258,024	1,909,365	2,249,699
Use of Land and Buildings grants	592,164	439,268	451,181
Other MoE Grants	133,764	148,220	96,541
Other government grants	955	-	-
	3,732,828	3,200,175	3,482,618

3 Locally Raised Funds

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Revenue			
Donations	81,501	97,000	104,380
Fundraising	16,697	13,000	14,777
Other revenue	12,664	6,000	-
Trading	13,447	-	49,571
Activities	77,171	12,200	148,973
	201,480	128,200	317,701
Expenses			
Activities	41,908	11,800	103,798
Trading	5,728	-	54,278
Fundraising (costs of raising funds)	5,366	6,000	7,413
	53,002	17,800	165,489
<i>Surplus for the year Locally Raised Funds</i>	148,478	110,400	152,212

4 International Student Revenue and Expenses

	2017 Actual Number	2017 Budget (Unaudited) Number	2016 Actual Number
International Student Roll	0	0	3
Revenue			
International student fees	-	12,000	7,043
Expenses			
International student levy	140	-	-
	140	-	-
<i>Surplus/(Deficit) for the year International Students'</i>	(140)	12,000	7,043

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

5 Learning Resources

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Curricular	90,489	81,700	61,206
Equipment repairs	592	2,500	1,286
Information and communication technology	29,009	47,111	44,076
Library resources	2,662	4,900	2,584
Employee benefits - salaries	2,611,846	2,298,139	2,597,655
Staff development	39,014	37,900	33,339
	<u>2,773,612</u>	<u>2,472,250</u>	<u>2,740,146</u>

6 Administration

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Audit Fee	5,700	6,000	5,613
Board of Trustees Fees	3,755	8,000	4,250
Board of Trustees Expenses	4,341	8,900	4,714
Communication	4,752	7,200	7,375
Consumables	17,359	22,100	16,725
Postage	139	200	-
Other	35,740	18,000	9,344
Employee Benefits - Salaries	141,613	143,000	139,753
Insurance	5,268	5,200	5,113
Service Providers, Contractors and Consultancy	6,531	7,500	7,845
	<u>225,198</u>	<u>226,100</u>	<u>200,732</u>

7 Property

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Caretaking and Cleaning Consumables	60,704	99,100	72,861
Grounds	11,485	20,600	15,758
Heat, Light and Water	46,372	38,100	38,998
Repairs and Maintenance	5,601	7,500	5,251
Use of Land and Buildings	592,164	439,268	451,181
Security	4,322	6,000	6,538
Employee Benefits - Salaries	50,492	56,000	52,150
	<u>771,140</u>	<u>666,568</u>	<u>642,737</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.

8 Depreciation of Property, Plant and Equipment

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Furniture and Equipment	36,248	54,000	47,205
Information and Communication Technology	58,084	65,000	62,438
Leased Assets	28,244	15,000	6,904
Library Resources	7,818	12,000	7,940
	<u>130,394</u>	<u>146,000</u>	<u>124,487</u>

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

9 Cash and Cash Equivalents

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Bank Current Account	212,049	4,620	1,647
Bank Call Account	-	5,000	5,584
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>212,049</u>	<u>9,620</u>	<u>7,231</u>

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

10 Accounts Receivable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Receivables	6,928	-	-
Receivables from the Ministry of Education	1,192	-	-
Interest Receivable	1,662	5,000	12,163
Bank Staffing Underuse	6,553	-	-
Teacher Salaries Grant Receivable	<u>152,916</u>	<u>140,000</u>	<u>138,048</u>
	<u>169,251</u>	<u>145,000</u>	<u>150,211</u>
Receivables from Exchange Transactions	8,590	5,000	12,163
Receivables from Non-Exchange Transactions	<u>160,661</u>	<u>140,000</u>	<u>138,048</u>
	<u>169,251</u>	<u>145,000</u>	<u>150,211</u>

11 Inventories

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Stationery	-	200	191
	<u>-</u>	<u>200</u>	<u>191</u>

12 Investments

The School's investment activities are classified as follows:

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Current Asset			
Short-term Bank Deposits	<u>674,255</u>	<u>565,000</u>	<u>1,136,553</u>
	<u>674,255</u>	<u>565,000</u>	<u>1,136,553</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						
Furniture and equipment	147,325	101,824	-	-	(36,248)	212,901
Information and communication technology	113,574	182,272	-	-	(58,084)	237,762
Leased assets	82,701	15,304	-	-	(28,244)	69,761
Library resources	55,579	9,505	(2,546)	-	(7,818)	54,720
Balance at 31 December 2017	399,179	308,905	(2,546)	-	(130,394)	575,144

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2017			
Furniture and equipment	392,295	(179,394)	212,901
Information and communication technology	700,696	(462,934)	237,762
Leased assets	136,936	(67,175)	69,761
Library resources	124,843	(70,123)	54,720
Balance at 31 December 2017	1,354,770	(779,626)	575,144

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 \$69761 (2016: \$82701).

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2016						
Furniture and equipment	165,079	39,607	(28,443)	-	(28,918)	147,325
Information and communication technology	126,465	57,414	(7,867)	-	(62,438)	113,574
Leased assets	77,719	30,173	-	-	(25,191)	82,701
Library resources	56,305	7,747	(533)	-	(7,940)	55,579
Balance at 31 December 2016	425,568	134,941	(36,843)	-	(124,487)	399,179

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2016			
Furniture and equipment	290,470	(143,145)	147,325
Information and communication technology	518,426	(404,852)	113,574
Leased assets	121,632	(38,931)	82,701
Library resources	120,876	(65,297)	55,579
Balance at 31 December 2016	1,051,404	(652,225)	399,179

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	18,572	20,000	51,035
Accruals	5,800	6,000	5,710
Employee Entitlements - salaries	184,896	140,000	138,048
Employee Entitlements - leave accrual	2,175	25,000	32,332
	<u>211,443</u>	<u>191,000</u>	<u>227,125</u>
Payables for Exchange Transactions	<u>211,443</u>	<u>191,000</u>	<u>227,125</u>
	<u>211,443</u>	<u>191,000</u>	<u>227,125</u>

The carrying value of payables approximates their fair value.

15 Finance Lease Liability

The school has entered into a number of finance lease agreements for laptops and a photocopier.

Minimum lease payments payable (includes interest portion):

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
No Later than One Year	39,700	27,000	26,921
Later than One Year and no Later than Five Years	41,913	35,798	62,798
	<u>81,614</u>	<u>62,798</u>	<u>89,719</u>

16 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 \$
Remedial Work	<i>Completed</i>	5,140	-	5,140	-	-
New Classroom Block	<i>Completed</i>	2,440	-	2,440	-	-
Totals		<u>7,580</u>	<u>-</u>	<u>7,580</u>	<u>-</u>	<u>-</u>
		BOT Contribution/ (Write-off to R&M)				
2016		Opening Balances \$	Receipts from MoE \$	Payments \$		Closing Balances \$
Remedial Work	<i>Inprogress</i>	5,140	-	-	-	5,140
New Classroom Block	<i>Inprogress</i>	2,440	-	-	-	2,440
Totals		<u>7,580</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,580</u>

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

17 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.

18 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	3,755	4,250
Full-time equivalent members	-	0.05
<i>Leadership Team</i>		
Remuneration	521,917	521,365
Full-time equivalent members	6.00	5.00
Total key management personnel remuneration	525,672	525,615
Total full-time equivalent personnel	6.00	5.05

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	0-5	0-5
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
100-110	1	1
	1	1

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

19 Compensation and Other Benefits Upon Leaving

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

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

20 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)

21 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 lease for TELA laptops

	2017 Actual \$	2016 Actual \$
No later than One Year	871	6,045
Later than One Year and No Later than Five Years	-	871
	<u>871</u>	<u>6,916</u>

22 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.

23 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	212,049	9,620	7,231
Receivables	169,251	145,000	150,211
Investments - Term Deposits	674,255	565,000	1,136,553
Total Loans and Receivables	<u>1,055,555</u>	<u>719,620</u>	<u>1,293,995</u>
Financial liabilities measured at amortised cost			
Payables	211,443	191,000	227,125
Finance Leases	75,389	62,798	89,719
Total Financial Liabilities Measured at Amortised Cost	<u>286,832</u>	<u>253,798</u>	<u>316,844</u>

24 Events After Balance Date

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

25 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.

THE GARDENS SCHOOL ANALYSIS OF VARIANCE, 2018

The last few years have been challenging for The Gardens School, in terms of being accommodated in a temporary school with our original school becoming a building site, until late 2017, when we relocated into our newly rebuilt school.

We don't feel this has had a considerable impact on our students, as children are more adaptable than adults, but it has meant that many of our programs have been limited by our circumstances and getting a true feel for collaborative practice has been hindered.

We now look forward to reaching the potential that our new school can provide.

Our 2017 targets are as follows:

In 2017 the school wide Reading Target was set at 70% of students, excluding ESOL, to be at or above National Standard by the end of the year.

Outcome: Overall 68.6%, up from 67.3% in 2016 (these figures are inclusive of ESOL students).

Our overall achievement was slightly increased from 2016 and while we did not reach the expected target there are several areas of achievement worth noting:

- Years 3 and 8, far exceeded our target, both surpassing 80% at/above the expectation. This is significant in our context as we continue to see children entering school with low to very low School Entry levels, particularly in Oral Language and Concepts About Print.
- In 2017, after 3 years of school, 84.9% of children were at or above the National Standard, the same cohort in 2015 was only 64.5% at/above.
- Our Year 8 cohort sat at 87.2% at/above National Standard at the end of 2017 (with half of those students above), indicating our students are well prepared for learning in Year 9 when they move to high school.
- Year 6 exceeded the 70% expectation, achieving 73.8% at/above, but what is significant about this particular group is that the steady improvement this cohort has made, progressing from 53.3% at/above in 2015, to 59.3% in 2016.

New initiatives in Years 2 and 3 (e.g., Quick 60) have well supported the achievement gains in the Junior School. At all levels there has been significant focus on the teaching of reading and the use of assessment data to inform next steps and, in the middle years, providing support and tools for parents in the form of booster packs for home-reading.

It is also worth noting that while not reaching the overall target, the number of students identified as Well Below in Reading is only 3% of our school population (18 students in total) and a number of these students have significant learning disabilities and are very well supported through additional services.

Writing Target

Outcome: 71% at/above National Standard in Writing

In 2016 we moved from using First Steps as our Writing assessment tool, to e-asTTle. We noticed a significant drop in our 2016 data, which we attributed to the very specific marking rubrics used with the e-asTTle tool in comparison to the much wider achievement bands provided by First Steps.

Our teaching of writing has also changed markedly, moving away from the genre based teaching of First Steps, to teaching programmes based on needs which are identified through assessment and moderation. The nature of our collaborative teaching teams, particularly from Year 5-8 means that multiple focus areas in writing can be covered simultaneously, by several teachers, providing greater opportunity for students to access the specific learning they need. The benefits of “workshop” teaching in the upper years can be seen when tracking these cohorts:

Year 8 - 74.5% at/above in 2017, up from 59.7%

Year 7 - 73.7% at/above in 2017, up from 62.6%

Year 6 - 73.8% at/above in 2017, up from 59.5%

Only 1% of our student population is identified as being Well Below in Writing.

Maths Target

Outcome: 67% at/above National Standards

Maths has traditionally been an area of strength, with students of all ages achieving well. We continue to follow the Numeracy Teaching model, with a focus on both Number Knowledge and Strategy, as well as the teaching of Strand areas. Teaching in the upper levels, particularly in Year 7 and 8 is heavily student focused, with workshop teaching based on identified student needs. Students are encouraged to take ownership for their maths learning and with teacher support, use their assessment information to identify their gaps and next learning steps.

We have noted for many years, the drop in Years 3, 5 and 7, when students are expected to have moved into a whole new Stage in maths (based on the Numeracy Model) and therefore continue to look at our achievement data in Years 2, 4, 6 and 8, as a more relevant benchmark, as students have had sufficient time to acquire the broad range of knowledge and skills needed to achieve well across all the domains within each stage.

Our 2017 data shows:

Year 4 - 79.03% of students working at/above the expectation

Year 6 - 67.7% of students working at/above the expectation

Year 8 - 70% of students working at/above the expectation

Maths curriculum leaders have a comprehensive programme for monitoring “target” students. Students are identified as Cause for Concern receive targeted support either through classroom programmes or with additional support programmes.

The dip in our overall data for 2017 has been noted by our maths curriculum leaders, who are exploring not only new initiatives for teaching in 2018, but also opportunities for staff PD, to ensure that our practice best meets the needs of our students, in our ILE environment.

KIWI SPORTS STATEMENT

The Gardens School continues to perform strongly in sport. In 2017, we continued to provide PE as a specialist subject, with each class receiving targeted skills and games sessions. All our Kiwi Sports funding was spent on providing this program for our students and we continue to perform highly when compared to our local schools and the schools within our sports association.

This was achieved despite the severely constrained conditions we had to deliver this program with less than ¼ of our field remaining, that was not covered in classrooms and the ⅓ of a court we had as hard surface play.

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Thankyou.

THE GORDENS SCHOOL BOARD OF TRUSTEES 2017

NAME	ADDRESS	HOME	WORK	CPH	EMAIL
COSFORD, Luke (Parent Rep – Elected)	24 Donzella Place, Conifer Grove	299 3503	Territory Manager	021 308 253	licosford@pppg.com cosfords@xtra.co.nz
FOWLER, Susannah Principal	524 Clevedon-Kawakawa Rd, R D 5, Papakura	292 8992	T.G.S (PH 269 0041)	027 499 5039	principal@thegardens.school.nz
GIFFORD, Kate (Staff Rep - Elected)	18 Longford Park Dr, Takanini	296 7990	T.G.S (PH 269 0041) Teacher	027 324 5634	kateg@thegardens.school.nz
GRAY, Richard (Seconded 15Jun2016)	21 Ysabel Cres, The Gardens	268 1233	Salesman	021 808 159	Shelly.richard@xtra.co.nz
HAYWARD, Mark (Parent Rep - Elected)	24 Nanleen Rise, The Gardens	268 1408	Bank Manager	021 962 061	mark.hayward@asb.co.nz
McGURK, Charlene (Seconded 15Jun2016)	69 Wairere Rd, The Gardens	266 3709	Company Director	021 709 640	charlene@edenair.co.nz
PIZZINI, Julie Chairperson (Parent Rep - Elected)	202 Hill Rd, The Gardens	267 5572	Accountant	027 2264 855	pizzaz@xtra.co.nz
TOFILAU, Tony (Parent Rep – Elected)	172 Charles Prevost Dr, The Gardens	268 2223	Accountant (PH 269 4440)	021 258 7010	toffandco@xtra.co.nz
TURNER, Nicola Secretary (Parent Rep – Elected)	48 Mt Lebanon Cres, The Gardens	268 4699	Course Advisor	021 211 3776	nandturner@slingshot.co.nz