

LINCOLN HIGH SCHOOL



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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LINCOLN HIGH SCHOOL

Financial Statements - For the year ended 31 December 2017

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Lincoln High 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.

ADRIAN MARK PATTERSON

Full Name of Board Chairperson

Kathleen Mary Paterson

Full Name of Principal

[Signature]

Signature of Board Chairperson

[Signature]

Signature of Principal

31/5/18

Date:

31/5/2018

Date:

Lincoln High 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	13,483,200	13,415,662	12,752,880
Locally Raised Funds	3	1,190,726	1,198,329	1,195,883
Interest Earned		195,811	182,000	219,935
International Students	4	992,567	841,608	979,232
		<u>15,862,304</u>	<u>15,637,599</u>	<u>15,147,931</u>
Expenses				
Locally Raised Funds	3	375,728	428,647	384,084
International Students	4	384,944	360,933	351,712
Learning Resources	5	10,894,936	11,426,089	10,740,991
Administration	6	665,275	696,625	726,143
Finance Costs		7,147	8,000	6,673
Property	7	3,263,043	2,960,685	2,906,699
Depreciation	8	188,207	245,000	244,190
Loss on Disposal of Property, Plant and Equipment		43,887	-	1,742
		<u>15,823,167</u>	<u>16,125,979</u>	<u>15,362,234</u>
Net Surplus / (Deficit)		39,137	(488,380)	(214,303)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>39,137</u>	<u>(488,380)</u>	<u>(214,303)</u>

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



Lincoln High School
Statement of Changes in Net Assets/Equity
 For the year ended 31 December 2017

	Actual 2017 \$	Budget (Unaudited) 2017 \$	Actual 2016 \$
Balance at 1 January	5,513,088	5,513,088	5,674,891
Total comprehensive revenue and expense for the year	39,137	(488,380)	(214,303)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	52,500
Equity at 31 December	5,552,225	5,024,708	5,513,088
Retained Earnings	5,552,225	5,024,708	5,513,088
Equity at 31 December	5,552,225	5,024,708	5,513,088

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



Lincoln High 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	359,420	167,495	410,875
Accounts Receivable	10	897,580	530,517	530,517
GST Receivable		30,954	13,913	13,913
Prepayments		59,340	57,623	57,623
Inventories	11	52,336	3,830	3,830
Investments	12	4,450,000	5,609,370	5,609,370
Funds owing for Capital Works Projects	19	211,503	20,529	20,529
		<u>6,061,133</u>	<u>6,403,277</u>	<u>6,646,656</u>
Current Liabilities				
Accounts Payable	14	770,112	698,036	698,036
Revenue Received in Advance	15	493,569	517,836	517,836
Provision for Cyclical Maintenance	16	113,957	49,154	49,154
Finance Lease Liability - Current Portion		62,349	55,572	55,572
Funds held in Trust	18	538,759	619,646	619,646
Funds Held on Behalf of ALLiS Cluster	20	17,660	11,374	11,374
Funds Held on Behalf of Lincoln Schools Cluster	21	13,145	31,372	31,372
Funds Held on Behalf of COL Cluster	22	6,497	-	-
		<u>2,016,048</u>	<u>1,982,990</u>	<u>1,982,989</u>
Working Capital Surplus/(Deficit)		4,045,085	4,420,287	4,663,667
Non-current Assets				
Investments (more than 12 months)	12	21,306	21,306	21,306
Property, Plant and Equipment	13	2,001,539	1,212,901	1,457,901
		<u>2,022,845</u>	<u>1,234,207</u>	<u>1,479,207</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	16	470,241	507,795	507,795
Finance Lease Liability		45,464	121,991	121,991
		<u>515,705</u>	<u>629,786</u>	<u>629,786</u>
Net Assets		<u>5,552,225</u>	<u>5,024,708</u>	<u>5,513,088</u>
Equity		<u>5,552,225</u>	<u>5,024,708</u>	<u>5,513,088</u>

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



Lincoln High School
Statement of Cash Flows
For the year ended 31 December 2017

		2017	2017	2016
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		2,884,701	2,816,421	2,812,118
Locally Raised Funds		1,099,806	1,338,347	1,335,900
Hostel		-	-	(28,881)
International Students		960,056	791,368	928,992
Goods and Services Tax (net)		(17,041)	1,062	1,062
Payments to Employees		(2,024,154)	(1,954,448)	(2,053,451)
Payments to Suppliers		(2,914,396)	(2,727,900)	(3,130,350)
Cyclical Maintenance Payments in the Year		(164,498)	(90,000)	-
Interest Received		94,635	227,355	265,290
Net cash from / (to) the Operating Activities		(80,891)	402,205	130,680
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	(10,000)	(4,142)
Purchase of PPE (and Intangibles)		(764,946)	(100,826)	(95,448)
Purchase of Investments		-	(557,780)	(562,780)
Proceeds from Sale of Investments		1,159,370	(5,000)	-
Net cash from / (to) the Investing Activities		394,424	(673,606)	(662,370)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	52,500
Finance Lease Payments		(87,683)	70,542	(27,995)
Funds Administered on Behalf of Third Parties		(86,331)	(24,802)	(13,639)
Funds Held for Capital Works Projects		(190,974)	(17,719)	-
Net cash from Financing Activities		(364,988)	28,021	10,866
Net Increase/(decrease) in cash and cash equivalents		(51,455)	(243,380)	(520,823)
Cash and cash equivalents at the beginning of the year	9	410,875	410,875	931,698
Cash and cash equivalents at the end of the year	9	359,420	167,495	410,875

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.



Lincoln High School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2017

1.1. Reporting Entity

Lincoln High 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.

1.2. 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.



Critical Judgements in applying accounting policies

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

Classification of leases

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 17.

Recognition of grants

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

1.3. 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.

1.4. 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.

1.5. 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.

1.6. 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.

1.7. 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.



1.8. 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.

1.9. 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.

1.10. 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 section 73 of the Education Act 1989 in relation to the acquisition of securities.

1.11. Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense, except for sets of like items with a collective worth exceeding \$1,000.

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:

Building improvements – Crown	10-20 years
Furniture and equipment	5-10 years
Information and communication technology	3-5 years
Motor vehicles	5 years
Leased Assets	4 years
Library resources	12.5% Diminishing value

1.12. 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.

1.13. 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.

1.14. Employment Entitlements

Short-term employee entitlements

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

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

Long-term employee entitlements

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

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



1.15. Revenue Received in Advance

Revenue received in advance relates to fees received from international students and grants received where there are unfulfilled obligations for the School to provide services in the future. The fees are recorded as revenue as the obligations are fulfilled and the fees earned.

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

1.16. Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

1.17. Shared Funds

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. The cluster of schools operate activities outside of school control. These amounts are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

1.18. 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).

1.19. 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, borrowings, finance lease liability, 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.

1.20. 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 statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

1.21. Budget Figures

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

1.22. 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.



2. Government Grants

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operational grants	2,783,505	2,750,152	2,652,063
Teachers' salaries grants	8,118,879	8,568,619	7,910,140
Use of Land and Buildings grants	2,324,418	2,007,935	2,007,935
Other MoE Grants	212,762	47,320	141,106
Other government grants	43,636	41,636	41,636
	<u>13,483,200</u>	<u>13,415,662</u>	<u>12,752,880</u>

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	116,344	133,500	159,567
Fundraising	20,589	27,831	3,595
Bequests	1,000	1,000	1,000
Other revenue	-	-	36,610
Trading	395,584	404,700	372,779
Activities	292,238	247,549	315,883
Curriculum Recoveries	364,971	383,749	306,449
	<u>1,190,726</u>	<u>1,198,329</u>	<u>1,195,883</u>
Expenses			
Activities	2,415	29,097	19,162
Trading	373,313	399,550	364,922
	<u>375,728</u>	<u>428,647</u>	<u>384,084</u>
<i>Surplus for the year Locally raised funds</i>	<u>814,998</u>	<u>769,682</u>	<u>811,799</u>

4. International Student Revenue and Expenses

	2017 Actual Number	2017 Budget (Unaudited) Number	2016 Actual Number
International Student Roll	63	63	65
Revenue			
International student fees	992,567	841,608	979,232
Expenses			
Advertising	45,885	50,000	34,526
Commissions	98,771	117,000	95,912
Recruitment	111,642	98,250	123,048
International student levy	25,089	22,956	26,406
Employee Benefit - Salaries	92,818	58,727	58,779
Other Expenses	10,739	14,000	13,041
	<u>384,944</u>	<u>360,933</u>	<u>351,712</u>
<i>Surplus for the year International Students</i>	<u>607,623</u>	<u>480,675</u>	<u>627,520</u>



5. Learning Resources

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	675,895	816,341	722,712
Equipment repairs	62,310	66,652	54,701
Information and communication technology	308,932	316,455	336,188
Extra-curricular activities	262,644	246,500	238,642
Library resources	4,628	4,353	3,296
Employee benefits - salaries	9,488,892	9,850,519	9,361,515
Resource/attached teacher costs	70,826	94,269	-
Staff development	20,809	31,000	23,938
	<u>10,894,936</u>	<u>11,426,089</u>	<u>10,740,991</u>

6. Administration

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	8,674	8,525	9,071
Board of Trustees Fees	5,160	7,000	6,040
Board of Trustees Expenses	6,242	7,300	16,147
Communication	22,593	29,800	26,723
Consumables	19,721	11,200	49,790
Operating Lease	38,614	26,000	640
Legal Fees	-	-	300
Other	46,088	78,300	174,396
Employee Benefits - Salaries	455,428	469,000	398,109
Insurance	50,785	49,500	44,927
Service Providers, Contractors and Consultancy	11,970	10,000	-
	<u>665,275</u>	<u>696,625</u>	<u>726,143</u>

7. Property

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	42,313	40,350	25,143
Consultancy and Contract Services	210,347	220,000	209,751
Cyclical Maintenance Provision	82,249	90,000	83,188
Adjustment to the Provision	-	-	-
Grounds	23,380	22,800	64,926
Heat, Light and Water	221,113	231,000	208,331
Rates	9,446	9,200	9,044
Repairs and Maintenance	179,132	169,400	122,943
Use of Land and Buildings	2,324,418	2,007,935	2,007,935
Security	-	-	5,070
Employee Benefits - Salaries	170,645	170,000	170,368
	<u>3,263,043</u>	<u>2,960,685</u>	<u>2,906,699</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 (Unaudited)	Actual
	\$	\$	\$
Building Improvements	22,956	18,000	18,728
Furniture and Equipment	54,307	73,000	73,565
Information and Communication Technology	47,491	84,000	81,032
Motor Vehicles	2,592	10,000	9,994
Leased Assets	52,037	50,000	51,391
Library Resources	8,824	10,000	9,480
	<u>188,207</u>	<u>245,000</u>	<u>244,190</u>

9. Cash and Cash Equivalents

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Cash on Hand	1,237	1,137	1,137
Bank Current Account	353,601	166,358	409,737
Bank Call Account	4,582	-	-
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>359,420</u>	<u>167,495</u>	<u>410,875</u>

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

10. Accounts Receivable

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Receivables	143,622	44,458	44,458
Receivables from the Ministry of Education	93,298	-	-
Interest Receivable	125,665	24,489	24,489
Teacher Salaries Grant Receivable	534,995	461,570	461,570
	<u>897,580</u>	<u>530,517</u>	<u>530,517</u>
Receivables from Exchange Transactions	269,287	68,947	68,947
Receivables from Non-Exchange Transactions	628,293	461,570	461,570
	<u>897,580</u>	<u>530,517</u>	<u>530,517</u>

11. Inventories

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Stationery	1,361	-	-
School Uniforms	49,409	2,579	2,579
Canteen	1,566	1,252	1,252
	<u>52,336</u>	<u>3,830</u>	<u>3,830</u>

12. Investments

The School's investment activities are classified as follows:

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	4,450,000	5,609,370	5,609,370
Non-current Asset			
Long-term Bank Deposits	21,306	21,306	21,306



13. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Building Improvements	808,235	541,378	-	-	(22,956)	1,326,657
Furniture and Equipment	239,172	141,928	-	-	(54,307)	326,793
Information and Communication	176,957	83,733	(41,241)	-	(47,491)	171,958
Motor Vehicles	3,875	4,056	-	-	(2,592)	5,339
Leased Assets	147,542	10,786	-	-	(52,037)	106,291
Library Resources	66,362	6,876	(2,646)	-	(8,824)	61,768
Work in Progress	15,756	-	(13,023)	-	-	2,733
Balance at 31 December 2017	1,457,901	788,757	(56,910)	-	(188,207)	2,001,539

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Building Improvements	1,511,700	(175,043)	1,336,657
Furniture and Equipment	924,638	(607,845)	316,793
Information and Communication	544,199	(372,241)	171,958
Motor Vehicles	118,790	(113,451)	5,339
Leased Assets	227,143	(120,852)	106,291
Library Resources	220,128	(158,360)	61,768
Work in Progress	2,733	-	2,733
Balance at 31 December 2017	3,549,331	(1,547,792)	2,001,539

The net carrying value of equipment held under a finance lease is \$94,691 (2016: \$147,542)

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2016	\$	\$	\$	\$	\$	\$
Building Improvements	803,040	23,923	-	-	(18,728)	808,235
Furniture and Equipment	283,190	30,441	(894)	-	(73,565)	239,172
Information and Communication	236,385	21,604	-	-	(81,032)	176,957
Motor Vehicles	13,869	-	-	-	(9,994)	3,875
Leased Assets	99,071	99,862	-	-	(51,391)	147,542
Library Resources	68,825	8,561	(1,543)	-	(9,480)	66,362
Work in Progress	-	15,756	-	-	-	15,756
Balance at 31 December 2016	1,504,381	200,147	(2,437)	-	(244,190)	1,457,901

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2016	\$	\$	\$
Building Improvements	960,322	(152,087)	808,235
Furniture and Equipment	794,060	(554,888)	239,172
Information and Communication	663,565	(486,607)	176,957
Motor Vehicles	114,734	(110,859)	3,875
Leased Assets	216,358	(68,815)	147,542
Library Resources	221,504	(155,141)	66,362
Work in Progress	15,756	-	15,756
Balance at 31 December 2016	2,986,298	(1,528,397)	1,457,901



14. Accounts Payable

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Operating creditors	61,193	102,046	102,046
Accruals	61,986	25,328	25,328
Banking staffing overuse	27,800	61,904	61,904
Employee Entitlements - salaries	557,921	461,570	461,570
Employee Entitlements - leave accrual	61,212	47,188	47,188
	<u>770,112</u>	<u>698,036</u>	<u>698,036</u>
Payables for Exchange Transactions	770,112	698,036	698,036
	<u>770,112</u>	<u>698,036</u>	<u>698,036</u>

The carrying value of payables approximates their fair value.

15. Revenue Received in Advance

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
International Student Fees	434,901	467,412	467,412
Other	58,668	50,424	50,424
	<u>493,569</u>	<u>517,836</u>	<u>517,836</u>

16. Provision for Cyclical Maintenance

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Provision at the Start of the Year	556,949	556,949	500,761
Increase to the Provision During the Year	82,249	-	83,188
Use of the Provision During the Year	(55,000)	-	(27,000)
Provision at the End of the Year	<u>584,198</u>	<u>556,949</u>	<u>556,949</u>
Cyclical Maintenance - Current	113,957	49,154	49,154
Cyclical Maintenance - Term	470,241	507,795	507,795
	<u>584,198</u>	<u>556,949</u>	<u>556,949</u>



17. Finance Lease Liability

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
No Later than One Year	66,447	62,273	62,273
Later than One Year and no Later than Five Years	46,438	125,772	125,772
	<u>112,885</u>	<u>188,045</u>	<u>188,045</u>

18. Funds Held in Trust

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	538,759	619,646	619,646
Funds Held in Trust on Behalf of Third Parties - Non-current	-	-	-
	<u>538,759</u>	<u>619,646</u>	<u>619,646</u>

These funds are held where the school is agent for representative amounts and therefore these are not included in the Statement of Comprehensive Revenue and Expense.

19. Funds Held for Capital Works

During the year the School received and applied funding from the Ministry of Education for the following capital works projects:

2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
4 MOE 5YA Hall Heating 2015 <i>Completed</i>	(2,591)	-	-	2,591	-
MOE 5YA HA Turf Refurb <i>Completed</i>	(4,485)	-	-	4,485	-
MOE 5YA Block A Refurb <i>In progress</i>	(12,386)	-	31,871	-	(44,257)
MOE 5YA Swimming Pool <i>In progress</i>	(1,066)	-	126,589	-	(127,655)
MOE 5YA J Block Floor covering <i>Completed</i>	-	90,452	90,452	-	-
MOE 5YA J Block Heat Pump Replac <i>Completed</i>	-	-	34,191	-	(34,191)
MOE 5YA Library Heat Pump Relacer <i>Completed</i>	-	-	5,400	-	(5,400)
Totals	<u>(20,528)</u>	<u>90,452</u>	<u>288,503</u>	<u>7,076</u>	<u>(211,503)</u>

Represented by:

Funds Due from the Ministry of Education

211,503
(211,503)

2016	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
4 MOE 5YA Hall Heating 2015 <i>In progress</i>	(2,810)	50,000	49,781	-	(2,591)
MOE 5YA HA Turf Refurb <i>In progress</i>	-	-	4,485	-	(4,485)
MOE 5YA Block A Refurb <i>In progress</i>	-	-	12,386	-	(12,386)
MOE 5YA Swimming Pool <i>In progress</i>	-	-	1,066	-	(1,066)
MOE Block F <i>Completed</i>	-	722	722	-	-
Totals	<u>(2,810)</u>	<u>50,722</u>	<u>68,440</u>	<u>-</u>	<u>(20,528)</u>



20. Funds Held on Behalf of ALLIS Cluster

Lincoln High School is the lead school and holds funds on behalf of the ALLIS cluster, a group of schools funded by the Ministry of Education to increase number of students and communication skills in students learning Mandarin Chinese, Japanese and Korean languages.

	2017 Actual	2017 Budget	2016 Actual
Funds Held at Beginning of the Year	\$ 11,374	\$ 11,374	\$ -
Funds Received from Cluster Members	-	-	12,536
Funds Received from MoE	77,296	-	61,226
Funds Spent on Behalf of the Cluster	(71,010)	-	(62,388)
Funds Held at Year End	<u>17,660</u>	<u>11,374</u>	<u>11,374</u>

21. Funds Held on Behalf of Lincoln Schools Cluster

	2017 Actual	2017 Budget	2016 Actual
Funds Held at Beginning of the Year	\$ 31,372	\$ 31,372	\$ -
Funds Received from Cluster Members	1,114	-	9,906
Funds Received from MoE	12,800	-	58,087
Funds Spent on Behalf of the Cluster	(32,141)	-	(36,621)
Funds Held at Year End	<u>13,145</u>	<u>31,372</u>	<u>31,372</u>

22. Funds Held on Behalf of COL Cluster

Lincoln High School is the lead school and holds funds on behalf of the COL cluster.

	2017 Actual	2017 Budget	2016 Actual
Funds Received from Cluster Members	\$ 6,798	\$ -	\$ -
Funds Spent on Behalf of the Cluster	(301)	-	-
Funds Held at Year End	<u>6,497</u>	<u>-</u>	<u>-</u>

23. 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.



24. Remuneration

Key management personnel compensation

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

	2017 Actual \$	2016 Actual \$
<i>Board Members</i>		
Remuneration	5,160	6,040
Full-time equivalent members	0.42	0.38
<i>Leadership Team</i>		
Remuneration	848,176	794,199
Full-time equivalent members	7.00	7.00
Total key management personnel remuneration	853,336	800,239
Total full-time equivalent personnel	7.42	7.38

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	200 - 210	180-190
Benefits and Other Emoluments	4 - 5	4-5
Termination Benefits	0 - 0	0 - 0

Other Employees

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

Remuneration \$000	2017 FTE Number	2016 FTE Number
110 - 120	1.00	1.00
100 - 110	4.00	4.00
	5.00	5.00

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

25. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be trustees, committee member, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

	2017 Actual \$	2016 Actual \$
Total	-	-
Number of People	-	-

26. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2017 (Contingent liabilities and assets at 31 December 2016: nil).



27. Commitments

(a) Capital Commitments

As at 31 December 2017 the Board has not entered into any contract agreements for capital works.

(Capital Commitments at 31 December 2016: \$367,012)

(b) Operating Commitments

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

(a) operating lease of a photocopier;

	2017 Actual \$	2016 Actual \$
No later than One Year	4,329	42,255
Later than One Year and No Later than Five Years	1,959	6,288
Later than Five Years	-	-
	<u>6,288</u>	<u>48,543</u>

28. 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.

29. Financial Instruments

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

Loans and Receivables

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Cash and Cash Equivalents	359,420	167,495	410,875
Receivables	897,580	530,517	530,517
Investments - Term Deposits	4,471,306	5,630,676	5,630,676
Total Cash and Receivables	<u>5,728,306</u>	<u>6,328,688</u>	<u>6,572,067</u>

Financial liabilities measured at amortised cost

Payables	770,112	698,036	698,036
Finance Leases	107,813	177,563	177,563
Total Financial Liabilities Measured at Amortised Cost	<u>877,925</u>	<u>875,598</u>	<u>875,598</u>

30. Events After Balance Date

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

