

# Fairfield College

## Financial Statements

for the year ended 31 December 2016

School Address:	25 Bankwood Road, Hamilton
School Postal Address:	P O Box 12 228, Hamilton 3248
School Phone:	07 853 5660
School Email:	<a href="mailto:adminfc@faircol.school.nz">adminfc@faircol.school.nz</a>
Ministry Number:	129

**Fairfield College**

**Financial Statements**

for the year ended 31 December 2016

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## Fairfield College

### Statement of Comprehensive Revenue and Expense

for the year ended 31 December 2016

	Notes	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
<b>Revenue</b>				
Government grants	2	7,932,124	2,123,749	8,016,234
Locally raised funds	3	271,192	302,135	274,849
Interest earned		11,821	13,000	24,059
Gain on sale of property, plant and equipment		-	-	-
		<u>8,215,137</u>	<u>2,438,884</u>	<u>8,315,142</u>
<b>Expenses</b>				
Locally raised funds	3	130,073	115,647	129,252
Learning resources	4	5,162,155	1,202,151	5,121,313
Administration	5	536,838	502,927	577,358
Finance costs		2,967	-	-
Property	6	2,365,893	458,319	2,230,608
Depreciation	7	247,265	170,406	251,679
Loss on disposal of property, plant and equipment		11,216	-	47
		<u>8,456,407</u>	<u>2,449,450</u>	<u>8,310,257</u>
<b>Net Surplus</b>		<u>(241,270)</u>	<u>(10,566)</u>	<u>4,885</u>
Other comprehensive revenue and expenses		-	-	-
<b>Total comprehensive revenue and expense for the year</b>		<u><u>(241,270)</u></u>	<u><u>(10,566)</u></u>	<u><u>4,885</u></u>

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

## Fairfield College

### Statement of Changes in Net Assets / Equity

for the year ended 31 December 2016

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
<b>Balance at 1 January</b>	1,223,971	1,223,971	1,239,229
Total comprehensive revenue and expense for the year	(241,270)	(10,566)	4,885
Transfer to Statement of Financial Position	-	-	(20,143)
Prior period adjustment - TELA leases	(696)	-	-
Capital contributions from the Ministry of Education: Contribution - furniture and equipment grant	29,255	36,000	-
<b>Equity at 31 December</b>	<u>1,011,260</u>	<u>1,249,405</u>	<u>1,223,971</u>
Retained Earnings	1,011,260	1,249,405	1,223,971
<b>Equity at 31 December</b>	<u>1,011,260</u>	<u>1,249,405</u>	<u>1,223,971</u>

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

# Fairfield College

## Statement of Financial Position

as at 31 December 2016

	Notes	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
<b>Current Assets</b>				
Cash and cash equivalents	8	196,798	155,550	250,656
Accounts receivable	9	278,909	425,660	425,660
GST receivable		21,262	-	-
Prepayments		10,481	3,352	3,352
Inventories	10	907	1,293	1,293
Investments	11	7,000	7,000	311,137
		<u>515,357</u>	<u>592,855</u>	<u>992,098</u>
<b>Current Liabilities</b>				
Accounts payable	13	354,926	493,073	493,073
GST payable		-	1,594	1,594
Revenue received in advance	14	65,961	-	57,937
Provision for cyclical maintenance	15	55,132	25,051	54,407
Painting contract liability - current portion	16	39,900	48,737	48,737
Finance lease liability - current portion	17	83,160	58,338	92,192
Funds held for capital works projects	18	10,059	-	233,630
		<u>609,138</u>	<u>626,793</u>	<u>981,570</u>
<b>Working Capital Surplus / (Deficit)</b>		(93,781)	(33,938)	10,528
<b>Non Current Assets</b>				
Property, plant and equipment	12	1,481,312	1,569,309	1,569,309
<b>Non Current Liabilities</b>				
Provision for cyclical maintenance	15	158,142	111,318	74,143
Painting contract liability	16	83,063	59,215	107,952
Finance lease liability	17	128,066	108,433	166,771
Tennie Memorial		7,000	7,000	7,000
		<u>376,271</u>	<u>285,966</u>	<u>355,866</u>
<b>Net Assets</b>		<u>1,011,260</u>	<u>1,249,405</u>	<u>1,223,971</u>
<b>Equity</b>		<u>1,011,260</u>	<u>1,249,405</u>	<u>1,223,971</u>

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

# Fairfield College

## Statement of Cash Flows

for the year ended 31 December 2016

		2016	2016	2015
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Cash flows from Operating Activities</b>				
Government grants		2,169,440	2,087,749	2,253,245
Locally raised funds		276,444	280,198	267,026
Goods and Services Tax (net)		(22,856)	-	24,706
Payments to employees		(1,335,049)	(1,025,629)	(1,237,083)
Payments to suppliers		(1,014,111)	(1,260,596)	(1,041,597)
Interest paid		(2,967)	-	-
Interest received		18,063	13,000	18,347
<b>Net cash from the operating activities</b>		<b>88,964</b>	<b>94,722</b>	<b>284,644</b>
<b>Cash flows from Investing Activities</b>				
Proceeds from sale of PPE (and Intangibles)		-	-	-
Purchase of PPE (and Intangibles)		(114,063)	(155,406)	(121,064)
Purchase of investments		304,137	-	(304,137)
Proceeds from sale of investments		-	304,137	-
<b>Net cash (to) the investing activities</b>		<b>190,074</b>	<b>148,731</b>	<b>(425,201)</b>
<b>Cash flows from Financing Activities</b>				
Furniture and equipment grant		29,255	36,000	-
Finance lease payments		(104,854)	(92,192)	(82,403)
Painting contract payments		(33,726)	(48,737)	(31,679)
Loans received/ Repayment of loans		-	-	-
Funds administered on behalf of third parties		(223,571)	(233,630)	190,340
<b>Net cash (to) financing activities</b>		<b>(332,896)</b>	<b>(338,559)</b>	<b>76,258</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(53,858)</b>	<b>(95,106)</b>	<b>(64,299)</b>
Cash and cash equivalents at the beginning of the year	8	250,656	250,656	314,955
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>196,798</b>	<b>155,550</b>	<b>250,656</b>

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 Statement of Cash Flows should be read in conjunction with the accompanying notes.

# Fairfield College

## Notes to the Financial Statements

for the year ended 31 December 2016

### 1. Statement of Accounting Policies

#### a) Reporting entity

Fairfield College (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. The Board of Trustees (the Board) is of the view the School 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 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.

**Fairfield College**  
**Notes to the Financial Statements (cont'd)**  
**for the year ended 31 December 2016**

***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 lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of 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 12.

***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 operating 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 grant monies received at the end of each reporting period and whether any require a provision to carry forward amounts unspent. The School 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***

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 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 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.

**Fairfield College**  
**Notes to the Financial Statements (cont'd)**  
**for the year ended 31 December 2016**

***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.

**d) 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.

**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 90 days 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 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 the 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.

**i) Inventories**

Inventories are consumable items held for sale and comprise 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.

**Fairfield College**  
**Notes to the Financial Statements (cont'd)**  
**for the year ended 31 December 2016**

**j) Investments**

Bank term deposits 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.

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.

**k) Property, Plant, and Equipment**

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

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

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

Property, plant and equipment acquired with individual values under \$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.

**Fairfield College**  
**Notes to the Financial Statements (cont'd)**  
**for the year ended 31 December 2016**

***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	40 years
Furniture and equipment	10 years
Information and communication technology	3-5 years
Motor vehicles	5 years
Textbooks	4 years
Leased assets held under a finance lease	3-5 years
Childcare centre	10 years
Active learning centre	10 years
Sports equipment	2 years
Other equipment	10 years
Library resources	12.5% diminishing value

**l) 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.

**m) 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.

**Fairfield College**  
**Notes to the Financial Statements (cont'd)**  
**for the year ended 31 December 2016**

**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 and annual leave earned but not yet taken at balance date.

**o) Revenue Received in Advance**

Revenue received in advance relates to funds received from Gateway and fees received from students 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.

**p) Provision for Cyclical Maintenance**

The property from which the School operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

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

**q) 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.

**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 financing activities, is classified as a net operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

**Fairfield College**  
**Notes to the Financial Statements (cont'd)**  
**for the year ended 31 December 2016**

**s) Budget Figures**

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

**t) 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.

Fairfield College  
Notes to the Financial Statements (cont'd)  
for the year ended 31 December 2016

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
<b>2. Government grants</b>			
Operational grants	1,815,129	1,839,759	1,907,927
Teachers' salaries grants	3,976,362	-	3,995,685
Use of land and buildings grants	1,786,322	-	1,721,217
Other MOE grants	354,311	283,990	391,405
	<u>7,932,124</u>	<u>2,123,749</u>	<u>8,016,234</u>

**3. Locally raised funds**

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

**Revenue**

Donations	63,068	15,000	41,581
Fundraising	24,299	68,130	32,646
Other revenue	58,232	24,133	87,598
Trading	43,640	37,510	34,513
Activities	48,303	124,362	65,511
Community pool	33,650	33,000	13,000
	<u>271,192</u>	<u>302,135</u>	<u>274,849</u>

**Expenses**

Fundraising (costs of raising funds)	16,155	-	29,580
Trading	2,879	4,647	5,150
Activities	96,526	96,000	82,780
Community pool	14,513	15,000	11,742
	<u>130,073</u>	<u>115,647</u>	<u>129,252</u>

**Surplus (deficit) for the year locally raised funds**

	<u>141,119</u>	<u>186,488</u>	<u>145,597</u>
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**4. Learning resources**

Curricular	213,450	538,282	231,249
Equipment repairs	-	-	674
Information and communication technology	8,525	-	9,856
Extra-curricular activities	1,528	-	2,975
Library resources	2,286	5,500	1,509
Employee benefits - salaries	4,920,375	625,869	4,862,755
Staff development	15,991	32,500	12,295
	<u>5,162,155</u>	<u>1,202,151</u>	<u>5,121,313</u>

**Fairfield College**  
**Notes to the Financial Statements (cont'd)**  
**for the year ended 31 December 2016**

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
<b>5. Administration</b>			
Audit fees	8,361	9,500	8,337
Board of Trustees fees	2,633	5,000	3,861
Board of Trustees expenses	6,036	10,430	2,500
Communication	15,011	15,221	23,717
Consumables	102,859	74,116	119,303
Operating lease	3,609	10,000	10,062
Postage	8,925	7,000	7,379
Other	44,007	63,360	46,092
Employee benefits - salaries	326,118	289,300	337,218
Insurance	16,804	16,500	16,639
Service providers, contractors, consultancy	2,475	2,500	2,250
	<u>536,838</u>	<u>502,927</u>	<u>577,358</u>

**6. Property**

Caretaking and cleaning consumables	11,262	11,424	14,031
Consultancy and contract services	89,703	89,000	105,246
Cyclical maintenance provision	135,168	49,359	46,852
Grounds	39,933	33,140	35,883
Heat, light, and water	100,411	107,314	109,217
Rates	10,467	9,641	9,687
Repairs and maintenance	88,066	56,481	93,385
Use of land and buildings	1,786,322	-	1,721,217
Security	17,218	9,000	-
Employee benefits - salaries	87,343	92,960	95,090
	<u>2,365,893</u>	<u>458,319</u>	<u>2,230,608</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.

**7. Depreciation**

Building improvements - crown	41,530		41,333
Furniture and equipment	25,365		24,469
Information and communication	126,444		142,772
Motor vehicles	451		614
Textbooks	7,748		6,562
Leased assets	15,307		-
Childcare centre	-		-
Active learning centre	188		188
Sports equipment	1,506		1,390
Library resources	3,515		5,080
Other fixed assets	25,211		29,271
	<u>247,265</u>	<u>170,406</u>	<u>251,679</u>

**Fairfield College**  
**Notes to the Financial Statements (cont'd)**  
**for the year ended 31 December 2016**

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
<b>8. Cash and Cash Equivalents</b>			
ASB Current account	25,975	32,712	32,712
ASB SSC AP Payers account	992	984	984
ASB Saver account	105,410	120,048	215,154
ASB Jubilee account	13,127	-	-
ASB Project account	50,025		
ASB Student Council account	1,094	1,631	1,631
Petty cash	175	175	175
Net cash and cash equivalents and bank overdraft for Statement of Cash Flows	196,798	155,550	250,656

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

**9. Accounts Receivable**

Receivables	38,691	35,919	35,919
Interest receivable	167	6,409	6,409
Teacher salaries grant receivable	240,051	383,332	383,332
	278,909	425,660	425,660
Receivables from exchange transactions	38,858	42,328	42,328
Receivables from non-exchange transactions	240,051	383,332	383,332
	278,909	425,660	425,660

**10. Inventories**

Stationery	907	1,293	1,293
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**11. Investments**

The School's investment activities are classified as follows:

**Current Asset:**

Short term bank deposits	7,000	7,000	311,137
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Fairfield College  
Notes to the Financial Statements (cont'd)  
for the year ended 31 December 2016

12. Property, Plant and Equipment

	Opening	Additions	Disposals	Impairment	Depreciation	Total
	Balance					
	NBV					
	\$	\$	\$	\$	\$	\$
<b>2016</b>						
Building improvements - Crown	977,730	2,154	-	-	(41,530)	938,354
Furniture & equipment	103,247	22,735	-	-	(25,365)	100,617
Information and communication	330,490	78,744	-	-	(126,444)	282,790
Motor vehicles	3,731	-	-	-	(451)	3,280
Textbooks	21,153	2,463	-	-	(7,748)	15,868
Leased assets	-	56,420	-	-	(15,307)	41,113
Childcare centre	-	-	-	-	-	-
Active learning centre	203	-	-	-	(188)	15
Sports equipment	-	4,196	-	-	(1,506)	2,690
Library resources	35,563	3,771	(11,215)	-	(3,515)	24,604
Other fixed assets	97,192	-	-	-	(25,211)	71,981
Balance at 31 December 2016	1,569,309	170,483	(11,215)	-	(247,265)	1,481,312

	Cost or	Accumulated	Net Book
	Valuation	Depreciation	Value
<b>2016</b>			
Building improvements - Crown	1,655,503	717,149	938,354
Furniture & equipment	1,266,962	1,166,345	100,617
Information and communication	2,074,650	1,791,860	282,790
Motor vehicles	28,500	25,220	3,280
Textbooks	332,697	316,829	15,868
Leased assets	56,420	15,307	41,113
Childcare centre	21,719	21,719	-
Active learning centre	20,401	20,386	15
Sports equipment	149,204	146,514	2,690
Library resources	136,602	111,998	24,604
Other fixed assets	658,969	586,988	71,981
Balance at 31 December 2016	6,401,627	4,920,315	1,481,312

	Opening	Additions	Disposals	Impairment	Depreciation	Total
	Balance					
	NBV					
	\$	\$	\$	\$	\$	\$
<b>2015</b>						
Building improvements - Crown	1,019,063	-	-	-	(41,333)	977,730
Furniture & equipment	78,940	48,776	-	-	(24,469)	103,247
Information and communication	423,218	50,044	-	-	(142,772)	330,490
Motor vehicles	4,345	-	-	-	(614)	3,731
Textbooks	11,357	16,358	-	-	(6,562)	21,153
Childcare centre	-	-	-	-	-	-
Active learning centre	391	-	-	-	(188)	203
Sports equipment	1,390	-	-	-	(1,390)	-
Library resources	37,273	3,417	(47)	-	(5,080)	35,563
Other fixed assets	123,994	2,469	-	-	(29,271)	97,192
Balance at 31 December 2015	1,699,971	121,064	(47)	-	(251,679)	1,569,309

**Fairfield College**  
**Notes to the Financial Statements (cont'd)**  
**for the year ended 31 December 2016**

**12. Property, Plant and Equipment (cont'd)**

	<b>Cost or Valuation</b>	<b>Accumulated Depreciation</b>	<b>Net Book Value</b>
<b>2015</b>			
Building improvements - Crown	1,653,349	675,619	977,730
Furniture & equipment	1,244,227	1,140,980	103,247
Information and communication	1,995,906	1,665,416	330,490
Motor vehicles	28,500	24,769	3,731
Textbooks	330,234	309,081	21,153
Childcare centre	21,719	21,719	-
Active learning centre	20,401	20,198	203
Sports equipment	145,008	145,008	-
Library resources	194,019	158,456	35,563
Other fixed assets	658,969	561,777	97,192
Balance at 31 December 2015	<u>6,292,332</u>	<u>4,723,023</u>	<u>1,569,309</u>

	<b>2016 Actual \$</b>	<b>2016 Budget (Unaudited) \$</b>	<b>2015 Actual \$</b>
<b>13. Accounts Payable</b>			
Operating creditors	54,543	52,596	52,596
Banking staffing overuse	29,277	-	-
Employee entitlements - salaries	241,421	406,219	406,219
Employee entitlements - leave accrual	29,685	34,258	34,258
	<u>354,926</u>	<u>493,073</u>	<u>493,073</u>
Payables for exchange transactions	354,926	493,073	493,073
Payables for non-exchange transactions - taxes payable (PAYE and rates)	-	-	-
Payables for non-exchange transactions - other	-	-	-
	<u>354,926</u>	<u>493,073</u>	<u>493,073</u>

The carrying value of payables approximates their fair value

**14. Revenue received in Advance**

Ministry of Education grants	18,056	-	16,178
F Hausman	1,365	-	1,615
Student automatic payments	14,407	-	12,858
Student fees for next year	4,668	-	3,222
Grassroots Trust	8,550	-	10,465
Jubilee Fund	9,171	-	9,170
Landscaping Fund	3,843	-	3,843
Arona / Pacma	5,854	-	-
Other	47	-	586
	<u>65,961</u>	<u>-</u>	<u>57,937</u>

**Fairfield College**  
**Notes to the Financial Statements (cont'd)**  
**for the year ended 31 December 2016**

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
<b>15. Provision for Cyclical Maintenance</b>			
Provision at the start of the year	128,550	128,550	103,111
Increase to the provision during the year	135,168	49,359	46,852
Use of the provision during the year	(50,444)	(41,540)	(21,413)
Provision at the end of the year	<u>213,274</u>	<u>136,369</u>	<u>128,550</u>
Cyclical maintenance - current	55,132	25,051	54,407
Cyclical maintenance - term	158,142	111,318	74,143
	<u>213,274</u>	<u>136,369</u>	<u>128,550</u>

**16. Painting Contract Liability**

Current liability	39,900	48,737	48,737
Non current liability	83,063	59,215	107,952
	<u>122,963</u>	<u>107,952</u>	<u>156,689</u>

In 2007 the Board signed an agreement with Programmed Maintenance Services Ltd (the contractor) for an agreed programme of work covering a fourteen year period. The programme provides for two exterior repaints of the Ministry owned buildings in 2007 and 2014, with regular maintenance in subsequent years. The agreement has an annual commitment of \$39,900 (with annual CPI adjustment). The liability is the best estimate of the actual amount of work completed by the contractor for which the contractor as not been paid at balance sheet date. The liability has not been adjusted for inflation and the time value of money.

**17. Finance Lease Liability**

The School has entered into five finance lease agreements for computer equipment, a telephone system and teacher laptops. Minimum lease payments payable:

No later than one year	83,160	58,338	92,192
Later than one year and no later than five years	128,066	108,433	166,771
Later than five years	-	-	-
	<u>211,226</u>	<u>166,771</u>	<u>258,963</u>

**Fairfield College**  
**Notes to the Financial Statements (cont'd)**  
**for the year ended 31 December 2016**

**18. Funds Held for Capital Works Projects**

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

2016	Opening Balances	Receipts from MOE	Payments	Closing Balances
	\$	\$	\$	\$
Fire alarm upgrade (completed)	(6,726)	4,070	(2,656)	-
Gym re-roofing (in progress)	238,919	10,246	239,106	10,059
F Block re-roofing (completed)	1,564	-	1,564	-
Gym lighting upgrade (completed)	(127)	61,199	61,072	-
Emergency gas leak (completed)	-	17,977	17,977	-
	<u>233,630</u>	<u>93,492</u>	<u>317,063</u>	<u>10,059</u>

**Represented by:**

Funds held on behalf of the Ministry of Education	10,059
Funds due from the Ministry of Education	-
	<u>10,059</u>

2015	Opening Balances	Receipts from MOE	Payments	Closing Balances
	\$	\$	\$	\$
Hall lighting replacement completed)	6,660	(623)	6,037	-
Fire alarm upgrade (in progress)	29,363	-	36,089	(6,726)
Gym re-roofing (in progress)	-	360,712	121,793	238,919
F Block re-roofing (in progress)	-	34,326	32,762	1,564
Library beam remediation (completed)	-	11,108	11,108	-
Gym lighting upgrade (in progress)	-	-	127	-127
	<u>36,023</u>	<u>405,523</u>	<u>207,916</u>	<u>233,630</u>

**19. Related Party Transactions**

The School is a controlled entity of the Crown, and the Crown provides the major source of revenue to the school. The school enters into transactions with other entities also controlled by the Crown, such as government departments, state-owned enterprises and other Crown entities. Transactions with these entities are not disclosed as they occur on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted if dealing with that entity at arm's length.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions 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.

Fairfield College  
Notes to the Financial Statements (cont'd)  
for the year ended 31 December 2016

20. Remuneration

**Key management personnel compensation**

Key management personnel of the School includes all Trustees of the Board, Principal, Deputy Principals and Heads of Department.

	2016 Actual \$	2015 Actual \$
<b>Board Members</b>		
Remuneration	2,633	3,861
Full time equivalent members	0.15	0.42
<b>Leadership Team</b>		
Remuneration	431,737	421,845
Full time equivalent members	4.00	4.00
Total key management personnel remuneration	434,370	425,706
Total full time equivalent personnel	4.15	4.42

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	150 - 160	150 - 160
Benefits and other emoluments	4 - 5	Nil
Termination benefits	Nil	Nil

**Other Employees**

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

Remuneration \$000	2016 FTE	2015 FTE
100 - 110	2	Nil

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

**Fairfield College**  
**Notes to the Financial Statements (cont'd)**  
**for the year ended 31 December 2016**

**21. Compensation and Other Benefits Upon Leaving**

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

	<b>2016</b>	<b>2015</b>
	<b>Actual</b>	<b>Actual</b>
Total value	Nil	Nil
Number of people	Nil	Nil

**22. Contingencies**

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

**23. Commitments**

**(a) Capital Commitments**

As at 31 December 2016 the Board has not entered into any 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:

	<b>2016</b>	<b>2015</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
(a) Operating lease of laptops:		
No later than one year	692	6,917
Later than one year and no later than five years	-	6,854
Later than five years	-	-
	<u>692</u>	<u>13,771</u>

**24. Managing Capital**

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but attempts to ensure that revenue 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.

Fairfield College  
Notes to the Financial Statements (cont'd)  
for the year ended 31 December 2016

**25. Financial Instruments**

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

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
<b><i>Cash and receivables</i></b>			
Cash and cash equivalents	196,798	155,550	250,656
Receivables	278,909	425,660	425,660
Investments - term deposits	7,000	7,000	311,137
Total cash and receivables	<u>482,707</u>	<u>588,210</u>	<u>987,453</u>
<b><i>Financial liabilities measured at amortised cost</i></b>			
Payables	354,926	493,073	493,073
Finance leases	211,226	166,771	258,963
Painting contract liability	122,963	107,952	156,689
Total financial liabilities measured at amortised cost	<u>689,115</u>	<u>767,796</u>	<u>908,725</u>

**26. Events After Balance Date**

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