



MINISTRY OF EDUCATION

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

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FOR THE YEAR ENDED 30 JUNE 2013

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MINISTRY OF EDUCATION

DIRECTORY

Minister

Hon. Mona Ioane
Minister for Education

Head of Ministry / Title

Sharyn Paio
Secretary of Education

Business Address

Nikao
P.O.Box 97
Rarotonga
Cook Islands

Auditor

Cook Islands Audit Office

Banker

Westpac
Avarua
Rarotonga

Solicitor

Crown Law Office



MINISTRY OF EDUCATION

STATEMENT OF RESPONSIBILITY

In terms of Section 30 of the Ministry of Finance and Economic Management Act 1995-96, I am responsible for the preparation of the Ministry of Education's financial statements and the judgements made in the process of producing those statements.

I have the responsibility of establishing and maintaining internal controls. I have established and maintained a system of internal control procedures that provide reasonable assurance as to the integrity and reliability of financial reporting.

The Minister responsible for the Ministry of Education was not responsible for during the financial year covered by these financial statements.

In my opinion, these financial statements fairly reflect the financial position and operations of the Ministry of Education for the year ended 30 JUNE 2013.



Sharyn Paio
Secretary of Education

30 June 2014

Date



Hon. Mona Ioane
Minister for Education

30 June 2014

Date



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Cook Islands

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AUDIT REPORT

TO THE READERS OF THE FINANCIAL STATEMENTS OF THE MINISTRY OF EDUCATION FOR THE YEAR ENDED 30 JUNE 2013

We have audited the financial statements on pages 7 to 23. The financial statements provide information about the past financial performance of the Ministry of Education and its financial position as at 30 June 2013. This information is stated in accordance with the accounting policies set out on pages 14 to 17.

Responsibilities of the Ministry of Education

Section 28(2) of the Ministry of Finance and Economic Management Act 1995-96 requires the Ministry of Education to prepare financial statements in accordance with GAAP, as approved by the International Federation of Accountants as applicable to governments and their agencies, which fairly present the financial position, borrowings and commitments of the Ministry of Education as at 30 June 2013, and the results of its operations and cash flows for the year ended 30 June 2013.

Auditor's Responsibilities

Section 28(4) of the Ministry of Finance and Economic Management Act 1995-96 requires the Cook Islands Audit Office to audit the financial statements presented by the Ministry of Education. It is the responsibility of the Cook Islands Audit Office to express an independent opinion on the financial statements and report its opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgments made by the Ministry of Education in the preparation of the financial statements; and
- whether the accounting policies are appropriate to the Ministry of Education's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditor, we have no relationship with or interests in the Ministry of Education.



Unmodified Opinion

We have obtained all the information and explanations we have required.

In our opinion the financial statements of the Ministry of Education:

- comply with International Public Sector Accounting Standards; and
- fairly present in all material respects, the financial position, borrowings and commitments of the Ministry of Education as at 30 June 2013 and its financial performance and cash flows for the year ended on that date.

Our audit was completed on 30 June 2014 and our unmodified opinion is expressed as at that date.



Allen Parker
Director of Audit
Cook Islands Audit Office
Rarotonga, Cook Islands



MINISTRY OF EDUCATION

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2013

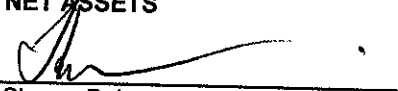
In New Zealand Dollars	Notes	2013	2012
Revenue			
Crown Appropriation		9,957,271	10,091,906
Other Revenue	2	1,994	74,462
Total Revenue		<u>9,959,265</u>	<u>10,166,368</u>
Expenditure			
Personnel expenses	9	8,519,279	8,654,124
Audit Fees		5,000	4,000
Depreciation / Amortisation		332,074	165,067
Other Expenses	3	1,026,136	1,067,361
Total Expenditure		<u>9,882,489</u>	<u>9,890,552</u>
Operating Surplus		<u>76,775</u>	<u>275,816</u>
Aid Revenue	10	3,464,705	2,123,138
Aid Expenses	10	(2,874,940)	(1,984,514)
Aid Surplus		<u>589,766</u>	<u>138,623</u>
Net Surplus		<u>666,541</u>	<u>414,440</u>

The accompanying notes should be read in conjunction with these Financial Statements.

MINISTRY OF EDUCATION

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

In New Zealand Dollars	Notes	2013	2012
Taxpayer's Funds			
Accumulated surplus / deficits		275,342	(5,144)
Owner Contributions		844,494	640,380
TOTAL TAXPAYER'S FUNDS		<u>1,119,836</u>	<u>635,237</u>
Represented by:			
Current Assets			
Cash and Equivalents	4	352,997	379,405
Trust Accounts	4.1	489,537	490,104
Prepayments		4,690	670
Inventory	7	73,617	66,940
Debtors and Other Receivables	5	<u>2,032,281</u>	<u>1,498,938</u>
		<u>2,953,121</u>	<u>2,436,056</u>
Non-Current Assets			
Property, Plant, and Equipment	12	1,034,069	534,783
Intangible Assets	13	<u>12,150</u>	<u>33,516</u>
		<u>1,046,219</u>	<u>568,299</u>
TOTAL ASSETS		<u>3,999,340</u>	<u>3,004,354</u>
Current Liabilities			
Creditors and Other Payables	6	2,317,438	1,859,752
Aid Liabilities		490,269	490,771
Employee Entitlements	8	<u>71,798</u>	<u>18,594</u>
		<u>2,879,504</u>	<u>2,369,118</u>
Non-Current Liabilities			
Employee Entitlements	8	<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>2,879,504</u>	<u>2,369,118</u>
NET ASSETS		<u>1,119,836</u>	<u>635,237</u>


Sharyn Paio
Secretary of Education

30 June 2014
Date

The accompanying notes should be read in conjunction with these Financial Statements.



MINISTRY OF EDUCATION

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

In New Zealand Dollars	Accumulated Surplus / Deficit	Contributions from Crown	Total Equity
Balance as at 30 June 2012 brought forward	(5,144)	640,380	635,237
Changes in equity for the year:			
Net surplus / (deficit) for the year	666,541		666,541
Capital funding from the Crown		106,806	106,806
Capital funding - DNHRD Merger		97,308	97,308
Correction of prior year errors	3,719		3,718
Surplus to be repaid to the Crown	(57,700)		(57,700)
Depreciation to be repaid to the Crown	(332,074)		(332,074)
BALANCE AS AT 30 JUNE 2013	275,342	844,494	1,119,836

MINISTRY OF EDUCATION

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012

In New Zealand Dollars	Accumulated Surplus / Deficit	Contributions from Crown	Total Equity
Balance as at 30 June 2011 brought forward	3,773	534,522	538,295
Changes in accounting policy / prior period errors			-
Restated balance	3,773	534,522	538,295
Changes in equity for the year:			
Net surplus / (deficit) for the year	414,440		414,440
Capital funding from the Crown		105,858	105,858
Correction of prior year errors	(561)		(561)
Surplus to be repaid to the Crown	(182,196)		(182,196)
Depreciation to be repaid to the Crown	(240,600)		(240,600)
BALANCE AS AT 30 JUNE 2012	(5,144)	640,380	635,237

The accompanying notes should be read in conjunction with these Financial Statements.



MINISTRY OF EDUCATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

In New Zealand Dollars	2013	2012
Cash Flows From Operating Activities		
<i>Cash was provided from:</i>		
Crown Appropriation	9,566,450	9,821,730
Receipt from Clients	(6,958)	76,826
VAT Refunds	-	4,422
Aid Revenue	3,464,203	2,090,990
	<u>13,023,696</u>	<u>11,993,968</u>
<i>Cash was applied to:</i>		
Payments to Employees	8,482,553	8,662,765
VAT Paid	1,009	-
Aid Expenses	2,874,940	1,984,514
Payments to Suppliers	1,090,717	987,245
	<u>12,449,220</u>	<u>11,634,524</u>
Net Cash Flows from Operating Activities	<u>574,476</u>	<u>359,444</u>
Cash Flows from Investing Activities		
<i>Cash was applied to:</i>		
Purchase of Fixed Assets	716,759	263,979
	<u>716,759</u>	<u>263,979</u>
Net Cash Flows from Investing Activities	<u>(716,759)</u>	<u>(263,979)</u>
Cash Flows From Financing Activities		
<i>Cash was provided from:</i>		
Capital funding from Crown	106,806	105,858
	<u>106,806</u>	<u>105,858</u>
<i>Cash was applied to:</i>		
Repayment to the Crown	-	-
	<u>-</u>	<u>-</u>
Net Cash Flows from Financing Activities	<u>106,806</u>	<u>105,858</u>
Net Increase/(Decrease) in Cash Held	(35,477)	201,323
Opening Cash Balances	869,510	668,187
Add: cash recall - DNHRD Merger	8,503	-
Closing Cash Balance	<u><u>842,533</u></u>	<u><u>869,510</u></u>

The accompanying notes should be read in conjunction with these Financial Statements.



MINISTRY OF EDUCATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

In New Zealand Dollars	2013	2012
Reconciliation of Net Surplus to Cash Flows from Operating Activities		
Reported Surplus	666,541	414,440
<i>Add / (less): Non-cash items</i>		
Depreciation	332,074	165,067
Change in employee entitlements	53,204	(53,057)
Prior Year Adjustments	3,719	(561)
	<u>1,055,538</u>	<u>525,889</u>
<i>Add / (less): Movements in working capital items</i>		
(Increase) / decrease in Accounts Receivable	(10,798)	18,000
(Increase) / decrease in Crown Receivables	(390,821)	(270,176)
(Increase) / decrease in Sundry Debtors	1,847	(15,636)
(Increase) / decrease in Prepayments	(4,021)	56,353
(Increase) / decrease in VAT Receivable	-	3,412
(Increase) / decrease in Inventory	(6,677)	1,970
Increase / (decrease) in Accounts Payable	(87,606)	49,953
Increase / (decrease) in Aid Liabilities	(502)	(32,147)
Increase / (decrease) in VAT Payable	(1,009)	1,009
Increase / (decrease) in Payroll Accruals	(16,478)	44,416
Increase / (decrease) in Sundry Creditors	35,003	(23,599)
	<u>(481,062)</u>	<u>(166,445)</u>
Net Cash Flows from Operating Activities	<u><u>574,476</u></u>	<u><u>359,444</u></u>

The accompanying notes should be read in conjunction with these Financial Statements.



MINISTRY OF EDUCATION

STATEMENT OF APPROPRIATIONS FOR THE YEAR ENDED 30 JUNE 2013

In New Zealand Dollars

Year Ended 30 JUNE 2013		Appropriation Voted	Revenue/ Expenditure Actual	Surplus / (Deficit)
Output 1:	Taku Ipukarea Kia Rangatira	290,108	276,485	13,623
Output 2:	Learning & Teaching	708,138	713,315	(5,176)
Output 3:	Learning & the Community	432,700	501,544	(68,844)
Output 4:	Infrastructure & Support	8,323,844	8,151,841	172,003
Output 5:	Corporate Service	202,481	239,305	(36,824)
		<u>9,957,271</u>	<u>9,882,489</u>	<u>74,782</u>
Included in the Appropriation Vote:				
Other Revenue			1,994	1,994
Aid Revenue			589,766	589,766
Net Surplus				<u><u>666,541</u></u>
Year Ended 30 June 2012				
Output 1:	Taku Ipukarea Kia Rangatira	240,145	251,382	(11,237)
Output 2:	Learning & Teaching	816,660	711,518	105,142
Output 3:	Learning & the Community	423,080	335,949	87,131
Output 4:	Infrastructure & Support	8,612,021	8,591,704	20,317
		<u>10,091,906</u>	<u>9,890,552</u>	<u>201,354</u>
Included in the Appropriation Vote:				
Other Revenue			74,462	74,462
Aid Revenue			138,623	138,623
Net Surplus				<u><u>414,440</u></u>

The accompanying notes should be read in conjunction with these Financial Statements.



MINISTRY OF EDUCATION

**SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2013**

Statement of Unappropriated Expenditure

Unappropriated expenditure incurred during the year was nil (2012: nil).

Statement of Commitments

There were no financial commitments at balance date (2012: nil).

Statement of Contingent Liabilities

There were no contingent liabilities at balance date (2012: nil).

Statement of Trust Monies

The Ministry of Education held no trust monies at balance date (2012: nil).

Statement of Specific Fiscal Risks

The Ministry of Education is not exposed to specific fiscal risk.

Statement of Borrowings

The Ministry of Education does not have any borrowings with third parties.

The accompanying notes should be read in conjunction with these Financial Statements.

MINISTRY OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

Note 1: Statement of Accounting Policies

Basis of Preparation

(i) Reporting Entity

These financial statements are for the Ministry of Education which is considered to be an agency of the Crown.

(ii) Statement of Compliance

These financial statements have been prepared in accordance with the Ministry of Finance and Economic Management Act 1995-96 and with the International Public Sector Accounting Standards issued by the International Public Sector Accounting Standards Board (IPSASB).

(iii) Measurement Base

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

These financial statements have been prepared using the historical cost method to report results, cashflows and the financial position of the Ministry of Education. The financial statements have been prepared under the accrual basis of accounting and are presented in New Zealand dollars rounded to the nearest dollar.

Significant Accounting Policies

The following accounting policies, which significantly affect the measurement of financial performance, financial position and cash flows have been applied:

(i) Revenue

The Ministry of Education derives revenue from the Crown for the provision of services to the Crown in the form of the production of certain outputs disclosed in the Statement of Appropriations on page 12. Revenue is also provided from the provision of services to third parties. All such revenue is recognised when it is earned.

(ii) Expenses

Expenses are recognised when incurred and are reported in the financial period to which they relate.

Realised gains or losses arising from sales of assets or the early settlement of a liability are recognised in the Statement of Financial Performance in the period in which the transaction is concluded.

(iii) Foreign Aid

Aid monies received are recorded in the Statement of Financial Performance as they are utilised. Revenue is recognised at the same time the equivalent expense is incurred. Any unused aid money is held as an Aid Liability until such time as it is used and/or any applicable conditions attached to the funding are satisfied.

(iv) Taxation

The Ministry of Education, as an agency of the Crown, is exempt from the payment of income tax in terms of the Income Tax Act 1997. Accordingly, no charge for income tax has been provided for.

MINISTRY OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2013

Significant Accounting Policies (continued)

(v) Inventories

Inventories are recorded at the lower of cost or current replacement value. Appropriate allowance has been made for obsolescence where it is deemed necessary.

Inventories held for use will be valued at Cost of Current Replacement Value.

Inventories received at nominal or nil cost will be valued at Current Replacement Value as if those inventories had been purchased in normal market conditions.

Write offs of inventories or write downs of inventory values will be recognised as an expense in the Statement of Financial Performance.

(vi) Plant, Property, and Equipment

Plant, property and equipment are recorded at cost less accumulated depreciation.

The cost of purchased plant, property, and equipment is the value of the consideration given to acquire the assets and the value of other directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for their intended service.

When an item of plant, property and equipment is disposed, the gain or loss associated with that item will be recognised in the Statement of Financial Performance.

Work in Progress is recognised as cost less impairment and is not depreciated.

Depreciation of plant, property, and equipment is provided on a straight line basis so as to allocate the cost of assets to their estimated residual value over their estimated useful lives. Typically, the estimated useful lives are:

Computer Equipment	3 - 4 years
Motor Vehicles	5 years
Furniture and Fittings	4 - 10 years
Office Equipment	3 - 4 years
Buildings	10 years

(vii) Intangible Assets

The cost of purchased intangibles such as software is the value of the consideration given to acquire the assets and the value of other directly attributable costs such as installation which have been incurred in bringing the assets to the location and condition necessary for their intended service.

When an intangible asset is disposed, the gain or loss associated with that asset will be recognised in the Statement of Financial Performance.

Amortisation of intangible assets is provided on a straight line basis so as to allocate the cost of the intangible to their estimated residual value over their estimated useful lives. Typically, the estimated useful lives are:

Software	3-4 years
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MINISTRY OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2013**

Significant Accounting Policies (continued)

(viii) Provision for Employee Entitlements

Annual leave, and time off in lieu of overtime worked are recognised as they accrue to employees.

The bonus is the equivalent of a fortnight's pay of the employee.

(ix) Foreign Currencies

Foreign currency transactions are recorded at the exchange rates in effect at the date of the transaction. Monetary assets and liabilities arising from trading transactions or overseas borrowings are translated at closing rates. Gains and losses due to currency fluctuations on these items are included in the Statement of Financial Performance.

(x) Financial Instruments

Financial instruments primarily consist of bank balances, receivables and payables. Gains and losses in relation to all financial instruments are recognised in the Statement of Financial Performance.

(xi) Commitments

Future expenses and liabilities to be incurred on contracts that have been entered into at balance date are disclosed as commitments to the extent that there are equally unperformed obligations.

(xii) Contingent Liabilities

Contingent liabilities are disclosed at the point at which the contingency is evident.

(xiii) Cash and Equivalents

Cash and Equivalents include cash on hand, deposits on call with the bank, cash re-call funds, and investments with a maturity of less than 3 months.

MINISTRY OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2013

Significant Accounting Policies (continued)

(xiii) Statement of Cash Flows

Cash is considered to be cash balances on hand and current accounts in banks, net of bank overdrafts.

Operating activities include cash received from all income sources of the Ministry of Education and record the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition, holding and disposal of fixed assets and investments.

Financing activities comprise capital injections by, or repayment of capital to, the Crown.

(xiv) Value Added Tax (VAT)

All statements of account are inclusive of VAT as Ministry of Education are not VAT registered from 01 July 2012

(xv) Trade Receivables

Trade receivables are carried at the original invoice amount less any provision for doubtful debts. Provisions for doubtful debts are based on a review of outstanding amounts as at year-end. Bad debts are written off when identified.

(xvi) Trade Creditors

Trade creditors are carried at the original invoice amount.

(xvii) Superannuation Schemes

The Ministry of Education contributes to the National Super Fund. This is classified as a Defined Contribution Scheme for the Ministry of Education. As such, the only impact on these financial statements is in the Statement of Financial Performance where payments into the scheme are recognised as an expense in the period they are due.

(xviii) National Human Resource Development Merger

As a result of a re-structure by the Cook Islands Government, National Human Resources Development merged with Ministry of Education as of 1 July 2013.

Taxpayer's Funds

This represents the Crown's net investment in the Ministry of Education.

Changes in Accounting Policies

There have been no changes in accounting policies since the date of the last audited Financial Statements

MINISTRY OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

Note 2: Other Revenue		
Other	2013	2012
	1,994	74,462
Total Other Income	<u>1,994</u>	<u>74,462</u>
Note 3: Other Expenses		
Communication	111,966	91,404
Expensed Assets	37,465	73,437
Freight and Postage	38,324	32,041
Repairs and Maintenance	96,398	142,661
Fuel and Oil	33,448	25,327
Office Supplies / Consumables	286,787	246,469
Electricity	148,745	175,951
Professional Services	11,683	8,186
Travel	71,244	96,760
Human Resources and Training	-	4,725
Advertising, Marketing, and Promotion	16,286	10,198
Outer Island Scholarship allowances	73,429	117,328
Other	100,360	42,874
Total Other Expenses	<u>1,026,136</u>	<u>1,067,361</u>
Note 4: Cash and Equivalents		
Bank Balances	(67,198)	379,405
Cash Re-call	411,693	-
Merger with HRD	8,503	-
Total Cash and Equivalents	<u>352,997</u>	<u>379,405</u>
Note 4.1: Trust Accounts		
Aid Trust Account - NZ Aid	415,774	490,104
Aid Trust Account - NHRD	73,762	-
Total Trust Accounts	<u>489,537</u>	<u>490,104</u>
Note 5: Debtors and Other Receivables		
Accounts Receivable	21,875	11,077
Sundry Debtors and Receivables	13,789	15,636
	<u>35,664</u>	<u>26,713</u>
Inter-ministry receivables included above to SOEs	-	-
Inter-ministry receivables included above to Crown Agencies	-	-
Prior Years Crown Receivable	1,472,225	1,139,603
Current Year Crown Receivable	390,821	332,622
Merger with HRD	133,571	-
	<u>1,996,617</u>	<u>1,472,225</u>
Total Debtors and Other Receivables	<u>2,032,281</u>	<u>1,498,938</u>

These accompanying notes should be read in conjunction with the Financial Statements.

MINISTRY OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
Note 6: Creditors and Other Payables		
Accounts Payable	4,786	92,392
Sundry Creditors and Accruals	67,277	29,123
VAT Payable	-	1,009
Accrued Payroll	263,259	279,737
	<u>335,322</u>	<u>402,262</u>
Inter-ministry payables included above to SOEs	-	11,932
Inter-ministry payables included above to Crown Agencies	13,650	6,646
Prior Years Depreciation Payable	850,922	610,322
Prior Years Surplus Payable	606,568	424,373
Current Year Depreciation Payable	332,074	240,600
Current Year Surplus Payable	57,700	182,196
Merger with HRD	134,851	-
	<u>1,982,116</u>	<u>1,457,490</u>
Total Creditors and Other Payables	<u><u>2,317,438</u></u>	<u><u>1,859,752</u></u>
Note 7: Inventory		
Inventory Held for Use	73,617	66,940
Total Inventory	<u><u>73,617</u></u>	<u><u>66,940</u></u>
Note 8: Employee Entitlements		
<u>Current</u>		
Provision for Annual Leave	71,798	18,594
	<u>71,798</u>	<u>18,594</u>
Total Employee Entitlements	<u><u>71,798</u></u>	<u><u>18,594</u></u>
Note 9: Personnel Expense Reconciliation		
Wages and Salaries	8,482,553	8,588,303
Increase / (Decrease) in Leave Provisions	53,204	(7,608)
Increase / (Decrease) in Long-Service Bonus Accruals	-	29,014
Increase / (Decrease) in Performance Bonus Accruals	4,601	-
Increase / (Decrease) in Payroll Accrual	(21,079)	44,416
Total Personnel Costs	<u><u>8,519,279</u></u>	<u><u>8,654,124</u></u>

These accompanying notes should be read in conjunction with the Financial Statements.

MINISTRY OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
Note 10: Aid Revenue and Expenses		
Aid Revenue Received from Crown:		
New Zealand Aid	3,372,825	2,123,138
Other Aid	91,880	-
Total Aid Revenue Received from Crown	<u>3,464,705</u>	<u>2,123,138</u>
Total Aid Revenue Received	<u>3,464,705</u>	<u>2,123,138</u>
Aid Expenses Incurred:		
New Zealand Aid	2,874,940	1,984,514
Total Aid Expenses Incurred	<u>2,874,940</u>	<u>1,984,514</u>
Capital Expenditure Funded by Aid		
New Zealand Aid	589,766	138,623
Total Aid Funded Capital Expenditure	<u>589,766</u>	<u>138,623</u>

Note 11: Related Parties

The Ministry of Education is a wholly owned entity of the Crown, however, the Government protects it through its legislation from undue influence and significant control.

The Crown provides the Ministry of Education with significant funding in the form of an annual appropriation to assist the Ministry of Education in discharging its duties and obligations. The Ministry of Education also enters into transactions with other Government ministries, Crown agencies and State Owned Enterprises in an arms-length basis. As such, these do not need to be disclosed. Any transactions between related parties which are not subject to arms-length consideration will be detailed below.

The key management personnel are members of the senior management group.

The aggregate remuneration of members of the senior management group and the number of individuals determined on a full time equivalent basis receiving remuneration within this category are:

Aggregate remuneration	357,690	354,240
Number of persons	6	6

These accompanying notes should be read in conjunction with the Financial Statements.

MINISTRY OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 12a: Plant, Property, and Equipment 2013

Category	Opening Cost	Additions	Disposals	Closing Cost	Opening Accum Depn	Depreciation	Accum Depn on Disposals	Closing Accum Depreciation	Net Book Value
Computer Equipment	971,487	453,280		1,430,767	760,940	204,726		965,666	465,101
Furniture & Fittings	820,002	147,508		962,508	632,474	37,281		669,755	292,754
Motor Vehicles	171,976			171,976	165,284	4,025		169,309	2,667
Plant & Equipment	728,920	120,976		849,895	511,671	64,576		576,347	273,548
Buildings	4,343			4,343					
Work In Progress									
Total Plant, Property, & Equipment	2,702,729	716,761	-	3,419,489	2,074,712	310,708	-	2,385,420	1,034,069

Note 12b: Plant, Property, and Equipment 2012

Category	Opening Cost	Additions	Disposals	Closing Cost	Opening Accum Depn	Depreciation	Accum Depn on Disposals	Closing Accum Depreciation	Net Book Value
Computer Equipment	773,583	147,843		921,426	650,216	80,236		735,452	185,974
Furniture & Fittings	768,084	24,805		793,669	588,663	29,302		617,965	175,704
Motor Vehicles	105,581			105,581	103,753	1,828		105,581	-
Plant & Equipment	582,310	73,722		656,132	444,942	38,086		483,028	173,104
Buildings									
Work In Progress									
Total Plant, Property, & Equipment	2,230,258	246,551	-	2,476,809	1,792,574	149,452	-	1,942,026	534,783

Note 12c: Plant, Property, and Equipment 2012 - DHHRD

Category	Opening Cost	Additions	Disposals	Audit Adjustments	Closing Cost	Opening Accum Depn	Depreciation	Accum Depn on Disposals	Audit Adjustments	Closing Accum Depreciation	Net Book Value
Computer Equipment	40,157	10,959	13,861	(167)	37,088	23,356	5,077	13,861	4,797	19,369	17,718
Furniture & Fittings	14,142	440	1,305	2,031	15,308	9,492	762	1,305	37	8,986	6,322
Motor Vehicles	40,444				40,444	25,662	8,089			33,751	6,693
Plant & Equipment	61,587	11,613	28,003	58	47,255	39,042	6,534	26,003	1,409	20,982	26,274
Buildings	4,343				4,343	4,343				4,343	-
NZ Aid Assets	76,580	4,253	1,912	(32,530)	46,391	5,305	6,751	1,912	19	10,163	36,228
EU Assets	62,581		27,489		35,092	53,080		27,489	9,501	35,092	0
Total Plant, Property, & Equipment	299,833	27,285	70,570	(30,608)	225,920	160,280	27,213	70,570	15,763	132,686	93,236



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NOTES TO THE FINANCIAL STATEMENTS
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Note 13a: Intangible Assets 2013

Category	Opening Cost	Additions	Disposals	Closing Cost	Opening Accum Depn	Depreciation	Accum Depn on Disposals	Closing Accum Depreciation	Net Book Value
Purchased Software	64,745	-	-	64,745	31,229	21,366	-	52,594	12,150
Developed Software	-	-	-	-	-	-	-	-	-
Work In Progress	-	-	-	-	-	-	-	-	-
Total Intangible Assets	64,745	-	-	64,745	31,229	21,366	-	52,594	12,150

Note 13b: Intangible Assets 2012

Category	Opening Cost	Additions	Disposals	Closing Cost	Opening Accum Depn	Depreciation	Accum Depn on Disposals	Closing Accum Depreciation	Net Book Value
Purchased Software	47,316	17,429	-	64,745	15,614	15,615	-	31,229	33,516
Developed Software	-	-	-	-	-	-	-	-	-
Work In Progress	-	-	-	-	-	-	-	-	-
Total Intangible Assets	47,316	17,429	-	64,745	15,614	15,615	-	31,229	33,516



MINISTRY OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

Note 14: Financial Instruments

Currency, Interest Rate and Credit Risks

i) Currency

The Ministry of Education undertakes transactions denominated in foreign currencies from time to time and resulting from these activities, exposures in foreign currency arise.

ii) Interest Rate

There is no significant exposure to interest rate risk.

iii) Concentrations of Credit Risk

In the normal course of business, the Ministry of Education incurs credit risk from trade debtors and transactions with financial institutions. The Ministry of Education has a credit policy, which is used to manage this risk. As part of this policy, limits on exposure with counter parties had been set and are monitored on a regular basis.

The Ministry of Education has no significant concentrations of credit risk. It does not require any collateral or security to support financial instruments due to the quality of financial institutions and trade debtors dealt with.

Fair Values

The estimated fair values of the Ministry of Education's financial assets and liabilities are their carrying values.

Note 15: Subsequent Events

Nil

These accompanying notes should be read in conjunction with the Financial Statements.

