



**MINISTRY OF EDUCATION**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2014**



**MINISTRY OF EDUCATION**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2014**

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## MINISTRY OF EDUCATION

### DIRECTORY

**Minister**

Honourable Henry Puna  
Minister for Education

**Head of Ministry / Title**

Sharyn Paio  
Secretary of Education

**Business Address**

P O Box 97  
Avarua  
Rarotonga  
COOK ISLANDS

**Auditor**

Cook Islands Audit Office

**Banker**

Westpac Banking Corp  
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.

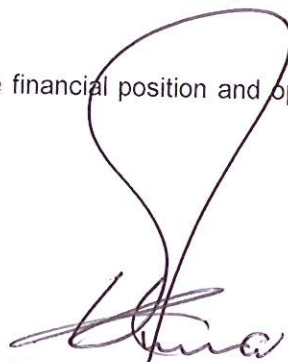
I have the responsibility of establishing and maintaining internal controls. I have established and maintained a system of internal control procedures that provide reasonable assurance as to the integrity and reliability of financial reporting.

The Minister was not responsible for Ministry of Education 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 2014.

  
\_\_\_\_\_  
Sharyn Paio  
**Secretary of Education**

02 April 2015  
**Date**

  
\_\_\_\_\_  
Honourable Henry Puna  
**Minister for Education**

02 April 2015  
**Date**



# COOK ISLANDS AUDIT OFFICE

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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 2014

We have audited the financial statements on pages 7 to 9. The financial statements provide information about the past financial performance of the Ministry of Education and its financial position as at 30 June 2014. 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 generally accepted accounting practice (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 2014, and the results of its operations and cash flows for the year ended 30 June 2014.

#### 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 2014 and its financial performance and cash flows for the year ended on that date.

Our audit was completed on 02 April 2015 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 2014


In New Zealand Dollars	Notes	2014	2013
<b>Revenue</b>			
Crown Appropriation		11,169,900	9,957,271
Net Gain on Disposal of PPE		11,279	-
Other Revenue	2	35,897	1,994
<b>Total Revenue</b>		<u>11,217,076</u>	<u>9,959,265</u>
<b>Expenditure</b>			
Personnel expenses	3	9,944,645	8,519,279
Audit Fees		-	5,000
Depreciation / Amortisation	12,13	386,954	332,074
Other Expenses	4	986,917	1,026,136
<b>Total Expenditure</b>		<u>11,318,516</u>	<u>9,882,489</u>
<b>Operating Deficit</b>		<u>(101,440)</u>	<u>76,776</u>
Aid Revenue	10	3,303,397	3,464,705
Aid Expenses	10	3,078,729	2,874,940
<b>Aid Surplus</b>		<u>224,668</u>	<u>589,765</u>
<b>Net Surplus</b>		<u>123,228</u>	<u>666,541</u>

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



**MINISTRY OF EDUCATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2014**

In New Zealand Dollars	Notes	2014	2013
<b>Taxpayer's Funds</b>			
Accumulated surplus / deficits		11,616	275,342
Owner Contributions		1,042,225	844,494
<b>TOTAL TAXPAYER'S FUNDS</b>		<b>1,053,841</b>	<b>1,119,836</b>
Represented by:			
<b>Current Assets</b>			
Cash and Equivalents	5	(16,661)	(67,198)
Trust Accounts		909,986	489,537
Prepayments		11,981	4,690
Inventory	6	87,796	73,617
Debtors and Other Receivables	7	3,110,681	2,452,477
		<u>4,103,783</u>	<u>2,953,123</u>
<b>Non-Current Assets</b>			
Property, Plant, and Equipment	12 a,b	1,112,076	1,034,069
Intangible Assets	13 a,b	5,925	12,150
		<u>1,118,001</u>	<u>1,046,219</u>
<b>TOTAL ASSETS</b>		<b>5,221,784</b>	<b>3,999,342</b>
<b>Current Liabilities</b>			
Creditors and Other Payables	8	3,173,473	2,317,438
Aid Liabilities		911,799	490,269
Employee Entitlements	9	82,671	71,799
		<u>4,167,943</u>	<u>2,879,506</u>
<b>TOTAL LIABILITIES</b>		<b>4,167,943</b>	<b>2,879,506</b>
<b>NET ASSETS</b>		<b>1,053,841</b>	<b>1,119,836</b>

  
 \_\_\_\_\_  
 Sharyn Paio  
 Secretary of Education  
 02 April 2015  
 \_\_\_\_\_  
 Date

The accompanying accounts should be read in conjunction with these Financial Statements



MINISTRY OF EDUCATION

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2014

In New Zealand Dollars	Accumulated Surplus / Deficit	Contributions from Crown	Total Equity
<b>Balance as at 30 June 2013 brought forward</b>	275,342	844,494	1,119,836
<b>Changes in equity for the year:</b>			
Net surplus / (deficit) for the year	123,228	-	123,228
Capital funding from the Crown	-	197,731	197,731
Depreciation to be repaid to the Crown	(386,954)	-	(386,954)
<b>BALANCE AS AT 30 JUNE 2014</b>	<b>11,616</b>	<b>1,042,225</b>	<b>1,053,841</b>

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
<b>Balance as at 30 June 2012 brought forward</b>	(5,144)	640,380	635,236
<b>Changes in equity for the year:</b>			
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 error	3,719	-	3,719
Surplus to be repaid to the Crown	(57,700)	-	(57,700)
Depreciation to be repaid to the Crown	(332,074)	-	(332,074)
<b>BALANCE AS AT 30 JUNE 2013</b>	<b>275,342</b>	<b>844,494</b>	<b>1,119,836</b>

The accompanying accounts should be read in conjunction with these Financial Statements



**MINISTRY OF EDUCATION**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

In New Zealand Dollars	2014	2013
<b>Cash Flows From Operating Activities</b>		
<i>Cash was provided from:</i>		
Crown Appropriation	10,761,605	9,566,450
Receipt from Clients	47,848	(6,958)
Aid Revenue	3,391,306	3,464,203
	<u>14,200,759</u>	<u>13,023,695</u>
<i>Cash was applied to:</i>		
Payments to Employees	9,775,141	8,482,553
VAT Paid	-	1,009
Aid Expenses	2,745,108	2,874,940
Payments to Suppliers	1,031,559	1,090,717
	<u>13,551,808</u>	<u>12,449,219</u>
Net Cash Flows from Operating Activities	<u>648,951</u>	<u>574,476</u>
<b>Cash Flows from Investing Activities</b>		
<i>Cash was provided from:</i>		
Sale of Fixed Assets	12,000	-
	<u>12,000</u>	<u>-</u>
<i>Cash was applied to:</i>		
Purchase of Fixed Assets	459,458	716,759
	<u>459,458</u>	<u>716,759</u>
Net Cash Flows from Investing Activities	<u>(447,458)</u>	<u>(716,759)</u>
<b>Cash Flows From Financing Activities</b>		
<i>Cash was provided from:</i>		
Capital funding from Crown	197,731	106,806
Cash Recall from Crown	71,762	-
	<u>269,493</u>	<u>106,806</u>
<i>Cash was applied to:</i>		
Cash Recall to Crown	-	411,692
	<u>-</u>	<u>411,692</u>
Net Cash Flows from Financing Activities	<u>269,493</u>	<u>(304,886)</u>
Net Increase/(Decrease) in Cash Held	470,986	(447,169)
Opening Cash Balances	422,339	869,510
Closing Cash Balance	<u><u>893,325</u></u>	<u><u>422,339</u></u>

The accompanying accounts should be read in conjunction with these Financial Statements



MINISTRY OF EDUCATION

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2014

In New Zealand Dollars	2014	2013
<b>Reconciliation of Net Surplus to Cash Flows from Operating Activities</b>		
Reported Surplus	123,228	666,541
<i>Add / (less): Non-cash items</i>		
Depreciation	386,954	332,074
Change in employee entitlements	10,872	53,204
Cash Recall from Crown	(71,761)	-
Cash Recall to Crown	-	420,180
Prior year Adjustment	-	3,719
	<u>449,293</u>	<u>1,475,718</u>
<i>Add / (less): Movements in working capital items</i>		
(Increase) / decrease in Accounts Receivable	15,062	(10,798)
(Increase) / decrease in Crown Receivables	(408,295)	(390,821)
(Increase) / decrease in Sundry Debtors	(3,111)	1,847
(Increase) / decrease in Prepayments	(7,291)	(4,021)
(Increase) / decrease in Cash Recall	71,761	(420,180)
(Increase) / decrease in Inventory	(14,179)	(6,677)
(Increase) / decrease in Aid Receivable	-	-
Increase / (decrease) in Accounts Payable	19,672	(87,606)
Increase / (decrease) in Aid Liabilities	421,530	(502)
Increase / (decrease) in VAT Payable	-	(1,009)
Increase / (decrease) in Payroll Accruals	158,632	(16,478)
Increase / (decrease) in Sundry Creditors	(42,844)	35,003
(Gain)/Loss on Sale of Assets	(11,279)	-
	<u>199,658</u>	<u>(901,242)</u>
Net Cash Flows from Operating Activities	<u><b>648,951</b></u>	<u><b>574,476</b></u>

The accompanying accounts should be read in conjunction with these Financial Statements



# MINISTRY OF EDUCATION

## STATEMENT OF APPROPRIATIONS FOR THE YEAR ENDED 30 JUNE 2014

In New Zealand Dollars

Year Ended 30 June 2014		Appropriation Voted	Revenue/ Expenditure Actual	Surplus / (Deficit)
Output 1:	Taku Ipukarea Kia Rangatira	278,162	314,805	(36,643)
Output 2:	Learning & Teaching	800,677	818,586	(17,909)
Output 3:	Learning & the Community	411,574	453,416	(41,842)
Output 4:	Infrastructure & Support	9,392,315	9,405,386	(13,071)
Output 5:	Corporate Service	287,172	326,323	(39,151)
		<u>11,169,900</u>	<u>11,318,516</u>	<u>(148,616)</u>
Included in the Appropriation Vote:				
Trading Revenue		-	-	-
Other Revenue		-	47,176	47,176
Net Aid Revenue		-	224,668	224,668
Net Surplus				<u><u>123,228</u></u>

### Year Ended 30 June 2013

Output 1:	Taku Ipukarea Kia Rangatira	290,108	276,485	13,623
Output 2:	Learning & Teaching	708,138	713,315	(5,177)
Output 3:	Learning & the Community	432,700	501,544	(68,844)
Output 4:	Infrastructure & Support	8,323,843	8,151,840	172,003
Output 5:	Corporate Service	202,481	239,304	(36,823)
		<u>9,957,270</u>	<u>9,882,488</u>	<u>74,782</u>
Included in the Appropriation Vote:				
Trading Revenue		-	-	-
Other Revenue		-	1,994	1,994
Net Aid Revenue		-	589,765	589,765
Net Surplus				<u><u>666,541</u></u>

The accompanying accounts should be read in conjunction with these Financial Statements



**MINISTRY OF EDUCATION**

**SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED 30 JUNE 2014**

**Statement of Unappropriated Expenditure**

Unappropriated expenditure incurred during the year was \$148,616 (2013: nil).

**Statement of Commitments**

There were no financial commitments at balance date (2013: nil).

**Statement of Contingent Liabilities**

There were no contingent liabilities at balance date (2013: nil).

**Statement of Trust Monies**

The Ministry held no trust monies at balance date (2013: nil).

**Statement of Specific Fiscal Risks**

The Ministry is not exposed to specific fiscal risk.

**Statement of Borrowings**

The Ministry does not have any borrowings with third parties.

The accompanying accounts should be read in conjunction with these Financial Statements



**MINISTRY OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**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**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**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	5 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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**(viii) Provision for Employee Entitlements**

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

## MINISTRY OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

#### Significant Accounting Policies (continued)

(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, and investments with a maturity of less than 3 months.

(xiv) 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.

(xv) Value Added Tax (VAT)

All statements of account are exclusive of VAT. The Statement of Financial Position is exclusive of VAT except for payables and receivables which are stated VAT inclusive as these represent the total amount to be paid or collected by the Ministry to or from third parties.

The amount of VAT owing to or from the Revenue Management Division at balance date, being the difference between Output VAT and Input VAT, is included in payables or receivables as appropriate.

**MINISTRY OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**Significant Accounting Policies (continued)**

(xvi) 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.

(xvii) Trade Creditors

Trade creditors are carried at the original invoice amount.

(xviii) Superannuation Schemes

The Ministry of Education contributes to the National Superannuation Fund. This is classified as a Defined Contribution Scheme for the Ministry. 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.

**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 2014

<b>Note 2: Other Revenue</b>		
Other	2014	2013
	35,897	1,994
Total Other Revenue	<u>35,897</u>	<u>1,994</u>
<b>Note 3: Personnel Expense Reconciliation</b>		
Wages and Salaries paid by MFEM	9,549,594	8,482,553
Wages and salaries paid by the Ministry	225,546	-
Increase / (Decrease) in Leave Provisions	10,873	53,204
Increase / (Decrease) in Payroll Accrual	158,632	(16,478)
Total Personnel Costs	<u>9,944,645</u>	<u>8,519,279</u>
<b>Note 4: Other Expenses</b>		
Communication	111,389	111,966
Expensed Assets	14,071	37,465
Freight and Postage	17,509	38,324
Repairs and Maintenance	83,110	96,398
Fuel and Oil	19,317	33,448
Office Supplies / Consumables	324,823	286,787
Electricity	155,786	148,745
Entertainment	4,417	-
Professional Services	2,559	11,683
Travel	52,957	71,244
Human Resources and Training	10,727	-
Advertising, Marketing, and Promotion	5,902	16,286
Rent	10,087	-
Scholarship Allowance	98,890	73,429
Other	75,373	100,361
Total Other Expenses	<u>986,917</u>	<u>1,026,136</u>
<b>Note 5: Cash and Equivalents</b>		
WBC Bank	(16,661)	(67,198)
Total Cash and Equivalents	<u>(16,661)</u>	<u>(67,198)</u>
<b>Note 6: Inventory</b>		
Inventory Held for Use	87,796	73,617
Total Inventory	<u>87,796</u>	<u>73,617</u>

The accompanying accounts should be read in conjunction with these Financial Statements



MINISTRY OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
<b>Note 7: Debtors and Other Receivables</b>		
Accounts Receivable	6,813	21,875
Cash Recall	348,435	420,196
Sundry Debtors and Receivables	<u>350,521</u>	<u>13,789</u>
	<u>705,769</u>	<u>455,860</u>
Inter-ministry receivables included above to Crown Agencies	1,829	-
Prior Years Crown Receivable	1,996,617	1,472,225
Current Year Crown Receivable	<u>408,295</u>	<u>524,392</u>
	<u>2,404,912</u>	<u>1,996,617</u>
Total Debtors and Other Receivables	<u><u>3,110,681</u></u>	<u><u>2,452,477</u></u>
<b>Note 8: Creditors and Other Payables</b>		
Accounts Payable	24,458	4,786
Sundry Creditors and Accruals	358,054.00	67,277
Accrued Payroll	<u>421,891</u>	<u>263,259</u>
	<u>804,403</u>	<u>335,322</u>
Inter-ministry payables included above to Crown Agencies	12,355	13,650
Prior Years Depreciation Payable	1,317,848	985,774
Prior Years Surplus Payable	664,268	606,568
Current Year Depreciation Payable	386,954	332,074
Current Year Surplus Payable	<u>-</u>	<u>57,700</u>
	<u>2,369,070</u>	<u>1,982,116</u>
Total Creditors and Other Payables	<u><u>3,173,473</u></u>	<u><u>2,317,438</u></u>
<b>Note 9: Employee Entitlements</b>		
Provision for Annual Leave	82,671	71,799
	<u><u>82,671</u></u>	<u><u>71,799</u></u>

The accompanying accounts should be read in conjunction with these Financial Statements



# MINISTRY OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
<b>Note 10: Aid Revenue and Expenses</b>		
Aid Revenue Received from Crown:		
New Zealand Aid	3,255,332	3,372,825
United Nations Aid	30,506	-
Other Aid	17,559	91,880
Total Aid Revenue Received from Crown	<u>3,303,397</u>	<u>3,464,705</u>
Total Aid Revenue Received	<u><b>3,303,397</b></u>	<u><b>3,464,705</b></u>
Aid Expenses Incurred:		
New Zealand Aid	3,030,664	2,874,940
United Nations Aid	30,506	-
Other Aid	17,559	-
Total Aid Expenses Incurred	<u><b>3,078,729</b></u>	<u><b>2,874,940</b></u>
Capital Expenditure Funded by Aid		
New Zealand Aid	224,668	589,765
Total Aid Funded Capital Expenditure	<u><b>224,668</b></u>	<u><b>589,765</b></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 with significant funding in the form of an annual appropriation to assist the Ministry in discharging its duties and obligations. The Ministry 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	365,634	357,690
Number of persons	6	6

The accompanying accounts should be read in conjunction with these Financial Statements



MINISTRY OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

Note 12a: Plant, Property, and Equipment 2014

Category	Opening Cost	Additions	Disposals	Closing Cost	Opening Accum Depn	Depreciation	Accum Depn on Disposals	Closing Accum Depreciation	Net Book Value
Computer Equipment	1,430,767	205,247	236,461	1,399,553	965,666	251,775	236,461	980,980	418,573
Furniture & Fittings	962,508	98,232	67,871	992,869	669,755	39,044	67,871	640,928	351,941
Motor Vehicles	171,976	2,500	25,951	148,525	169,309	2,667	25,951	146,025	2,500
Plant & Equipment	849,895	146,585	155,350	841,130	576,347	86,669	154,829	508,387	332,743
Buildings	4,343	6,894	-	11,237	4,343	575	-	4,918	6,319
<b>Total Plant, Property, &amp; Equipment</b>	<b>3,419,489</b>	<b>459,458</b>	<b>485,633</b>	<b>3,393,314</b>	<b>2,385,420</b>	<b>380,730</b>	<b>484,912</b>	<b>2,281,238</b>	<b>1,112,076</b>

Note 12b: 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	977,487	453,280	-	1,430,767	760,940	204,726	-	965,666	465,101
Furniture & Fittings	820,002	142,506	-	962,508	632,474	37,281	-	669,755	292,753
Motor Vehicles	171,976	-	-	171,976	165,284	4,025	-	169,309	2,667
Plant & Equipment	728,920	120,975	-	849,895	511,671	64,676	-	576,347	273,548
Buildings	4,343	-	-	4,343	4,343	-	-	4,343	-
<b>Total Plant, Property, &amp; Equipment</b>	<b>2,702,728</b>	<b>716,761</b>	<b>-</b>	<b>3,419,489</b>	<b>2,074,712</b>	<b>310,708</b>	<b>-</b>	<b>2,385,420</b>	<b>1,034,069</b>



MINISTRY OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

Note 13a: Intangible Assets 2014

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	52,595	6,225	-	58,820	5,925
Developed Software	-	-	-	-	-	-	-	-	-
Work In Progress	-	-	-	-	-	-	-	-	-
<b>Total Intangible Assets</b>	<b>64,745</b>	<b>-</b>	<b>-</b>	<b>64,745</b>	<b>52,595</b>	<b>6,225</b>	<b>-</b>	<b>58,820</b>	<b>5,925</b>

Note 13b: 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	-	52,595	12,150
Developed Software	-	-	-	-	-	-	-	-	-
Work In Progress	-	-	-	-	-	-	-	-	-
<b>Total Intangible Assets</b>	<b>64,745</b>	<b>-</b>	<b>-</b>	<b>64,745</b>	<b>31,229</b>	<b>21,366</b>	<b>-</b>	<b>52,595</b>	<b>12,150</b>



MINISTRY OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

**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 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

The accompanying accounts should be read in conjunction with these Financial Statements

