



MINISTRY OF EDUCATION

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2015



MINISTRY OF EDUCATION
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CONTENTS

Directory	3
Statement of Responsibility	4
Audit Report	5 - 6
Statement of Financial Performance	7
Statement of Financial Position	8
Statement of Changes in Net Assets / Equity	9
Statement of Cash Flows	10 - 11
Statement of Appropriation / Supplementary Information	12 - 13
Notes to the Financial Statements	14 - 23



MINISTRY OF EDUCATION

DIRECTORY

Minister

Honourable Henry Puna
Minister for Education

Head of Ministry / Title

Gail H Townsend
Secretary of Education

Business Address

P O Box 97
Avarua
Rarotonga
COOK ISLANDS

Auditor

Cook Islands Audit Office

Banker

Bank South Pacific
Avarua
RAROTONGA

Solicitor

Crown Law Office



MINISTRY OF EDUCATION

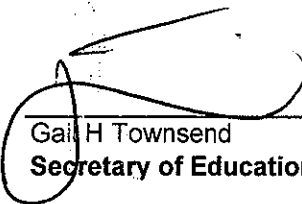
STATEMENT OF RESPONSIBILITY

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.

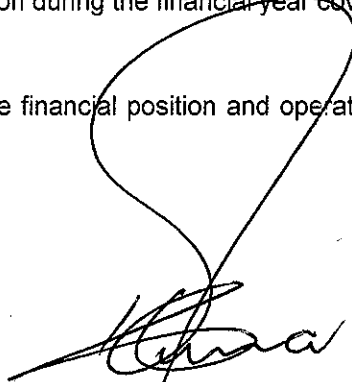
The Secretary was not responsible for Ministry of Education during the financial year covered by these financial statements.

In my opinion, these financial statements fairly reflect the financial position and operations of the Ministry of Education for the year ended 30 June 2015.



Gail H Townsend
Secretary of Education

20 April 2016
Date



Honourable Henry Puna
Minister for Education

20 April 2016
Date





INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF THE MINISTRY OF EDUCATION 30 JUNE 2015

Report on the Financial Statements

We have audited the accompanying financial statements of the Ministry of Education on pages 7 to 23. The financial statements comprise of the statement of financial position as at 30 June 2015, the statement of financial performance, the statement of changes in equity, the statement of appropriations and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (IPSAS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

The Cook Islands Audit Office is the appointed auditor of the Ministry of Education under Section 71(1) of the Cook Islands Constitution

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAI) 1000 – 2999 series. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

Opinion

In our opinion the financial statements of the Ministry of Education on pages 7 to 23 for the year ended 30 June 2015 comply with generally accepted accounting practices as defined by the Ministry of Finance and Economic Act 1995-96 and present fairly, in all material respects, the financial position of the Ministry of Education as at 30 June 2015 and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

Our audit was completed on 20 April 2016 and our 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 2015

In New Zealand Dollars	Notes	2015	2014
Revenue			
Crown Appropriation		11,098,255	11,169,900
Net Gain on Disposal of PPE		1,881	11,279
Other Revenue	2	35,209	35,897
Total Revenue		<u>11,135,345</u>	<u>11,217,076</u>
Expenditure			
Personnel expenses	3	9,715,608	9,944,645
Depreciation / Amortisation	12,13	441,872	386,954
Other Expenses	4	1,123,225	986,917
Total Expenditure		<u>11,280,704</u>	<u>11,318,516</u>
Operating Deficit		<u>(145,359)</u>	<u>(101,440)</u>
Aid Revenue	10	3,379,080	3,303,397
Aid Expenses	10	3,063,936	3,078,729
Aid Surplus		<u>315,144</u>	<u>224,668</u>
Net Surplus		<u>169,785</u>	<u>123,228</u>

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



MINISTRY OF EDUCATION
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

In New Zealand Dollars	Notes	2015	2014
Taxpayer's Funds			
Accumulated surplus / deficits		(265,271)	11,616
Owner Contributions		1,199,306	1,042,225
TOTAL TAXPAYER'S FUNDS		<u><u>934,036</u></u>	<u><u>1,053,841</u></u>
Represented by:			
Current Assets			
Cash and Equivalents	5	(1,508)	(16,661)
Trust Accounts		619,936	909,986
Prepayments		6,270	11,981
Inventory	6	87,304	87,796
Debtors and Other Receivables	7	3,143,365	3,110,681
Aid Receivables		12,719	-
		<u>3,868,087</u>	<u>4,103,783</u>
Non-Current Assets			
Property, Plant, and Equipment	12 a,b	1,179,424	1,112,076
Intangible Assets	13 a,b	174	5,925
		<u>1,179,598</u>	<u>1,118,001</u>
TOTAL ASSETS		<u><u>5,047,684</u></u>	<u><u>5,221,784</u></u>
Current Liabilities			
Creditors and Other Payables	8	3,386,517	3,173,473
Aid Liabilities		621,848	911,799
Employee Entitlements	9	105,284	82,671
		<u>4,113,649</u>	<u>4,167,943</u>
TOTAL LIABILITIES		<u><u>4,113,649</u></u>	<u><u>4,167,943</u></u>
NET ASSETS		<u><u>934,036</u></u>	<u><u>1,053,841</u></u>

Gail H Townsend
Secretary of Education

20 April 2016
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 2015

In New Zealand Dollars	Accumulated Surplus / Deficit	Contributions from Crown	Total Equity
Balance as at 30 June 2014 brought forward	11,616	1,042,225	1,053,841
Changes in equity for the year:			
Net surplus / (deficit) for the year	169,785	-	169,785
Capital funding from the Crown	-	157,081	157,081
Crown Repayable - Gain on sale	(4,800)	-	(4,800)
Depreciation to be repaid to the Crown	(441,872)	-	(441,872)
BALANCE AS AT 30 JUNE 2015	<u>(265,271)</u>	<u>1,199,306</u>	<u>934,036</u>

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
Balance as at 30 June 2013 brought forward	275,342	844,494	1,119,836
Changes in equity for the year:			
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)
BALANCE AS AT 30 JUNE 2014	<u>11,616</u>	<u>1,042,225</u>	<u>1,053,841</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 2015

In New Zealand Dollars	2015	2014
Cash Flows From Operating Activities		
<i>Cash was provided from:</i>		
Crown Appropriation	10,742,010	10,761,605
Receipt from Clients	15,939	47,848
Aid Revenue	3,089,130	3,391,306
	<u>13,847,079</u>	<u>14,200,759</u>
<i>Cash was applied to:</i>		
Payments to Employees	9,602,246	9,775,141
Aid Expenses	3,063,936	2,745,108
Payments to Suppliers	1,107,256	1,031,559
	<u>13,773,438</u>	<u>13,551,808</u>
Net Cash Flows from Operating Activities	<u>73,641</u>	<u>648,951</u>
Cash Flows from Investing Activities		
<i>Cash was provided from:</i>		
Sale of Fixed Assets	3,257	12,000
	<u>3,257</u>	<u>12,000</u>
<i>Cash was applied to:</i>		
Purchase of Fixed Assets	504,844	459,458
	<u>504,844</u>	<u>459,458</u>
Net Cash Flows from Investing Activities	<u>(501,587)</u>	<u>(447,458)</u>
Cash Flows From Financing Activities		
<i>Cash was provided from:</i>		
Capital funding from Crown	157,081	197,731
Cash Recall from Crown	768	71,762
	<u>157,850</u>	<u>269,493</u>
<i>Cash was applied to:</i>		
Crown repayable - Gain on sale	4,800	-
	<u>4,800</u>	<u>-</u>
Net Cash Flows from Financing Activities	<u>153,050</u>	<u>269,493</u>
Net Increase/(Decrease) in Cash Held	(274,896)	470,986
Opening Cash Balances	893,325	422,339
Closing Cash Balance	<u>618,429</u>	<u>893,325</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 2015

In New Zealand Dollars	2015	2014
Reconciliation of Net Surplus to Cash Flows from Operating Activities		
Reported Surplus	169,785	123,228
<i>Add / (less): Non-cash items</i>		
Depreciation	441,872	386,954
Change in employee entitlements	22,613	10,872
Cash Recall from Crown	(768)	(71,761)
	<u>633,502</u>	<u>449,293</u>
<i>Add / (less): Movements in working capital items</i>		
(Increase) / decrease in Accounts Receivable	(11,350)	15,062
(Increase) / decrease in Crown Receivables	(356,245)	(408,295)
(Increase) / decrease in Sundry Debtors	4,800	(3,111)
(Increase) / decrease in Prepayments	5,711	(7,291)
(Increase) / decrease in Cash Recall	768	71,761
(Increase) / decrease in Inventory	492	(14,179)
(Increase) / decrease in Aid Receivable	(12,719)	-
Increase / (decrease) in Accounts Payable	(24,458)	19,672
Increase / (decrease) in Aid Liabilities	(289,951)	421,530
Increase / (decrease) in Payroll Accruals	90,749	158,632
Increase / (decrease) in Sundry Creditors	34,224	(42,844)
(Gain)/Loss on Sale of Assets	(1,881)	(11,279)
	<u>(559,861)</u>	<u>199,658</u>
Net Cash Flows from Operating Activities	<u>73,641</u>	<u>648,951</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 2015

In New Zealand Dollars

Year Ended 30 June 2015		Appropriation Voted	Revenue/ Expenditure Actual	Surplus / (Deficit)
Output 1:	Taku Ipukarea Kia Rangatira	231,401	370,106	(138,705)
Output 2:	Learning & Teaching	652,970	553,138	99,832
Output 3:	Learning & the Community	442,694	536,976	(94,282)
Output 4:	Infrastructure & Support	9,543,596	9,523,418	20,178
Output 5:	Corporate Service	227,594	297,066	(69,472)
		<u>11,098,255</u>	<u>11,280,704</u>	<u>(182,449)</u>
Included in the Appropriation Vote:				
	Other Revenue	-	37,090	37,090
	Net Aid Revenue	-	315,144	315,144
	Net Surplus			<u><u>169,785</u></u>
Year Ended 30 June 2014				
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:				
	Other Revenue	-	47,176	47,176
	Net Aid Revenue	-	224,668	224,668
	Net Surplus			<u><u>123,228</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 2015**

Statement of Unappropriated Expenditure

Unappropriated expenditure incurred during the year was \$182,449 (2014: \$148,616)

Statement of Commitments

There were no financial commitments at balance date (2014: nil).

Statement of Contingent Liabilities

There were no contingent liabilities at balance date (2014: nil).

Statement of Trust Monies

The Ministry held no trust monies at balance date (2014: 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 2015

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.

(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 2015

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 2015

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 and Trust accounts.

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 2015**

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 2015

Note 2: Other Revenue	2015	2014
Other	<u>35,209</u>	<u>35,897</u>
Total Other Revenue	<u>35,209</u>	<u>35,897</u>
Note 3: Personnel Expense Reconciliation		
Wages and Salaries paid by MFEM	9,602,245	9,549,594
Wages and salaries paid by the Ministry	-	225,546
Increase / (Decrease) in Leave Provisions	22,614	10,873
Increase / (Decrease) in Payroll Accrual	<u>90,749</u>	<u>158,632</u>
Total Personnel Costs	<u>9,715,608</u>	<u>9,944,645</u>
Note 4: Other Expenses		
Communication	138,522	111,389
Expensed Assets	16,092	14,071
Freight and Postage	20,085	17,509
Repairs and Maintenance	57,069	83,110
Fuel and Oil	14,451	19,317
Office Supplies / Consumables	335,480	324,823
Electricity	150,725	155,786
Entertainment	2,773	4,417
Professional Services	11,243	2,559
Travel	64,699	52,957
Human Resources and Training	4,997	10,727
Advertising, Marketing, and Promotion	9,571	5,902
Rent	21,063	10,087
Scholarship Allowance	178,984	98,890
Other	<u>97,472</u>	<u>75,373</u>
Total Other Expenses	<u>1,123,225</u>	<u>986,917</u>
Note 5: Cash and Equivalents		
WBC Bank	<u>(1,508)</u>	<u>(16,661)</u>
Total Cash and Equivalents	<u>(1,508)</u>	<u>(16,661)</u>
Note 6: Inventory		
Inventory Held for Use	<u>87,304</u>	<u>87,796</u>
Total Inventory	<u>87,304</u>	<u>87,796</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 2015

	2015	2014
Note 7: Debtors and Other Receivables		
Accounts Receivable	18,163	6,813
Cash Recall	347,667	348,435
Sundry Debtors and Receivables	16,378	350,521
	<u>382,208</u>	<u>705,769</u>
Inter-ministry receivables included above to Crown Agencies	1,829	1,829
Prior Years Crown Receivable	2,404,912	1,996,617
Current Year Crown Receivable	356,245	408,295
	<u>2,761,157</u>	<u>2,404,912</u>
Total Debtors and Other Receivables	<u>3,143,365</u>	<u>3,110,681</u>
Note 8: Creditors and Other Payables		
Accounts Payable	-	24,458
Sundry Creditors and Accruals	62,935	358,054
Accrued Payroll	512,640	421,891
	<u>575,575</u>	<u>804,403</u>
Inter-ministry payables included above to Crown Agencies	8,685	12,355
Inter-ministry payables included above to SOEs	10,422	-
Prior Years Depreciation Payable	1,704,802	1,317,848
Prior Years Surplus Payable	664,268	664,268
Current Year Depreciation Payable	441,872	386,954
	<u>2,810,942</u>	<u>2,369,070</u>
Total Creditors and Other Payables	<u>3,386,517</u>	<u>3,173,473</u>
Note 9: Employee Entitlements		
Provision for Annual Leave	105,284	82,671
	<u>105,284</u>	<u>82,671</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 2015

	2015	2014
Note 10: Aid Revenue and Expenses		
Aid Revenue Received from Crown:		
New Zealand Aid	3,301,820	3,255,332
United Nations Aid	50,699	30,506
European Union Aid	3,000	-
Other Aid	23,561	17,559
Total Aid Revenue Received from Crown	<u>3,379,080</u>	<u>3,303,397</u>
Total Aid Revenue Received	<u>3,379,080</u>	<u>3,303,397</u>
Aid Expenses Incurred:		
New Zealand Aid	2,986,676	3,030,664
United Nations Aid	50,699	30,506
European Union Aid	3,000	-
Other Aid	23,561	17,559
Total Aid Expenses Incurred	<u>3,063,936</u>	<u>3,078,729</u>
Capital Expenditure Funded by Aid		
New Zealand Aid	<u>315,144</u>	<u>224,668</u>
Total Aid Funded Capital Expenditure	<u>315,144</u>	<u>224,668</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	421,174	365,634
Number of persons	7	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 2015

Note 12a: Plant, Property, and Equipment 2015

Category	Opening Cost	Additions	Disposals	Closing Cost	Opening Accum Depn	Depreciation	Accum Depn on Disposals	Closing Accum Depreciation	Net Book Value
Computer Equipment	1,399,553	184,981	24,031	1,560,503	980,980	262,130	22,654	1,220,468	340,035
Furniture & Fittings	992,869	52,461	614	1,044,716	640,928	47,812	614	688,125	356,591
Motor Vehicles	148,525	39,981	23,289	165,217	146,025	3,841	23,289	126,577	38,640
Plant & Equipment	841,130	220,806	28,765	1,033,171	508,387	121,634	28,785	601,256	431,914
Buildings	11,237	6,615	-	17,852	4,918	699	-	5,607	12,245
Total Plant, Property, & Equipment	3,393,314	504,843	76,699	3,821,458	2,281,238	436,106	75,323	2,642,034	1,179,424

Note 12b: 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	965,866	251,775	236,461	980,980	418,573
Furniture & Fittings	962,508	99,232	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	154,629	508,387	332,743
Buildings	4,343	6,894	-	11,237	4,343	575	-	4,918	6,319
Total Plant, Property, & Equipment	3,419,489	459,458	485,633	3,393,314	2,395,420	380,730	484,912	2,281,238	1,112,076

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 2015

Note 13a: Intangible Assets 2015

Category	Opening Cost	Additions	Disposals	Closing Cost	Opening Accum Deprn	Depreciation	Accum Deprn on Disposals	Closing Accum Depreciation	Net Book Value
Purchased Software	64,745	-	-	64,745	58,820	5,751	-	64,571	174
Total Intangible Assets	64,745	-	-	64,745	58,820	5,751	-	64,571	174

Note 13b: Intangible Assets 2014

Category	Opening Cost	Additions	Disposals	Closing Cost	Opening Accum Deprn	Depreciation	Accum Deprn on Disposals	Closing Accum Depreciation	Net Book Value
Purchased Software	64,745	-	-	64,745	52,595	6,225	-	58,820	5,925
Total Intangible Assets	64,745	-	-	64,745	52,595	6,225	-	58,820	5,925



MINISTRY OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

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

