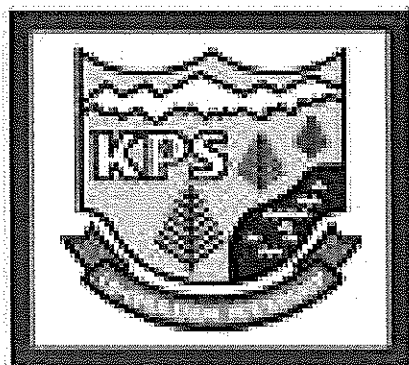


KAIKOURA PRIMARY SCHOOL



ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

Ministry Number:	3391
Acting Principal:	Helen Voice
School Address	19 Torquay Street, Esplanade, Kaikoura
School Postal Address:	19 Torquay Street, Esplanade, Kaikoura, 7300
School Phone:	03 319 5440
School Email:	office@kaikoura.school.nz

KAIKOURA PRIMARY SCHOOL

Annual Report - For the year ended 31 December 2018

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Kaikoura Primary School

Statement of Responsibility

For the year ended 31 December 2018

The Board of Trustees accepts responsibility for the preparation of the annual financial statements and the judgements used in these financial statements.

The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

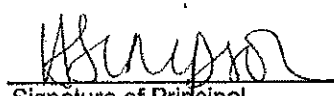
It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2018 fairly reflect the financial position and operations of the school.

The School's 2018 financial statements are authorised for issue by the Board.

Vicki Lea Guileford
Full Name of Board Chairperson

Hannah Simpson
Full Name of Principal


Signature of Board Chairperson


Signature of Principal

29 April 2019
Date:

29 April 2019
Date:

Kaikoura Primary School

Members of the Board of Trustees

For the year ended 31 December 2018

Name	Position	How Position Gained	Held Until
Vicki Gulleford	Chairperson	Elected Member	May 2019
Nigel Easson	Principal		Nov 2018
Helen Voice	Acting Principal		Apr 2019
Rawiri Manawatu	Parent Rep	Co-Opted Member	May 2019
Kim Boyce-Campbell	Parent Rep	Elected Member	May 2019
Jennifer Millar	Parent Rep	Elected Member	May 2019
Rosita Cullen	Parent Rep	Elected Member	May 2019
Nigel Sweeney	Parent Rep	Elected Member	May 2019
Misty Giles	Parent Rep	Elected Member	Feb 2018
Cherie Kaa	Parent Rep	Elected Member	May 2019
Hannah Simpson	Staff Rep	Elected Member	May 2019

Kaikoura Primary School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2018

		2018	2018	2017
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	1,148,724	1,049,901	1,090,661
Locally Raised Funds	3	87,072	32,785	108,952
Interest Earned		2,594	850	3,831
		<u>1,238,390</u>	<u>1,083,536</u>	<u>1,203,444</u>
Expenses				
Locally Raised Funds	3	43,399	13,778	18,483
Learning Resources	4	705,372	737,779	654,546
Administration	5	78,111	74,450	61,048
Finance Costs		656	-	388
Property	6	363,969	246,889	355,318
Depreciation	7	35,051	18,000	30,467
Loss on Disposal of Property, Plant and Equipment		23	-	3,607
		<u>1,226,581</u>	<u>1,090,896</u>	<u>1,123,857</u>
Net Surplus / (Deficit)		11,809	(7,360)	79,588
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>11,809</u>	<u>(7,360)</u>	<u>79,588</u>

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

Kaikoura Primary School
Statement of Changes in Net Assets/Equity

For the year ended 31 December 2018

	Actual 2018 \$	Budget (Unaudited) 2018 \$	Actual 2017 \$
Balance at 1 January	589,535	589,535	506,861
Total comprehensive revenue and expense for the year	11,809	(7,360)	79,588
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	-	-	3,087
Equity at 31 December	601,344	582,175	589,535
Retained Earnings	601,344	582,175	589,535
Equity at 31 December	601,344	582,175	589,535

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

Kaikoura Primary School

Statement of Financial Position

As at 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Assets				
Cash and Cash Equivalents	8	63,739	86,051	75,411
Accounts Receivable	9	48,530	31,679	31,679
GST Receivable		4,746	13,080	13,080
Prepayments		2,073	4,344	4,344
Inventories	9	2,826	4,132	4,132
Investments	10	93,517	90,909	90,909
Funds owing for Capital Works Projects	16	33,984	22,884	22,884
		<u>249,415</u>	<u>253,079</u>	<u>242,439</u>
Current Liabilities				
Accounts Payable	12	69,756	81,302	81,302
Revenue Received in Advance	13	17,000	-	-
Provision for Cyclical Maintenance	14	-	21,091	21,091
Finance Lease Liability - Current Portion	15	9,256	8,699	8,699
Funds held for Capital Works Projects	16	-	19,202	19,202
Funds Held on Behalf of RTLit Cluster	17	19,414	15,105	15,105
		<u>115,426</u>	<u>145,399</u>	<u>145,399</u>
Working Capital Surplus/(Deficit)		133,989	107,680	97,040
Non-current Assets				
Property, Plant and Equipment	11	513,561	501,237	519,237
		<u>513,561</u>	<u>501,237</u>	<u>519,237</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	31,291	6,800	6,800
Finance Lease Liability	15	14,915	19,942	19,942
		<u>46,206</u>	<u>26,742</u>	<u>26,742</u>
Net Assets		<u>601,344</u>	<u>582,175</u>	<u>589,535</u>
Equity		<u>601,344</u>	<u>582,175</u>	<u>589,535</u>

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

Kaikoura Primary School
Statement of Cash Flows
For the year ended 31 December 2018

		2018	2018	2017
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		259,350	242,942	228,857
Locally Raised Funds		91,024	32,785	108,952
Goods and Services Tax (net)		8,334	-	(9,381)
Payments to Employees		(133,738)	(123,991)	(109,732)
Payments to Suppliers		(176,225)	(141,946)	(108,031)
Interest Received		2,708	850	3,480
Net cash from / (to) the Operating Activities		51,453	10,640	110,745
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	-	(3,607)
Purchase of PPE (and Intangibles)		(23,553)	-	(65,338)
Purchase of Investments		(2,608)	-	(90,909)
Net cash from / (to) the Investing Activities		(26,161)	-	(159,854)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	3,087
Finance Lease Payments		(10,971)	-	(8,900)
Funds Administered on Behalf of Third Parties		4,309	-	2,259
Funds Held for Capital Works Projects		(30,302)	-	(3,682)
Net cash from Financing Activities		(36,964)	-	(7,236)
Net increase/(decrease) in cash and cash equivalents				
		(11,672)	10,640	(56,345)
Cash and cash equivalents at the beginning of the year	8	75,411	75,411	131,756
Cash and cash equivalents at the end of the year	8	63,739	86,051	75,411

The statement of cash flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries and the use of land and buildings grant and expense have been omitted.

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Kaikoura Primary School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2018

1.1. Reporting Entity

Kaikoura Primary School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

1.2. Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2018 to 31 December 2018 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

The Education Act 1989 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as "having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders".

PBE Accounting Standards Reduced Disclosure Regime

The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the expenditure threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

Measurement Base

The financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

Presentation Currency

These financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

Specific Accounting Policies

The accounting policies used in the preparation of these financial statements are set out below.

Critical Accounting Estimates And Assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 11.

Critical Judgements in applying accounting policies

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

Classification of leases

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 14.

Recognition of grants

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

1.3. Revenue Recognition

Government Grants

The school receives funding from the Ministry of Education. The following are the main types of funding that the School receives;

Operational grants are recorded as revenue when the School has the rights to the funding, which is in the year that the funding is received.

Teachers salaries grants are recorded as revenue when the School has the rights to the funding in the salary period they relate to. The grants are not received in cash by the School and are paid directly to teachers by the Ministry of Education.

Use of land and buildings grants are recorded as revenue in the period the School uses the land and buildings. These are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown.

Other Grants

Other grants are recorded as revenue when the School has the rights to the funding, unless there are unfulfilled conditions attached to the grant, in which case the amount relating to the unfulfilled conditions is recognised as a liability and released to revenue as the conditions are fulfilled.

Donations, Gifts and Bequests

Donations, gifts and bequests are recorded as revenue when their receipt is formally acknowledged by the School.

Interest Revenue

Interest Revenue earned on cash and cash equivalents and investments is recorded as revenue in the period it is earned.

1.4. Use of Land and Buildings Expense

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Ministry.

1.5. Operating Lease Payments

Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight line basis over the term of the lease.

1.6. Finance Lease Payments

Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

1.7. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of 90 days or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

1.8. Accounts Receivable

Accounts Receivable represents items that the School has issued invoices for or accrued for, but has not received payment for at year end. Receivables are initially recorded at fair value and subsequently recorded at the amount the School realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the School will not be able to collect all amounts due. The amount that is uncollectable (the provision for uncollectibility) is the difference between the amount due and the present value of the amounts expected to be collected.

1.9. Inventories

Inventories are consumable items held for sale and comprise of stationery and school uniforms. They are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is the estimated selling price in the ordinary course of activities less the estimated costs necessary to make the sale. Any write down from cost to net realisable value is recorded as an expense in the Statement of Comprehensive Revenue and Expense in the period of the write down.

1.10. 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 \$500 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.

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	40 years
Furniture & Equipment	10-20 years
Computer Equipment	5 years
Leased assets	3 years
Library resources	12.5% Diminishing value

1.11. Impairment of property, plant and equipment and intangible assets

The school does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

Non cash generating assets

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

1.12. Accounts Payable

Accounts Payable represents liabilities for goods and services provided to the School prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

1.13. Employment Entitlements

Short-term employee entitlements

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

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

Long-term employee entitlements

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

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

1.14. Shared Funds

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

1.15. Provision for Cyclical Maintenance

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

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

1.16. 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, and finance lease liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

1.17. Goods and Services Tax (GST)

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

1.18. Budget Figures

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

1.19. Services received in-kind

From time to time the School receives services in-kind, including the time of volunteers. The School has elected not to recognise services received in kind in the Statement of Comprehensive Revenue and Expense.

2. Government Grants

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operational grants	235,579	224,021	182,639
Teachers' salaries grants	608,533	634,239	554,518
Use of Land and Buildings grants	280,841	172,720	292,673
Other MoE Grants	23,771	18,921	60,831
	<u>1,148,724</u>	<u>1,049,901</u>	<u>1,090,661</u>

3. Locally Raised Funds

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue			
Donations	25,093	4,000	78,165
Fundraising	-	869	-
Other revenue	46,744	12,844	19,861
Trading	9,878	7,772	6,849
Activities	5,357	7,300	4,077
	<u>87,072</u>	<u>32,785</u>	<u>108,952</u>
Expenses			
Activities	3,104	7,300	8,992
Trading	2,249	3,000	1,965
Fundraising (costs of raising funds)	-	3,478	-
Other Expenses	38,046	-	7,526
	<u>43,399</u>	<u>13,778</u>	<u>18,483</u>
<i>Surplus for the year Locally raised funds</i>	<u>43,673</u>	<u>19,007</u>	<u>90,469</u>

4. Learning Resources

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Curricular	28,397	36,312	46,642
Extra-curricular activities	1,214	1,739	1,727
Library resources	844	2,739	142
Employee benefits - salaries	665,177	685,633	596,057
Staff development	9,740	11,356	9,978
	<u>705,372</u>	<u>737,779</u>	<u>654,546</u>

5. Administration

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	2,700	1,043	2,330
Board of Trustees Fees	3,745	3,304	4,295
Board of Trustees Expenses	9,880	6,086	4,115
Communication	2,011	2,507	1,906
Consumables	16,346	20,140	8,668
Operating Lease	-	-	257
Other	98	86	98
Employee Benefits - Salaries	39,002	37,597	35,181
Insurance	1,664	1,257	1,457
Service Providers, Contractors and Consultancy	2,665	2,430	2,741
	<u>78,111</u>	<u>74,450</u>	<u>61,048</u>

6. Property

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	1,659	1,802	1,244
Cyclical Maintenance Provision	3,400	6,635	3,400
Grounds	10,265	4,321	2,620
Heat, Light and Water	13,155	6,473	11,394
Rates	3,610	5,424	4,572
Repairs and Maintenance	9,090	14,514	12,397
Use of Land and Buildings	280,841	172,720	292,673
Employee Benefits - Salaries	41,949	35,000	27,018
	<u>363,969</u>	<u>246,889</u>	<u>355,318</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 of Property, Plant and Equipment

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements	10,340	5,000	9,467
Furniture and Equipment	5,603	3,500	5,186
Information and Communication Technology	7,147	3,500	5,902
Leased Assets	10,359	4,000	8,575
Library Resources	1,602	2,000	1,337
	<u>35,051</u>	<u>18,000</u>	<u>30,467</u>

8. Cash and Cash Equivalents

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	100	100	100
Bank Current Account	15,729	53,951	43,040
Bank Call Account	47,910	32,000	32,271
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>63,739</u>	<u>86,051</u>	<u>75,411</u>

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

9. Accounts Receivable

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	13,048	-	-
Interest Receivable	237	351	351
Teacher Salaries Grant Receivable	35,245	31,328	31,328
	<u>48,530</u>	<u>31,679</u>	<u>31,679</u>
Receivables from Exchange Transactions	13,285	351	351
Receivables from Non-Exchange Transactions	35,245	31,328	31,328
	<u>48,530</u>	<u>31,679</u>	<u>31,679</u>

10. Investments

The School's investment activities are classified as follows:

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	93,517	90,909	90,909

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2018						
Building Improvements	388,009	4,122	-	-	(10,340)	381,791
Furniture and Equipment	64,111	15,955	-	-	(5,603)	74,463
Information and Communication	28,546	-	-	-	(7,147)	21,399
Leased Assets	29,210	5,845	-	-	(10,359)	24,696
Library Resources	9,361	3,476	(23)	-	(1,602)	11,212
Balance at 31 December 2018	519,237	29,398	(23)	-	(35,051)	513,561

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2018			
Building Improvements	538,563	(156,772)	381,791
Furniture and Equipment	154,811	(80,348)	74,463
Information and Communication	80,319	(58,920)	21,399
Leased Assets	44,739	(20,043)	24,696
Library Resources	62,007	(50,795)	11,212
Balance at 31 December 2018	880,439	(366,878)	513,561

The net carrying value of equipment held under a finance lease is \$24,696 (2017: \$29,210)

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2017						
Building Improvements	356,063	52,151	(10,738)	-	(9,467)	388,009
Furniture and Equipment	66,752	2,545	-	-	(5,186)	64,111
Information and Communication	14,198	20,250	-	-	(5,902)	28,546
Leased Assets	37,785	-	-	-	(8,575)	29,210
Library Resources	9,568	1,130	-	-	(1,337)	9,361
Balance at 31 December 2017	484,366	76,076	(10,738)	-	(30,467)	519,237

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2017			
Building Improvements	534,442	(146,433)	388,009
Furniture and Equipment	138,855	(74,744)	64,111
Information and Communication	80,319	(51,773)	28,546
Leased Assets	38,894	(9,684)	29,210
Library Resources	58,677	(49,316)	9,361
Balance at 31 December 2017	851,187	(331,950)	519,237

12. Accounts Payable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	4,336	46,661	46,661
Accruals	25,685	2,680	2,680
Employee Entitlements - salaries	37,331	31,328	31,328
Employee Entitlements - leave accrual	2,404	633	633
	<u>69,756</u>	<u>81,302</u>	<u>81,302</u>
Payables for Exchange Transactions	69,756	81,302	81,302
	<u>69,756</u>	<u>81,302</u>	<u>81,302</u>

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Red Cross	17,000	-	-
	<u>17,000</u>	<u>-</u>	<u>-</u>

14. Provision for Cyclical Maintenance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Provision at the Start of the Year	27,891	27,891	24,491
Increase to the Provision During the Year	3,400	-	3,400
Provision at the End of the Year	<u>31,291</u>	<u>27,891</u>	<u>27,891</u>
Cyclical Maintenance - Current	-	21,091	21,091
Cyclical Maintenance - Term	31,291	6,800	6,800
	<u>31,291</u>	<u>27,891</u>	<u>27,891</u>

15. Finance Lease Liability

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	9,614	8,878	8,878
Later than One Year and no Later than Five Years	15,064	19,964	19,964
Later than Five Years	-	-	-
	<u>24,678</u>	<u>28,842</u>	<u>28,842</u>

16. Funds Held for Capital Works

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

	2018	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
Library to ILE	Completed	-	17,781	17,781	-	-
Blocks D & F Rationalisation	Completed	19,202	35,218	49,230	-	5,190
Special Needs Bathroom	In progress	(22,884)	-	16,290	-	(39,174)
Totals		(3,682)	52,999	83,301	-	(33,984)

Represented by:

Funds Due from the Ministry of Education	33,984
	<u>(33,984)</u>

	2017	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
Fencing	Completed	-	13,904	13,386	(518)	-
Blocks D & F Rationalisation	In progress	-	103,025	83,823	-	19,202
Special Needs Bathroom	In progress	-	-	22,884	-	(22,884)
Totals		-	116,929	120,093	(518)	(3,682)

17. Funds Held on Behalf of RTLit Cluster

Kaikoura Primary School is the lead school and holds funds on behalf of the RTLit cluster, a group of schools funded by the Ministry of Education to provide specialised literacy assistance to learners in years 1 to 8 who are experiencing difficulties with literacy learning.

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
Funds Held at Beginning of the Year	15,105	15,105	12,846
Funds Received from Cluster Members	-	-	-
Funds Received from MoE	15,158	-	14,963
Funds Spent on Behalf of the Cluster	(10,849)	-	(12,704)
Funds Held at Year End	19,414	15,105	15,105

18. Related Party Transactions

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

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the school would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

19. Remuneration

Key management personnel compensation

Key management personnel of the School include all trustees of the Board, Principal, Deputy Principals and Assistant Principal.

	2018 Actual \$	2017 Actual \$
<i>Board Members</i>		
Remuneration	3,745	4,295
Full-time equivalent members	0.23	0.20
<i>Leadership Team</i>		
Remuneration	279,579	261,572
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	283,324	265,867
Total full-time equivalent personnel	3.23	3.20

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:

	2018 Actual \$000	2017 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	100 - 110	90 - 100
Benefits and Other Emoluments	0 - 10	0 - 0
Termination Benefits	0 - 0	0 - 0

Other Employees

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

Remuneration \$000	2018 FTE Number	2017 FTE Number
110 - 120	-	-
100 - 110	-	-
	-	-

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

20. Compensation and Other Benefits Upon Leaving

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

	2018 Actual \$	2017 Actual \$
Total	-	-
Number of People	-	-

21. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2018 (Contingent liabilities and assets at 31 December 2017: nil).

Holidays Act Compliance – schools payroll

The Ministry of Education performs payroll processing and payments on behalf of school boards of trustees, through payroll service provider Education Payroll Limited.

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance, however the potential impact on any specific school or individual and any associated historical liability will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2018, a contingent liability for the school may exist.

22. Commitments

(a) Capital Commitments

As at 31 December 2018 the Board has not entered into any contract agreements for capital works.

(Capital commitments at 31 December 2017: nil)

(b) Operating Commitments

As at 31 December 2018 the Board has not entered into any operating contracts.

(a) operating lease of a photocopier;

	2018 Actual \$	2017 Actual \$
No later than One Year	-	-
Later than One Year and No Later than Five Years	-	-
Later than Five Years	-	-
	<hr/> <hr/>	<hr/> <hr/>

23. Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but attempts to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.

24. Financial Instruments

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

Loans and Receivables

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash and Cash Equivalents	63,739	86,051	75,411
Receivables	48,530	31,679	31,679
Funds owing for Capital Works Projects	33,984	22,884	22,884
Investments - Term Deposits	93,517	90,909	90,909
Total Loans and Receivables	<u>239,770</u>	<u>231,523</u>	<u>220,883</u>

Financial liabilities measured at amortised cost

Payables	69,756	81,302	81,302
Finance Leases	24,171	28,641	28,641
RT Lit Liability	19,414	15,105	15,105
Total Financial Liabilities Measured at Amortised Cost	<u>113,341</u>	<u>125,048</u>	<u>125,048</u>

25. Events After Balance Date

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

**INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF KAIKOURA PRIMARY SCHOOL'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

The Auditor-General is the auditor of Kaikoura Primary School (the School). The Auditor-General has appointed me, John Hooper, using the staff and resources of John Hooper & Co, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 3 to 20, that comprise the statement of financial position as at 31 December 2018, the statements of comprehensive revenue and expense, changes in net assets / equity and cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2018; and
 - its financial performance and cash flows for the year then ended: and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector - Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 30 April 2019. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board of Trustees and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis of Opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the Auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

Responsibilities of the Board of Trustees

The Board of Trustees is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Trustees is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board of Trustees is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

The Board of Trustees' responsibilities arise from the Education Act 1989.

Responsibilities of the Auditor for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the School's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit 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 School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

We communicate with the Board of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for other information. The other information obtained at the date of our report is the list of board of trustee members and the analysis of variance report.

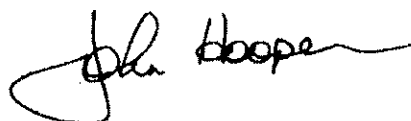
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the School



JOHN HOOPER

John Hooper & Co

On behalf of the Auditor-General

Nelson, New Zealand



Kaikoura Primary School

Te Kura Tuatahi O Kaikōura

Telephone 03 319 5440
Email - office@kaikoura.school.nz
Principal: Helen Voice

19 Torquay Street, KAIKOURA
Web Site - www.kaikoura.school.nz

Kaikoura Primary School

Kiwisport is a Government funding initiative to support students' participation in organised sport. During 2018, the school received total Kiwisport funding of \$1069.22 (excluding GST). The funding was spent on basketball and netball equipment.

