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287-293 Durham Street
Christchurch 8013
PO Box 246
Christchurch 8140, New Zealand

Chairperson
Kaikoura High School
PO Box 61
KAIKOURA 7340

23 May 2019

Dear Mark

Audit for Year ended 31 December 2018

Please find enclosed the Kaikoura High School's financial statements, our audit opinion and management report to the Board for the year ended 31 December 2018.

We wish to remind the Board that the management report issued is a confidential document between your Board and ourselves. It is not required to be provided to the MOE or made available to the public.

The Board is required to e-mail one PDF copy of the full annual report accompanied by the Statement of Variances to the Ministry of Education immediately on receipt

The Annual Report is also required to be uploaded to the School's website. If the School does not have a website, please advise the Ministry of Education to upload on your behalf to their website.

Finally, we wish to thank your school management team. Due to their valued assistance the audit went smoothly. If we can be of further assistance, please feel free to contact me.

Yours faithfully
BDO Christchurch

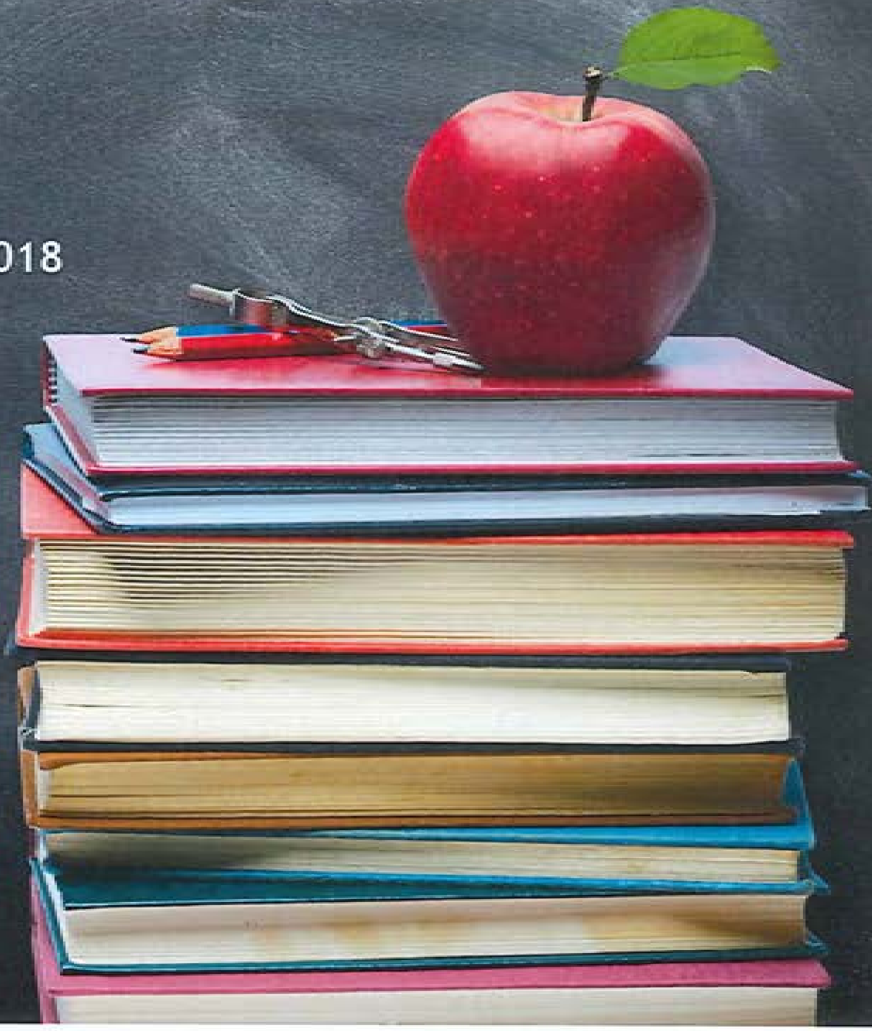
Michael Rondel
Appointed Auditor / Audit Partner

Email: Michael.rondel@bdo.co.nz

KAIKOURA HIGH SCHOOL

FINAL REPORT TO THE BOARD

FOR THE YEAR ENDED 31 DECEMBER 2018



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EXECUTIVE SUMMARY

This report details the processes, findings and recommendations from our audit of Kaikoura High School (the "School") in accordance with the Auditor General's Auditing Standards which incorporate International Standards on Auditing (NZ), and the terms of our engagement as set out in our audit engagement letter.

We would like to emphasise that our audit work involves the review of only those systems and controls in your organisation upon which we rely for audit purposes. Our examination may not have identified and should not be relied upon to identify all control weaknesses that exist.

Overall, we are satisfied that the School has presented its results for the year ended 31 December 2018 to a good level of compliance with applicable financial reporting standards. Several adjustments were made as a result of our audit and there are no unadjusted differences.

We would like to thank the staff of the School for their cooperation extended to BDO, during the course of the audit. We have received full and frank cooperation. There is nothing we wish to raise solely with the Board.

AUDIT SCOPE AND OBJECTIVES

BDO Christchurch ('BDO') is the Appointed Audit Firm of the School.

BDO's responsibilities include a requirement to express an opinion on the School's financial statements arising from our audit conducted in accordance with the Auditor-General's Auditing Standards which incorporate International Standards on Auditing (NZ).

Our audit objectives are to:
- report on whether the financial statements give a true and fair view, and
- report to Management about control environment issues that should be addressed by the School.

A strong control environment would feature adequate segregation of duties over important financial processes, and independent reviews as compensating controls should it not always be practicable for the duties to be separated.

We have documented, tested and assessed the controls supporting the School's key transaction streams, and there are no significant weaknesses to report. Control weaknesses identified during the audit have been included in the Summary Findings section of this report.

CONFIRMATION OF AUDIT INDEPENDENCE

In conducting our audit, we are required to comply with the independence requirements of the Code of Ethics issued by the Professional Standards Board of Chartered Accountants Australia and New Zealand and the External Reporting Board.

Our own internal policies and procedures are put in place to identify any threats to our independence, and to appropriately deal with and, if relevant, mitigate those risks.

For the comfort of the Board, we note that the following processes assist in maintaining our independence:
- No other work is permitted to be undertaken by any BDO office without the express approval of the audit engagement partner.
- All services performed by any national BDO office will be reported to the governing body.

We have not provided any non-audit services to the School. We confirm the independence of the BDO Christchurch audit engagement team.

KEY FINANCIAL STATEMENT AUDIT RISKS

We have set out below our findings in areas we have identified as risks.

1. Revenue Recognition

Identified audit risks

A key audit risk is in relation to revenue recognition. There is a presumption under Auditing Standards that there is a risk of fraud in relation to revenue recognition.

Conclusion of our work

From our audit work performed we found no issues regarding revenue recognition in the financial statements.

2. Locally Raised Funds

Identified audit risks

Due to the nature of locally raised funds (often being cash), there is a risk of material misstatement around the completeness of locally raised funds income. That is, there is a risk that not all funds raised have been collected and appropriately recorded in the financial statements.

Conclusion of our work

From our audit work performed we found no issues regarding locally raised funds income balances in the financial statements.

3. Payroll not approved or checked

Identified audit risks

The School's payroll is processed by Novopay. The accuracy of payroll processing is dependent on appropriate approval of payroll changes and checking of the fortnightly SUE report.

Conclusion of our work

From our audit work performed we found no issues regarding payroll balances included in the financial statements. However, we did raise a systems matter related to authorisation of payroll within our Interim Report to the Board.

4. Cyclical Maintenance Provision

Identified audit risks

Cyclical Maintenance is an area of judgment and could lead to material misstatement in the financial statements. For schools to be able to calculate the appropriate cyclical maintenance provision a 10 Year Property Plan (10YPP) needs to be prepared and/or reviewed by an expert.

Conclusion of our work

Cyclical Maintenance is an area of judgment and could lead to material misstatement in the financial statements. For schools to be able to calculate the appropriate cyclical maintenance provision a 10 Year Property Plan (10YPP) needs to be prepared and/or reviewed by an expert. During the 2018 year, the School approved an updated Cyclical Maintenance Plan as part of its 10YPP. As a result, an adjustment was required to increase the Provision for Cyclical Maintenance as at 31 December 2018.

MANAGEMENT JUDGEMENTS AND ESTIMATES

Under International Standards on Auditing (NZ) we have a responsibility to ensure that you have been informed about the process used by the School in formulating particularly sensitive accounting estimates, assumptions or valuation judgements. Overall we note that the judgements and estimates by management in preparing the results for the year ended 31 December 2018 appear reasonable.

The most significant areas of judgement, assumptions and estimates applied by management relate to:

- Provision for Cyclical Maintenance and Cyclical Maintenance Expense

We are not aware of any other sensitive accounting estimates, assumptions or valuation judgements made by the School.

MATTERS REQUIRING BOARD INPUT

We have placed reliance on the Board's review and approval of the following matters:

- Minutes of the Board meetings;
- Implementation of such controls as is needed to ensure that financial statements are presented fairly;
- Review and approval of management accounts;
- Review and approval of 2018 and 2019 budgets;
- Review and approval of 10 Year Property Plan;
- Notification of fraud; and
- Review and approval of the financial statements.

ACCOUNTING POLICIES

Auditing standards require us to discuss with you the qualitative aspects of the School's accounting practices and financial reporting. There have been no significant changes to any applicable accounting standards for the year ended 31 December 2018. We reviewed the financial statements of the School against the Kiwi Park Model and noted no material departures from the requirements.

MATERIALITY AND ADJUSTED / UNADJUSTED DIFFERENCES

Materiality means, in the context of an audit or review, if financial information is omitted, misstated or not disclosed it has the potential to affect the decisions of users of the financial statements. Materiality is used by auditors in making judgements on the amount of work to be performed, which balances require work and for evaluating the financial report. Materiality is initially calculated at the planning stage and has an influence on the amount of work we do, as well as where we direct our audit efforts. Materiality is not only based on a numeric quantification but is assessed qualitatively for some balances and disclosures.

During the course of our audit we have identified several material misstatements. All unadjusted differences (none of which we consider material, either individually or in aggregate) have been detailed in Appendix 1 of this report.

It should be noted that the auditing standards do not require us to communicate misstatements that are considered "clearly trivial" and as such, if we identify such misstatements we will not communicate these to you. We consider "clearly trivial" to be 5% or less of our planned materiality.

GOING CONCERN

Management and governance are required to make a formal assessment on going concern. Under Auditing Standards, we are required to review this assessment for appropriateness.

Paragraph 15 of ISA (NZ) 570 states:

15. *The auditor shall enquire of those charged with governance as to their knowledge of events or conditions beyond the period of their assessment that may cast significant doubt on the entity's ability to continue as a going concern.*

The assumption of going concern was concluded as appropriate given the School's funding sources and its operating budget for following financial period.

FRAUD

During the audit, no matters relating to fraud, concerning either employees or management, have come to our attention. It should be noted that our audit is not designed to detect fraud however, should instances of fraud come to our attention, we will report them to you.

COMPLIANCE WITH LAWS AND REGULATIONS

We have made enquiries in relation to compliance with laws and regulations during the course of our audit. We have not become aware of any instances of non-compliance with laws and regulations which has materially impacted the financial position or performance of the School.

PROBITY, WASTE AND PERFORMANCE

We are required to consider whether any approved payments could be considered extravagant or wasteful, or show a lack of probity or financial prudence. We did not identify any issues of concern with respect to probity, waste and performance.

OVERALL RESULT

Our audit work is complete. We have issued an unmodified audit report on the financial statements of the School for the year ended 31 December 2018.

We issued an interim report to the Principal in November 2018. We encourage the Board to review the matters raised in that interim report, if you have not already done so.

Further to that interim report, we noted the following findings when completing the final audit work. These findings and recommendations are discussed and agreed with the School's management and those charged with governance.

To enable management to set priorities on their action plans we have assessed our findings on the following basis, namely, critical, high, moderate, and low based on our assessment of the importance of each finding. Classifications of findings are detailed in Appendix 2 of this report.

	Critical	High	Moderate	Low
Number of findings	-	1	-	-

Provided below is a summary of key findings:

ITEM NO	FINDINGS AND RECOMMENDATIONS	RATING
1	Breach of Legislation	High

SUMMARY OF FINDINGS

1.	Rating of finding: High
Background	
The Board made a short-term loan to the Rolfe Outdoor Education Trust during 2018.	
Implications	
Although the loan was repaid in full within the same reporting period, making loans to third parties is a breach of the Crown Entities Act, S158, which schools must comply with.	
Recommendation	
The Board should avoid such transactions in the future. If you have any doubt about the legality of a proposed transaction, you should seek the advice of your accountant or auditor before it is made.	

APPENDIX 1 - ADJUSTED AND UNADJUSTED DIFFERENCES

Adjusted differences

The following audit adjustments were made to the financial statements:

Description	Profit	Assets	Liabilities	Reserves
	Inc / (Dec)	(Inc)/ Dec	Inc / (Dec)	Inc / (Dec)
	$	$	$	$
Capitalise Playground	70,272	(70,272)		
Increase Provision for Cyclical Maintenance	(104,715)		104,715	
Net Effect of Adjustments made:	(34,443)	(70,272)	104,715	-

APPENDIX 2 - FINDINGS RATING

The following framework for ratings has been developed to facilitate discussion with the School's management in order to prioritise issues according to their relative significance.

Rating	Definition
Critical	Issue represents a control weakness, which could cause or is causing severe disruption of the process or severe adverse effect on the ability to achieve process objectives.
High	Issue represents a control weakness, which could have or is having major adverse effect on the ability to achieve process objectives.
Moderate	Issue represents a control weakness, which could have or is having significant adverse effect on the ability to achieve process objectives.
Low	Issue represents a minor control weakness, with minimal but reportable impact on the ability to achieve process objectives.

KAIKOURA HIGH SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

Ministry Number:	307
Principal:	John Tait
School Address	1 Rorrisons Road, Kaikoura
School Postal Address:	PO Box 61, Kaikoura, 7340
School Phone:	03 319 5138
School Email:	jdasler@kaikourahigh.school.nz

Solutions Services
Collaborative School Administration

KAIKOURA HIGH SCHOOL

Annual Report - For the year ended 31 December 2018

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Kaikoura High 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 reflects the financial position and operations of the school.

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

Mark Fissenden	John Tait
Full Name of Board Chairperson	Full Name of Principal
Signature of Board Chairperson	Signature of Principal
23/5/19	23/5/19
Date:	Date:

Kaikoura High School

Members of the Board of Trustees

For the year ended 31 December 2018

Name	Position	How Position Gained	Held Until
John Tait	Principal		
Lyn Bentley	Parent Rep	Elected	May 2019
Nick Parkinson	Parent Rep	Elected	May 2019
Rawiri Manawatu	Runanga Rep	Appointed	May 2019
Mark Fissenden	Ministerial Appointee	Appointed	May 2019
Darlene Morgan	Ministerial Appointee	Appointed	May 2019
John Wyatt	Parent Rep	Co-opted	May 2019
Matt Boyce	Parent Rep	Co-opted	May 2019
Alasdair Lean	Staff Rep	Elected	May 2019
Owen Thornton	Student Rep	Elected	Sep 2019
Callum Lean	Student Rep	Elected	Sep 2018

Kaikoura High School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2018

	Notes	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Revenue				
Government Grants	2	3,301,681	2,889,652	3,259,116
Locally Raised Funds	3	456,303	202,467	416,521
Interest Earned		14,404	500	670
International Students	4	43,804		21,850
		3,816,192	3,092,619	3,698,157
Expenses				
Locally Raised Funds	3	114,938	81,984	41,398
International Students	4	316	2,500	2,353
Learning Resources	5	2,407,632	2,114,005	2,446,685
Administration	6	174,123	180,297	184,772
Finance Costs		4,217	-	1,886
Property	7	866,505	1,065,228	744,062
Depreciation	8	71,844	80,000	69,383
Loss on Disposal of Property, Plant and Equipment		10,523		1,821
		3,650,098	3,524,014	3,492,360
Net Surplus / (Deficit)		166,094	(431,395)	205,797
Other Comprehensive Revenue and Expenses			-	-
Insurance proceeds from rental houses		-	-	362,099
Fixed asset impairment - earthquake damage		-	-	(322,598)
Total Comprehensive Revenue and Expense for the Year		166,094	(431,395)	245,298

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

BDO Christchurch

Kaikoura High 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	1,763,744	1,763,744	1,496,825
Total comprehensive revenue and expense for the year	166,094	(431,395)	245,298
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	21,621
Equity at 31 December	1,929,838	1,332,349	1,763,744
Retained Earnings	1,929,838	1,332,349	1,763,744
Equity at 31 December	1,929,838	1,332,349	1,763,744

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

Kaikoura High School

Statement of Financial Position

As at 31 December 2018

	Notes	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Current Assets				
Cash and Cash Equivalents	9	154,250	1,111,694	1,463,089
Accounts Receivable	10	284,880	162,662	162,662
GST Receivable		34,839	36,605	36,605
Prepayments		9,195	7,233	7,233
Investments	11	1,108,799	-	
Funds owing for Capital Works Projects	18	22,475		-
		1,614,438	1,318,194	1,669,589
Current Liabilities				
Accounts Payable	13	210,094	158,832	158,832
Revenue Received in Advance	14	7,360	23,863	23,863
Provision for Cyclical Maintenance	15	31,500	17,134	17,134
Finance Lease Liability - Current Portion	16	23,792	12,077	12,077
Funds held in Trust	17	3,053	-	
Funds held for Capital Works Projects	18	508,275	836,963	836,963
		784,074	1,048,869	1,048,869
Working Capital Surplus/(Deficit)		830,364	269,325	620,720
Non-current Assets				
Property, Plant and Equipment	12	1,273,568	1,093,104	1,173,104
		1,273,568	1,093,104	1,173,104
Non-current Liabilities				
Provision for Cyclical Maintenance	15	124,350	22,001	22,001
Finance Lease Liability	16	49,744	8,079	8,079
		174,094	30,080	30,080
Net Assets		1,929,838	1,332,349	1,763,744
Equity		1,929,838	1,332,349	1,763,744

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

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

	Note	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Cash flows from Operating Activities				
Government Grants		773,571	629,895	765,205
Locally Raised Funds		349,270	202,467	743,922
International Students		30,326	-	35,328
Goods and Services Tax (net)		1,766	-	(30,277)
Payments to Employees		(431,465)	(402,811)	(376,703)
Payments to Suppliers		(452,085)	(781,446)	(540,791)
Cyclical Maintenance Payments in the Year		-		(3,283)
Interest Received		10,355	500	670
Net cash from / (to) the Operating Activities		281,738	(351,395)	594,071
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(109,161)	-	(52,365)
Purchase of Investments		(1,108,799)	-	-
Net cash from / (to) the Investing Activities		(1,217,960)	-	(52,365)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	21,621
Finance Lease Payments		(24,507)		(19,308)
Funds Administered on Behalf of Third Parties		3,053		-
Funds Held for Capital Works Projects		(351,163)		802,269
Net cash from Financing Activities		(372,617)		804,582
Net increase/(decrease) in cash and cash equivalents		(1,308,839)	(351,395)	1,346,288
Cash and cash equivalents at the beginning of the year	9	1,463,089	1,463,089	116,801
Cash and cash equivalents at the end of the year	9	154,250	1,111,694	1,463,089

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.

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2018

1.1. Reporting Entity

Kaikoura High 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 12.

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

Classification of leases
The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 16.

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. Investments
Bank term deposits for periods exceeding 90 days are classified as investments and are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. After initial recognition bank term deposits are measured at amortised cost using the effective interest method less impairment.

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards. Share investments are recognised initially by the School at fair value plus transaction costs. At balance date the School has assessed whether there is any evidence that an investment is impaired. Any impairment, gains or losses are recognised in the Statement of Comprehensive Revenue and Expense.

After initial recognition any investments categorised as available for sale are measured at their fair value without any deduction for transaction costs the school may incur on sale or other disposal.

The School has met the requirements of Schedule 6 para 28 of the Education Act 1989 in relation to the acquisition of investment securities.

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 improvements - Crown	40 years
Furniture and equipment	3-10 years
Information and communication technology	4-5 years
Motor vehicles	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. Revenue Received in Advance

Revenue received in advance relates to fees received from international students and grants received where there are unfulfilled obligations for the School to provide services in the future. The fees are recorded as revenue as the obligations are fulfilled and the fees earned.

The School holds sufficient funds to enable the refund of unearned fees in relation to international students, should the School be unable to provide the services to which they relate.

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	639,899	580,000	593,928
Teachers' salaries grants	1,974,236	1,700,000	1,919,902
Use of Land and Buildings grants	544,117	550,000	574,009
Other MoE Grants	104,851	21,074	137,944
Other government grants	38,578	38,578	33,333
	3,301,681	2,889,652	3,259,116

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	97,457	37,769	66,720
Fundraising	3,067		1,094
Other revenue	308,094	99,903	282,370
Trading	3,746	2,800	2,408
Activities	43,939	61,995	63,929
	456,303	202,467	416,521
Expenses			
Activities	51,319	79,984	-
Trading	6,209	2,000	1,142
Other Expenses	57,410	-	40,256
	114,938	81,984	41,398
Surplus for the year Locally raised funds	341,365	120,483	375,123

4. International Student Revenue and Expenses

	2018 Actual Number	2018 Budget (Unaudited) Number	2017 Actual Number
International Student Roll	1	1	2

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Revenue			
International student fees	43,804	-	21,850
Expenses			
Advertising	-		2,353
International student levy	316	2,500	
	316	2,500	2,353
Surplus for the year International Students'	43,488	(2,500)	19,497

5. Learning Resources

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Curricular	148,205	131,615	231,481
Information and communication technology	27,318	31,300	19,165
Extra-curricular activities			38,884
Library resources	2,440	2,137	2,653
Employee benefits - salaries	2,204,466	1,923,753	2,127,958
Staff development	25,203	25,200	26,544
	2,407,632	2,114,005	2,446,685

6. Administration

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Audit Fee	6,415	5,440	5,490
Board of Trustees Fees	3,255	6,270	3,735
Board of Trustees Expenses	12,540	8,108	2,726
Communication	10,629	10,853	8,709
Consumables	(4,331)	7,600	4,830
Operating Lease	18,546	24,001	32,782
Other	14,478	10,850	11,108
Employee Benefits - Salaries	100,554	100,317	102,272
Insurance	2,179	-	6,430
Service Providers, Contractors and Consultancy	9,858	6,858	6,690
	174,123	180,297	184,772

7. Property

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Caretaking and Cleaning Consumables	(751)	5,100	6,578
Consultancy and Contract Services	6,000		
Cyclical Maintenance Provision	12,000	12,600	3,283
Adjustment to the Provision	104,715		
Grounds	17,883	7,400	16,617
Heat, Light and Water	41,820	42,500	54,327
Rates	6,710	6,257	7,847
Repairs and Maintenance	30,570	346,673	16,145
Use of Land and Buildings	544,117	550,000	574,009
Security	4,341	6,200	
Employee Benefits - Salaries	99,100	88,498	65,256
	866,505	1,065,228	744,062

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.

8. Depreciation of Property, Plant and Equipment

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Building Improvements	14,463	25,000	18,312
Furniture and Equipment	12,874	12,000	10,007
Information and Communication Technology	16,263	25,000	25,881
Motor Vehicles	1,573	1,000	401
Leased Assets	23,504	12,000	11,538
Library Resources	3,167	5,000	3,244
	71,844	80,000	69,383

9. Cash and Cash Equivalents

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Bank Current Account	130,373		1,964
Bank Call Account	23,877	1,111,694	1,461,125
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	154,250	1,111,694	1,463,089

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

Of the $1,263,049 Cash and Cash Equivalents and Investments, $508,275 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2019 on Crown owned school buildings under the School's Five Year Property Plan.

10. Accounts Receivable

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Receivables	150,928	46,920	46,920
Interest Receivable	4,049		-
Teacher Salaries Grant Receivable	129,903	115,742	115,742
	284,880	162,662	162,662
Receivables from Exchange Transactions	154,977	46,920	46,920
Receivables from Non Exchange Transactions	129,903	115,742	115,742
	284,880	162,662	162,662

11. Investments

The School's investment activities are classified as follows:

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Current Asset			
Short-term Bank Deposits	1,108,799	-	

12. Property, Plant and Equipment

2018	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	$	$	$	$	$	$
Building Improvements	1,036,569	-	-		(14,463)	**1,022,106**
Furniture and Equipment	56,456	16,173	-		(12,874)	**59,755**
Information and Communication	38,011	-		-	(16,263)	**21,748**
Motor Vehicles	-	9,565		-	(1,573)	**7,992**
Leased Assets	19,358	73,670		-	(23,504)	**69,524**
Library Resources	22,710	3,801	(1,173)	-	(3,167)	**22,171**
Work in Progress		70,272	-	-		**70,272**
Balance at 31 December 2018	1,173,104	173,481	(1,173)	-	(71,844)	**1,273,568**

2018	Cost or Valuation	Accumulated Depreciation	Net Book Value
	$	$	$
Building Improvements	1,231,623	(209,517)	**1,022,106**
Furniture and Equipment	345,358	(285,603)	**59,755**
Information and Communication	710,781	(689,033)	**21,748**
Motor Vehicles	9,565	(1,573)	**7,992**
Leased Assets	104,566	(35,042)	**69,524**
Library Resources	61,473	(39,302)	**22,171**
Work in Progress	70,272	-	**70,272**
Balance at 31 December 2018	2,463,366	(1,260,070)	**1,273,568**

The net carrying value of equipment held under a finance lease is $69,524 (2017: $19,358)

2017	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	$	$	$	$	$	$
Building Improvements	1,377,479		-	(322,598)	(18,312)	**1,036,569**
Furniture and Equipment	43,385	23,078		-	(10,007)	**56,456**
Information and Communication	38,452	25,440	-		(25,881)	**38,011**
Motor Vehicles	401	-		-	(401)	**-**
Leased Assets	-	30,896	-		(11,538)	**19,358**
Library Resources	23,928	3,847	(1,821)	-	(3,244)	**22,710**
Balance at 31 December 2017	1,483,645	83,261	(1,821)	(322,598)	(69,383)	**1,173,104**

2017	Cost or Valuation	Accumulated Depreciation	Net Book Value
	$	$	$
Building Improvements	1,231,623	(195,054)	**1,036,569**
Furniture and Equipment	329,187	(272,731)	**56,456**
Information and Communication	710,779	(672,768)	**38,011**
Motor Vehicles	7,817	(7,817)	**-**
Leased Assets	30,896	(11,538)	**19,358**
Library Resources	60,812	(38,102)	**22,710**
Balance at 31 December 2017	2,371,114	(1,198,010)	**1,173,104**

13. Accounts Payable

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Operating creditors	59,055	9,096	9,096
Accruals	4,887	6,407	6,407
Banking staffing overuse		9,757	9,757
Employee Entitlements - salaries	129,903	124,024	124,024
Employee Entitlements - leave accrual	16,249	9,548	9,548
	210,094	158,832	158,832
Payables for Exchange Transactions	210,094	158,832	158,832
	210,094	158,832	158,832

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
International Student Fees		13,478	13,478
Other	7,360	10,385	10,385
	7,360	23,863	23,863

15. Provision for Cyclical Maintenance

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Provision at the Start of the Year	39,135	39,135	35,852
Increase to the Provision During the Year	12,000	-	3,283
Adjustment to the Provision	104,715		-
Provision at the End of the Year	155,850	39,135	39,135
Cyclical Maintenance - Current	31,500	17,134	17,134
Cyclical Maintenance - Term	124,350	22,001	22,001
	155,850	39,135	39,135

16. 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	29,276	12,851	12,851
Later than One Year and no Later than Five Years	56,503	8,355	8,355
Later than Five Years			
	85,779	21,206	21,206

17. Funds Held in Trust

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Funds Held in Trust on Behalf of Third Parties - Current	3,053	-	-
Funds Held in Trust on Behalf of Third Parties - Non-current	-	-	-
	3,053	-	-

These funds relate to arrangements where the school is acting as an agent. These amounts are not revenue or expenditure of the school and therefore are not included in the Statement of Comprehensive Revenue and Expense.

18. 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 & Whare Upgrade	Completed	17,793		-	17,793	-
Boiler Replacement	Completed	22,309	-	32,159	9,790	
Reclad Windows	In progress	495,184		254,499	-	240,685
Window Replacement	In progress	301,617	37,770	343,526		(4,139)
Portable Water	In progress	-	87,532	20,418		67,114
Spouting/Ext Doors/Library Roof	In progress	-	32,922		-	32,922
Drainage Repairs	In progress	-	89,652	103,269		(13,617)
Gym Changing Sheds	In progress		-	4,719		(4,719)
Paving	In progress	-	69,015	-		69,015
External Door Replacement	In progress		85,959	50,497		35,462
Electronic Keying	In progress	-	79,074	15,997		63,077
Totals		836,963	481,924	825,084	27,583	485,800

Represented by:

Funds Held on Behalf of the Ministry of Education	508,275
Funds Due from the Ministry of Education	22,475
	485,800

	2017	Opening Balances $	Receipts from MoE $	Payments $	BOT Contribution/ (Write-off to R&M)	Closing Balances $
Library & Whare Upgrade	In progress	17,793	-	-	-	17,793
Boiler Replacement	In progress	16,901	113,805	108,337	-	22,369
Reclad Windows	In progress		523,496	28,312	-	495,184
Window Replacement	In progress		301,617			301,617
Totals		34,694	938,918	136,649	-	836,963

19. Related Party Transactions

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

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

20. Remuneration

Key management personnel compensation

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

	2018 Actual $	2017 Actual $
Board Members		
Remuneration	3,255	3,735
Full time equivalent members	0.75	0.75
Leadership Team		
Remuneration	381,692	382,461
Full time equivalent members	3.00	3.00
Total key management personnel remuneration	384,947	386,196
Total full time equivalent personnel	3.75	3.75

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	170 - 180	170 - 180
Benefits and Other Emoluments	1 - 10	1 - 10
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	3.00	2.00
	3.00	2.00

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

21. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be trustees, committee 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	$ 2,000.00	$
Number of People	1.00	-

22. Contingencies

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

Earthquake related insurance claims
As at 31 December 2018 there are earthquake related insurance claims outstanding on houses that are included on the school's fixed asset register. At the date of signing, the claim process is continuing and the Board is unable to quantify the amount due.

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.

23. 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 entered into the following contracts:

(a) operating lease of a photocopier, phone system and laptops;

	2018 Actual $	2017 Actual $
No later than One Year		23,571
Later than One Year and No Later than Five Years	-	25,658
Later than Five Years	-	-
	-	49,229

24. Managing Capital

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

BDO Christchurch

25. 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	154,250	1,111,694	1,463,089
Receivables	284,880	162,662	162,662
Total Loans and Receivables	1,547,029	1,274,356	1,625,751

Financial liabilities measured at amortised cost

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Payables	210,094	177,001	177,001
Finance Leases	73,536	20,156	20,156
Funds Held on Behalf of the Ministry of Education	485,800	-	836,963
Total Financial Liabilities Measured at Amortised Cost	769,430	197,157	1,034,120

26. Events After Balance Date

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

27. Comparatives

There have been a number of prior period comparatives which have been reclassified to make disclosure consistent with the current year.

28. Breach of Legislation

The School breached section 158 of the Crown Entities Act 2005 due to making a short term loan to a third party. The loan was fully repaid within the reporting period.

Kaikoura High School

Analysis of Variance 2018

Goal 1 – Every student will experience academic success				
Annual Aims	**Actions**	**Responsible**	**Resources**	**Variance**
Departmental reviews Stage 3, including review of NCEA assessment procedures	Expanding the use of digital moderation Increasing student participation in digital exams Reviewing the current Departmental Report template Ongoing CAL discussions around NCEA policy	J Tait CAL's G Cameron	Upgrade of IT Training of staff	Achieved Achieved Achieved
Plan for how Junior and Middle school achievement data will be reported now that National Standards have gone	Consult with CAL's about achievement data reporting changes Change reporting format to parents Educating parents on the changed format Respond to any Governement directions around junior assessment	CAL's SLT	Provision of time	Partially Achieved Partially Achieved Not Achieved Unable to be achieved
Plan and begin the implementation of individual goal setting and study plans for Senior students with an emphasis on endorsement	Further develop the role of mentors within the senior school Train teachers on the importance of pathways including STEM subjects	Senior Dean Form Teachers M Fissenden	Provision of time External providers e.g. Ngai Tahu, Tertiary Institutions	Achieved Partially Achieved
Complete Curriculum Mapping work on Literacy and Numeracy	Integration of the Year 7/8 programme with Year 9/10	A Lean CAL's	Time for staff members involved	Partially Achieved

	Complete mapping work for Te Reo and Digital Tech Year 7-10			Achieved

Goal 2 – Students will have diverse learning pathways

Annual Aims	Actions	Responsible	Resources	Variance
New pathways considered, facilitated and scope of accreditation extended	Looking for relevant pathways Establish a work group to widen the scope of accreditation To consider budget implications	J Tait M Fisseden Senior Dean	Provision of time	Achieved
Further develop links with Tertiary and Industry providers which explore mutually beneficial opportunities eg NZ Paua Industry Council, Canterbury University Science Dept.	Expanding existing links and opportunities Creating cohesive outline of partnerships made	J Tait J Fissenden	Provision of time	Achieved

Goal 3 – The school will develop effective relationships with its students, parents, whanau and wider community				
Annual Aims	Actions	Responsible	Resources	Variance
Implement a weekly KAMAR reporting system	Discussions with RCG on their ability to meet the current needs of the school Attend KAMAR Conference	J Fissenden G Cameron J Lintott	Provision of time KAMAR Conference Budget	Not Achieved
Create a communication and marketing plan/strategy	Establish a marketing plan working group	J Tait BOT	Provision of time FT Unit H Parkinson	Partially Achieved
Work with whanau/Runanga on a Maori Education Strategy (ERO)	Establish Maori education working group	J Tait BOT Runanga Rep Runanga	Provision of time	Partially Achieved
Explore subject links to local businesses and post-earthquake opportunities	Actively seek links with local businesses and community	J Tait Mark Fissenden J Wyatt	Provision of time	Achieved

Goal 4 – The school will nurture all learners and leaders to have pride, self-worth and value learning				
Annual Aims	Actions	Responsible	Resources	Variance
Review the appraisal system	Investigate alternatives to My Portfolio Incoporate the new Professional Standards	J Tait M Lawrie	PLD time Jackie Young – Training session	Achieved
Implement a Professional Development programme which is focussed on the new Code of Professional Responsibility and Standards for the Teaching Profession	Align the PD with the appraisal system review	SLT	PLD time	Incomplete
Contribute to the development of cross-school PLD initiated by the COL	Communicate COL PLD planning to staff Create opportunities for staff to contribute to COL PLD	A Lean J Tait	ACT time allowance	Achieved

Goal 5 – The school will support the teaching and learning needs of students by governing/managing school resources and meeting government requirements				
Annual Aims	Actions	Responsible	Resources	Variance
Review of Governance Process/Procedures, Governance Policies and Operational Policies	BOT establishes a working group to carry out reviews	BOT Review Committee	BOT meeting budget	Achieved
Investigate and plan for the purchase of a new school vehicle	Purchase new vehicle	J Tait BOT Finance Committee	School Budget	Achieved
Begin the upgrade of the B Block Laboratories	To ensure that B Block upgrade immediately follows the completion of earthquake repairs	J Tait BOT Property Committee	10YPP Funding M&J Property Mgt Ltd	Unable to be Achieved
Explore innovative strategies for increasing fund raising	Establish a dedicated sub-committee of the Board	J Tait BOT	Provision of time	Achieved

2018 Targets

NCEA Targets	Variance
NCEA Target 1:	
a) The percentage of 2018 leavers with NCEA Level 2 will be at least 85%.	Not Achieved 78%
b) The percentage of 2018 Māori leavers with NCEA Level 2 will be at least 85%.	Not Achieved 77%
c) 100% of the 2018 students who complete the academic year will succeed at the appropriate NCEA level	Not Achieved except for 100% pass rate for Maori students at Level 2
NCEA Target 2:	
a) Using school data from KAMAR, the percentage of 2018 over all endorsements for all NCEA Levels will be trending up.	Yr13 Achieved Yr12 Not Achieved Yr11 Achieved
b) Using school data from KAMAR, the percentage of 2018 Māori and Non-Māori students course endorsements for NCEA Level 2 will be trending up.	
Middle School	
That the average value added score in the CEM MidYIS testing in all subjects falls within the New Zealand national confidence limits (standard deviation).	Achieved in all subjects except Mathematics at Yr10
Junior School	
Annual Target: Numeracy in Years 7 and 8 Identified priority learners will improve their 2017 e-asTTle test scores by at least two sub-levels.	Achieved for 5 out of 6 identified priority learners
Annual Target: Literacy (Reading) in Years 7 and 8 Identified priority learners will improve their 2017 e-asTTle test scores by at least two sub-levels.	Achieved for 3 out of 6 identified priority learners
Annual Target: Literacy (Writing) in Years 7 and 8 Identified priority learners will improve their 2017 e-asTTle test scores by at least three sub-levels.	Achieved for 6 out of 11 identified priority learners

KIWISPORT REPORT

KAIKOURA HIGH SCHOOL

Kiwi sport is a Government funding initiative to support students' participation in organised sport. In 2018, the school received total Kiwi sport funding of $3,810.00

The funding was spent on sports coordinator wage costs. The number of students that participated in organised sport was 189

INDEPENDENT AUDIT REPORT TO THE READERS OF KAIKOURA HIGH SCHOOL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

The Auditor-General is the auditor of Kaikoura High School (the School). The Auditor-General has appointed me, Michael Rondel, using the staff and resources of BDO Christchurch, 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 statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of 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:
    - financial position as at 31 December 2018; and
    - financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practices in New Zealand and have been prepared in accordance with Public Benefit Entity Standards with disclosure concessions.

Our audit was completed on 23 May 2019. This is the date at which our opinion is expressed.

The basis for 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 the other information. The other information comprises the Analysis of Variance, Kiwisport notice and Board of Trustees listing, but does not include the financial statements, and our auditor's report thereon.

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.

Michael Rondel
BDO Christchurch

On behalf of the Auditor-General
Christchurch, New Zealand