

KAIKOURA HIGH SCHOOL



ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

School Directory

Ministry Number: 307

Principal: John Tait

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School Postal Address: PO Box 61, Kaikoura, 7340

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KAIKOURA HIGH SCHOOL

Annual Report - For the year ended 31 December 2021

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Kaikoura High School

Statement of Responsibility

For the year ended 31 December 2021

The Board 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 2021 fairly reflects the financial position and operations of the School.

The School's 2021 financial statements are authorised for issue by the Board.

Matt Boyce

John Tait

Full Name of Presiding Member

Full Name of Principal

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Matt Boyce
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DocuSigned by:
John Tait
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Signature of Presiding Member

Signature of Principal

15 June 2022

15 June 2022

Date:

Date:

Kaikoura High School

Members of the Board

For the year ended 31 December 2021

Name	Position	How Position Gained	Term Expired/ Expires
Matt Boyce	Presiding Member	Co-opted	Sep 2022
John Tait	Principal ex Officio		
John Wyatt	Ministerial Appointment	Co-opted	Sep 2022
Lyn Bentley	Parent Representative	Elected	Sep 2022
Ian Bradshaw	Parent Representative	Elected	Sep 2022
Riria Allen	Runanga Rep	Runanga appointed	Sep 2022
Lorraine Hawke	Runanga Rep	Runanga appointed	Sep 2022
Rawiri Manawatu	Runanga Rep	Runanga appointed	Sep 2022
Amanda Fissenden	Staff Representative	Elected	Sep 2022
Amber Fissenden	Student Representative	Elected	Sep 2021
Maia Kahu	Student Representative	Elected	Sep 2022

Kaikoura High School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Revenue				
Government Grants	2	4,060,662	3,193,350	4,043,249
Locally Raised Funds	3	193,666	204,455	190,596
Interest Income		10,117	5,000	22,683
International Students	4	-	-	13,656
		<u>4,264,445</u>	<u>3,402,805</u>	<u>4,270,184</u>
Expenses				
Locally Raised Funds	3	57,797	84,578	48,510
International Students	4	-	-	478
Learning Resources	5	3,006,021	2,251,161	2,844,435
Administration	6	186,793	191,742	167,027
Finance		6,261	-	7,562
Property	7	1,024,985	958,618	923,838
Depreciation	11	105,114	80,000	90,821
Loss on Disposal of Property, Plant and Equipment		993	-	2,450
		<u>4,387,964</u>	<u>3,566,099</u>	<u>4,085,121</u>
Net (Deficit)/Surplus for the year		(123,519)	(163,294)	185,063
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(123,519)</u>	<u>(163,294)</u>	<u>185,063</u>

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes which form part of these financial statements.

Kaikoura High School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Equity at 1 January		1,984,464	1,984,464	1,790,055
Total comprehensive revenue and expense for the year		(123,519)	(163,294)	185,063
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		15,718	-	9,346
Equity at 31 December		1,876,663	1,821,170	1,984,464
Retained Earnings		1,876,663	1,821,170	1,984,464
Equity at 31 December		1,876,663	1,821,170	1,984,464

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes which form part of these financial statements.



Kaikoura High School

Statement of Financial Position

As at 31 December 2021

		2021	2021	2020
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	8	86,227	106,481	204,503
Accounts Receivable	9	291,841	196,108	196,108
GST Receivable		14,122	-	-
Prepayments		17,230	14,333	14,333
Investments	10	810,211	1,166,075	1,166,075
		<u>1,219,631</u>	<u>1,482,997</u>	<u>1,581,019</u>
Current Liabilities				
GST Payable		-	17,950	17,950
Accounts Payable	12	283,696	252,841	252,841
Revenue Received in Advance	13	4,951	5,196	5,196
Provision for Cyclical Maintenance	14	31,962	48,500	13,500
Finance Lease Liability	15	29,157	29,948	29,948
Funds held in Trust	16	658	1,975	1,975
Funds held for Capital Works Projects	17	90,795	378,839	378,839
		<u>441,219</u>	<u>735,249</u>	<u>700,249</u>
Working Capital Surplus/(Deficit)		778,412	747,748	880,770
Non-current Assets				
Property, Plant and Equipment	11	1,262,251	1,206,074	1,262,955
		<u>1,262,251</u>	<u>1,206,074</u>	<u>1,262,955</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	139,200	109,141	135,750
Finance Lease Liability	15	24,800	23,511	23,511
		<u>164,000</u>	<u>132,652</u>	<u>159,261</u>
Net Assets		<u>1,876,663</u>	<u>1,821,170</u>	<u>1,984,464</u>
Equity		<u>1,876,663</u>	<u>1,821,170</u>	<u>1,984,464</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes which form part of these financial statements.



Kaikoura High School

Statement of Cash Flows

For the year ended 31 December 2021

		2021	2021	2020
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		1,074,034	943,350	988,344
Locally Raised Funds		115,197	204,455	214,673
International Students		-	-	(13,301)
Goods and Services Tax (net)		(32,072)	-	(37,850)
Payments to Employees		(641,493)	(513,207)	(511,036)
Payments to Suppliers		(632,797)	(714,501)	(458,929)
Interest Received		8,521	5,000	24,656
Net cash (to)/from Operating Activities		(108,610)	(74,903)	206,557
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(55,985)	(23,119)	(73,271)
Purchase of Investments		-	-	(22,944)
Proceeds from Sale of Investments		355,864	-	-
Net cash from/(to) Investing Activities		299,879	(23,119)	(96,215)
Cash flows from Financing Activities				
Furniture and Equipment Grant		15,718	-	9,346
Finance Lease Payments		(35,902)	-	(39,772)
Funds Administered on Behalf of Third Parties		(289,361)	-	(209,125)
Net cash (to)/from Financing Activities		(309,545)	-	(239,551)
Net (decrease)/increase in cash and cash equivalents		(118,276)	(98,022)	(129,209)
Cash and cash equivalents at the beginning of the year	8	204,503	204,503	333,712
Cash and cash equivalents at the end of the year	8	86,227	106,481	204,503

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 excluded.

The above Statement of Cash Flows should be read in conjunction with the accompanying notes which form part of these financial statements.



Kaikoura High School

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

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 and Training Act 2020. 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 2021 to 31 December 2021 and in accordance with the requirements of the Education and Training Act 2020.

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 and Training Act 2020 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.

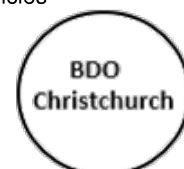
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Cyclical Maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 14.

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

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised.

Recognition of grants

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carry forward 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.

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. 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. 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 revenue that is offset by a non-cash expense. The use of land and buildings grants and associated expenditure are recorded in the period the School uses the land and buildings.

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. 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.

1.5. 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.

1.6. 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.

1.7. Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for credit losses (uncollectable debts). The School's receivables are largely made up of funding from the Ministry of Education, therefore the level of uncollectable debts is not considered to be material. However, short-term receivables are written off when there is no reasonable expectation of recovery.

1.8. Investments

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

1.9. 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.

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.

Finance Leases

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty whether the school will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

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 to Crown Owned Assets	40 years
Furniture and equipment	3-10 years
Information and communication technology	4-5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

1.10. 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.



1.11. 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.

1.12. Employee 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, and also annual leave earned, by non teaching staff, to but not yet taken at balance date.

Long-term employee entitlements

Employee benefits that are not expected to be settled wholly before twelve months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis.

The calculations are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows.

1.13. Revenue Received in Advance

Revenue received in advance relates to fees received from 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.

1.14. Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions 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 at any time.

1.15. 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 the School's 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.

1.16. 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 is a reasonable estimate, based on an up to date 10 Year Property Plan (10YPP) or another appropriate source of evidence.

1.17. Financial Instruments

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 'financial assets measured at amortised cost' for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as 'financial assets at fair value through other comprehensive revenue and expense' for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise accounts payable, borrowings, painting contract liability 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.



1.18. Borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the school has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Borrowings include but are not limited to bank overdrafts, operating leases, finance leases, painting contracts and term loans.

1.19. 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.

1.20. Budget Figures

The budget figures are extracted from the School budget that was approved by the Board.

1.21. 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

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	756,918	731,273	711,782
Teachers' Salaries Grants	2,398,909	1,700,000	2,368,519
Use of Land and Buildings Grants	557,097	550,000	678,417
Other MoE Grants	120,319	55,043	190,778
Other Government Grants	227,419	157,034	93,753
	<u>4,060,662</u>	<u>3,193,350</u>	<u>4,043,249</u>

The School has opted in to the donations scheme for this year. Total amount received was \$32,550 (2020: \$31,650).

3. Locally Raised Funds

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

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations & Bequests	23,417	38,206	36,154
Fees for Extra Curricular Activities	35,821	53,963	19,151
Trading	4,317	7,000	5,167
Fundraising & Community Grants	33,990	10,000	26,432
Other Revenue	96,121	95,286	103,692
	<u>193,666</u>	<u>204,455</u>	<u>190,596</u>
Expenses			
Extra Curricular Activities Costs	50,459	65,406	40,650
Fundraising & Community Grant Costs	6,656	13,355	7,305
Other Locally Raised Funds Expenditure	682	5,817	555
	<u>57,797</u>	<u>84,578</u>	<u>48,510</u>
<i>Surplus / (Deficit) for the year Locally raised funds</i>	<u>135,869</u>	<u>119,877</u>	<u>142,086</u>

4. International Student Revenue and Expenses

	2021	2021	2020
	Actual	Budget	Actual
	Number	(Unaudited)	Number
International Student Roll	0	0	1
Revenue			
International Student Fees	-	-	13,656
Expenses			
Other Expenses	-	-	478
	<u>-</u>	<u>-</u>	<u>478</u>
<i>Surplus / (Deficit) for the year International Students</i>	<u>-</u>	<u>-</u>	<u>13,178</u>

5. Learning Resources

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	148,718	217,691	161,701
Information and Communication Technology	18,657	20,500	13,697
Library Resources	2,776	3,647	2,704
Employee Benefits - Salaries	2,813,686	1,975,323	2,656,588
Staff Development	22,184	34,000	9,745
	<u>3,006,021</u>	<u>2,251,161</u>	<u>2,844,435</u>



6. Administration

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	7,000	7,000	6,312
Board Fees	3,535	6,875	4,690
Board Expenses	7,118	7,863	10,605
Communication	8,140	9,150	8,783
Consumables	7,129	4,050	4,578
Operating Lease	5,282	24,340	5,786
Other	11,962	12,012	8,934
Employee Benefits - Salaries	124,908	111,616	106,801
Insurance	1,979	-	1,883
Service Providers, Contractors and Consultancy	9,740	8,836	8,655
	<u>186,793</u>	<u>191,742</u>	<u>167,027</u>

7. Property

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	6,613	5,950	6,543
Cyclical Maintenance Provision	30,685	12,600	(43,550)
Grounds	24,803	17,300	24,866
Heat, Light and Water	39,560	52,000	48,198
Rates	5,201	8,850	8,843
Repairs and Maintenance	220,754	180,150	69,727
Use of Land and Buildings	557,097	550,000	678,417
Security	7,969	5,500	5,537
Employee Benefits - Salaries	132,303	126,268	125,257
	<u>1,024,985</u>	<u>958,618</u>	<u>923,838</u>

In 2021, the Ministry of Education revised the notional rent rate from 8% to 5% to align it with the Government Capital Charge rate. This is considered to be a reasonable proxy for the market rental yield on the value of land and buildings used by schools. Accordingly in 2021, the use of land and buildings figure represents 5% of the school's total property value. 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. Cash and Cash Equivalents

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Accounts	86,227	106,481	204,503
Cash and cash equivalents for Statement of Cash Flows	<u>86,227</u>	<u>106,481</u>	<u>204,503</u>

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

Of the \$86,227 Cash and Cash Equivalents, \$90,795 is held by the School on behalf of the Ministry of Education. These funds have been provided for the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2022 on Crown owned school buildings.

9. Accounts Receivable

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	79,193	969	969
Interest Receivable	1,708	112	112
Teacher Salaries Grant Receivable	210,940	195,027	195,027
	<u>291,841</u>	<u>196,108</u>	<u>196,108</u>
Receivables from Exchange Transactions	80,901	1,081	1,081
Receivables from Non-Exchange Transactions	210,940	195,027	195,027
	<u>291,841</u>	<u>196,108</u>	<u>196,108</u>



10. Investments

The School's investment activities are classified as follows:

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Asset			
Short-term Bank Deposits	810,211	1,166,075	1,166,075
Total Investments	<u>810,211</u>	<u>1,166,075</u>	<u>1,166,075</u>

11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2021						
Building Improvements	993,180	-	-	-	(14,463)	978,717
Furniture and Equipment	131,812	46,584	-	-	(25,364)	153,032
Information and Communication Technology	51,045	17,550	-	-	(16,928)	51,667
Motor Vehicles	4,166	-	-	-	(1,913)	2,253
Leased Assets	59,008	37,418	-	-	(43,121)	53,305
Library Resources	23,744	3,851	(993)	-	(3,325)	23,277
Balance at 31 December 2021	<u>1,262,955</u>	<u>105,403</u>	<u>(993)</u>	<u>-</u>	<u>(105,114)</u>	<u>1,262,251</u>

The net carrying value of equipment held under a finance lease is \$53,305 (2020: \$59,008)

	2021 Cost or Valuation \$	2021 Accumulated Depreciation \$	2021 Net Book Value \$	2020 Cost or Valuation \$	2020 Accumulated Depreciation \$	2020 Net Book Value \$
Building Improvements	1,231,624	(252,907)	978,717	1,231,623	(238,443)	993,180
Furniture and Equipment	512,180	(359,148)	153,032	465,595	(333,783)	131,812
Information and Communication Technology	774,686	(723,019)	51,667	757,135	(706,090)	51,045
Motor Vehicles	9,565	(7,312)	2,253	9,565	(5,399)	4,166
Leased Assets	118,989	(65,684)	53,305	140,123	(81,115)	59,008
Library Resources	66,017	(42,740)	23,277	64,881	(41,137)	23,744
Balance at 31 December	<u>2,713,061</u>	<u>(1,450,810)</u>	<u>1,262,251</u>	<u>2,668,922</u>	<u>(1,405,967)</u>	<u>1,262,955</u>

12. Accounts Payable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Creditors	10,350	16,330	16,330
Accruals	4,500	4,612	4,612
Employee Entitlements - Salaries	228,718	195,027	195,027
Employee Entitlements - Leave Accrual	40,128	36,872	36,872
	<u>283,696</u>	<u>252,841</u>	<u>252,841</u>
Payables for Exchange Transactions	283,696	252,841	252,841
	<u>283,696</u>	<u>252,841</u>	<u>252,841</u>

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Other Revenue in Advance	4,951	5,196	5,196
	<u>4,951</u>	<u>5,196</u>	<u>5,196</u>



14. Provision for Cyclical Maintenance

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Provision at the Start of the Year	149,250	149,250	192,800
Increase/ (decrease) to the Provision During the Year	30,685	12,600	36,950
Adjustment to the Provision	-	-	(80,500)
Use of the Provision During the Year	(8,773)	(4,209)	-
Provision at the End of the Year	171,162	157,641	149,250
Cyclical Maintenance - Current	31,962	48,500	13,500
Cyclical Maintenance - Term	139,200	109,141	135,750
	171,162	157,641	149,250

15. Finance Lease Liability

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

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
No Later than One Year	32,290	33,869	33,869
Later than One Year and no Later than Five Years	26,475	25,091	25,091
Future Finance Charges	(4,808)	(5,501)	(5,501)
	53,957	53,459	53,459
Represented by:			
Finance lease liability - Current	29,157	29,948	29,948
Finance lease liability - Term	24,800	23,511	23,511
	53,957	53,459	53,459

16. Funds Held in Trust

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Funds Held in Trust on Behalf of Third Parties - Current	658	1,975	1,975
	658	1,975	1,975

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.

17. Funds Held for Capital Works Projects

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

2021	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
Gym Changing Sheds	82,524	50,062	(131,828)	-	758
Bi-Lingual Signage	1,206	-	(1,206)	-	-
Outdoor Education Shed	29,442	34,838	(64,280)	-	-
Roof Replacement & Drainage	300	-	(300)	-	-
Basketball Court Upgrade	2,925	4,376	(7,301)	-	-
B Block Science Labs	240,988	631,230	(782,181)	-	90,037
LSC Office Alterations	6,390	73	(6,463)	-	-
B Block Burst pipe/water damage	15,064	-	(15,064)	-	-
Totals	378,839	720,579	(1,008,623)	-	90,795

Represented by:

Funds Held on Behalf of the Ministry of Education

90,795
90,795



2020	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
Spouting/Ext Doors/Library Roof	2,927	-	(2,927)	-	-
Gym Changing Sheds	486,025	-	(403,501)	-	82,524
Bi-Lingual Signage	33,099	6,612	(38,505)	-	1,206
Outdoor Education Shed	49,185	-	(19,743)	-	29,442
Door Closers & Gym Doors	868	397	(1,265)	-	-
Roof Replacement & Drainage	17,721	179	(17,600)	-	300
Basketball Court Upgrade	-	40,867	(37,942)	-	2,925
B Block Science Labs	-	250,001	(9,013)	-	240,988
LSC Office Alterations	-	6,390	-	-	6,390
B Block Burst pipe/water damage	-	15,064	-	-	15,064
Totals	589,825	319,510	(530,496)	-	378,839

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 and Assistant Principals.

	2021 Actual	2020 Actual
	\$	\$
<i>Board Members</i>		
Remuneration	3,535	4,690
<i>Leadership Team</i>		
Remuneration	468,082	463,727
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	471,617	468,417

There are nine (9) members of the Board excluding the Principal. The Board had held nine (9) full meetings of the Board in the year. The Board also has Finance (x 2 - Matt Boyce, Chair & John Wyatt, Ministerial Appointee) and Property (x 2 - Matt Boyce, Chair & Ian Bradshaw, Parent Rep.) that meet regularly respectively.

Principal

The total value of remuneration paid or payable to the Principal was in the following bands:

	2021 Actual	2020 Actual
	\$000	\$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	200-210	210-220
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	2021 FTE Number	2020 FTE Number
100 -110	2.00	4.00
110 -120	1.00	2.00
120 - 130	2.00	-
130 - 140	1.00	1.00
	6.00	7.00

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:

	2021 Actual	2020 Actual
Total	\$ -	\$ -
Number of People	-	-

21. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2021 (Contingent liabilities and assets at 31 December 2020: nil).

Holidays Act Compliance – Schools payroll

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

The Ministry's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis and solutions have been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2021, a contingent liability for the school may exist.

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.

22. Commitments

(a) Capital Commitments

As at 31 December 2021 the Board has not entered into any contract agreements for capital works.

(Capital commitments in relation to Ministry projects at 31 December 2020:\$378,839)

(b) Operating Commitments

As at 31 December 2021 the Board has not entered into any operating contracts.

(Operating commitments at 31 December 2020: nil)

23. Financial Instruments

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

Financial assets measured at amortised cost

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash and Cash Equivalents	86,227	106,481	204,503
Receivables	291,841	196,108	196,108
Investments - Term Deposits	810,211	1,166,075	1,166,075
Total Financial assets measured at amortised cost	<u>1,188,279</u>	<u>1,468,664</u>	<u>1,566,686</u>

Financial liabilities measured at amortised cost

Payables	283,696	252,841	252,841
Finance Leases	53,957	53,459	53,459
Total Financial liabilities measured at amortised Cost	<u>337,653</u>	<u>306,300</u>	<u>306,300</u>

24. Events After Balance Date

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

25. Comparatives

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



26. COVID 19 Pandemic on going implications

Impact of Covid-19

During 2021 the country moved between alert levels. During February and March 2021 Auckland was placed into alert levels 3 and 2 and other parts of the country moved into alert level 2.

Towards the end of June 2021, the Wellington region was placed into alert level 2 for one week.

Towards the end of August 2021, the entire country moved to alert level 4, with a move to alert level 3 and 2 for everyone outside the Auckland region three weeks later. While Auckland has remained in alert level 3 for a prolonged period of time the Northland and Waikato regions have also returned to alert level 3 restrictions during this period.

Impact on operations

Schools have been required to continue adapting to remote and online learning practices when physical attendance is unable to occur in alert level 4 and 3. Schools continue to receive funding from the Te Tāhuhu o te Mātauranga | Ministry to Education, even while closed.

However, the ongoing interruptions resulting from the moves in alert levels have impacted schools in various ways which potentially will negatively affect the operations and services of the school. We describe below the possible effects on the school that we have identified, resulting from the ongoing impacts of the COVID-19 alert level changes.

Reduction in locally raised funds

Under alert levels 4,3, and 2 the school's ability to undertake fund raising events in the community and/ or collect donations or other contributions from parents, may have been compromised. Costs already incurred arranging future events may not be recoverable.

Increased Remote learning additional costs

Under alert levels 4 and 3 ensuring that students have the ability to undertake remote or distance learning often incurs additional costs in the supply of materials and devices to students to enable alternative methods of curriculum delivery.

Reduction in International students

Under alert levels 4, 3, 2, and 1 International travel is heavily restricted. The school has been unable to welcome and enrol prospective international students which has resulted in a reduction in revenue from student fees & charges from International students and/or Board of Trustee operated boarding facilities.

The school was also impacted by additional relieving costs as a result of immuno-compromised staff being unable to return to school under Level 3.



Kaikoura High School
Annual Plan 2021 – Analysis of Variance



Goal 1 – RANGATIRATANGA / LEADERSHIP

Leadership will be enabled by building targeted teacher and student capability and capacity

Annual Aims	Responsible	Resources	Variance
Continue to develop curriculum planning progressions across the COL	John Tait – Principal Jo Fissenden – DP ASL WSL	COL personnel COL specific budgets	Partly achieved - ongoing
Develop a student leadership plan	Deans & SLT	Time - scheduled meetings	Partly achieved - carried in to 2022 with review of Student Council
Leadership PLD will be targeted at identified staff members - succession planning	SLT	PLD budget	Achieved and ongoing
Develop the Learning Development Co-ordinator's role	John Tait – Principal	Scheduled meetings with the staff member allocated the role	Not achieved. Role discontinued
Work with Student Council to develop a student voice regarding wellbeing	Michael Lawrie - DP	Student Council meetings	Partly achieved - ongoing in to 2022

Goal 2 – WHAI MATAURANGA / CURRICULUM, TEACHING AND LEARNING
Teachers will improve and innovate classroom practice to ensure students' progress

Annual Aims	Responsible	Resources	Variance
Complete Middle school curriculum review	Michael Lawrie – DP Curriculum Area Leaders	Scheduled CAL Meetings	Partly achieved - carried in to 2022
Digital Technology will be implemented across the school curriculum	Curriculum Area Leaders	Scheduled CAL meetings Budget allocation	Achieved and ongoing
Implementation of Phase 2 of Ki Uta Ki Tai curriculum development plan is started	John Tait – Principal	Meetings with relevant in-school and external personnel	Achieved - carried in to 2022 with prospective return of international tourism
School wide processes for student subject feedback are reviewed	Michael Lawrie - DP	SLT meetings CAL meetings	Achieved
Continue to develop on-line learning capability for teachers	Digital Circus	PLD budget	Achieved

Goal 3 – WHANAUNGATANGA / CONNECTIONS AND RELATIONSHIPS

Productive two-way relationships will be fostered by effective communication and actively practising our school values

Annual Aims	Responsible	Resources	Variance
Continue to build working relationships with the Kaikoura business community in the context of the impact of Covid-19	John Tait – Principal Board of Trustees	Time - informal meetings BOT meetings	Achieved and ongoing
Continue the specific planning work with the Sudima Hotel for Hospitality and Tourism and the development of Hospitality/Tourism curriculum pathways in the senior school	John Tait – Principal Mandy Fissenden Alasdair Lean	Meetings with Sudima	Paused due to Covid - ongoing in to 2022
Continue to align whanau group whainga with the Runanga o Kaikoura 2018-2021 Education Strategy	John Tait – Principal Casey Davis	BOT meetings - Runanga Trustees Meetings with Runanga Education Pou	Achieved - aligned to the Aotearoa/NZ Histories curriculum. Ongoing
Further develop articulation with Te Ha o Maturanga and the Kaikoura Youth Collective	John Tait – Principal Mandy Fissenden	Meetings with Te Ha and Youth Collective	Achieved

Goal 4 – KAITIAKITANGA / STEWARDSHIP**Trustees will enable a community perspective to inform governance decisions which have student success at heart**

Annual Aims	Responsible	Resources	Variance
Review structure and focus of the strategic overview plan	Senior Leadership Team		Achieved
Complete upgrade of B Block Science Laboratories	John Tait – Principal Jo Fissenden - DP		Achieved
Scope options for B Block classroom upgrade	John Tait – Principal BOT Property Committee		Achieved
Complete whare landscaping project and Outdoor Education Shed EQ repairs	John Tait – Principal		Achieved
Develop an IT provision plan	Michael Lawrie – DP Jo Fissenden - DP		Achieved

Footnote: The disruptions to the school year caused by Covid 19 impacted school operations significantly.



KAIKOURA HIGH SCHOOL

Principal – John Tait

12 May 2022

KIWISPORT FUNDING 2021

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2021, the school received total Kiwisport funding of \$4,672.06 (excluding GST).

The funding was used to top-up our Sports Co-ordinators wages. She is employed in a permanent position for 10 hours per week.

The number of students that participated in organised sport was 190.

Yours sincerely

John Tait
Principal



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF KAIKOURA HIGH SCHOOL'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

The Auditor-General is the auditor of Kaikoura High School (the School). The Auditor-General has appointed me, Warren Johnstone, 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 18, that comprise the statement of financial position as at 31 December 2021, 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:
 - its financial position as at 31 December 2021; 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 15 June 2022. 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 and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis for our 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 for the financial statements

The Board 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 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 is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board 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's responsibilities, in terms of the requirements of the Education and Training Act 2020, arise from section 87 of 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.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board 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 school 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 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 is responsible for the other information. The other information comprises the Statement of Responsibility, Board of Trustees Listing, the Kiwisport Statement, and the Analysis of Variance, but does not include the financial statements, and our auditor's report thereon.

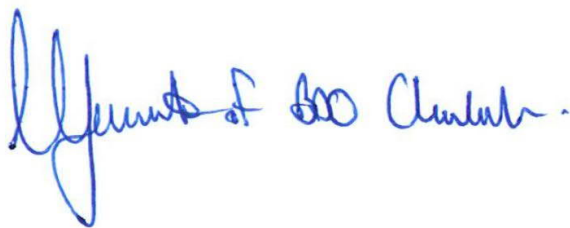
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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 *International 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.



Warren Johnstone,
BDO Christchurch
On behalf of the Auditor-General
Christchurch, New Zealand