KAIKOURA PRIMARY SCHOOL

Annual Report - For the year ended 31 December 2022

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ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

School Directory

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

Solutions & Services
Collaborative School Administration

Kaikoura Primary School

Statement of Responsibility

For the year ended 31 December 2022

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

The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal control 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 2022 fairly reflect the financial position and operations of the School.

The School's 2022 financial statements are authorised for issue by the Board.

Presiding Member

20/04/23

Date

Principal

20/4/23

Date

Kaikoura Primary School
Members of the Board
For the year ended 31 December 2022

Name	Position	How Position Gained	Term Expired/ Expires
Vicki Gulleford	Parent Representative Presiding Member	Co-opted Elected	Aug 2022 Aug 2025
Hannah Simpson	Principal	ex Officio	
Daniel Stevenson	Presiding Member	Elected	Aug 2022
Mani Smith	Parent Representative	Elected	Aug 2022
Corinne Lister	Parent Representative	Elected	Aug 2025
Sara Williams	Parent Representative	Elected	Aug 2025
Leanne Taylor	Parent Representative	Elected	Aug 2025
Kelly Addis	Staff Representative	Elected	Aug 2025
Moana Manawatu	Runanga Representative	Co-opted	Aug 2025
Amy Heger	Parent Representative	Selected	Aug 2022
Nick Plant	Staff Representative	Elected	Aug 2022
Melanie Ford	Runanga Representative	Co-opted	Aug 2022

Kaikoura Primary School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2022

	Notes	2022 Actual $	2022 Budget (Unaudited) $	2021 Actual $
Revenue				
Government Grants	2	1,473,341	864,160	1,343,943
Locally Raised Funds	3	44,114	63,238	65,883
Interest Income		4,829	800	1,173
		1,522,284	928,198	1,410,999
Expenses				
Locally Raised Funds	3	17,531	20,449	39,148
Learning Resources	4	911,279	534,631	881,196
Administration	5	112,050	90,766	83,485
Finance		1,679	-	1,825
Property	6	417,375	281,750	348,231
Loss on Disposal of Property, Plant and Equipment		-	-	11,978
		1,459,914	927,596	1,365,863
Net Surplus / (Deficit) for the year		62,370	602	45,136
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		62,370	602	45,136

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 Primary School
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2022

	Notes	2022 Actual $	2022 Budget (Unaudited) $	2021 Actual $
Equity at 1 January		699,198	699,198	651,202
Total comprehensive revenue and expense for the year		62,370	602	45,136
Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	2,860
Equity at 31 December		761,568	699,800	699,198
Accumulated comprehensive revenue and expense		761,568	699,800	699,198
Equity at 31 December		761,568	699,800	699,198

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 Primary School
Statement of Financial Position
As at 31 December 2022

	Notes	2022 Actual $	2022 Budget (Unaudited) $	2021 Actual $
Current Assets				
Cash and Cash Equivalents	7	382,781	291,809	257,792
Accounts Receivable	8	104,184	70,714	70,714
GST Receivable		-	337	337
Prepayments		14,098	3,953	3,953
Inventories	9	3,318	3,159	3,159
Investments	10	83,367	81,201	81,201
Funds Receivable for Capital Works Projects	16	430	-	-
		588,178	451,173	417,156
Current Liabilities				
GST Payable		8,535	-	-
Accounts Payable	12	111,726	74,154	74,154
Revenue Received in Advance	13	14,337	337	337
Provision for Cyclical Maintenance	14	7,421	7,076	7,076
Finance Lease Liability	15	6,843	4,868	4,868
Funds held for Capital Works Projects	16	46,080	13,644	13,644
Funds Held on Behalf of the RTLit Cluster	17	20,152	19,337	19,337
		215,094	119,416	119,416
Working Capital Surplus/(Deficit)		373,084	331,757	297,740
Non-current Assets				
Property, Plant and Equipment	11	469,065	458,989	474,990
		469,065	458,989	474,990
Non-current Liabilities				
Provision for Cyclical Maintenance	14	70,198	78,695	61,281
Finance Lease Liability	15	10,383	12,251	12,251
		80,581	90,946	73,532
Net Assets		761,568	699,800	699,198
Equity		761,568	699,800	699,198

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

Kaikoura Primary School
Statement of Cash Flows
For the year ended 31 December 2022

	Note	2022 Actual $	2022 Budget (Unaudited) $	2021 Actual $
Cash flows from Operating Activities				
Government Grants		404,274	321,467	311,501
Locally Raised Funds		40,614	63,238	65,721
Goods and Services Tax (net)		8,872	-	5,141
Payments to Employees		(216,813)	(197,882)	(162,814)
Payments to Suppliers		(129,648)	(153,606)	(157,055)
Interest Received		4,676	800	1,186
Net cash from/(to) Operating Activities		111,975	34,017	63,680
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(11,595)	-	(17,189)
Purchase of Investments		(2,166)	-	(652)
Net cash (to)/from Investing Activities		(13,761)	-	(17,841)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	2,860
Finance Lease Payments		(6,046)	-	(5,854)
Funds Administered on Behalf of Third Parties		32,821	-	12,710
Net cash from/(to) Financing Activities		26,775	-	9,716
Net increase/(decrease) in cash and cash equivalents		124,989	34,017	55,555
Cash and cash equivalents at the beginning of the year	7	257,792	257,792	202,237
Cash and cash equivalents at the end of the year	7	382,781	291,809	257,792

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 Primary School
Notes to the Financial Statements
For the year ended 31 December 2022

1. Statement of Accounting Policies

1.1. Reporting Entity
Kaikoura Primary School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education 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 statements have been prepared for the period 1 January 2022 to 31 December 2022 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 whole 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 best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition. During the year, the Board assesses the reasonableness of its painting maintenance 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. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. 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. Finance lease liability disclosures are contained in note 15. Future operating lease commitments are disclosed in note 22b.

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 to which they relate. The grants are not received in cash by the School and are paid directly to teachers by the Ministry of Education.

Other Ministry Grants for directly funded programs are recorded as revenue when the School has the rights to the funding in the period to which they relate. The grants are not received in cash by the School and are paid directly 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. Grants for the use of land and buildings 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 where conditions exist
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 recognised as revenue as the conditions are fulfilled.

Donations, Gifts and Bequests
Donations, gifts and bequests are recognised as an asset and revenue when the right to receive funding or the asset has been established unless there is an obligation to return funds if conditions are not met. If conditions are not met funding is recognised as revenue in advance and recognised as revenue when conditions are satisfied.

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

1.9. 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.

1.10. 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 funded by the Board to buildings owned by the Crown or directly by the board 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 Statement of Comprehensive Revenue and Expense 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	40 years
Furniture and equipment	10-20 years
Information and communication technology	5 years
Leased assets held under a Finance Lease	Term of Lease
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. If such indication exists, the School estimates the asset's recoverable service amount. An impairment loss is recognised as 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.

In determining fair value less costs to sell the school engages an independent valuer to assess market value based on the best available 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 Statement of Comprehensive Revenue and Expense.

The reversal of an impairment loss is recognised in the Statement of Comprehensive Revenue and Expense. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognised.

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. Employee Entitlements
Short-term employee entitlements
Employee entitlements that are expected to be settled within 12 months after the end of the reporting period in which the employees provide 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 by non teaching staff, but not yet taken at balance date.

Long-term employee entitlements
Employee benefits that are not expected to be settled wholly before 12 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. Remeasurements are recognised in Statement of Comprehensive Revenue and Expense in the period in which they arise.

1.14. 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.

1.15. 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 Comprehensive Revenue and Expense.

The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

1.16. Funds held for Capital Works
The school directly receives funding from the Ministry of Education for capital works projects that are included in the School five year capital works agreement. These funds are held on behalf and for a specified purpose as such these transactions are not recorded in the Statement of Comprehensive Revenue and Expense.

The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

1.17. Shared Funds
Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. In instances where funds are outside of the School's control, these amounts are not recorded in the Statement of Comprehensive Revenue and Expense. In instances where the school is determined to be the principal for providing the service related to the Shared Funds (such as the Resource Teachers of Learning & Behaviour programme), all income and expenditure related to the provision of the service is recorded in the Statement of Comprehensive Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

1.18. 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.

Cyclical maintenance, which involves painting of the School, makes up the most significant part of the Board's responsibilities outside the day-to-day maintenance. The provision is a reasonable estimate, based on the school's best estimate of the cost of painting the school and when the School is required to be painted, based on an assessment of the school's condition.

The School carries out painting maintenance of the whole school over a variety of periods in accordance with the conditional assessment of each area of the school. The economic outflow of this is dependent on the plan established by the School to meet this obligation and is detailed in the notes and disclosures of these accounts.

1.19. 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 initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

Investments that are shares are categorised as financial assets at fair value through other comprehensive revenue and expense in accordance with financial reporting standards. On initial recognition of an equity investment that is not held for trading, the School may irrevocably elect to present subsequent changes in the investments' fair value in other comprehensive revenue and expense. This election has been made for investments that are shares. Subsequent to initial recognition, these assets are measured at fair value. Dividends are recognised as income in the Statement of Comprehensive Revenue and Expense unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive revenue and expense and are never reclassified to the Statement of Comprehensive Revenue and Expense.

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in the Statement of Comprehensive Revenue and Expense.

1.20. 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.

1.21. 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.

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

1.23. 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

	2022 Actual $	2022 Budget (Unaudited) $	2021 Actual $
Government Grants - Ministry of Education	401,301	321,467	322,149
Teachers' Salaries Grants	766,215	369,973	766,067
Use of Land and Buildings Grants	305,825	172,720	255,727
	1,473,341	864,160	1,343,943

The School has opted in to the donations scheme for this year. Total amount received was $16,800 (2021: $15,450).

3. Locally Raised Funds

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

	2022 Actual $	2022 Budget (Unaudited) $	2021 Actual $
Revenue			
Donations & Bequests	12,426	1,200	8,454
Trading	5,361	11,148	9,050
Fundraising & Community Grants	829	480	449
Other Revenue	25,498	50,410	47,930
	44,114	63,238	65,883
Expenses			
Trading	7,933	10,749	10,494
Other Locally Raised Funds Expenditure	9,598	9,700	28,654
	17,531	20,449	39,148
Surplus / (Deficit) for the year Locally raised funds	26,583	42,789	26,735

During the year the School hosted 0 International students (2021:0)

4. Learning Resources

	2022 Actual $	2022 Budget (Unaudited) $	2021 Actual $
Curricular	36,078	48,268	21,718
Employee Benefits - Salaries	839,335	461,605	824,957
Staff Development	6,847	6,758	6,896
Depreciation	29,019	18,000	27,625
	911,279	534,631	881,196

5. Administration

	2022 Actual $	2022 Budget (Unaudited) $	2021 Actual $
Audit Fee	3,400	3,910	3,300
Board Fees	2,080	3,465	5,925
Board Expenses	3,205	4,753	164
Communication	2,028	2,303	1,927
Consumables	12,856	19,690	14,745
Other	1,393	5,405	1,241
Employee Benefits - Salaries	82,708	48,450	51,437
Insurance	1,260	-	1,856
Service Providers, Contractors and Consultancy	3,120	2,790	2,890
	112,050	90,766	83,485

6. Property

	2022 Actual $	2022 Budget (Unaudited) $	2021 Actual $
Caretaking and Cleaning Consumables	3,227	2,685	2,610
Cyclical Maintenance Provision	9,262	17,414	9,607
Grounds	28,877	14,388	14,754
Heat, Light and Water	7,469	8,174	7,490
Rates	5,052	4,862	5,430
Repairs and Maintenance	878	3,707	3,292
Use of Land and Buildings	305,825	172,720	255,727
Employee Benefits - Salaries	56,785	57,800	49,321
	417,375	281,750	348,231

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.

7. Cash and Cash Equivalents

	2022 Actual $	2022 Budget (Unaudited) $	2021 Actual $
Bank Accounts	382,781	291,809	257,792
Cash and Cash Equivalents for Statement of Cash Flows	382,781	291,809	257,792

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

Of the $382,781 Cash and Cash Equivalents, $46,080 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 2023 on Crown owned school buildings.

8. Accounts Receivable

	2022 Actual $	2022 Budget (Unaudited) $	2021 Actual $
Receivables	5,850	350	350
Receivables from the Ministry of Education	13,015	8,546	8,546
Interest Receivable	208	55	55
Banking Staffing Underuse	5,704	-	-
Teacher Salaries Grant Receivable	79,407	61,763	61,763
	104,184	70,714	70,714
Receivables from Exchange Transactions	6,058	405	405
Receivables from Non-Exchange Transactions	98,126	70,309	70,309
	104,184	70,714	70,714

9. Inventories

	2022 Actual $	2022 Budget (Unaudited) $	2021 Actual $
School Uniforms	3,318	3,159	3,159
	3,318	3,159	3,159

10. Investments

The School's investment activities are classified as follows:

	2022 Actual $	2022 Budget (Unaudited) $	2021 Actual $
Current Asset			
Short-term Bank Deposits	83,367	81,201	81,201
Total Investments	83,367	81,201	81,201

11. Property, Plant and Equipment

2022	Opening Balance (NBV) $	Additions $	Disposals $	Impairment $	Depreciation $	Total (NBV) $
Building Improvements	365,300	6,061	-	-	(8,477)	**362,884**
Furniture and Equipment	75,744	3,693	-	-	(7,579)	**71,858**
Information and Communication Technology	9,914	6,906	-	-	(5,352)	**11,468**
Leased Assets	16,520	6,434	-	-	(6,670)	**16,284**
Library Resources	7,512	-	-	-	(941)	**6,571**
Balance at 31 December 2022	474,990	23,094	-	-	(29,019)	**469,065**

The net carrying value of equipment held under a finance lease is $16,284 (2021: $16,520)

Restrictions
With the exception of the contractual restrictions relating to the above noted finance leases, there are no other restrictions over the title of the school's property, plant and equipment, nor are any property, plant and equipment pledged as security for liabilities.

	2022 Cost or Valuation $	2022 Accumulated Depreciation $	2022 Net Book Value $	2021 Cost or Valuation $	2021 Accumulated Depreciation $	2021 Net Book Value $
Building Improvements	465,501	(102,617)	**362,884**	459,440	(94,140)	**365,300**
Furniture and Equipment	164,009	(92,151)	**71,858**	160,317	(84,573)	**75,744**
Information and Communication Technology	86,855	(75,387)	**11,468**	79,949	(70,035)	**9,914**
Leased Assets	27,499	(11,215)	**16,284**	26,572	(10,052)	**16,520**
Library Resources	62,007	(55,436)	**6,571**	62,007	(54,495)	**7,512**
Balance at 31 December	805,871	(336,806)	**469,065**	788,285	(313,295)	**474,990**

12. Accounts Payable

	2022 Actual $	2022 Budget (Unaudited) $	2021 Actual $
Creditors	21,430	3,106	3,106
Accruals	3,400	3,300	3,300
Employee Entitlements - Salaries	85,211	66,063	66,063
Employee Entitlements - Leave Accrual	1,685	1,685	1,685
	111,726	74,154	74,154
Payables for Exchange Transactions	111,726	74,154	74,154
	111,726	74,154	74,154

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2022 Actual $	2022 Budget (Unaudited) $	2021 Actual $
Grants in Advance - Ministry of Education	12,000	-	-
Other Revenue in Advance	2,337	337	337
	14,337	337	337

14. Provision for Cyclical Maintenance

	2022 Actual $	2022 Budget (Unaudited) $	2021 Actual $
Provision at the Start of the Year	68,357	68,357	58,750
Increase to the Provision During the Year	9,262	17,414	9,607
Provision at the End of the Year	77,619	85,771	68,357
Cyclical Maintenance - Current	7,421	7,076	7,076
Cyclical Maintenance - Non current	70,198	78,695	61,281
	77,619	85,771	68,357

The School's cyclical maintenance schedule details annual painting & other significant cyclical maintenance work to be undertaken. The costs associated with this annual work will vary depending on the requirements during the year. This plan is based on the School's most recent 10 Year Property plan, adjusted as identified and confirmed appropriate by the Board, to other reliable sources of evidence.

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:

	2022 Actual $	2022 Budget (Unaudited) $	2021 Actual $
No Later than One Year	8,088	6,168	6,168
Later than One Year and no Later than Five Years	11,206	13,776	13,776
Future Finance Charges	(2,068)	(2,825)	(2,825)
	17,226	17,119	17,119
Represented by:			
Finance lease liability - Current	6,843	4,868	4,868
Finance lease liability - Non current	10,383	12,251	12,251
	17,226	17,119	17,119

16. 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. The amount of cash held on behalf of the Ministry for capital works project is included under cash and cash equivalents in note 7.

2022	Opening Balances $	Receipts from MoE $	Payments $	Board Contributions $	Closing Balances $
Pool Roof	6,813	46,626	(25,984)	-	27,455
SIP Projects - Project 225711	6,831	-	-	-	6,831
Bike Shed	-	-	(430)	-	(430)
Performing Arts/Library	-	12,511	(717)	-	11,794
Totals	13,644	59,137	(27,131)	-	45,650
Represented by:					
Funds Held on Behalf of the Ministry of Education					46,080
Funds Receivable from the Ministry of Education					(430)

2021	Opening Balances $	Receipts from MoE $	Payments $	Board Contributions $	Closing Balances $
Pool Roof	8,353	-	(1,540)	-	6,813
Hall Project	(1,250)	1,250	-	-	-
SIP Projects - Project 225711	(1,200)	66,378	(58,347)	-	6,831
Totals	5,903	67,628	(59,887)	-	13,644
Represented by:					
Funds Held on Behalf of the Ministry of Education					13,644

17. Funds Held on Behalf of the RTLit Cluster

Kaikoura Primary School was the lead school and holds funds on behalf of the RTLit cluster, a group of schools funded by the Ministry of Education to share professional support.

	2022 Actual $	2022 Budget (Unaudited) $	2021 Actual $
Funds Held at Beginning of the Year	19,337	19,337	14,368
Funds Received from Cluster Members	16,184	-	15,928
Funds Spent on Behalf of the Cluster	(15,369)	-	(10,959)
Funds Held at Year End	20,152	19,337	19,337

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 and Deputy Principal.

	2022 Actual $	2021 Actual $
Board Members		
Remuneration	2,080	5,925
Leadership Team		
Remuneration	228,791	221,692
Full-time equivalent members	2.00	2.00
Total key management personnel remuneration	230,871	227,617

There are 6 members of the Board excluding the Principal. The Board had held 6 full meetings of the Board in the year. As well as these regular meetings, including preparation time, the Presiding member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal

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

	2022 Actual $000	2021 Actual $000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	120-130	110-120
Benefits and Other Emoluments	0-5	0- 5
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	2022 FTE Number	2021 FTE Number
100 -110	1.00	-
110 -120	-	-
120 - 130	-	-
	1.00	-

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 members, 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:

	2022 Actual	2021 Actual
Total	$ -	$ -
Number of People	-	-

21. Contingencies

There are no contingent liabilities and no contingent assets except as noted below as at 31 December 2022 (Contingent liabilities and assets at 31 December 2021: 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 2022, a contingent liability for the school may exist.

22. Commitments

(a) Capital Commitments

As at 31 December 2022 the Board has entered into the following contract agreements for capital works.

(a) Contract to replace the pool roof to be completed in 2023, fully funded by the Ministry of Education. $63,339 has been received of which $35,884 has been spent on this project to date; and

(b) Various projects are underway covered by Ministry of Education SIP funding and expected to be completed in 2023. These include replacement of hall carpet and vinyl, line marking on hall floor and installation of school signage. $66,378 has been received of which $59,547 has been spent.

(c) Contract to build a bike shed to be fully funded by the Ministry of Education. This project is at procurement stage with $430 having been spent; and

(d) Contract to build a Performing Arts/Library to be completed in 2023, fully funded by the Ministry of Education. $12,511 has been received of which $717 has been spent on this project to date.

(Capital commitments in relation to Ministry projects at 31 December 2021: $13,644)

(b) Operating Commitments

As at 31 December 2022 the Board has not entered into any operating contracts.

(Operating commitments at 31 December 2021: 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

	2022 Actual $	2022 Budget (Unaudited) $	2021 Actual $
Cash and Cash Equivalents	382,781	291,809	257,792
Receivables	104,184	70,714	70,714
Investments - Term Deposits	83,367	81,201	81,201
Total Financial assets measured at amortised cost	570,332	443,724	409,707

Financial liabilities measured at amortised cost

Payables	111,726	74,154	74,154
Funds Held for Capital Works	46,080	13,644	13,644
Funds Held for RTLit Cluster	20,152	19,337	19,337
Finance Leases	17,226	17,119	17,119
Total Financial liabilities measured at amortised Cost	195,184	124,254	124,254

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.

John Hooper & Co

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INDEPENDENT AUDITOR'S REPORT TO THE READERS OF KAIKOURA PRIMARY SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

Opinion
We have audited the financial statements of the School on pages 3 to 19, that comprise the statement of financial position as at 31 December 2022, the statements of comprehensive revenue and expense, changes in net assets / equity and cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
  - its financial position as at 31 December 2022; 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 20 April 2023. This is the date at which our opinion is expressed.

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

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

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

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

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

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

The Board of Trustees' responsibilities, 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 of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arise from the Public Audit Act 2001.

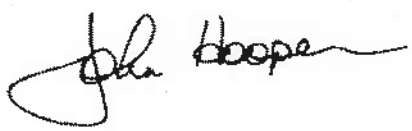
Other information
The Board of Trustees is responsible for other information. The other information obtained at the date of our report is the list of board of trustee members, Kiwisport report and the analysis of variance report.

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

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

Independence
We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *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



JOHN HOOPER
John Hooper & Co
On behalf of the Auditor-General
Nelson, New Zealand