

KAIKOHE CHRISTIAN SCHOOL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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Ministry Number: 1175

KAIKOHE CHRISTIAN SCHOOL

Financial Statements - For the year ended 31 December 2017

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Kaikohe Christian School Statement of Responsibility


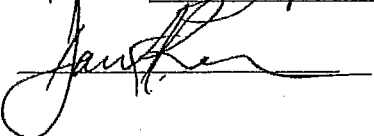
For the year ended 31 December 2017

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2017 fairly reflects the financial position and operations of the school.

The School's 2017 financial statements are authorised for issue by the Board.

Full Name of Board Chairperson	<u>MICHAEL DENYS NORMAN</u>	Date:	<u>12/06/18</u>
Full Name of Principal	<u>David Rogers</u>	Date:	<u>12/06/2018</u>
Signature of Board Chairperson		Date:	<u>12/06/18</u>
Signature of Principal		Date:	<u>12/06/2018</u>

Kaikohe Christian School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2017

		2017	2017	2016
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	2,005,243	1,978,411	2,051,234
Locally Raised Funds	3	54,716	21,100	45,679
Use of Land and Buildings Integrated		90,400	84,768	112,000
Interest Earned		4,178	5,000	4,541
Gain on Sale of Property, Plant and Equipment		-	-	1,100
		<u>2,154,537</u>	<u>2,089,279</u>	<u>2,214,554</u>
Expenses				
Locally Raised Funds	3	71,861	29,700	56,522
Learning Resources	4	1,705,062	1,653,827	1,684,561
Administration	5	145,597	127,560	148,229
Finance Costs		5,076	80	1,846
Property	6	221,586	222,892	244,153
Depreciation	7	38,257	27,514	30,290
Loss on Disposal of Property, Plant and Equipment		-	-	9,973
		<u>2,187,439</u>	<u>2,061,573</u>	<u>2,175,574</u>
Net Surplus / (Deficit)		(32,902)	27,706	38,980
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(32,902)</u>	<u>27,706</u>	<u>38,980</u>

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



Kaikohe Christian School
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2017

	Actual 2017 \$	Budget (Unaudited) 2017 \$	Actual 2016 \$
Balance at 1 January	243,028	243,028	198,464
Total comprehensive revenue and expense for the year	(32,902)	27,706	38,980
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	5,544	-	5,584
Equity at 31 December	<u>215,670</u>	<u>270,734</u>	<u>243,028</u>
 Retained Earnings	 215,670	 270,734	 243,028
Equity at 31 December	<u>215,670</u>	<u>270,734</u>	<u>243,028</u>

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



Kaikohe Christian School
Statement of Financial Position

As at 31 December 2017

		2017	2017	2016
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	8	178,901	291,152	250,498
Accounts Receivable	9	102,575	116,410	86,318
GST Receivable		9,418	5,805	5,175
Prepayments		3,247	912	130
Inventories	10	3,994	2,838	2,781
		<u>298,135</u>	<u>417,117</u>	<u>344,902</u>
Current Liabilities				
Accounts Payable	12	122,585	134,517	106,498
Revenue Received in Advance	13	2,740	-	-
Provision for Cyclical Maintenance	14	37,047	-	51,168
Finance Lease Liability - Current Portion	15	14,502	-	9,464
		<u>176,874</u>	<u>134,517</u>	<u>167,130</u>
Working Capital Surplus/(Deficit)		121,261	282,600	177,772
Non-current Assets				
Property, Plant and Equipment	11	136,109	78,374	114,886
		<u>136,109</u>	<u>78,374</u>	<u>114,886</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	7,673	90,240	11,536
Finance Lease Liability	15	34,027	-	38,094
		<u>41,700</u>	<u>90,240</u>	<u>49,630</u>
Net Assets		<u>215,670</u>	<u>270,734</u>	<u>243,028</u>
Equity		<u>215,670</u>	<u>270,734</u>	<u>243,028</u>

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



Kaikohe Christian School
Statement of Cash Flows
For the year ended 31 December 2017

	2017	2017	2016
Note	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Cash flows from Operating Activities			
Government Grants	670,829	668,919	685,191
Locally Raised Funds	56,766	7,400	87,292
Goods and Services Tax (net)	(4,243)	-	630
Payments to Employees	(365,598)	(313,307)	(306,516)
Payments to Suppliers	(342,723)	(240,579)	(364,524)
Cyclical Maintenance Payments in the year	(30,661)	-	(21,095)
Interest Paid	(5,076)	(80)	(1,846)
Interest Received	4,178	5,000	4,541
Net cash from / (to) the Operating Activities	(16,528)	127,353	83,673
Cash flows from Investing Activities			
Purchase of PPE (and Intangibles)	(47,332)	(50,000)	(32,971)
Net cash from / (to) the Investing Activities	(47,332)	(50,000)	(32,971)
Cash flows from Financing Activities			
Furniture and Equipment Grant	5,544	-	5,584
Finance Lease Payments	(13,281)	(16,800)	(16,801)
Net cash from Financing Activities	(7,737)	(16,800)	(11,217)
Net increase/(decrease) in cash and cash equivalents	(71,597)	60,553	39,485
Cash and cash equivalents at the beginning of the year	8 250,498	230,599	211,013
Cash and cash equivalents at the end of the year	8 178,901	291,152	250,498

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



Kaikohe Christian School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2017

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2017 to 31 December 2017 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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



Useful lives of property, plant and equipment

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

Critical Judgements in applying accounting policies

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

Classification of leases

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 15.

Recognition of grants

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

c) 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.

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.

Grants for the use of land and buildings are also 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 Proprietor. Use of land and building grants are recorded as income in the period the school uses the land and building.

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.

d) Use of Land and Buildings Expense

The property from which the School operates is owned by the Proprietor. The expense is based on an assumed market rental yield on the land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Proprietor.



e) 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.

f) 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.

g) 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.

h) Accounts Receivable

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

i) Inventories

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

j) Investments

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

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

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

The School has met the requirements under section 28 of schedule 6 of the Education Act 1989 in relation to the acquisition of securities.

k) Property, Plant and Equipment

Land and buildings owned by the Proprietor are excluded from these financial statements. The Board's use of the land and buildings as 'occupant' is based on a property occupancy document.

Property, plant and equipment are recorded at cost or, in the case of donated assets, fair value at the date of receipt, less accumulated depreciation and impairment losses. Cost or fair value as the case may be, includes those costs that relate directly to bringing the asset to the location where it will be used and making sure it is in the appropriate condition for its intended use.

Property, plant and equipment acquired with individual values under \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.



Gains and losses on disposals (*i.e.* sold or given away) are determined by comparing the proceeds received with the carrying amounts (*i.e.* the book value). The gain or loss arising from the disposal of an item of property, plant and equipment is recognised in the Statement of Comprehensive Revenue and Expense.

Leased Assets

Leases where the School assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets acquired by way of finance lease are measured at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Leased assets and corresponding liability are recognised in the Statement of Financial Position and leased assets are depreciated over the period the School is expected to benefit from their use or over the term of the lease.

Depreciation

Property, plant and equipment are depreciated over their estimated useful lives on a straight line basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Furniture and Equipment	5-18 years
Information and Communication	4 years
Motor Vehicles	5 years
Leased Assets	5 years
Library Resources	8 years

Leased assets are depreciated over the life of the lease.

l) Intangible Assets

Software costs

Computer software acquired by the School are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software licences with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software that the school receives from the Ministry of Education is normally acquired through a non-exchange transaction and is not of a material amount. It's fair value can be assessed at time of acquisition if no other methods lead to a fair value determination. Computer software purchased directly from suppliers at market rates are considered exchange transactions and the fair value is the amount paid for the software.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

m) 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.



n) 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.

o) 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, annual leave earned to but not yet taken at balance date.

Long-term employee entitlements

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

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

p) 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.

q) 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.

r) Shared Funds

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

s) Provision for Cyclical Maintenance

The property from which the school operates is owned by the Proprietor. The Board is responsible for maintaining the land, building 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 provisions for cyclical maintenance represents the obligations the Board has to the Proprietor and is based on the Board's ten year property plan (10YPP).

t) Financial Assets and Liabilities

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are categorised as "loans and receivables" for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards.



The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

u) Borrowings

Borrowings are recognised at the amount borrowed. 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 the balance date.

v) 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.

w) Budget Figures

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

x) 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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operational grants	582,655	589,179	582,440
Teachers' salaries grants	1,318,284	1,309,492	1,318,207
Gateway Income	47,076	47,840	42,400
Resource teachers learning and behaviour grants	900	4,000	9,495
Secondary tertiary alignment resource grants	-	-	24,907
Other MoE Grants	54,614	27,900	73,720
Other government grants	1,714	-	65
	<u>2,005,243</u>	<u>1,978,411</u>	<u>2,051,234</u>

3. Locally Raised Funds

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Revenue			
Donations	11,335	2,000	5,762
Fundraising	4,525	2,000	392
Trading	13,808	16,000	16,073
Activities	25,048	1,100	23,452
	<u>54,716</u>	<u>21,100</u>	<u>45,679</u>
Expenses			
Activities	58,887	13,700	41,196
Trading	12,749	16,000	15,326
Fundraising (costs of raising funds)	225	-	-
	<u>71,861</u>	<u>29,700</u>	<u>56,522</u>
<i>Surplus for the year Locally raised funds</i>	<u>(17,145)</u>	<u>(8,600)</u>	<u>(10,843)</u>

4. Learning Resources

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Curricular	72,642	85,950	66,515
Employee benefits - salaries	1,591,222	1,511,459	1,565,721
Staff development	9,291	25,400	9,604
R&m & Purchases <\$500	13,164	7,500	12,664
S T A R	18,743	23,518	30,057
	<u>1,705,062</u>	<u>1,653,827</u>	<u>1,684,561</u>



5. Administration

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Audit Fee	3,670	3,670	3,620
Board of Trustees Fees	3,550	3,080	2,330
Board of Trustees Expenses	1,514	3,000	2,431
Communication	4,102	5,000	4,660
Consumables	18,368	6,000	20,031
Operating Lease	6,218	4,540	7,997
Other	12,906	12,850	10,436
Employee Benefits - Salaries	84,078	78,220	85,539
Insurance	2,491	2,500	2,485
Service Providers, Contractors and Consultancy	8,700	8,700	8,700
	<u>145,597</u>	<u>127,560</u>	<u>148,229</u>

6. Property

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Caretaking and Cleaning Consumables	42,276	42,900	39,429
Cyclical Maintenance Expense	13,327	13,604	21,418
Grounds	6,803	6,000	5,498
Heat, Light and Water	31,124	24,000	30,163
Repairs and Maintenance	14,644	12,500	11,835
Use of Land and Buildings	90,400	84,768	112,000
Security	6,564	4,000	6,084
Employee Benefits - Salaries	12,691	33,120	15,869
Transport	3,757	2,000	1,857
	<u>221,586</u>	<u>222,892</u>	<u>244,153</u>

The use of land and buildings figure represents 8% of the school's total property value. This is used as a 'proxy' for the market rental of the property.

7. Depreciation

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Building Improvements	494	449	494
Furniture and Equipment	12,907	10,855	11,951
Information and Communication Technology	11,014	8,737	9,618
Leased Assets	13,842	7,473	8,227
	<u>38,257</u>	<u>27,514</u>	<u>30,290</u>

8. Cash and Cash Equivalents

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Cash on Hand	203	-	-
ASB Main Account 00	168,861	291,152	240,784
ASB Account 01	2,227	-	2,199
ASB Account 02	1,406	-	1,388
ASB Account 03	6,204	-	6,127
Cash equivalents and bank overdraft for Cash Flow Statement	<u>178,901</u>	<u>291,152</u>	<u>250,498</u>

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



9. Accounts Receivable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Receivables	2,233	1,183	1,343
Receivables from the Ministry of Education	8,517	-	-
Teacher Salaries Grant Receivable	91,825	115,227	84,975
	<u>102,575</u>	<u>116,410</u>	<u>86,318</u>
Receivables from Exchange Transactions	2,553	1,183	1,343
Receivables from Non-Exchange Transactions	100,022	115,227	84,975
	<u>102,575</u>	<u>116,410</u>	<u>86,318</u>

10. Inventories

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Uniform Sales	3,886	2,838	2,660
Stationery	108	-	121
	<u>3,994</u>	<u>2,838</u>	<u>2,781</u>

11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2017						
Building Improvements	6,282	-	-	-	(494)	5,788
Furniture and Equipment	40,531	23,149	-	-	(12,907)	50,773
Information and Communication Tech	20,865	24,183	-	-	(11,014)	34,033
Leased Assets	47,208	12,149	-	-	(13,842)	45,515
Balance at 31 December 2017	<u>114,886</u>	<u>59,481</u>	<u>-</u>	<u>-</u>	<u>(38,257)</u>	<u>136,109</u>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2017			
Building Improvements	8,824	(3,036)	5,788
Furniture and Equipment	209,386	(158,613)	50,773
Information and Communication	119,592	(85,559)	34,033
Motor Vehicles	7,102	(7,102)	-
Leased Assets	61,744	(16,229)	45,515
Library Resources	10,677	(10,677)	-
Balance at 31 December 2017	<u>417,325</u>	<u>(281,216)</u>	<u>136,109</u>



2016	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Building Improvements	6,776	-	-	-	(494)	6,282
Furniture and Equipment	39,563	12,919	-	-	(11,951)	40,531
Information and Communication Tech	20,405	20,051	(9,973)	-	(9,618)	20,865
Leased Assets	8,560	49,595	(2,720)	-	(8,227)	47,208
Balance at 31 December 2016	75,304	82,565	(12,693)	-	(30,290)	114,886

2016	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Building Improvements	8,824	(2,542)	6,282
Furniture and Equipment	222,989	(182,458)	40,531
Information and Communication	151,807	(130,942)	20,865
Motor Vehicles	7,102	(7,102)	-
Leased Assets	49,595	(2,387)	47,208
Library Resources	10,969	(10,969)	-
Balance at 31 December 2016	451,286	(336,400)	114,886

12. Accounts Payable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operating creditors	14,548	14,166	8,931
Accruals	3,670	-	4,163
Employee Entitlements - salaries	91,825	115,227	84,975
Employee Entitlements - leave accrual	12,542	5,124	8,429
	122,585	134,517	106,498
Payables for Exchange Transactions	122,585	134,517	106,498
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	122,585	134,517	106,498

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Revenue Received In Advance	2,740	-	-
	2,740	-	-



14. Provision for Cyclical Maintenance

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Provision at the Start of the Year	62,704	136,136	63,031
Increase to the Provision During the Year	13,327	13,604	21,418
Use of the Provision During the Year	(31,311)	(59,500)	(21,745)
Provision at the End of the Year	<u>44,720</u>	<u>90,240</u>	<u>62,704</u>
Cyclical Maintenance - Current	37,047	-	51,168
Cyclical Maintenance - Term	7,673	90,240	11,536
	<u>44,720</u>	<u>90,240</u>	<u>62,704</u>

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:

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
No Later than One Year	17,659	-	13,409
Later than One Year and no Later than Five Years	37,947	-	45,025
Future finance charges	(7,077)	-	(10,876)
	<u>48,529</u>	<u>-</u>	<u>47,558</u>

16. 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.

The Proprietor of the School (Kaikohe Christian Fellowship Trust) is a related party of the Board because the proprietor appoints representatives to the Board, giving the proprietor significant influence over the Board. Any services or contributions between the Board and Proprietor that are material transactions that have occurred has been disclosed appropriately.

The Proprietor provides land and buildings free of charge for use by the Board as noted in Note 1(c). The estimated value of this use during 2017 is included in the Statement of Comprehensive Revenue and Expense as "Use of land and buildings".



17. Remuneration

Key management personnel compensation

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

	2017 Actual \$	2016 Actual \$
<i>Board Members</i>		
Remuneration	3,550	2,330
Full-time equivalent members	0.05	0.02
<i>Leadership Team</i>		
Remuneration	409,257	812,316
Full-time equivalent members	4.00	9.00
Total key management personnel remuneration	412,807	814,646
Total full-time equivalent personnel	4.05	9.02

The full time equivalent for Board members has been determined based on attendance at Board meetings, Committee meetings and for other obligations of the Board, such as stand downs and suspensions, plus the estimated time for Board members to prepare for meetings.

Principal

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

	2017 Actual \$000	2016 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	130 - 140	150 - 160
Benefits and Other Emoluments	4 - 5	4 - 5
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2017 FTE Number	2016 FTE Number
100 - 110	-	-
	0.00	0.00

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

18. 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:

	2017 Actual	2016 Actual
Total	-	-
Number of People	-	-

19. Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2017 (Contingent liabilities and assets at 31 December 2016: nil).



20. Commitments

(a) Capital Commitments

There are no capital commitments as at 31 December 2017 (Capital commitments at 31 December 2016: nil).

(b) Operating Commitments

As at 31 December 2017 the Board has entered into the following contracts:

(a) operating lease of laptops;

	2017 Actual \$	2016 Actual \$
No later than One Year	8,007	10,138
Later than One Year and No Later than Five Years	20,315	28,322
Later than Five Years	-	-
	<u>28,322</u>	<u>38,460</u>

21. Managing Capital

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

22. Financial Instruments

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

Loans and receivables

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Cash and Cash Equivalents	178,901	291,152	250,498
Receivables	102,575	116,410	86,318
Investments - Term Deposits	-	-	-
Total Loans and Receivables	<u>281,476</u>	<u>407,562</u>	<u>336,816</u>

Financial liabilities measured at amortised cost

Payables	122,585	134,517	106,498
Borrowings - Loans	-	-	-
Finance Leases	48,529	-	47,558
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	<u>171,114</u>	<u>134,517</u>	<u>154,056</u>

23. Events After Balance Date

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



**INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF
KAIKOHE CHRISTIAN SCHOOL'S
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

57 Clyde Street
PO Box 627
WHANGAREI 0140
Phone: (09) 438 2312
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info@bennettca.co.nz
www.bennettca.co.nz

The Auditor-General is the auditor of Kaikohe Christian School (the School). The Auditor-General has appointed me, Steve Bennett, using the staff and resources of Bennett & Associates, 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 2 to 18 that comprise the statement of financial position as at 31 December 2017, 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 2017; 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 Benefit Entity Standards Reduced Disclosure Regime.

Our audit was completed on 15 June 2018. This is the date at which our opinion is expressed.

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

Basis 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 of Trustees for the financial statements

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



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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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



- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the Analysis of Variance, the Kiwi Sport Statement, the List of Trustees and Statement of Responsibility which form part of the Annual Report, but does not include the financial statements, and our auditor's report thereon.

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

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

Independence

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

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

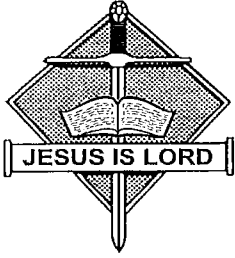


Steve Bennett

BENNETT & ASSOCIATES

On behalf of the Auditor-General
Whangarei, New Zealand





Kaikohe Christian School

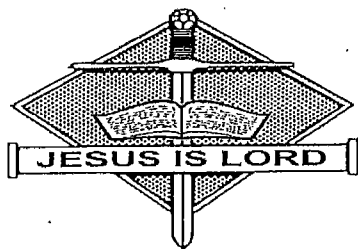
*To follow the way of Jesus Christ, seek His Truth and excel in life for Him
 Ki te whai i te ara o Ihu Karaiti, ki te rapu i Tana pono, ki te hira ora hoki,
 mo Ia*

52 Mangakahia Road
 PO Box 235
 Kaikohe

Ph /Fax (09)4011873
 Email – office@kcs.school.nz
 Principal: David Rogers
 Email: davidr@kcs.school.nz

MEMBERS OF THE BOARD OF TRUSTEES 2017

NAME	POSITION	ELECTED/CO-OPTED	DATE
MIKE NORMAN	CHAIRPERSON	ELECTED	
MIKE SHAW	PROPIETOR		
DAVID ROGERS	PRINCIPAL		
PENNILYNN NORMAN	PARENT REP	RE-ELECTED	05/12/2018
CRAIG ZIELINSKI	PARENT REP	ELECTED	
MONTE TITO	PROPRIETOR REP	CO-OPTED	
HOANA TOI	STAFF REP	CO-OPTED	
JASMINE JACK	STUDENT REP	ELECTED	20/03/2018



Kaikohe Christian School

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Ki te whai i te ariā o Ihu Karaiti, ki te rapu i ana Kōwhiri, ki te ora ora hoki,
Aā*

52 Mangakahia Road
PO Box 235
Kaikohe

Ph /Fax (09)4011873
Email – kcs@xtra.co.nz
Principal: David Rogers
Email: davidr@kcs.school.nz

29 May 2018

Kiwisport Statement

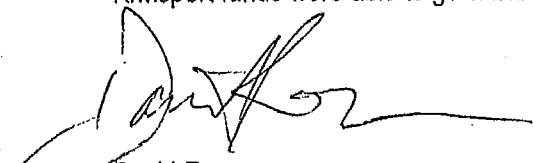
For the year 2017 money received from Kiwisport:

- Years 1 – 8 \$1704.99
- Years 9 – 13 \$1382.43

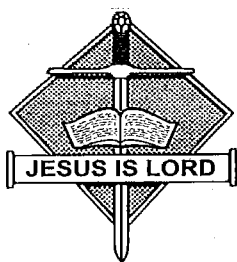
PE, Sports and Outdoor Activities Budget expenditure for 2017:

- PE \$4000.00
- Sports \$5000.00
- Senior Camp \$3000.00
- Junior Camp \$5000.00

Kiwisport funds were able to go towards our PE and outdoor activities for 2017



David Rogers
Principal



Kaikohe Christian School

To follow the way of Jesus Christ, seek His Truth and excel in life for Him

Ki te whai i te ara o Ihu Karaiti, ki te rapu i Tana pono, ki te hira ora hoki, mo Ia

Analysis of Variance: End of 2017

Writing

Writing is a key focus area in the Te Arahura Community of Learning.

Our end of 2016 writing achievement data shows 53.1% of our students are at or above expectation in Writing. The CoL target is...

- Increase the number of students who achieve at or above in tuhituhi / writing from 60% (tuhituhi) / 36.4% (writing) to 85% over a three year period.

Target: A 25% reduction in the number of students achieving 'below' or 'well below' in Writing.

Indicative data shows that we are experiencing similar writing results as compared to 2016 with a marginal lift to 54.3% for the cohort sampled.

The implications remain constant – a greater focus on strategies and resources to promote achievement in this area.

Achieving L2 is dependent on achieving L1 Literacy and Numeracy. 66.7% of our Year 12 students achieved L2 in 2016.

The CoL target is intended to ensure access to L2 qualification by focussing on L1...

- Increase numbers of students who achieve NCEA Level 1 in Year 11 from 58.3% to 85% over a three year period.

Target: All Year 11 students to achieve L1 Numeracy and Literacy by the end of the year.

Ethnic Group	YEAR 11 School leavers	2013	2014	2015	2016	2017
Māori	Number	3	3	7	6	14
	% of Total	75.0%	75.0%	100.0%	85.7%	100.0%
Pacific	Number	1	0	0	0	1
	% of Total	100.0%	n	n	n	100.0%
European/ Pākehā	Number	4	6	4	3	4
	% of Total	80.0%	100.0%	100.0%	100.0%	100.0%
Male	Number	3	4	8	3	5
	% of Total	100.0%	100.0%	100.0%	75.0%	100.0%
Female	Number	7	6	5	6	13
	% of Total	87.5%	85.7%	100.0%	100.0%	100.0%
TOTAL	Number	10	10	13	9	18
	% of Total	90.9%	90.9%	100.0%	90.0%	100.0%

This data is for school leavers at the end of 2017. It shows a pleasing result for level one NCEA.

Target: All Year 12 students achieve L2 before they leave school.

Ethnic/ Group	Year 12 Leavers	2013	2014	2015	2016	2017
Maori	Number	2	2	6	6	11
	% of Total	50.0%	50.0%	85.7%	85.7%	78.6%
Pacific	Number	1	0	0	0	1
	% of Total	100.0%	n	n	n	100.0%
European Pakeha	Number	2	5	4	3	3
	% of Total	40.0%	83.3%	100.0%	100.0%	75.0%
Male	Number	3	4	7	3	4
	% of Total	100.0%	100.0%	87.5%	75.0%	80.0%
Female	Number	4	4	5	6	10
	% of Total	50.0%	57.1%	100.0%	100.0%	76.9%
TOTAL	Number	7	8	12	9	14
	% of Total	63.6%	72.7%	92.3%	90.0%	77.8%

This is school leaver data showing achievement of NCEA L2.

In total there were 14 leavers, 77.8% of whom achieved L2 or above. This statistic is lower than the 2016 cohort (90%). The 2017 leavers cohort was identified as a group with a higher proportion of 'at risk' students. Specific challenges were attendance, engagement and completion of set work. There were also staffing recruitment challenges that impacted results due to consistency in the deployment of teachers and access to 'expert' subject specialists. This aspect has been resolved to the best of our ability relative to our staffing provision.

Analysis of student achievement (leavers) has identified several risk factors that we are able to take control of directly or as in the case of attendance through more robust follow-up systems for students whose attendance rates are impacting on their achievement.

Secondary teachers meet regularly to specifically develop strategies in the following areas

- I. Motivation and Engagement
- II. Current achievement and 'at risk' profiling
- III. Goal setting
- IV. Engagement with whanau
- V. Tracking achievement