KATIKATI COLLEGE

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

School Directory

Ministry Number:	117
Principal:	Carolyn Maree Pentecost
School Address:	Beach Road, Katikati
School Postal Address:	33 Beach Road, Katikati 3129
School Phone:	07 549 0434
School Email:	principal@katikaticollege.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained
Peter McCormick	Chair Person	Elected
Carolyn Pentecost	Principal	Employed
John Schnackenberg	Parent Rep	Elected
Colette Lemon	Parent Rep	Elected
Rachel Jeffery	Parent Rep	Elected
Mabel Wharekawa	Parent Rep	Elected
Liona Vailea	Student Rep	Elected
Bianca Till	Staff Rep	Elected

Accountant:	Accumulus Limited

KATIKATI COLLEGE

Annual Report - For the year ended 31 December 2018

Index

Page	Statement
	Financial Statements
1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expense
3	Statement of Changes in Net Assets/Equity
4	Statement of Financial Position
5	Statement of Cash Flows
6 - 10	Statement of Accounting Policies
11- 19	Notes to the Financial Statements
	Other Information
	Analysis of Variance
	Kiwisport

Katikati College

Statement of Responsibility

For the year ended 31 December 2018

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

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

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

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

Peter John McCormick
Board Chairperson

Signature of Board Chairperson

Date:

Carolyn Maree Pentecost
Principal

Signature of Principal

Date:

Katikati College
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2018

	Notes	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Revenue				
Government Grants	2	8,161,738	7,067,117	7,886,329
Locally Raised Funds	3	717,937	601,098	888,176
Interest Earned		20,438	10,000	16,720
International Students	4	845,785	725,000	500,227
Other Revenue		-	-	-
		9,745,897	8,403,215	9,291,453
Expenses				
Locally Raised Funds	3	385,227	398,978	400,196
International Students	4	636,461	545,100	440,457
Learning Resources	5	5,703,029	5,038,636	5,397,032
Administration	6	540,890	511,774	521,778
Property	7	1,876,547	1,671,969	1,900,673
Depreciation	8	157,176	150,000	152,348
Loss on Disposal of Property, Plant and Equipment		-	-	1,852
Transport		418,096	420,000	411,427
		9,717,425	8,736,457	9,225,762
Net Surplus / (Deficit)		28,472	(333,242)	65,691
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		28,472	(333,242)	65,691

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

Katikati College

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2018

	Actual **2018** **$**	Budget (Unaudited) **2018** **$**	Actual **2017** **$**
Balance at 1 January	1,530,590	1,530,591	1,464,899
Total comprehensive revenue and expense for the year	28,472	(333,242)	65,691
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	20,784	-	-
Equity at 31 December	1,579,846	1,197,349	1,530,590
Retained Earnings	1,579,846	1,197,349	1,530,590
Reserves	-	-	-
Equity at 31 December	1,579,846	1,197,349	1,530,590

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

Katikati College
Statement of Financial Position
As at 31 December 2018

	Notes	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Current Assets				
Cash and Cash Equivalents	9	457,424	39,512	372,752
Accounts Receivable	10	413,846	312,295	312,296
GST Receivable		13,677	32,656	32,656
Katikati Transport Group	20	165,116	215,262	215,262
Inventories	11	2,048	4,555	4,555
Investments	9	350,000	558,220	558,220
		1,402,111	1,162,500	1,495,741
Current Liabilities				
Accounts Payable	13	421,365	424,583	424,583
Revenue Received in Advance	14	302,472	260,054	260,054
Provision for Cyclical Maintenance	15	87,500	25,000	25,000
Painting Contract Liability - Current Portion	16	-	38,871	38,871
Finance Lease Liability - Current Portion	17	14,503	10,797	10,797
Funds held in Trust	18	148,574	211,004	211,004
Funds held for Capital Works Projects	19	57,694	74,767	74,766
Funds held on behalf of the Katikati Transport Group	20	145,676	265,397	265,397
		1,177,783	1,310,472	1,310,472
Working Capital Surplus/(Deficit)		224,328	(147,972)	185,268
Non-current Assets				
Property, Plant and Equipment	12	1,452,977	1,529,397	1,529,398
		1,452,977	1,529,397	1,529,398
Non-current Liabilities				
Provision for Cyclical Maintenance	15	85,791	173,707	173,707
Painting Contract Liability	16	-	-	-
Finance Lease Liability	17	11,667	10,369	10,369
		97,458	184,076	184,076
Net Assets		1,579,846	1,197,349	1,530,590
Equity		1,579,846	1,197,349	1,530,590

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

Katikati College
Statement of Cash Flows
For the year ended 31 December 2018

	Note	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Cash flows from Operating Activities				
Government Grants		2,190,821	2,195,631	2,216,445
Locally Raised Funds		682,022	601,098	889,148
International Students		888,203	725,000	602,321
Goods and Services Tax (net)		18,979	8,979	8,979
Payments to Employees		(1,458,704)	(1,412,936)	(1,247,309)
Payments to Suppliers		(2,174,097)	(2,274,345)	(2,045,929)
Interest Received		20,438	10,000	16,720
Net cash from / (to) the Operating Activities		167,661	(146,573)	440,375
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(62,270)	(50,000)	(136,539)
Net cash from / (to) the Investing Activities		(60,418)	(50,000)	(136,539)
Cash flows from Financing Activities				
Furniture and Equipment Grant		20,784	-	-
Finance Lease Payments		(13,481)	(8,561)	(8,561)
Painting contract payments		(38,871)	(38,772)	(38,872)
Funds Administered on Behalf of Third Parties		(199,224)	(89,333)	(89,333)
Net cash from Financing Activities		(230,792)	(136,667)	(136,766)
Net increase/(decrease) in cash and cash equivalents		(123,549)	(333,240)	167,070
Cash and cash equivalents at the beginning of the year	9	930,973	930,973	763,903
Cash and cash equivalents at the end of the year	9	807,424	597,733	930,973

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

Katikati College

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2018

a) Reporting Entity

Katikati College (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 2018 to 31 December 2018 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment
The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 12.

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

Classification of leases
The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 17.

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.

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.

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

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

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

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

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

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 canteen items. 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 are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance.

k) Property, Plant and Equipment
Land and buildings owned by the Crown are excluded from these financial statements. The Board's use of the land and buildings as 'occupant' is based on a property occupancy document.

Improvements to buildings owned by the Crown are recorded at cost, less accumulated depreciation and impairment losses.

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

Property, plant and equipment acquired with individual values under $1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

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

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

The estimated useful lives of the assets are:

Building improvements – Crown	40 years
Furniture and equipment	3-10 years
Information and communication technology	2-4 years
Textbooks	2-4 years
Library resources	5 years or 12.5% Diminishing value

l) Intangible Assets

Software costs

Computer software acquired by the School is 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.

p) Revenue Received in Advance

Revenue received in advance relates to fees received from international students and grants received where there are unfulfilled

obligations for the School to provide services in the future. The fees are recorded as revenue as the obligations are fulfilled and the fees earned.

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

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

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

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.

The School's financial liabilities comprise accounts payable, 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

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Operational grants	1,646,350	1,666,379	1,675,180
Teachers' salaries grants	4,521,577	3,742,917	4,368,264
Use of Land and Buildings grants	1,449,340	1,128,569	1,301,620
Other MoE Grants	176,522	109,252	177,661
Transport grants	367,949	420,000	363,603
	8,161,738	7,067,117	7,886,329

3. Locally Raised Funds

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

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Revenue			
Donations	27,771	27,000	46,815
Fundraising	27,761	11,400	73,922
Other revenue	180,372	74,522	297,778
Trading	133,055	128,440	129,851
Activities	348,978	359,736	339,810
	717,937	601,098	888,176
Expenses			
Activities	248,333	273,478	274,567
Trading	128,973	121,500	119,823
Fundraising (costs of raising funds)	7,920	4,000	5,806
	385,227	398,978	400,196
Surplus for the year Locally raised funds	332,710	202,120	487,980

4. International Student Revenue and Expenses

	2018 Actual Number	2018 Budget (Unaudited) Number	2017 Actual Number
International Student Roll	24	19	19

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Revenue			
International student fees	845,785	725,000	500,227
Expenses			
Advertising	44,605	45,800	57,667
Commissions	51,633	26,000	16,624
Recruitment			
International student levy	3,654	-	3,950
Employee Benefit - Salaries	106,508	96,000	96,612
Other Expenses	430,060	377,300	265,604
	636,461	545,100	440,457
Surplus for the year International Students'	209,324	179,900	59,770

5. Learning Resources

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Curricular	320,361	388,978	273,272
Library resources	5,698	6,550	5,424
Employee benefits - salaries	5,351,105	4,600,243	5,090,741
Staff development	25,865	42,865	27,594
	5,703,029	5,038,636	5,397,032

6. Administration

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Audit Fee	7,024	7,500	6,395
Board of Trustees Fees	4,727	5,000	3,173
Board of Trustees Expenses	2,595	2,000	15,846
Communication	22,137	25,674	31,029
Consumables	8,366	11,000	9,630
Operating Lease	53,819	60,300	43,564
Legal Fees	-	1,500	-
Other	120,925	111,800	96,080
Employee Benefits - Salaries	287,003	260,000	287,365
Insurance	24,719	17,000	15,451
Service Providers, Contractors and Consultancy	9,574	10,000	13,245
	540,890	511,774	521,778

7. Property

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Caretaking and Cleaning Consumables	22,377	21,000	23,046
Cyclical Maintenance Provision	(32,508)	-	102,690
Grounds	17,958	15,700	18,567
Heat, Light and Water	79,923	79,000	75,263
Rates	27,217	30,000	29,278
Repairs and Maintenance	65,083	160,400	107,641
Use of Land and Buildings	1,449,340	1,128,569	1,301,620
Security	13,580	10,000	9,889
Employee Benefits - Salaries	233,578	227,300	232,678
	1,876,547	1,671,969	1,900,673

The use of land and buildings figure represents 8% of the school's total property value. This is used as a 'proxy' for the market rental of the property. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

8. Depreciation of Property, Plant and Equipment

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Buildings - School	2,634		2,634
Building Improvements - Crown	31,271		31,271
Furniture and Equipment	68,239		58,428
Information and Communication Technology	45,904		50,046
Textbooks	4,014		4,737
Library Resources	5,114		5,233
	157,176	150,000	152,348

9. Cash, Cash Equivalent & Current Investments

9 (a) Cash and Cash Equivalent

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Cash on Hand	448	314	314
Bank Current Account	160,185	85,430	81,214
Bank Call Account	296,791	291,224	291,224
Total Cash & Cash Equivalent	457,424	376,968	372,752

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

9 (b) Investments

The school's investment activities are classified as follows:

Current asset: Short term bank deposits	350,000	558,220	558,220
Total Cash, Cash Equivalent & Current Investments	807,424	935,189	930,972

10. Accounts Receivable

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Receivables	105,502	69,588	69,588
Teacher Salaries Grant Receivable	308,343	242,708	242,708
	413,846	312,295	312,296
Receivables from Exchange Transactions	105,502	69,588	69,588
Receivables from Non-Exchange Transactions	308,344	242,708	242,708
	413,846	312,295	312,296

11. Inventories

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Stationery	1,894	2,646	2,646
Canteen	154	1,909	1,909
	2,048	4,555	4,555

12. Property, Plant and Equipment

2018	Opening Balance (NBV) $	Additions $	Disposals $	Impairment $	Depreciation $	Total (NBV) $
Buildings	991,298				(33,905)	**957,394**
Furniture and Equipment	403,365	33,145			(68,239)	**368,271**
Information and Communication	64,046	20,083			(32,579)	**51,550**
Textbooks	12,882	2,789			(4,014)	**11,657**
Leased Assets	21,934	18,485			(13,325)	**27,094**
Library Resources	35,873	6,252			(5,114)	**37,011**
Balance at 31 December 2018	1,529,398	80,754	-	-	(157,176)	**1,452,977**

2018	Cost or Valuation $	Accumulated Depreciation $	Net Book Value $
Buildings	1,418,183	(460,791)	**957,394**
Furniture and Equipment	1,769,827	(1,401,555)	**368,271**
Information and Communication	1,833,259	(1,781,710)	**51,549**
Textbooks	213,024	(201,367)	**11,657**
Leased Assets	50,605	(23,511)	**27,095**
Library Resources	111,766	(74,754)	**37,011**
Balance at 31 December 2018	5,396,664	(3,943,688)	**1,452,977**

2017	Opening Balance (NBV) $	Additions $	Disposals $	Impairment $	Depreciation $	Total (NBV) $
Buildings	1,025,202	-		-	(33,905)	**991,298**
Furniture and Equipment	356,659	106,986	(1,852)		(58,428)	**403,365**
Information and Communication	86,096	18,703			(40,753)	**64,046**
Textbooks	13,136	4,482	-	-	(4,737)	**12,882**
Leased Assets	12,814	18,413			(9,293)	**21,934**
Library Resources	34,739	6,368	-	-	(5,233)	**35,873**
Balance at 31 December 2017	1,528,645	154,952	(1,852)	-	(152,348)	**1,529,398**

2017	Cost or Valuation $	Accumulated Depreciation $	Net Book Value $
Land	-	-	**-**
Buildings	1,418,183	(426,886)	**991,298**
Furniture and Equipment	1,736,681	(1,333,317)	**403,365**
Information and Communication Technology	1,813,176	(1,749,130)	**64,046**
Textbooks	210,235	(197,353)	**12,882**
Leased Assets	32,120	(10,186)	**21,934**
Library Resources	105,514	(69,640)	**35,873**
Balance at 31 December 2017	5,315,910	(3,786,513)	**1,529,398**

13. Accounts Payable

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Operating creditors	68,220	135,519	135,519
Accruals	5,330	-	4,895
Employee Entitlements - salaries	308,440	289,064	242,708
Employee Entitlements - leave accrual	39,374	-	41,461
	421,365	424,582	424,583

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
International Student Fees	302,472	260,054	260,054
	302,472	260,054	260,054

15. Provision for Cyclical Maintenance

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Provision at the Start of the Year	198,707		104,439
Increase to the Provision During the Year			113,728
Adjustment to the Provision	(25,416)		(19,460)
Provision at the End of the Year	173,291	-	198,707
Cyclical Maintenance - Current	87,500	25,000	25,000
Cyclical Maintenance - Term	85,791	173,707	173,707
	173,291	198,707	198,707

16. Painting Contract Liability

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Current Liability	-	38,871	38,871
Non Current Liability	-	-	-
	-	38,871	38,871

In 2012 the Board signed an agreement with Higgins Coatings Pty Ltd (the contractor) for an agreed programme of work covering an seven year period. The programme provides for an interior and exterior repaint of the Ministry owned buildings in 2012, with regular maintenance in subsequent years. The agreement has an annual commitment of $38,872 The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

17. Finance Lease Liability

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

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
No Later than One Year	14,503	10,797	10,797
Later than One Year and no Later than Five Years	11,667	10,369	10,369
Later than Five Years	-		
	26,170	21,166	21,166

18. Funds held in Trust

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Funds Held in Trust on Behalf of Third Parties - Current	148,574	211,004	211,004
	148,574	211,004	211,004

These funds are held in trust for international students' homestay families, sports teams and activity groups.

19. 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:

2018		Opening Balances $	Receipts from MoE $	Payments $	BOT Contribution/ (Write-off to R&M)	Closing Balances $
Technology Block	*complete*	57,411	50,248	105,259		2,400
Toilet Block	*complete*	17,355		10,162		7,193
Revamp Classrooms	*planning*		48,100			48,100
Totals		74,766	98,348	115,421	-	57,694

2017		Opening Balances $	Receipts from MoE $	Payments $	BOT Contribution/ (Write-off to R&M)	Closing Balances $
Technology Block	*in progress*	80,912	1,020,626	1,044,127		57,411
Toilet Block	*in progress*	113,069	-	95,714		17,355
Totals		193,981	1,020,626	1,139,841	-	74,766

20. Funds Held on Behalf of the Katikati Transport Group

Katikati College is the lead school and holds funds on behalf of the Transport Group, a group of schools funded by the Ministry of Education to provide school transportation services.

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Funds Held at Begining of the Year	265,397		331,837
Funds Received from MoE	511,182		505,145
Funds Spent on Behalf of the the Cluster	(580,850)		(571,585)
Received from Cluster Members	12,265		-
Historic Rebalancing	(62,318)		-
Funds Held at Year End	145,676	265,397	265,397
of which Katikati College portion showing as Receivable	165,116	215,262	215,262

21. Related Party Transactions

The School is a controlled entity of the Crown.

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.

22. Remuneration

Key management personnel compensation

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

	2018 Actual $	2017 Actual $
Board Members		
Remuneration	4,727	3,173
Full-time equivalent members	0.37	0.37
Leadership Team		
Remuneration	1,425,871	1,159,945
Full-time equivalent members	15.00	12.00
Total key management personnel remuneration	1,430,598	1,163,118
Total full-time equivalent personnel	15.37	12.37

The full time equivalent for Board

Principal

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

	2018 Actual $000	2017 Actual $000
Salaries and Other Short-term Employee Benefits:		

Salary and Other Payments	150 - 160	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	2018 FTE Number	2017 FTE Number
100 - 110	1.00	1.00
	1.00	1.00

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

23. Compensation and Other Benefits Upon Leaving

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

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

24. Contingencies

The board has a contingent liabiilty for their share of capital improvements made to the Action Centre late 2015. The amount and the exact nature of the liability of this is unknown at balance date.

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

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

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

25. Commitments

(a) Capital Commitments

Capital commitments at 31 December 2018: nil

(Capital commitments at 31 December 2017: $ 1,656,000)

(b) Operating Commitments

As at 31 December 2018 the Board has entered into the following contracts:

(a) operating leases of photocopiers & vans;

	2018 Actual	2017 Actual

	$	$
No later than One Year	31,694	60,460
Later than One Year and No Later than Five Years	1,587	28,661
Later than Five Years	-	-
	33,281	89,121

26. 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 generate a small surplus from year to year.

27. Financial Instruments

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

Loans and receivables

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Cash and Cash Equivalents	807,424	935,189	930,973
Receivables	413,846	312,295	312,296
Total Cash and Receivables	1,221,270	1,247,484	1,243,269
Financial liabilities measured at			
Payables	421,365	424,582	424,583
Finance Leases	26,170	21,166	21,166
Painting Contract Liability	-	38,871	38,871
Total Financial Liabilities Measured at Amortised Cost	447,535	484,620	484,621

28. Events After Balance Date

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