

Pukekohe High School

Financial Statements for the year ended 31 December 2017

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Pukekohe High School

Financial Statements

For the year ended 31 December 2017

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Pukekohe High 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.

Ben Hancock

Full Name of Board Chairperson

IAN MCKINNON

Full Name of Principal

[Signature]

Signature of Board Chairperson

[Signature]

Signature of Principal

29/5/18

Date:

29/5/18

Date:

Pukekohe High School
Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Revenue				
Government Grants	2	14,285,789	13,121,131	13,238,450
Locally Raised Funds	3	926,350	336,853	910,446
Interest Earned		46,192	40,000	25,029
International Students	4	544,788	462,304	466,804
		<u>15,803,119</u>	<u>13,960,288</u>	<u>14,640,729</u>
Expenses				
Locally Raised Funds	3	383,575	103,415	459,820
International Students	4	182,091	170,665	160,460
Learning Resources	5	10,317,483	9,525,015	9,693,459
Administration	6	701,083	670,898	700,099
Finance Costs		12,815	-	10,447
Property	7	3,683,462	3,089,228	3,097,093
Depreciation	8	432,243	400,000	400,124
Loss on Disposal of Property, Plant and Equipment		19,606	-	6,950
		<u>15,732,358</u>	<u>13,959,221</u>	<u>14,528,452</u>
Net Surplus / (Deficit)		70,761	1,067	112,277
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u><u>70,761</u></u>	<u><u>1,067</u></u>	<u><u>112,277</u></u>

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

Pukekohe High School
Statement of Changes in Net Assets/Equity

For the year ended 31 December 2017

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Balance at 1 January	2,140,893	2,140,893	1,963,433
Total comprehensive revenue and expense for the year	70,761	1,067	112,277
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	19,671	-	65,183
Equity at 31 December	2,231,325	2,141,960	2,140,893
Retained Earnings	2,231,325	2,141,960	2,140,893
Equity at 31 December	2,231,325	2,141,960	2,140,893

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

Pukekohe High School
Statement of Financial Position

As at 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Current Assets				
Cash and Cash Equivalents	9	14,741	395,883	410,143
Accounts Receivable	10	1,397,837	655,000	637,985
GST Receivable		(42,860)	50,000	63,334
Prepayments		39,109	40,000	46,236
Inventories	11	16,700	35,000	33,060
Investments	12	980,303	900,000	991,712
		<u>2,405,830</u>	<u>2,075,883</u>	<u>2,182,470</u>
Current Liabilities				
Accounts Payable	14	797,518	850,000	806,942
Revenue Received in Advance	15	581,741	670,000	671,133
Provision for Cyclical Maintenance	16	113,474	168,793	77,869
Finance Lease Liability - Current Portion	17	70,964	64,133	61,542
Funds Held for Capital Works Projects	18	510,750	100,000	161,737
Funds Held on Behalf of ACE Aoteoroa Cluster	19	-	-	6,427
		<u>2,074,447</u>	<u>1,852,926</u>	<u>1,785,650</u>
Working Capital Surplus/(Deficit)		331,383	222,957	396,820
Non-current Assets				
Property, Plant and Equipment	13	2,066,407	2,036,122	2,065,016
		<u>2,066,407</u>	<u>2,036,122</u>	<u>2,065,016</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	16	135,118	93,619	227,818
Finance Lease Liability	17	31,347	23,500	93,125
		<u>166,465</u>	<u>117,119</u>	<u>320,943</u>
Net Assets		<u><u>2,231,325</u></u>	<u><u>2,141,960</u></u>	<u><u>2,140,893</u></u>
Equity		<u><u>2,231,325</u></u>	<u><u>2,141,960</u></u>	<u><u>2,140,893</u></u>

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

Pukekohe High School

Statement of Cash Flows

For the year ended 31 December 2017

	2017	2017 Budget	2016
Note	Actual	(Unaudited)	Actual
	\$	\$	\$
Cash flows from Operating Activities			
Government Grants	2,581,857	3,114,631	3,008,481
Locally Raised Funds	965,002	676,689	1,016,105
International Students	425,623	488,304	494,359
Goods and Services Tax (net)	106,194	(32,100)	(45,371)
Payments to Employees	(1,754,547)	(1,819,669)	(1,685,912)
Payments to Suppliers	(2,560,915)	(1,927,408)	(2,225,675)
Interest Paid	(12,815)	-	(10,447)
Interest Received	43,224	55,500	35,692
Cyclical Maintenance Payments	(57,095)	(3,144)	-
Net cash from / (to) the Operating Activities	<u>(263,472)</u>	<u>552,803</u>	<u>587,232</u>
Cash flows from Investing Activities			
Proceeds from Sale of PPE (and Intangibles)	(19,606)	-	-
Purchase of PPE (and Intangibles)	(422,832)	(548,131)	(237,820)
Purchase of Investments	11,409	(375,000)	(468,371)
Net cash from / (to) the Investing Activities	<u>(431,029)</u>	<u>(923,131)</u>	<u>(706,191)</u>
Cash flows from Financing Activities			
Furniture and Equipment Grant	19,671	-	65,183
Finance Lease Payments	(63,158)	87,633	(191,352)
Funds Administered on Behalf of Third Parties	(6,427)	-	65,844
Funds Held for Capital Works Projects	349,013	85,000	-
Net cash from / (to) Financing Activities	<u>299,099</u>	<u>172,633</u>	<u>(60,325)</u>
Net increase/(decrease) in cash and cash equivalents	<u>(395,402)</u>	<u>(197,695)</u>	<u>(179,284)</u>
Cash and cash equivalents at the beginning of the year	9 410,143	593,578	589,427
Cash and cash equivalents at the end of the year	9 <u>14,741</u>	<u>395,883</u>	<u>410,143</u>

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

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

Pukekohe High School

Notes to the Financial Statements

For the year ended 31 December 2017

1. Statement of Accounting Policies

Reporting Entity

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

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 13.

Pukekohe High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

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 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.

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.

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.

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.

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.

Pukekohe High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

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.

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.

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.

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 schedule 6 section 28 of the Education Act 1989 in relation to the acquisition of investment securities.

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 \$750 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.

Pukekohe High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

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:

Buildings - School	80 years
Building improvements – Crown	80 years
Furniture and equipment	5-10 years
Information and communication technology	4-5 years
Motor vehicles	5-10 years
Textbooks	5 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value

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.

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.

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.

Pukekohe High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

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.

Revenue Received in Advance

Revenue received in advance relates to fees received from international students and student funds 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 and student funds, should the School be unable to provide the services to which they relate.

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.

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).

Financial Assets and Liabilities

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

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

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

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 Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget Figures

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

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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

2 Government Grants

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operational grants	2,939,251	2,931,277	2,804,067
Teachers' salaries grants	8,362,878	7,746,029	7,858,550
Use of Land and Buildings grants	2,646,083	2,260,471	2,260,471
Resource teachers learning and behaviour grants	10,663	15,000	9,440
Other MoE Grants	240,381	108,585	155,391
Other government grants	86,533	59,769	150,531
	14,285,789	13,121,131	13,238,450

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	107,550	88,500	91,416
Fundraising	49,573	12,000	61,627
Trading	146,279	108,578	118,972
Activities	527,155	127,775	528,724
Curriculum Recoveries	95,793	-	109,707
	926,350	336,853	910,446
Expenses			
Activities	225,645	16,261	237,089
Trading	126,758	87,154	115,207
Fundraising (costs of raising funds)	22,384	-	24,159
Other Locally Raised Funds Expenditure	8,788	-	83,365
	383,575	103,415	459,820
<i>Surplus for the year Locally Raised Funds</i>	542,775	233,438	450,626

4 International Student Revenue and Expenses

	2017 Actual Number	2017 Budget (Unaudited) Number	2016 Actual Number
International Student Roll	39.5	35	33
	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Revenue			
International student fees	544,788	462,304	466,804
Expenses			
Advertising	14,519	23,000	17,196
Commissions	37,142	26,657	31,597
International student levy	13,410	6,696	13,740
Employee Benefit - Salaries	77,148	66,560	68,644
Other Expenses	39,872	47,752	29,283
	182,091	170,665	160,460
<i>Surplus for the year International Students¹</i>	362,697	291,639	306,344

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

5 Learning Resources

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	617,199	579,424	605,519
Information and communication technology	159,123	87,371	182,550
Extra-curricular activities	159,759	37,325	156,312
Library resources	4,776	5,445	4,080
Employee benefits - salaries	9,244,748	8,686,613	8,642,980
Staff development	131,878	128,837	102,018
	<u>10,317,483</u>	<u>9,525,015</u>	<u>9,693,459</u>

6 Administration

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	11,822	11,648	11,648
Board of Trustees Fees	5,815	6,530	4,905
Board of Trustees Expenses	7,280	7,602	18,909
Communication	13,577	14,280	22,765
Consumables	(41,690)	(45,250)	(45,779)
Postage	6,917	3,000	2,663
Other	100,624	94,325	57,392
Employee Benefits - Salaries	536,926	520,223	570,772
Insurance	19,401	19,564	17,848
Service Providers, Contractors and Consultancy	40,411	38,976	38,976
	<u>701,083</u>	<u>670,898</u>	<u>700,099</u>

7 Property

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	10,827	12,250	11,513
Consultancy and Contract Services	193,684	193,100	170,785
Cyclical Maintenance Provision	113,274	61,480	11,076
Grounds	29,918	29,250	28,446
Heat, Light and Water	161,667	161,480	166,712
Repairs and Maintenance	245,120	123,895	175,680
Use of Land and Buildings	2,646,083	2,260,471	2,260,471
Security	-	-	7,525
Employee Benefits - Salaries	282,889	247,302	264,885
	<u>3,683,462</u>	<u>3,089,228</u>	<u>3,097,093</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. 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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

8 Depreciation of Property, Plant and Equipment

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Buildings - School	1,655	400,000	635
Building Improvements - Crown	7,772	-	8,986
Furniture and Equipment	97,641	-	91,850
Information and Communication Technology	219,958	-	216,275
Motor Vehicles	5,076	-	5,076
Textbooks	20,881	-	24,011
Leased Assets	66,966	-	40,883
Library Resources	12,294	-	12,408
	<u>432,243</u>	<u>400,000</u>	<u>400,124</u>

9 Cash and Cash Equivalents

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Cash on Hand	100	100	100
Bank Current Account	10,272	145,783	174,264
Bank Call Account	4,369	250,000	235,779
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>14,741</u>	<u>395,883</u>	<u>410,143</u>

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

10 Accounts Receivable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Receivables	35,090	50,000	43,969
Receivables from the Ministry of Education	777,674	-	82,703
Interest Receivable	7,665	5,000	4,697
Teacher Salaries Grant Receivable	577,408	600,000	506,616
	<u>1,397,837</u>	<u>655,000</u>	<u>637,985</u>
Receivables from Exchange Transactions	42,755	55,000	48,666
Receivables from Non-Exchange Transactions	1,355,082	600,000	589,319
	<u>1,397,837</u>	<u>655,000</u>	<u>637,985</u>

11 Inventories

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Stationery	7,000	-	8,192
School Uniforms	9,700	35,000	24,868
	<u>16,700</u>	<u>35,000</u>	<u>33,060</u>

12 Investments

The School's investment activities are classified as follows:

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Current Asset			
Short-term Bank Deposits	980,303	900,000	991,712
	<u>980,303</u>	<u>900,000</u>	<u>991,712</u>

The carrying value of long term deposits longer than 12 months approximates their fair value at 31 December 2017.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

13 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2017						
Buildings	44,528	1,125	-	-	(1,655)	43,998
Building improvements	671,660	-	(13,054)	-	(7,772)	650,834
Furniture and equipment	466,695	137,229	-	-	(97,641)	506,283
Information and communication technology	563,541	274,437	-	-	(219,958)	618,020
Motor vehicles	44,347	-	-	-	(5,076)	39,271
Textbooks	36,916	11,606	-	-	(20,881)	27,641
Leased assets	150,469	10,802	-	-	(66,966)	94,305
Library resources	86,860	18,042	(6,553)	-	(12,294)	86,055
Balance at 31 December 2017	2,065,016	453,241	(19,607)	-	(432,243)	2,066,407

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2017			
Buildings	131,411	(36,732)	94,679
Building improvements	772,273	(172,120)	600,153
Furniture and equipment	3,134,074	(2,627,791)	506,283
Information and communication technology	2,531,931	(1,913,911)	618,020
Motor vehicles	151,613	(112,342)	39,271
Textbooks	511,366	(483,725)	27,641
Leased assets	202,154	(107,849)	94,305
Library resources	217,024	(130,969)	86,055
Balance at 31 December 2017	7,651,846	(5,585,439)	2,066,407

The Board considers that no assets have suffered an impairment during the year.

The net carrying value of equipment held under a finance lease is \$94,305 (2016: \$150,469).

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2016						
Buildings	45,163	-	-	-	(635)	44,528
Building improvements	680,646	-	-	-	(8,986)	671,660
Furniture and equipment	420,470	138,075	-	-	(91,850)	466,695
Information and communication technology	561,915	217,901	-	-	(216,275)	563,541
Motor vehicles	49,423	-	-	-	(5,076)	44,347
Textbooks	39,833	21,094	-	-	(24,011)	36,916
Leased assets	-	191,352	-	-	(40,883)	150,469
Library resources	90,801	15,417	(6,950)	-	(12,408)	86,860
Balance at 31 December 2016	1,888,251	583,839	(6,950)	-	(400,124)	2,065,016

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2016			
Buildings	50,786	(6,258)	44,528
Building improvements	869,371	(197,711)	671,660
Furniture and equipment	2,996,845	(2,530,150)	466,695
Information and communication technology	2,257,494	(1,693,953)	563,541
Motor vehicles	151,613	(107,266)	44,347
Textbooks	499,760	(462,844)	36,916
Leased assets	191,352	(40,883)	150,469
Library resources	215,218	(128,358)	86,860
Balance at 31 December 2016	7,232,439	(5,167,423)	2,065,016

Pukekohe High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

14 Accounts Payable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operating creditors	139,416	200,000	206,122
Accruals	11,964	50,000	49,760
Employee Entitlements - salaries	646,138	600,000	551,060
	<u>797,518</u>	<u>850,000</u>	<u>806,942</u>
Payables for Exchange Transactions	797,518	850,000	806,942
	<u>797,518</u>	<u>850,000</u>	<u>806,942</u>

The carrying value of payables approximates their fair value.

15 Revenue Received in Advance

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
International Student Fees	462,122	580,000	581,287
Other	119,619	90,000	89,846
	<u>581,741</u>	<u>670,000</u>	<u>671,133</u>

16 Provision for Cyclical Maintenance

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Provision at the Start of the Year	305,687	305,687	308,478
Increase to the Provision During the Year	113,274	61,480	11,076
Use of the Provision During the Year	(170,369)	(104,755)	(13,867)
Provision at the End of the Year	<u>248,592</u>	<u>262,412</u>	<u>305,687</u>
Cyclical Maintenance - Current	113,474	168,793	77,869
Cyclical Maintenance - Term	135,118	93,619	227,818
	<u>248,592</u>	<u>262,412</u>	<u>305,687</u>

17 Finance Lease Liability

The school has entered into a number of finance lease agreements for computer equipment and TELA leases.

Minimum lease payments payable (includes interest portion):

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
No Later than One Year	78,032	64,133	73,915
Later than One Year and no Later than Five Years	32,959	23,500	100,699
	<u>110,992</u>	<u>87,633</u>	<u>174,614</u>

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

18 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:

	2017	BOT				Closing Balances
		Opening Balances	Receipts from MoE	Payments	Contribution/ (Write-off to R&M)	
		\$	\$	\$		\$
Hort Development	<i>in progress</i>	(7,070)	-	30,276	-	(37,346)
Food & Fabric	<i>in progress</i>	-	-	-	-	-
Lift	<i>in progress</i>	28,442	-	-	-	28,442
Hockey Turf	<i>completed</i>	-	-	3,391	-	(3,391)
Arts Centre	<i>in progress</i>	(21,800)	-	-	-	(21,800)
Hall Upgrade	<i>in progress</i>	(20,470)	385,618	16,638	-	348,510
Wharenui	<i>in progress</i>	103,113	-	131,843	-	(28,730)
Garage Replacement	<i>in progress</i>	-	-	-	-	-
SYA Projects Stage 1	<i>in progress</i>	2,845	-	1,477	-	1,368
Stage 2 Field Changing Facility	<i>in progress</i>	23,020	-	23,892	-	(872)
SYA Other Projects	<i>in progress</i>	57,489	-	33,418	-	24,071
SYA Planning	<i>in progress</i>	311	-	-	-	311
Massey Roof	<i>in progress</i>	(1,083)	-	-	-	(1,083)
Art Block	<i>in progress</i>	(510)	-	-	-	(510)
Massey Windows	<i>in progress</i>	(1,105)	-	-	-	(1,105)
Gym Toilets	<i>in progress</i>	(306)	-	-	-	(306)
Drama	<i>in progress</i>	(1,139)	-	-	-	(1,139)
Fire Alarm upgrade	<i>in progress</i>	-	206,630	-	-	206,630
Canteen Uniport	<i>in progress</i>	-	-	2,300	-	(2,300)
Totals		161,737	592,248	243,235	-	510,750

Represented by:

Funds Held on Behalf of the Ministry of Education

510,750

510,750

	2016	BOT				Closing Balances
		Opening Balances	Receipts from MoE	Payments	Contribution/ (Write-off to R&M)	
		\$	\$	\$	\$	\$
Hort Development	<i>in progress</i>	(6,530)	-	540	-	(7,070)
Food & Fabric	<i>in progress</i>	-	-	-	-	-
Lift	<i>in progress</i>	33,155	-	4,713	-	28,442
Hockey Turf	<i>completed</i>	(19,993)	19,993	-	-	-
Arts Centre	<i>in progress</i>	(16,800)	-	5,000	-	(21,800)
Hall Upgrade	<i>in progress</i>	(12,991)	17,809	25,288	-	(20,470)
Wharenui	<i>in progress</i>	2,875	504,000	403,762	-	103,113
Garage Replacement	<i>in progress</i>	(13,509)	7,350	(180)	5,979	-
SYA Projects Stage 1	<i>in progress</i>	(31,339)	38,617	4,433	-	2,845
Stage 2 Field Changing Facility	<i>in progress</i>	100,763	-	77,743	-	23,020
SYA Other Projects	<i>in progress</i>	57,489	-	-	-	57,489
SYA Planning	<i>in progress</i>	(4,139)	14,250	9,800	-	311
Massey Roof	<i>in progress</i>	-	-	1,083	-	(1,083)
Art Block	<i>in progress</i>	-	-	510	-	(510)
Massey Windows	<i>in progress</i>	-	-	1,105	-	(1,105)
Gym Toilets	<i>in progress</i>	-	-	306	-	(306)
Drama	<i>in progress</i>	-	-	1,139	-	(1,139)
Totals		88,981	602,019	535,242	5,979	161,737

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

19 Funds Held on Behalf of ACE Aoteoroa Cluster

Pukekohe High School is the lead school and holds the funds on behalf of the ACE Aoteoroa cluster, a group of schools funded by the Ministry of Education to share Adult Community Education.

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited) \$	\$
Funds Held at Beginning of the Year	-	-	6,912
Funds Received from Cluster Members	-	-	-
Funds Received from MoE	-	-	-
Funds Spent on Behalf of the Cluster	-	-	485
Funds Held at Year End	-	-	<u>6,427</u>

20 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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

21 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	5,815	4,905
Full-time equivalent members	0.28	-
<i>Leadership Team</i>		
Remuneration	621,113	392,838
Full-time equivalent members	5.00	3.00
Total key management personnel remuneration	626,928	397,743
Total full-time equivalent personnel	5.28	3.00

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	180-190	170-180
Benefits and Other Emoluments	-	-
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
120-130	1	1
100-110	3	2
	4	3

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

22 Compensation and Other Benefits Upon Leaving

There were no compensation or other benefits paid or payable to persons upon leaving (31 December 2016: nil).

23 Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2017.

(Contingent liabilities and assets as at 31 December 2016: nil)

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

24 Commitments

(a) Capital Commitments

The Board considers there to be no contractual commitments at the above date other than those disclosed in the preceding financial statements and detailed below.

(Capital commitments as at 31 December 2016: nil)

(b) Operating Commitments

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

- operating lease of a photocopier

	2017 Actual \$	2016 Actual \$
No later than One Year	-	37,541
Later than One Year and No Later than Five Years	-	13,429
	<u>-</u>	<u>50,970</u>

25 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.

26 Financial Instruments

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Loans and Receivables			
Cash and Cash Equivalents	14,741	395,883	410,143
Receivables	1,397,837	655,000	637,985
Investments - Term Deposits	980,303	900,000	991,712
Total Loans and Receivables	<u>2,392,881</u>	<u>1,950,883</u>	<u>2,039,840</u>
Financial liabilities measured at amortised cost			
Payables	797,518	850,000	806,942
Finance Leases	102,311	87,633	154,667
Total Financial Liabilities Measured at Amortised Cost	<u>899,829</u>	<u>937,633</u>	<u>961,609</u>

27 Events After Balance Date

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

28 Prior Year Comparatives

Comparative figures included in the financial statements relate to the financial year ended 31 December 2016. Where necessary these figures have been reclassified on a basis consistent with current disclosure for the year ended 31 December 2017.