

Pukekohe High School

Annual Report for the year ended 31 December 2019

Ministry Number:	0103
Principal:	Richard Barnett
School Address:	Harris Street, Pukekohe
School Postal Address:	PO Box 306, Pukekohe 2340
School Phone:	09 237 0117
School Email:	exec@pukekohehigh.school.nz
Service Provider:	Edtech Financial Services Ltd

Pukekohe High School

Annual Report

For the year ended 31 December 2019

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Pukekohe High School
Statement of Responsibility
For the year ended 31 December 2019

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 2019 fairly reflects the financial position and operations of the school.

The School's 2019 financial statements are authorised for issue by the Board.

BENJAMIN MORGAN STALLWORTHY

Full Name of Board Chairperson

RICHARD BARNETT

Full Name of Principal



Signature of Board Chairperson



Signature of Principal

19 JUNE 2023

Date:

19/06/2023

Date:

Pukekohe High School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue				
Government Grants	2	15,318,353	14,678,439	14,635,897
Locally Raised Funds	3	810,738	578,979	974,393
Interest Income		56,201	53,500	52,765
International Students	4	567,668	532,111	523,775
		<u>16,752,960</u>	<u>15,843,029</u>	<u>16,186,830</u>
Expenses				
Locally Raised Funds	3	311,307	80,483	469,524
International Students	4	252,398	217,484	231,071
Learning Resources	5	11,287,850	10,951,489	11,043,582
Administration	6	690,561	737,170	794,345
Finance		8,419	9,498	11,906
Property	7	3,692,953	3,442,905	3,416,035
Depreciation	8	406,016	400,000	447,866
Loss on Disposal of Property, Plant and Equipment		967	-	26,130
		<u>16,650,471</u>	<u>15,839,029</u>	<u>16,440,459</u>
Net Surplus / (Deficit) for the year		102,489	4,000	(253,629)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>102,489</u>	<u>4,000</u>	<u>(253,629)</u>

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

Pukekohe High School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

		2019	2019	2018
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Balance at 1 January		1,977,696	1,977,696	2,231,325
Total comprehensive revenue and expense for the year		102,489	4,000	(253,629)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		52,763	-	-
Equity at 31 December	24	2,132,948	1,981,696	1,977,696
Retained Earnings		2,132,948	1,981,696	1,977,696
Equity at 31 December		2,132,948	1,981,696	1,977,696

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

Pukekohe High School
Statement of Financial Position

As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	9	273,915	290,838	665,783
Accounts Receivable	10	836,459	719,000	776,902
GST Receivable		32,776	5,000	4,896
Prepayments		26,595	30,000	26,465
Inventories	11	3,797	15,000	11,046
Investments	12	1,081,928	1,000,000	998,694
		<u>2,255,470</u>	<u>2,059,838</u>	<u>2,483,786</u>
Current Liabilities				
Accounts Payable	14	835,832	945,000	1,068,203
Revenue Received in Advance	15	593,463	500,000	638,866
Provision for Cyclical Maintenance	16	10,000	77,619	171,088
Finance Lease Liability - Current Portion	17	44,805	42,000	59,268
Funds Held for Capital Works Projects	18	177,172	300,000	399,089
		<u>1,661,272</u>	<u>1,864,619</u>	<u>2,336,514</u>
Working Capital Surplus/(Deficit)		594,198	195,219	147,272
Non-current Assets				
Property, Plant and Equipment	13	1,851,840	1,837,745	1,945,458
		<u>1,851,840</u>	<u>1,837,745</u>	<u>1,945,458</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	16	279,064	23,268	64,486
Finance Lease Liability	17	34,026	28,000	50,548
		<u>313,090</u>	<u>51,268</u>	<u>115,034</u>
Net Assets		<u>2,132,948</u>	<u>1,981,696</u>	<u>1,977,696</u>
Equity	24	<u>2,132,948</u>	<u>1,981,696</u>	<u>1,977,696</u>

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

Pukekohe High School

Statement of Cash Flows

For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		3,617,292	3,383,336	4,057,897
Locally Raised Funds		830,667	479,812	939,031
International Students		519,698	493,999	599,765
Goods and Services Tax (net)		(27,880)	(104)	(47,756)
Payments to Employees		(2,360,561)	(2,184,026)	(2,201,425)
Payments to Suppliers		(2392,967)	(2,158,564)	(2,181,829)
Cyclical Maintenance Payments in the year		(29,628)	-	(79,473)
Interest Paid		(8,419)	(9,498)	(11,906)
Interest Received		56,668	52,598	52,332
Net cash from Operating Activities		204,870	57,553	1,126,636
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	(122,417)	-
Purchase of PPE (and Intangibles)		(280,958)	(465,554)	(259,517)
Purchase of Investments		(83,234)	-	(18,391)
Proceeds from Sale of Investments		-	(1,306)	-
Net cash from Investing Activities		(364,192)	(589,277)	(277,908)
Cash flows from Financing Activities				
Furniture and Equipment Grant		52,763	-	-
Finance Lease Payments		(63,392)	255,868	(86,025)
Funds Administered on Behalf of Third Parties		-	-	(111,661)
Funds Held for Capital Works Projects		(221,917)	(99,089)	-
Net cash from Financing Activities		(232,546)	156,779	(197,686)
Net increase/(decrease) in cash and cash equivalents		(391,868)	(374,945)	651,042
Cash and cash equivalents at the beginning of the year	9	665,783	665,783	14,741
Cash and cash equivalents at the end of the year	9	273,915	290,838	665,783

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 which form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2019

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 2019 to 31 December 2019 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".

Standard Early Adopted

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 27.

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 2019

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

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.

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.

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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for credit losses. The school applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Prior Year Policy

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

Prior Year Policy

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 2019

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Buildings - School	40-80 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

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 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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

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.

Pukekohe High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

2 Government Grants

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Operational Grants	3,285,958	3,158,804	3,019,485
Teachers' Salaries Grants	8,857,817	8,732,047	8,689,493
Use of Land and Buildings Grants	2,758,806	2,598,531	2,598,531
Resource Teachers Learning and Behavior Grants	3,831	-	9,610
Other MoE Grants	352,373	122,866	259,777
Other Government Grants	59,568	66,191	59,001
	<u>15,318,353</u>	<u>14,678,439</u>	<u>14,635,897</u>

3 Locally Raised Funds

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

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Revenue			
Donations	101,719	132,250	97,592
Activities	476,351	345,945	542,489
Trading	66,600	77,784	175,633
Fundraising	47,763	23,000	62,188
Overseas Travel	118,305	-	96,491
	<u>810,738</u>	<u>578,979</u>	<u>974,393</u>
Expenses			
Activities	104,171	12,034	189,094
Trading	68,380	68,449	151,719
Fundraising (Costs of Raising Funds)	20,451	-	31,357
Overseas Travel	118,305	-	97,354
	<u>311,307</u>	<u>80,483</u>	<u>469,524</u>
	<u>499,431</u>	<u>498,496</u>	<u>504,869</u>

Surplus/ (Deficit) for the year Locally Raised Funds

Overseas Travel

A trip to Singapore was made during the year to attend art exhibitions which included 24 students and 6 staff. This was funded by parents and students. The total cost of the trip was \$118,305 which is shown above.

In 2018 there were 3 trips during the year. Vivid Sydney Trip - This was a trip to Sydney for art trip which included 26 students and 4 staff. This was fully funded by parents and students. The revenue was \$22,057 and the expense was \$22,352. French Trip - This was a trip to New Caledonia for full immersion in French culture and language which included 12 students, 2 parents and 2 staff. This was mainly funded by parents and students. The revenue was \$37,023 and the expense was \$36,510. Fiji Trip - This was a trip to Fiji to complete an operation Wallacea Expedition which included 13 students and 2 staff. This was mainly funded by parents and students. The revenue was \$37,411 and the expense was \$37,466.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

4 International Student Revenue and Expenses

	2019 Actual Number	2019 Budget (Unaudited) Number	2018 Actual Number
International Student Roll	28	32	31
Revenue			
International Student Fees	\$ 567,668	\$ 532,111	\$ 523,775
Expenses			
Advertising	23,794	25,000	21,919
Commissions	42,366	43,478	43,321
International Student Levy	13,578	11,739	12,827
Employee Benefit - Salaries	131,279	112,560	118,591
Other Expenses	41,381	24,707	34,413
	<u>252,398</u>	<u>217,484</u>	<u>231,071</u>
 <i>Surplus/ (Deficit) for the year International Students</i>	 <u>315,270</u>	 <u>314,627</u>	 <u>292,704</u>

Overseas Travel

During the year the international director made trips to Vietnam and Korea for international students recruitment. These trips were funded by the operational grants. The total cost of the trips were \$23,794 which is included in the advertising expense line above.

In 2018 there were trips to Tahiti, Europe and Korea for international students recruitment which a staff member attended. These trips were funded by the operational grants. The expense for each trip was \$2,939, \$3,314 and \$3,031. This is sitting within the advertising expense line above.

5 Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	607,385	700,110	553,927
Information and Communication Technology	136,616	165,580	253,898
Extra-Curricular Activities	141,869	38,263	114,623
Library Resources	5,992	6,363	4,946
Employee Benefits - Salaries	10,273,290	9,925,457	10,021,451
Staff Development	122,698	115,716	94,737
	<u>11,287,850</u>	<u>10,951,489</u>	<u>11,043,582</u>

Overseas Travel

A staff member made a trip to Australia for the Community of Learning development programme. The total cost of the trip was \$830 which is included in the staff development expenses line above. (2018:Nil)

Pukekohe High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

6 Administration

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	12,542	13,169	12,177
Board of Trustees Fees	5,815	6,515	6,105
Board of Trustees Expenses	23,278	19,668	19,875
Communication	14,459	15,000	15,413
Consumables	(28,409)	(32,239)	(38,032)
Other	91,458	88,509	115,837
Employee Benefits - Salaries	512,681	567,715	604,753
Insurance	19,701	19,797	19,308
Service Providers, Contractors and Consultancy	39,036	39,036	38,909
	<u>690,561</u>	<u>737,170</u>	<u>794,345</u>

7 Property

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	14,939	11,750	12,403
Consultancy and Contract Services	234,318	216,060	192,580
Cyclical Maintenance Expense	83,118	65,065	66,455
Grounds	27,356	29,000	28,970
Heat, Light and Water	165,952	166,218	176,588
Repairs and Maintenance	165,431	103,723	108,157
Use of Land and Buildings	2,758,806	2,598,531	2,598,531
Employee Benefits - Salaries	243,033	252,558	232,351
	<u>3,692,953</u>	<u>3,442,905</u>	<u>3,416,035</u>

The use of land and buildings figure represents 8% of the school's total property value. Property values are established as part of the nationwide revaluation exercise that is conducted every 30 June for the Ministry of Education's year end reporting purposes.

Pukekohe High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

8 Depreciation

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Buildings - School	1,657	1,500	1,657
Building Improvements - Crown	8,998	7,500	8,411
Furniture and Equipment	103,576	100,000	104,319
Information and Communication Technology	200,530	200,000	216,887
Motor Vehicles	5,076	5,000	5,075
Textbooks	12,115	12,000	13,033
Leased Assets	63,543	65,000	88,935
Library Resources	10,521	9,000	9,549
	<u>406,016</u>	<u>400,000</u>	<u>447,866</u>

9 Cash and Cash Equivalents

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	100	100	100
Bank Current Account	270,288	25,738	416,517
Bank Call Account	3,527	65,000	49,166
Short-term Bank Deposits	-	200,000	200,000
Cash and cash equivalents for Cash Flow Statement	<u>273,915</u>	<u>290,838</u>	<u>665,783</u>

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

10 Accounts Receivable

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	34,225	50,000	51,587
Receivables from the Ministry of Education	119,913	-	67,650
Interest Receivable	7,631	9,000	8,098
Teacher Salaries Grant Receivable	674,690	660,000	649,567
	<u>836,459</u>	<u>719,000</u>	<u>776,902</u>
Receivables from Exchange Transactions	41,856	59,000	59,685
Receivables from Non-Exchange Transactions	794,603	660,000	717,217
	<u>836,459</u>	<u>719,000</u>	<u>776,902</u>

11 Inventories

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	-	-	4,585
School Uniforms	3,797	15,000	6,461
	<u>3,797</u>	<u>15,000</u>	<u>11,046</u>

12 Investments

The School's investment activities are classified as follows:

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	1,081,928	1,000,000	998,694
Total Investments	<u>1,081,928</u>	<u>1,000,000</u>	<u>998,694</u>

Pukekohe High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

13 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Buildings	93,022	-	-	-	(1,657)	91,365
Building Improvements	640,762	-	-	-	(8,998)	631,764
Furniture and Equipment	488,156	86,952	-	-	(103,576)	471,532
Information and Communication Technology	495,698	163,489	-	-	(200,530)	458,657
Motor Vehicles	34,196	-	-	-	(5,076)	29,120
Textbooks	27,881	12,225	-	-	(12,115)	27,991
Leased Assets	98,900	32,407	-	-	(63,543)	67,764
Library Resources	66,843	18,292	(967)	-	(10,521)	73,647
Balance at 31 December 2019	1,945,458	313,365	(967)	-	(406,016)	1,851,840

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Buildings	131,411	(40,046)	91,365
Building Improvements	821,293	(189,529)	631,764
Furniture and Equipment	3,307,218	(2,835,686)	471,532
Information and Communication Technology	2,789,985	(2,331,328)	458,657
Motor Vehicles	151,613	(122,493)	29,120
Textbooks	536,864	(508,873)	27,991
Leased Assets	328,091	(260,327)	67,764
Library Resources	183,459	(109,812)	73,647
Balance at 31 December 2019	8,249,934	(6,398,094)	1,851,840

The net carrying value of equipment held under a finance lease is \$67,764 (2018: \$98,900).

The net carrying value of motor vehicles held under a finance lease is \$29,120 (2018: \$34,196).

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Buildings	94,679	-	-	-	(1,657)	93,022
Building Improvements	600,153	49,020	-	-	(8,411)	640,762
Furniture and Equipment	506,283	86,192	-	-	(104,319)	488,156
Information and Communication Technology	618,020	94,565	-	-	(216,887)	495,698
Motor Vehicles	39,271	-	-	-	(5,075)	34,196
Textbooks	27,641	13,273	-	-	(13,033)	27,881
Leased Assets	94,305	93,530	-	-	(88,935)	98,900
Library Resources	86,055	16,468	(26,131)	-	(9,549)	66,843
Balance at 31 December 2018	2,066,407	353,048	(26,131)	-	(447,866)	1,945,458

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Buildings	131,411	(38,389)	93,022
Building Improvements	821,293	(180,531)	640,762
Furniture and Equipment	3,220,266	(2,732,110)	488,156
Information and Communication Technology	2,626,496	(2,130,798)	495,698
Motor Vehicles	151,613	(117,417)	34,196
Textbooks	524,639	(496,758)	27,881
Leased Assets	295,684	(196,784)	98,900
Library Resources	167,592	(100,749)	66,843
Balance at 31 December 2018	7,938,994	(5,993,536)	1,945,458

Pukekohe High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

14 Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	78,310	210,000	254,246
Accruals	18,144	10,000	9,432
Banking Staffing Overuse	-	-	32,175
Employee Entitlements - Salaries	683,864	660,000	709,488
Employee Entitlements - Leave Accrual	55,514	65,000	62,862
	<u>835,832</u>	<u>945,000</u>	<u>1,068,203</u>
Payables for Exchange Transactions	835,832	945,000	1,068,203
	<u>835,832</u>	<u>945,000</u>	<u>1,068,203</u>

The carrying value of payables approximates their fair value.

15 Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
International Student Fees	490,142	500,000	538,112
Other	103,321	-	100,754
	<u>593,463</u>	<u>500,000</u>	<u>638,866</u>

16 Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	235,574	235,574	248,592
Increase/(decrease) to the Provision During the Year	83,118	65,065	66,455
Use of the Provision During the Year	(29,628)	(199,752)	(79,473)
Provision at the End of the Year	<u>289,064</u>	<u>100,887</u>	<u>235,574</u>
Cyclical Maintenance - Current	10,000	77,619	171,088
Cyclical Maintenance - Term	<u>279,064</u>	<u>23,268</u>	<u>64,486</u>
	<u>289,064</u>	<u>100,887</u>	<u>235,574</u>

17 Finance Lease Liability

The school has entered into a number of finance lease agreements for teacher laptops and ICT equipment

Minimum lease payments payable (includes interest portion):

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	50,060	-	66,550
Later than One Year and no Later than Five Years	35,953	-	54,218
	<u>86,013</u>	<u>-</u>	<u>120,768</u>

Pukekohe High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

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:

					BOT Contribution/ (Write-off to R&M)	
	2019	Opening Balances \$	Receipts from MoE \$	Payments \$		Closing Balances \$
Hort Development	<i>in progress</i>	(45,303)	-	-	-	(45,303)
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>	11,179	-	19,229	-	(8,050)
Wharenui	<i>in progress</i>	-	-	-	-	-
SYA Projects Stage 1	<i>completed</i>	1,368	-	-	1,368	-
Stage 2 Field Changing Facility	<i>completed</i>	(872)	-	-	(872)	-
Parkside Refurbishment	<i>completed</i>	(11,243)	-	-	(11,243)	-
Dreaver Gym Upgrade	<i>in progress</i>	87,113	-	8,165	-	78,948
SYPP Other Projects	<i>in progress</i>	50,960	-	-	10,748	40,212
Massey Roof	<i>in progress</i>	107,359	1,980,856	2,044,683	1,105	42,427
Art Block	<i>in progress</i>	(510)	-	4,399	-	(4,909)
Massey Windows	<i>completed</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>	198,337	-	178,091	-	20,246
Pool Sheds	<i>in progress</i>	-	67,500	15,705	-	51,795
Totals		399,089	2,048,356	2,270,272	1	177,172

Represented by:

Funds Held on Behalf of the Ministry of Education
Funds Due from the Ministry of Education

262,070
(84,898)
177,172

					BOT Contribution/ (Write-off to R&M)	
	2018	Opening Balances \$	Receipts from MoE \$	Payments \$		Closing Balances \$
Hort Development	<i>in progress</i>	(37,346)	-	7,957	-	(45,303)
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>	348,510	451,241	788,572	-	11,179
Wharenui	<i>in progress</i>	(28,730)	44,718	15,988	-	-
SYA Projects Stage 1	<i>in progress</i>	1,368	-	-	-	1,368
Stage 2 Field Changing Facility	<i>in progress</i>	(872)	-	-	-	(872)
Aspinal Block - Flood Repairs	<i>completed</i>	(7,162)	7,162	-	-	-
Parkside Refurbishment	<i>in progress</i>	(6,813)	5,912	10,342	-	(11,243)
Dreaver Gym Upgrade	<i>in progress</i>	(12,600)	148,650	48,937	-	87,113
SYPP Other Projects	<i>in progress</i>	50,957	-	-	(3)	50,960
Massey Roof	<i>in progress</i>	(1,083)	511,145	402,703	-	107,359
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	-	8,293	-	198,337
Canteen Uniport	<i>completed</i>	(2,300)	-	43,519	(45,819)	-
Totals		510,750	1,168,828	1,326,311	(45,822)	399,089

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

19 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.

20 Remuneration

Key management personnel compensation

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	5,815	6,105
Full-time equivalent members	0.26	0.26
<i>Leadership Team</i>		
Remuneration	634,997	645,073
Full-time equivalent members	5.00	5.00
Total key management personnel remuneration	640,812	651,178
Total full-time equivalent personnel	5.26	5.26

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:

	2019 Actual \$000	2018 Actual \$000
<i>Principal 1</i>		
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	180 - 190	90-100
Benefits and Other Emoluments	-	-
Termination Benefits	-	-
<i>Principal 2</i>		
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	-	90-100
Benefits and Other Emoluments	-	2-3
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
130-140	-	1
120-130	1	-
110-120	1	-
100-110	4	3
	6	4

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

Pukekohe High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

21 Compensation and Other Benefits Upon Leaving

There were no compensation or other benefits paid or payable to persons upon leaving.

22 Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2019.

(Contingent liabilities and assets as at 31 December 2018: nil)

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. The Ministry has recognised an estimated provision based on the analysis of sample data, which may not be wholly representative of the total dataset for Teacher and Support Staff Entitlements. A more accurate estimate will be possible after further analysis of non-compliance has been completed, and this work is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2019, a contingent liability for the school may exist.

23 Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has entered into no contract agreements for capital works.

(Capital commitments as at 31 December 2018: nil)

24 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.

25 Financial Instruments

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

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Financial assets measured at amortised cost (2018: Loans and receivables)			
Cash and Cash Equivalents	273,915	290,838	665,783
Receivables	836,459	719,000	776,902
Investments - Term Deposits	1,081,928	1,000,000	998,694
Total Financial assets measured at amortised cost	2,192,302	2,009,838	2,441,379
Financial liabilities measured at amortised cost			
Payables	835,832	945,000	1,068,203
Finance Leases	78,831	70,000	109,816
Total Financial Liabilities Measured at Amortised Cost	914,663	1,015,000	1,178,019

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

26 Events After Balance Date

On March 11, 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. The New Zealand Government declared nationwide lockdowns at various times in 2020 and 2021. During this period there were also lockdowns specific to the Auckland Region. As part of the lockdowns schools were closed except for students of essential workers.

At the time of signing the financial statements there was no significant impact noted from the COVID-19 pandemic.

The school was not significantly affected by the floods that occurred in 2023.

There has been a substantial time delay in the finalization of the financial statements for the year ended 31 December 2019 as disclosed in note 28. There have been no adjusting or non-adjusting events after balance date that require disclosure in these financial statements.

27 Adoption of PBE IFRS 9 Financial Instruments

In accordance with the transitional provisions of PBE IFRS 9, the school has elected not to restate the information for previous years to comply with PBE IFRS 9. Adjustments arising from the adoption of PBE IFRS 9 are recognised in opening equity at 1 January 2019. Accounting policies have been updated to comply with PBE IFRS 9. The main updates are:

- Note 10 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.
- Note 12 Investments: Term deposits: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

Upon transition to PBE IFRS9 there were no material adjustments to these financial statements

28 Failure to comply with Section 137(1) of the Education and Training Act 2020

The Board of Trustees has failed to comply with Section 137(1) of the Education and Training Act 2020 as the Board were unable to provide their audited financial statements to the Ministry of Education no later than 31 May in the year after the previous financial year. The disruption caused by the COVID-19 restrictions and auditor staff shortages meant that the audit could not progress as planned. This resulted in the school missing the statutory deadline.