

Pukekohe High School

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

School Directory

Ministry Number:	103
Principal:	Richard Barnett
School Address:	Harris St, Pukekohe
School Postal Address:	PO Box 306, Pukekohe 2340
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Members of the Board of Trustees

Name	Position	How Position Gained	Term Expired/ Expires
Ben Stallworthy	Chair Person	elected	Jun-22
Richard Barnett	Principal ex Officio	elected	Jun-22
Rani Amaranathan	Parent Rep	elected	Jun-22
Lita Henwood	Parent Rep	co-opted	Dec-22
Denise Proctor	Parent Rep	co-opted	Jun-22
Logan Soole	Parent rep	elected	Dec-23
Lincoln Sharp	Parent Rep	elected	Dec-23
Simon Williams	Parent Rep	elected	Jun-22
Celeste Nyatsanza	Sudent Rep	elected	Sep-21
Laura Abbott	Staff Rep	elected	Sep-21

Pukekohe High School

Annual Report - For the year ended 31 December 2020

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Pukekohe High School

Statement of Responsibility

For the year ended 31 December 2020

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 2020 fairly reflects the financial position and operations of the school.

The School's 2020 financial statements are authorised for issue by the Board.

Simon Williams

Full Name of Board Chairperson

Richard Barnett

Full Name of Principal



Signature of Board Chairperson



Signature of Principal

31/10/23

Date:

31/10/23

Date:

Pukekohe High School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue				
Government Grants	2	17,167,219	15,646,456	15,318,353
Locally Raised Funds	3	282,037	189,256	810,738
Interest income		27,670	53,500	56,201
Gain on Sale of Property, Plant and Equipment		435	-	-
International Students	4	332,418	144,483	567,668
		<u>17,809,779</u>	<u>16,033,695</u>	<u>16,752,960</u>
Expenses				
Locally Raised Funds	3	89,507	11,007	311,307
International Students	4	217,830	218,576	252,398
Learning Resources	5	12,188,141	11,077,089	11,287,850
Administration	6	868,385	847,772	690,561
Finance		5,794	7,089	8,419
Property	7	3,567,404	3,451,763	3,692,953
Depreciation	8	378,434	425,000	406,016
Loss on Disposal of Property Plant and Equipment		-	-	967
		<u>17,315,495</u>	<u>16,038,296</u>	<u>16,650,471</u>
Net Surplus / (Deficit) for the year		494,284	(4,601)	102,489
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>494,284</u>	<u>(4,601)</u>	<u>102,489</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 2020

	Notes	Actual 2020 \$	Budget (Unaudited) 2020 \$	Actual 2019 \$
Balance at 1 January		<u>2,132,948</u>	<u>2,132,946</u>	<u>1,977,696</u>
Total comprehensive revenue and expense for the year		494,284	(4,601)	102,489
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		89,080	-	52,763
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9				
Equity at 31 December	24	<u>2,716,311</u>	<u>2,128,345</u>	<u>2,132,948</u>
Retained Earnings		2,716,311	2,128,345	2,132,948
Reserves		-	-	-
Equity at 31 December		<u>2,716,311</u>	<u>2,128,345</u>	<u>2,132,948</u>

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 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Assets				
Cash and Cash Equivalents	9	525,417	106,612	273,915
Accounts Receivable	10	812,820	836,458	836,459
GST Receivable		11,979	32,776	32,776
Prepayments		7,839	26,595	26,595
Inventories	11	3,797	3,797	3,797
Investments	12	1,284,258	900,000	1,081,928
		<u>2,646,110</u>	<u>1,906,238</u>	<u>2,255,470</u>
Current Liabilities				
Accounts Payable	14	1,083,452	835,833	835,832
Revenue Received in Advance	15	346,513	93,463	593,463
Provision for Cyclical Maintenance	16	40,773	90,000	10,000
Finance Lease Liability - Current Portion	17	77,715	34,026	44,805
Funds held for Capital Works Projects	18	98,551	177,172	177,172
		<u>1,647,004</u>	<u>1,230,494</u>	<u>1,661,272</u>
Working Capital Surplus/(Deficit)		999,106	675,744	594,198
Non-current Assets				
Property, Plant and Equipment	13	2,035,721	1,849,597	1,851,840
		<u>2,035,721</u>	<u>1,849,597</u>	<u>1,851,840</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	16	146,661	226,996	279,064
Finance Lease Liability	17	171,855	170,000	34,026
		<u>318,516</u>	<u>396,996</u>	<u>313,090</u>
Net Assets		<u>2,716,311</u>	<u>2,128,345</u>	<u>2,132,948</u>
Equity	24	<u>2,716,311</u>	<u>2,128,345</u>	<u>2,132,948</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 2020

		2020	2020 Budget	2019
	Note	Actual \$	(Unaudited) \$	Actual \$
Cash flows from Operating Activities				
Government Grants		4,650,422	4,315,878	3,617,292
Locally Raised Funds		381,285	108,042	830,667
International Students		115,109	(74,041)	519,698
Goods and Services Tax (net)		20,797	-	(27,880)
Payments to Employees		(2,552,199)	(2,394,043)	(2,360,561)
Payments to Suppliers		(1,786,242)	(1,581,848)	(2,392,967)
Cyclical Maintenance Payments in the year		(24,168)	27,932	(29,628)
Interest Paid		(5,794)	(7,089)	(8,419)
Interest Received		35,301	53,500	56,668
Net cash from/(to) Operating Activities		834,511	448,331	204,870
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		435	-	-
Purchase of Property Plant & Equipment (and Intangibles)		(546,619)	(422,757)	(280,958)
Purchase of Investments		(202,330)	181,928	(83,234)
Revenue Received in Advance		-	(500,000)	-
Net cash from/(to) Investing Activities		(748,514)	(740,829)	(364,192)
Cash flows from Financing Activities				
Furniture and Equipment Grant		89,080	-	52,763
Finance Lease Payments		155,042	(10,779)	(63,392)
Funds Held for Capital Works Projects		(78,617)	135,974	(221,917)
Net cash from/(to) Financing Activities		165,505	125,195	(232,546)
Net increase/(decrease) in cash and cash equivalents		251,502	(167,303)	(391,868)
Cash and cash equivalents at the beginning of the year	9	273,915	273,915	665,783
Cash and cash equivalents at the end of the year	9	525,417	106,612	273,915

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

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

Pukekohe High School

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

a) Reporting Entity

Pukekohe High School is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. The Board 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 2020 to 31 December 2020 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 and Training Act 2020 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as 'having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders'.

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. The provision relates mainly to the painting of school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which its provision is based. Cyclical maintenance is discussed at note 16.

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 in note 13.

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.

Pukekohe High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

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.

Grants for the use of land and buildings are also not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Proprietor. Use of land and building grants are recorded as income in the period the school uses the land and building.

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

The property from which the School operates is owned by the 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) 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.

f) 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.

g) Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for credit losses (uncollectable debts). The schools receivables are largely made up of funding from the Ministry of Education, therefore the level of uncollectable debts is not considered to be material. However, short-term receivables are written off when there is no reasonable expectation of recovery.

h) Inventories

Inventories are consumable items held for sale and comprised 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.

i) 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.

j) 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.

Pukekohe High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

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

Finance Leases

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The finance charge is charged to the 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:

Building improvements to Crown Owned Assets	10–75 years
Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	Term of Lease
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.

k) 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.

l) 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, and also annual leave earned, by non teaching staff, to but not yet taken at balance date.

Long-term employee entitlements

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

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

Pukekohe High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

m) 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.

n) 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).

o) Financial Instruments

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

Investments that are shares are categorised as 'financial assets at fair value through other comprehensive revenue and expense' for accounting purposes in accordance with financial reporting standards.

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

p) Borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the school has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Borrowings include but are not limited to bank overdrafts, operating leases, finance leases, painting contracts and term loans.

q) 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.

s) Budget Figures

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

t) 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 2020

2 Government Grants

	Actual \$	Budget (Unaudited) \$	Actual \$
Operational Grants	4,104,650	3,990,014	3,285,958
Teachers' Salaries Grants	9,675,376	8,732,047	8,857,817
Use of Land and Buildings Grants	2,841,420	2,598,531	2,758,806
Resource Teachers Learning and Behaviour Grants	4,081	-	3,831
Other MoE Grants	363,416	265,019	352,373
Other Government Grants	178,276	60,845	59,568
	<u>17,167,219</u>	<u>15,646,456</u>	<u>15,318,353</u>

The school has opted into the donations scheme this year. Total amount received was \$254,400

Other MOE Grants total includes additional COVID-19 funding totalling \$54,200 for the year ended 31 December 2020.

3 Locally Raised Funds

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue			
Donations	10,321	35,400	101,719
Activities	245,519	126,231	476,351
Trading	4,055	1,000	66,600
Fundraising	22,142	26,625	47,763
Overseas Travel	-	-	118,305
	<u>282,037</u>	<u>189,256</u>	<u>810,738</u>
Expenses			
Activities	54,158	13,097	104,171
Trading	31,452	(2,090)	68,380
Fundraising (Costs of Raising Funds)	3,897	-	20,451
Overseas Travel	-	-	118,305
	<u>89,507</u>	<u>11,007</u>	<u>311,307</u>
Surplus/ (Deficit) for the year Locally raised funds	<u>192,530</u>	<u>178,249</u>	<u>499,431</u>

Pukekohe High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

4 International Student Revenue and Expenses

	2020	2020	2019
	Actual	Budget	Actual
	Number	(Unaudited)	Number
	Number	Number	Number
International Student Roll	12	10	28
Revenue	\$	\$	\$
International Student Fees	332,418	144,483	567,668
Expenses			
Advertising	13,659	38,769	23,794
Commissions	21,243	43,713	42,366
International Student Levy	5,940	-	13,578
Employee Benefit - Salaries	157,813	136,042	130,279
Other Expenses	19,175	52	42,381
	217,830	218,576	252,398
Surplus/ (Deficit) for the year International Students	114,588	(74,093)	315,270

Overseas Travel

In 2020 no international trips were made by the international director.

In 2019 the international director made trips to Vietnam and Korea for international student recruitment. These trips were funded by operational grants. The total cost of the trips was \$23,794 which is included in the advertising expense line above.

5 Learning Resources

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Curricular	497,621	530,066	607,385
Extra-Curricular Activities	91,529	43,550	141,869
Information and Communication Technology	117,584	139,843	136,616
Library Resources	6,692	7,417	5,992
Employee Benefits - Salaries	11,204,652	10,225,647	10,273,290
Staff Development	270,063	130,566	122,698
	12,188,141	11,077,089	11,287,850

There was no overseas travel this year.

In 2019 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.

Pukekohe High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

6 Administration

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Audit Fee	14,955	13,169	13,828
Board of Trustees Fees	5,940	6,750	5,815
Board of Trustees Expenses	81,513	75,049	23,278
Communication	19,177	14,500	14,459
Consumables	(41,526)	(35,004)	(28,409)
Other	101,557	72,939	90,172
Employee Benefits - Salaries	650,693	642,042	512,681
Insurance	12,207	19,291	19,701
Service Providers, Contractors and Consultancy	23,869	39,036	39,036
	<u>868,385</u>	<u>847,772</u>	<u>690,561</u>

7 Property

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	24,495	13,750	14,939
Consultancy and Contract Services	190,631	183,650	234,318
Cyclical Maintenance Provision	(77,456)	65,065	83,118
Grounds	32,489	23,500	27,356
Heat, Light and Water	147,829	176,500	165,952
Repairs and Maintenance	183,749	131,536	165,431
Use of Land and Buildings	2,841,420	2,598,351	2,758,806
Employee Benefits - Salaries	224,247	259,411	243,033
	<u>3,567,404</u>	<u>3,451,763</u>	<u>3,692,953</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 nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

8 Depreciation

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Buildings - School	1,657	1,735	1,657
Building Improvements - Crown	8,998	9,419	8,998
Furniture and Equipment	97,699	108,423	103,576
Information and Communication Technology	196,484	209,914	200,530
Motor Vehicles	5,076	5,314	5,076
Textbooks	13,746	12,682	12,115
Leased Assets	43,712	66,500	63,543
Library Resources	11,062	11,013	10,521
	<u>378,434</u>	<u>425,000</u>	<u>406,016</u>

Pukekohe High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

9 Cash and Cash Equivalents

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Cash on Hand	100	100	100
Bank Current Account	485,831	106,512	270,288
Bank Call Account	39,486	-	3,527
Cash and cash equivalents for Statement of Cash Flows	525,417	106,612	273,915

10 Accounts Receivable

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Receivables	25,750	150,000	34,225
Receivables from the Ministry of Education	787,070	-	119,913
Interest Receivable	-	-	7,631
Teacher Salaries Grant Receivable	-	686,458	674,690
	812,820	836,458	836,459
Receivables from Exchange Transactions	25,750	150,000	41,856
Receivables from Non-Exchange Transactions	787,070	686,458	794,603
	812,820	836,458	836,459

11 Inventories

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
School Uniforms	3,797	3,797	3,797
	3,797	3,797	3,797

12 Investments

The School's investment activities are classified as follows:

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	1,284,258	900,000	1,081,928
Total Investments	1,284,258	900,000	1,081,928

Pukekohe High School
Notes to the Financial Statements (cont.)
For the year ended 31 December 2020

13 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2020	\$	\$	\$	\$	\$	\$
Buildings	91,365				(1,657)	89,708
Building Improvements	631,764	16,211			(8,998)	638,977
Furniture and Equipment	471,532	131,722			(97,699)	505,555
Information and Communication Technology	458,657	375,382			(196,484)	637,555
Motor Vehicles	29,120	-			(5,076)	24,044
Textbooks	27,991	8,458			(13,746)	22,703
Leased Assets	67,764	15,697			(43,712)	39,749
Library Resources	73,647	14,845			(11,062)	77,430
Balance at 31 December 2020	1,851,840	562,315	-	-	(378,434)	2,035,721

The net carrying value of equipment held under a finance lease is \$39,749 (2019: \$67,764)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2020	\$	\$	\$
Land	-	-	-
Buildings	131,411	(41,703)	89,708
Building Improvements	837,504	(198,527)	638,977
Furniture and Equipment	3,438,940	(2,933,387)	505,553
Information and Communication Technology	3,165,367	(2,527,811)	637,556
Motor Vehicles	151,613	(127,569)	24,044
Textbooks	545,323	(522,619)	22,704
Leased Assets	343,787	(304,039)	39,748
Library Resources	198,305	(120,874)	77,431
Balance at 31 December 2020	8,812,250	(6,776,529)	2,035,721

	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

Pukekohe High School
Notes to the Financial Statements (cont.)
For the year ended 31 December 2020

14 Accounts Payable

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
Operating Creditors	200,622	100,000	78,310
Accruals	21,242	10,000	18,144
Banking Staffing Overuse	11,805	-	-
Employee Entitlements - Salaries	821,788	660,833	683,864
Employee Entitlements - Leave Accrual	27,995	65,000	55,514
	<u>1,083,452</u>	<u>835,833</u>	<u>835,832</u>

Payables for Exchange Transactions	1,083,452	835,833	835,832
	<u>1,083,452</u>	<u>835,833</u>	<u>835,832</u>

The carrying value of payables approximates their fair value.

15 Revenue Received In Advance

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
International Student Fees	272,334	93,463	490,142
Other	74,179	-	103,321
	<u>346,513</u>	<u>93,463</u>	<u>593,463</u>

16 Provision for Cyclical Maintenance

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Provision at the Start of the Year	289,064	289,064	235,574
Increase/ (decrease) to the Provision During the Year	(77,462)	65,065	83,118
Use of the Provision During the Year	(24,168)	(37,133)	(29,628)
Provision at the End of the Year	<u>187,434</u>	<u>316,996</u>	<u>289,064</u>
Cyclical Maintenance - Current	40,773	90,000	10,000
Cyclical Maintenance - Term	<u>146,661</u>	<u>226,996</u>	<u>279,064</u>
	<u>187,434</u>	<u>316,996</u>	<u>289,064</u>

17 Finance Lease Liability

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

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
No Later than One Year	77,715	34,026	44,805
Later than One Year and no Later than Five Years	171,855	170,000	34,026
Later than Five Years	<u>249,570</u>	<u>204,026</u>	<u>78,831</u>

Pukekohe High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

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:

2020	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Balances \$
Hort Development	(45,303)	-	-	45,303	-
Lift	28,442	-	-	(28,442)	-
Hockey Turf	(3,391)	-	-	3,391	-
Arts centre	(21,800)	-	-	21,800	-
Hall Upgrade	(8,050)	-	-	-	(8,050)
Dreaver Gym Upgrade	78,948	-	105,657	-	(26,709)
5YPP Other projects	40,212	-	-	(40,212)	-
Massey Roof	42,427	-	209,713	-	(167,286)
Art Block	(4,909)	-	-	-	(4,909)
Gym Toilets	(306)	-	-	306	-
Drama	(1,139)	-	-	1,139	-
Fire Alarm Upgrade	20,246	-	9,641	-	10,604
Pool Sheds	51,795	9,465	-	-	61,260
SIP Projects	-	-	1,450	-	(1,450)
SIP Volleyball Courts	-	99,403	35,805	-	63,598
SIP Admin Block	-	243,000	71,507	-	171,493
Totals	177,172	351,868	433,773	3,285	98,551

Represented by:

Funds Held on Behalf of the Ministry of Education	306,955
Funds Due from the Ministry of Education	(208,404)
	<u>98,551</u>

2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
Hort Development	(45,303)	-	-	-	(45,303)
Lift	28,442	-	-	-	28,442
Hockey Turf	(3,391)	-	-	-	(3,391)
Arts Centre	(21,800)	-	-	-	(21,800)
Hall Upgrade	11,179	-	19,229	-	(8,050)
5YA projects Stage 1	1,368	-	-	1,368	-
Stage 2 Field Changing Facility	(872)	-	-	(872)	-
Parkside refurbishment	(11,243)	-	-	(11,243)	-
Dreaver Gym Upgrade	87,113	-	8,165	-	78,948
5YPP Other Projects	50,960	-	-	10,748	40,212
Massey Roof	107,359	1,980,856	2,044,683	1,105	42,427
Art Block	(510)	-	4,399	-	(4,909)
Massey Windows	(1,105)	-	-	(1,105)	-
Gym Toilets	(306)	-	-	-	(306)
Drama	(1,139)	-	-	-	(1,139)
Fire Alarm Upgrade	198,337	-	178,091	-	20,246
Pool Sheds	-	67,500	15,705	-	51,795
Totals	399,089	2,048,356	2,270,272	1	177,172

Pukekohe High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

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.

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	5,940	5,815
Full-time equivalent members	0.27	0.26
<i>Leadership Team</i>		
Remuneration	715,755	640,365
Full-time equivalent members	5	5
Total key management personnel remuneration	721,695	646,180
Total full-time equivalent personnel	5.27	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:

	2020 Actual \$000	2019 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	190-200	180-190
Benefits and Other Emoluments	5-10	-

Other employees

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

Remuneration \$000	2020 FTE Number	2019 FTE Number
140-150	1	-
120-130	3	1
110-120	1	1
100-110	16	4
	21	6

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 2020

21 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:

	2020 Actual	2019 Actual
Total	\$64,300	-
Number of People	5	-

22 Contingent Liabilities

There are no contingent liabilities and no contingent assets as at **31 December 2020** (Contingent liabilities and assets at **31 December 2019**: 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's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. The current phase of this review is to design potential solutions for any compliance breaches discovered in the initial phase of the Programme. Final calculations and potential impact on any specific individual will not be known until further detailed analysis and solutions have been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2020, a contingent liability for the school may exist.

23 Commitments

(a) Capital Commitments

As at 31 December 2020 the Board has entered into contract agreements for capital works as follows:

- (a) \$270,000 contract for upgrading the administration block to be completed in 2021, which will be fully funded by the Ministry of Education. \$243,000 has been received of which \$71,507 has been spent on the project to date; and
- (b) \$119,350 contract to instal volleyball and basketball courts. This project is fully funded by the Ministry and \$99,043 has been received of which \$35,805 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments at 31 December 2019: 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.

Pukekohe High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

25 Financial Instruments

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

Financial assets measured at amortised cost

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash and Cash Equivalents	525,417	106,612	273,915
Receivables	812,820	836,458	836,459
Investments - Term Deposits	1,284,258	900,000	1,081,928
Total Financial assets measured at amortised cost	2,622,495	1,843,070	2,192,302

Financial liabilities measured at amortised cost

Payables	1,083,452	835,833	835,832
Finance Leases	249,570	204,026	78,831
Total Financial Liabilities Measured at Amortised Cost	1,333,022	1,039,859	914,663

26 Events After Balance Date

Subsequent events - COVID-19 and extreme weather events

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 were no significant impact from the Covid-19 pandemic.

During February 2023 the North Island of New Zealand was struck by several extreme weather events which resulted in widespread flooding, road closures, slips, and prolonged power and water outages for many communities in the North, Auckland, Coromandel, Bay of Plenty, Gisborne, and Hawkes Bay/Tairāwhiti regions.

While many schools were able to reopen soon after the extreme weather events, some schools have remained closed for a prolonged period.

The damage caused by extreme weather events in the Auckland region was not significant to the school. The school continued to receive funding from the Ministry of Education, even while closed.

There has been a substantial time delay in the finalisation of the financial statements for the year ended 31 December 2019 as disclosed in note 27. There have been no adjusting or non-adjusting events after balance date that require disclosure in these financial statements.

27. 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 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.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF PUKEKOHE HIGH SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The Auditor-General is the auditor of Pukekohe High School (the School). The Auditor-General has appointed me, Matt Laing, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 19, that comprise the statement of financial position as at 31 December 2020, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2020; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 31 October 2023. This is the date at which our opinion is expressed. Our audit was delayed due to the disruptions of COVID-19 and auditor shortages in New Zealand.

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

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements

The Board is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board's responsibilities, in terms of the requirements of the Education and Training Act 2020, arise from section 87 of the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

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

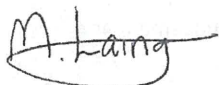
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

Independence

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

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



Matt Laing
Partner
for Deloitte Limited
On behalf of the Auditor-General
Hamilton, New Zealand