PUKEATUA SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

School Directory

Ministry Number:	1903
Principal:	John McLean
School Address:	Arapuni Road
School Postal Address:	Arapuni Road RD 1, Pukeatua, 3880
School Phone:	07 872 4862
School Email:	office@pukeatuaschool.co.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Term Expires/ Expired
Nigel Anderson	Chairperson	Elected	Jul 2022
John McLean	Principal	ex Officio	
Kylan Jacobsen	Parent Rep	Elected	Jul 2022
Julia Barrowcliffe	Parent Rep	Elected	Jul 2022
Nalita Tei	Parent Rep	Elected	Jul 2022
Michelle Saywell	Parent Rep	Elected	Jul 2022
Adam Stockholmes	Parent Rep	Elected	Jul 2022
Lynda Burtt	Staff Rep	Elected	Apr 2020
Viki-Lee Springer	Staff Rep	Appointed	Jul 2022

Accountant / Service Provider: Education Services Ltd

PUKEATUA SCHOOL

Annual Report - For the year ended 31 December 2020

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Pukeatua 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.

Nalita Jane Jei
Full Name of Board Chairperson

Signature of Board Chairperson

27/5/21
Date:

John Keith McLean
Full Name of Principal

Signature of Principal

27/5/21
Date:

Pukeatua 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	945,405	714,468	784,227
Locally Raised Funds	3	66,930	39,600	57,672
Interest income		165	560	203
Gain on Sale of Property, Plant and Equipment		-	-	5,615
		1,012,500	754,628	847,717
Expenses				
Locally Raised Funds	3	21,753	14,450	26,465
Learning Resources	4	608,224	434,717	504,426
Administration	5	114,546	67,155	71,704
Finance		1,545	244	1,591
Property	6	236,173	249,311	219,238
Depreciation	7	23,400	22,054	25,731
Loss on Disposal of Property, Plant and Equipment		-	-	2,220
		1,005,641	787,931	851,375
Net Surplus / (Deficit) for the year		6,859	(33,303)	(3,658)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		6,859	(33,303)	(3,658)

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

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Pukeatua 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		290,026	295,325	293,684
Total comprehensive revenue and expense for the year		6,859	(33,303)	(3,658)
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		2,651	-	-
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9		-	-	-
Equity at 31 December	22	299,536	262,022	290,026
Retained Earnings		299,536	262,022	290,026
Equity at 31 December		299,536	262,022	290,026

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.

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Pukeatua School
Statement of Financial Position
As at 31 December 2020

	Notes	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Current Assets				
Cash and Cash Equivalents	8	149,331	110,675	105,382
Accounts Receivable	9	46,682	19,431	34,925
GST Receivable		-	1,698	941
Prepayments		7,419	6,309	7,441
Inventories	10	2,778	2,930	2,520
Funds owed for Capital Works Projects	16	-	-	1,494
Bus Network Investment		20,554	22,106	22,438
		226,764	163,149	175,141
Current Liabilities				
GST Payable		3,833	-	-
Accounts Payable	12	59,824	30,282	40,798
Revenue Received in Advance	13	1,084	216	1,728
Provision for Cyclical Maintenance	14	5,427	14,225	19,354
Finance Lease Liability - Current Portion	15	4,430	4,762	5,174
Funds held for Capital Works Projects	16	40,274	-	-
		114,872	49,485	67,054
Working Capital Surplus/(Deficit)		111,892	113,664	108,087
Non-current Assets				
Property, Plant and Equipment	11	198,054	193,616	198,929
		198,054	193,616	198,929
Non-current Liabilities				
Provision for Cyclical Maintenance	14	2,800	41,650	7,155
Finance Lease Liability	15	7,610	3,608	9,835
		10,410	45,258	16,990
Net Assets		299,536	262,022	290,026
Equity		299,536	262,022	290,026

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

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Pukeatua School
Statement of Cash Flows
For the year ended 31 December 2020

	Note	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Cash flows from Operating Activities				
Government Grants		189,162	161,490	166,523
Locally Raised Funds		66,286	24,200	59,184
Goods and Services Tax (net)		4,774	-	757
Payments to Employees		(81,797)	(74,500)	(90,134)
Payments to Suppliers		(113,384)	(80,313)	(115,163)
Cyclical Maintenance Payments in the year		(37,129)	(5,500)	-
Interest Paid		(1,545)	(244)	(1,591)
Interest Received		165	560	203
Net cash from/(to) Operating Activities		26,532	25,693	19,779
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(21,426)	(18,500)	(12,309)
Net cash from/(to) Investing Activities		(21,426)	(18,500)	(12,309)
Cash flows from Financing Activities				
Furniture and Equipment Grant		2,651	-	-
Finance Lease Payments		(5,576)	(5,439)	(3,119)
Funds Held for Capital Works Projects		41,768	-	(7,890)
Net cash from/(to) Financing Activities		38,843	(5,439)	(11,009)
Net increase/(decrease) in cash and cash equivalents		43,949	1,754	(3,539)
Cash and cash equivalents at the beginning of the year	8	105,382	108,921	108,921
Cash and cash equivalents at the end of the year	8	149,331	110,675	105,382

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.

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Pukeatua School
Notes to the Financial Statements
For the year ended 31 December 2020

1. Statement of Accounting Policies

a) Reporting Entity
Pukeatua School (the 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.

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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. This provision relates mainly to the painting of the 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 the provision is based. Cyclical maintenance is disclosed at note 14.

Useful lives of property, plant and equipment

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

Critical Judgements in applying accounting policies

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

Classification of leases

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.

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.

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

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

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

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

e) Operating Lease Payments
Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight line basis over the term of the lease.

f) Finance Lease Payments
Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

g) Cash and Cash Equivalents
Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of 90 days or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

h) Accounts Receivable
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.

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

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j) 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.

k) Property, Plant and Equipment

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

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

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

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:

Buildings	10-20 Years
Furniture and Equipment	10-15 Years
Information and Communication	4-5 Years
Textbooks	3 Years
Library Resources	12.5% DV
Leased assets held under a Finance Lease	Term of Lease

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l) Intangible Assets

Software costs

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

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

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

m) Impairment of property, plant, and equipment and intangible assets

The school does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

Non cash generating assets

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

n) Accounts Payable

Accounts Payable represents liabilities for goods and services provided to the School prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

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o) Employee Entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.
These include salaries and wages accrued up to balance date, 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.

p) Revenue Received in Advance

Revenue received in advance relates to fees received from students and grants received where there are unfulfilled obligations for the School to provide services in the future. The fees are recorded as revenue as the obligations are fulfilled and the fees earned.

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

q) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense.

The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

r) Shared Funds

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

s) Provision for Cyclical Maintenance

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

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

t) Financial 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.

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u) 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.

v) Goods and Services Tax (GST)
The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

w) Budget Figures
The budget figures are extracted from the School budget that was approved by the Board.

x) Services received in-kind
From time to time the School receives services in-kind, including the time of volunteers. The School has elected not to recognise services received in kind in the Statement of Comprehensive Revenue and Expense.

2. Government Grants

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Operational Grants	181,542	160,000	158,000
Teachers' Salaries Grants	538,290	384,417	441,403
Use of Land and Buildings Grants	175,493	168,561	174,442
Resource Teachers Learning and Behaviour Grants	376	-	1,808
Other MoE Grants	11,193	1,490	8,242
Transport grants	38,511	-	332
	945,405	714,468	784,227

Other MOE Grants total includes additional COVID-19 funding totalling $2,661 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	15,388	7,000	6,806
Bequests & Grants	1,630	-	983
Activities	9,746	4,700	15,764
Trading	5,728	4,500	6,059
Fundraising	26,578	12,000	16,320
Other Revenue	160	-	-
School House	7,700	11,400	11,740
	66,930	39,600	57,672
Expenses			
Activities	6,543	5,250	12,799
Trading	4,534	3,000	6,062
Fundraising (Costs of Raising Funds)	5,732	-	4,806
School House	4,944	6,200	2,798
	21,753	14,450	26,465
Surplus for the year Locally raised funds	45,177	25,150	31,207

4. Learning Resources

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Curricular	20,456	11,200	10,796
Library Resources	-	100	-
Employee Benefits - Salaries	583,444	419,417	491,495
Staff Development	4,324	4,000	2,135
	608,224	434,717	504,426

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5. Administration

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Audit Fee	3,855	3,855	3,794
Board of Trustees Fees	4,315	4,200	4,085
Board of Trustees Expenses	757	2,100	878
Communication	1,578	1,650	1,518
Consumables	9,239	8,200	8,894
Operating Lease	463	-	-
Other	7,261	2,450	4,364
Employee Benefits - Salaries	37,240	35,000	36,646
Insurance	3,400	3,500	3,538
Service Providers, Contractors and Consultancy	5,160	5,600	5,850
Transport Costs	41,278	600	2,137
	114,546	67,155	71,704

6. Property

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Caretaking and Cleaning Consumables	1,611	200	1,425
Cyclical Maintenance Expense	18,848	40,000	1,884
Grounds	5,591	6,100	4,408
Heat, Light and Water	9,206	9,400	9,270
Rates	124	50	84
Repairs and Maintenance	13,611	10,700	13,057
Use of Land and Buildings	175,493	168,561	174,442
Security	217	300	1,085
Employee Benefits - Salaries	2,372	4,500	4,648
Consultancy & Contract Service	9,100	9,500	8,935
	236,173	249,311	219,238

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.

7. Depreciation

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Buildings	2,353	2,017	2,353
Building Improvements	3,361	2,881	3,361
Furniture and Equipment	4,254	3,258	3,802
Information and Communication Technology	6,459	6,191	7,223
Leased Assets	6,787	7,549	8,808
Library Resources	186	158	184
	23,400	22,054	25,731

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8. Cash and Cash Equivalents

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Cash on Hand	-	-	104
Bank Current Account	10,291	11,792	16,291
Bank Call Account	139,040	98,883	88,987
Cash and cash equivalents for Statement of Cash Flows	149,331	110,675	105,382

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

Of the $149,331 Cash and Cash Equivalents $40,274 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2021 on Crown owned school buildings under the School's Five Year Property Plan.

9. Accounts Receivable

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Receivables	1,177	1,610	1,610
Teacher Salaries Grant Receivable	45,505	17,821	33,315
	46,682	19,431	34,925
Receivables from Exchange Transactions	1,177	1,610	1,610
Receivables from Non-Exchange Transactions	45,505	17,821	33,315
	46,682	19,431	34,925

10. Inventories

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Stationery	1,027	-	854
Canteen	315	-	317
Uniforms	1,436	2,930	1,349
	2,778	2,930	2,520

11. Property, Plant and Equipment

2020	Opening Balance (NBV) $	Additions $	Disposals $	Impairment $	Depreciation $	Total (NBV) $
Land	25,800	-	-	-	-	**25,800**
Buildings	57,713	-	-	-	(2,353)	**55,360**
Building Improvements	65,082	-	-	-	(3,361)	**61,720**
Furniture and Equipment	22,139	14,639	-	-	(4,254)	**32,525**
Information and Communication Tech	13,379	6,683	-	-	(6,459)	**13,603**
Leased Assets	13,810	1,098	-	-	(6,787)	**8,121**
Library Resources	1,006	104	-	-	(186)	**925**
Balance at 31 December 2020	198,929	22,524	-	-	(23,400)	**198,054**

The net carrying value of equipment held under a finance lease is $8,121 (2019: $13,810)

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2020	Cost or Valuation $	Accumulated Depreciation $	Net Book Value $
Land	25,800	-	**25,800**
Buildings	94,119	(38,759)	**55,360**
Building Improvements	136,931	(75,211)	**61,720**
Furniture and Equipment	230,497	(197,972)	**32,525**
Information and Communication	140,181	(126,578)	**13,603**
Textbooks	2,912	(2,912)	**-**
Leased Assets	21,861	(13,740)	**8,121**
Library Resources	67,157	(66,232)	**925**
Balance at 31 December 2020	719,458	(521,404)	**198,054**

2019	Opening Balance (NBV) $	Additions $	Disposals $	Impairment $	Depreciation $	Total (NBV) $
Land	25,800	-	-	-	-	**25,800**
Buildings	60,066	-	-	-	(2,353)	**57,713**
Building Improvements	68,443	-	-	-	(3,361)	**65,082**
Furniture and Equipment	20,731	5,210	-	-	(3,802)	**22,139**
Information and Communication Technology	13,503	7,100	-	-	(7,223)	**13,379**
Leased Assets	7,937	16,870	(2,189)	-	(8,808)	**13,810**
Library Resources	1,189	-	-	-	(184)	**1,006**
Balance at 31 December 2019	197,669	29,180	(2,189)	-	(25,731)	**198,929**

The net carrying value of equipment held under a finance lease is $13,810 (2018: $7,937)

2019	Cost or Valuation $	Accumulated Depreciation $	Net Book Value $
Land	25,800	-	**25,800**
Buildings	94,119	(36,406)	**57,713**
Building Improvements	136,931	(71,849)	**65,082**
Furniture and Equipment	215,858	(193,719)	**22,139**
Information and Communication	133,499	(120,120)	**13,379**
Textbooks	2,912	(2,912)	**-**
Leased Assets	20,763	(6,953)	**13,810**
Library Resources	67,052	(66,046)	**1,006**
Balance at 31 December 2019	696,934	(498,005)	**198,929**

PKF Hamilton

12. Accounts Payable

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Operating Creditors	6,340	7,865	1,474
Accruals	3,855	3,581	3,742
Banking Staffing Overuse	3,093	-	1,115
Employee Entitlements - Salaries	45,505	17,821	33,315
Employee Entitlements - Leave Accrual	1,031	1,015	1,152
	59,824	30,282	40,798
Payables for Exchange Transactions	59,824	30,282	40,798
	59,824	30,282	40,798

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Student fees in advance	1,084	216	1,728
	1,084	216	1,728

14. Provision for Cyclical Maintenance

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Provision at the Start of the Year	26,509	15,875	24,625
Increase to the Provision During the Year	3,223	40,000	1,884
Adjustment to the Provision	15,624	-	-
Use of the Provision During the Year	(37,129)	-	-
Provision at the End of the Year	8,227	55,875	26,509
Cyclical Maintenance - Current	5,427	14,225	19,354
Cyclical Maintenance - Term	2,800	41,650	7,155
	8,227	55,875	26,509

15. Finance Lease Liability

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

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
No Later than One Year	5,465	4,762	5,439
Later than One Year and no Later than Five Years	8,449	3,608	12,853
	13,914	8,370	18,292

PKF Hamilton

16. Funds Held (Owed) 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 Contribution/ (Write-off to R&M)	Closing Balances $
Water & Drainage	*completed*	(5,104)	5,104	-	-	-
Class RM Upgrade/ETC	*in progress*	3,610	7,477	(9,214)	-	1,873
Security System Upgrade	*completed*	-	8,352	(8,352)	-	-
SIP Acoustics,Heatpump,Hard Courts	*in progress*	-	54,886	(16,485)	-	38,401
Totals		(1,494)	75,819	(34,051)	-	40,274

Represented by:

Funds Held on Behalf of the Ministry of Education	40,274
Funds Due from the Ministry of Education	-
	40,274

2019		Opening Balances $	Receipts from MoE $	Payments $	BOT Contribution/ (Write-off to R&M)	Closing Balances $
Water & Drainage	*in progress*	1,888	-	(6,992)	-	(5,104)
Class RM Upgrade/ETC	*in progress*	-	98,099	(94,489)	-	3,610
Totals		1,888	98,099	(101,481)	-	(1,494)

17. 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.

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18. 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 $
Board Members		
Remuneration	4,315	4,085
Full-time equivalent members	0.21	0.15
Leadership Team		
Remuneration	125,554	121,315
Full-time equivalent members	1.00	1.00
Total key management personnel remuneration	129,869	125,400
Total full-time equivalent personnel	1.21	1.15

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	120 - 130	110 - 120
Benefits and Other Emoluments	3 - 4	3 - 4
Termination Benefits	-	-

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
100 - 110	-	-
	0.00	0.00

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

PKF Hamilton

19. 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	-	-
Number of People	-	-

20. Contingencies

There are no contingent liabilities (except as noted below) 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.

21. Commitments

(a) Capital Commitments

There are no capital commitments as at 31 December 2020 (Capital commitments at 31 December 2019: nil).

(b) Operating Commitments

There are no operating commitments as at 31 December 2020 (Operating commitments at 31 December 2019: nil).

22. 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.

PKF Hamilton

23. 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	149,331	110,675	105,382
Receivables	46,682	19,431	34,925
Investments - Term Deposits	-	-	-
Total Financial assets measured at amortised cost	196,013	130,106	140,307

Financial liabilities measured at amortised cost

Payables	59,824	30,282	40,798
Borrowings - Loans	-	-	-
Finance Leases	12,040	8,370	15,009
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	71,864	38,652	55,807

24. Events After Balance Date

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

25. Comparatives

There have been a number of prior period comparatives which have been reclassified to make disclosure consistent with the current year.

PKF Hamilton

Pukeatua School

Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2020, the school received total Kiwisport funding of $1,354 (excluding GST). The funding was spent on sporting endeavours.

Analysis of Variance 2020 TARGET 2 **Student Level: Years 4 - 8. Curriculum area: English: Reading**

To accelerate the reading level (reading age) of all children in this target group by more than one year

Current State of Learning	**Expected** state of learning	**Actual** state of learning	**Review**. Analysis and recommendations
Base line data: Years 3 to 8 Target group. 21 children identified. 21/67. 16 boys. 16/36. 5 girls. 5/31. 3 Maori students 3/12	Children making progress and closing the gap between chronological and reading age.	**November 2020** Group now has 20 children. One left. 14 students made more than one years progress. Other 6 children made progress but by not more than a year. Others to join group 2021	Covid-19 had an impact on some children. Not an excuse but needs to be regognised. Children 6 to 8 weeks away from school. **Recommendations** • Keep targeting children below a 4 stanine in PAT and STAR reading tests • Look at younger children years 1, 2 and target at risk children in these classes. IDeal Approach. PD 2021 (Structured Literacy) • Get parents "buy in" for children needing extra help. What they can do to help. Starting at year 1! • Teacher aide for extra needs • Set reading home reading targets for whole school • PDL 2021 Structured Literacy. •

Maths Target 2020

2020 Move all children in this group up at least one strategy level in accordance with the numeracy levels

Base line data: **February 2020.** 18 children in the target group. 18/67 12 boys. 12/36. 6 girls. 6/31. 4 Maori students. 4/12	All children move at least one numeracy level.	**November 2020** Group has 15 students' children. 3 left **November** 12 students made the progression to next numeracy stage. 4 at level expected. We have new students to add to the target group for math's 2021	Year 3 and 4 children made progress to next strategy level quickly but need lots of work at the new level. Year's 5 to 8 students have a wider range of skills to master with a level to make it to next strategy level. Children targeted were in smaller groups for all the year. Covid-19 had an impact on some children. Not an excuse but needs to be regognised. Children 6 to 8 weeks away from school. **Recommendations** • Sandra in new role to take maths groups from younger students. yrs 3 to 5 • John to take groups from yrs 5to 8 in first instance. • Restructure daily time table to ensure and "hour a day" maths teaching • Target for Maths 2021 to include regular checks on children. • Big emphasis on basic facts and number knowledge • NUMPA testing for this group to further identifies weaknesses. • Year 3 to 6 enrolled in **Mathletics** programme. Older targeted children also. • Self-review math programs in the school. How are our math's programs working? Same work will get the same results and we need to change it up. • Teachers Inquiry to feature maths as it will be a target for 2021

WRITING. 2020

Specific Target: By the end of 2020: Accelerate the writing levels of all target children. To move all targeted children from beginning to end a level or through to the next writing level. More than one year's progress.

Current State of Learning	Expected state of learning	Actual state of learning	Review. Analysis and recommendations
Base line data: **February 2020** Target Group. Years 3-8 19 Students 19/67 16 Boys. 16/36. 3 girls 3/31. Maori Students 3/12	**Year ending 2020** All of this group make accelerated progress. (more than a year) Get some of this group to the level expected for their year group.	**November 2020.** All 19 children still in the group. 9 of the children made more than a year's progress. 8 of the group making progress 2 little progress.	Close monitoring this year showed this entire group made some progress. 9 children made progress we wanted. Dyslexia, medical conditions, co-ordination problems holding back a group of children. Throughout New Zealand. Boys writing remains the areas for most concern. Covid-19 had an impact on some children. Not an excuse but needs to be regognised. Children 6 to 8 weeks away from school. **Recomendations** • Develop the "Google classroom" for older children and Google docs for sharing work. IT for "writing purpose." • Continue to target surface features and deeper features at all levels • Continue the usage of exemplars as guides to writing levels and next steps. • Professional development writing and next learning steps. • Target children of concern early in their schooling. Extra help and guidance • Blogs, Web site involvement! • IDeal PD. Structured Literacy for all staff.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF PUKEATUA SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED *31 DECEMBER 2020*

The Auditor-General is the auditor of Pukeatua School (the School). The Auditor-General has appointed me, Bernard Lamusse, using the staff and resources of PKF Hamilton Audit Ltd, 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 21, 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 27 May 2021. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board of Trustees for the financial statements

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

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

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages 22 to 25, 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.

Bernard Lamusse
Director
PKF Hamilton Audit Ltd
On behalf of the Auditor-General
Hamilton, New Zealand