

PAPANUI HIGH SCHOOL



ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

School Directory

Ministry Number:	316
Principal:	Jeffrey Smith
School Address:	30 Langdons Road, Papanui, Christchurch
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PAPANUI HIGH SCHOOL

Annual Report - For the year ended 31 December 2020

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Papanui 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.

SHANE CHARLES WATSON.
Full Name of Board Chairperson


Signature of Board Chairperson

28th May 2021
Date:

JEFFERY BARRY SMITH
Full Name of Principal


Signature of Principal

28 May 2021
Date:

Papanui High School

Members of the Board of Trustees

For the year ended 31 December 2020

Name	Position	How Position Gained	Held Until
Shane Watson	Chairperson	Elected	May 2022
Jeffrey Smith	Principal	ex Officio	
Tina Barriball	Deputy Chairperson	Elected	May 2022
Michelle Bergman	Parent Rep	Elected	May 2022
Karen Brandon	Parent Rep	Elected	May 2022
Lana McCarroll	Parent Rep	Elected	May 2022
Anglea Willmont	Staff Rep	Elected	May 2022
Olivia Welsh	Student Rep	Elected	May 2022

Papanui High School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2020

		2020	2020 Budget	2019
	Notes	Actual	(Unaudited)	Actual
		\$	\$	\$
Revenue				
Government Grants	2	15,678,511	13,742,060	14,462,813
Locally Raised Funds	3	492,623	247,000	1,029,146
Interest Income		85,543	100,000	135,383
International Students	4	507,258	578,391	759,151
		<u>16,763,935</u>	<u>14,667,451</u>	<u>16,386,493</u>
Expenses				
Locally Raised Funds	3	276,010	106,079	506,760
International Students	4	645,088	712,031	797,489
Learning Resources	5	11,683,270	10,106,888	11,234,310
Administration	6	721,437	768,894	765,971
Finance		38,924	-	48,518
Property	7	2,693,866	3,147,772	2,714,350
Depreciation	8	332,727	265,000	347,703
Loss on Disposal of Property, Plant and Equipment		308	-	160
		<u>16,391,630</u>	<u>15,106,664</u>	<u>16,415,261</u>
Net Surplus / (Deficit) for the year		372,305	(439,213)	(28,768)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u><u>372,305</u></u>	<u><u>(439,213)</u></u>	<u><u>(28,768)</u></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.



Papanui High School
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Balance at 1 January		4,034,887	4,034,887	4,063,655
Total comprehensive revenue and expense for the year		372,305	(439,213)	(28,768)
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		44,464	-	-
Equity at 31 December	24	4,451,656	3,595,674	4,034,887
Retained Earnings		4,451,656	3,595,674	4,034,887
Equity at 31 December		4,451,656	3,595,674	4,034,887

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.



Papanui 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	52,744	328,956	503,169
Accounts Receivable	10	775,987	688,778	688,778
GST Receivable		46,646	-	-
Prepayments		19,498	46,480	46,480
Investments	11	4,069,045	3,620,821	3,620,821
Funds owing for Capital Works Projects	18	110	-	-
		<u>4,964,030</u>	<u>4,685,035</u>	<u>4,859,248</u>
Current Liabilities				
GST Payable		-	1,990	1,990
Accounts Payable	13	1,254,839	1,119,305	1,119,305
Revenue Received in Advance	14	299,767	466,917	466,917
Finance Lease Liability - Current Portion	16	136,871	138,736	138,736
Funds held in Trust	17	177,170	427,375	427,375
		<u>1,868,647</u>	<u>2,154,323</u>	<u>2,154,323</u>
Working Capital Surplus/(Deficit)		3,095,383	2,530,712	2,704,925
Non-current Assets				
Investments	11	132,433	136,781	136,781
Property, Plant and Equipment	12	1,636,790	1,406,177	1,671,177
		<u>1,769,223</u>	<u>1,542,958</u>	<u>1,807,958</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	158,550	105,700	105,700
Finance Lease Liability	16	254,400	372,296	372,296
		<u>412,950</u>	<u>477,996</u>	<u>477,996</u>
Net Assets		<u><u>4,451,656</u></u>	<u><u>3,595,674</u></u>	<u><u>4,034,887</u></u>
Equity	24	<u><u>4,451,656</u></u>	<u><u>3,595,674</u></u>	<u><u>4,034,887</u></u>

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



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

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		4,372,803	3,731,467	3,677,175
Locally Raised Funds		558,671	247,000	988,281
International Students		251,026	578,391	714,099
Goods and Services Tax (net)		(48,636)	-	(7,274)
Payments to Employees		(2,432,575)	(2,481,055)	(2,239,400)
Payments to Suppliers		(2,172,820)	(1,896,569)	(2,929,493)
Funds Administered on Behalf of Third Parties		(250,205)	-	(40,661)
Interest Received		97,746	100,000	128,046
Net cash from/(to) Operating Activities		376,010	279,234	331,434
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(275,909)	(453,447)	(168,942)
Purchase of Investments		(443,876)	-	78,187
Net cash from/(to) Investing Activities		(719,785)	(453,447)	(90,755)
Cash flows from Financing Activities				
Furniture and Equipment Grant		44,464	-	-
Finance Lease Payments		(151,004)	-	(144,483)
Funds held for Capital Works Projects		(110)	-	-
Net cash from/(to) Financing Activities		(106,650)	-	(185,144)
Net increase/(decrease) in cash and cash equivalents		(450,425)	(174,213)	55,535
Cash and cash equivalents at the beginning of the year	9	503,169	503,169	447,634
Cash and cash equivalents at the end of the year	9	52,744	328,956	503,169

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..



Papanui High School

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

1. Statement of Accounting Policies

1.1. Reporting Entity

Papanui High 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.

1.2. 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.

Useful lives of property, plant and equipment

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

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 15.



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 carryforward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

1.3. Revenue Recognition

Government Grants

The School receives funding from the Ministry of Education. The following are the main types of funding that the School receives;

Operational grants are recorded as revenue when the School has the rights to the funding, which is in the year that the funding is received.

Teachers Salaries Grants are recorded as revenue when the School has the rights to the funding in the salary period they relate to. The grants are not received in cash by the School and are paid directly to teachers by the Ministry of Education.

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

1.4. 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.

1.5. 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.

1.6. 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.

1.7. 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.

1.8. Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for credit losses (uncollectable debts). The School's 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.

1.9. 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.

1.10. 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.

1.11. 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:

Building improvements	10–50 years
Furniture and equipment	5–10 years
Information and communication technology	4–5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value

1.12. 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.



1.13. 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.

1.14. Employment 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

1.15. 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.

1.16. 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.

1.17. 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).

1.18. 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, and finance lease liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

1.19. 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.



1.20. 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.

1.21. Budget Figures

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

1.22. 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	3,504,762	3,355,273	2,944,658
Teachers' Salaries Grants	9,294,151	7,500,000	8,920,829
Use of Land and Buildings Grants	1,804,401	2,260,635	1,864,809
Resource Teachers Learning and Behaviour Grants	18,472	10,000	13,337
Other MoE Grants	1,048,475	572,152	592,860
Other Government Grants	8,250	44,000	126,320
	<u>15,678,511</u>	<u>13,742,060</u>	<u>14,462,813</u>

The School has opted in to the donations scheme for this year. Total amount received was \$214,800.

Other MOE Grants total includes additional COVID-19 funding totalling \$136,286 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	202,105	138,000	495,932
Fundraising	632	-	6,186
Bequests & Grants	6,911	-	15,000
Other Revenue	168,642	109,000	175,079
Activities	114,333	-	147,133
Overseas Trip Income	-	-	189,816
	<u>492,623</u>	<u>247,000</u>	<u>1,029,146</u>
Expenses			
Activities	164,485	-	198,425
Other Locally Raised Funds Expenditure	111,525	106,079	118,272
Overseas Trip Expenses	-	-	190,063
	<u>276,010</u>	<u>106,079</u>	<u>506,760</u>
<i>Surplus for the year Locally raised funds</i>	<u>216,613</u>	<u>140,921</u>	<u>522,386</u>

4. International Student Revenue and Expenses

	2020 Actual Number	2020 Budget (Unaudited) Number	2019 Actual Number
International Student Roll	35	51	51
Revenue			
International Student Fees	507,258	578,391	759,151
Expenses			
Commissions	49,102	45,000	97,903
Recruitment	4,441	9,000	41,691
International Student Levy	13,133	17,000	19,766
Employee Benefit - Salaries	562,473	612,431	589,857
Other Expenses	15,939	28,600	48,272
	<u>645,088</u>	<u>712,031</u>	<u>797,489</u>
<i>(Deficit)/Surplus for the year International Students</i>	<u>(137,830)</u>	<u>(133,640)</u>	<u>(38,338)</u>

5. Learning Resources

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	725,216	906,474	1,068,619
Information and Communication Technology	169,143	210,113	183,831
Library Resources	6,722	8,150	9,143
Employee Benefits - Salaries	10,766,166	8,958,651	9,950,597
Staff Development	16,023	23,500	22,120
	<u>11,683,270</u>	<u>10,106,888</u>	<u>11,234,310</u>

6. Administration

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	8,629	8,200	7,895
Board of Trustees Fees	7,138	8,000	7,487
Board of Trustees Expenses	15,769	41,000	69,471
Communication	26,245	25,000	27,047
Consumables	28,860	45,000	46,675
Operating Lease	-	18,000	(218)
Other	80,496	75,700	78,949
Employee Benefits - Salaries	515,576	506,494	490,631
Insurance	21,618	24,500	22,380
Service Providers, Contractors and Consultancy	17,106	17,000	15,654
	<u>721,437</u>	<u>768,894</u>	<u>765,971</u>

7. Property

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	53,001	37,500	33,793
Consultancy and Contract Services	254,546	245,000	244,174
Cyclical Maintenance Provision	52,850	52,850	52,850
Grounds	44,420	41,850	37,339
Heat, Light and Water	194,595	207,000	195,469
Rates	21,738	18,000	19,431
Repairs and Maintenance	108,982	121,500	107,524
Use of Land and Buildings	1,804,401	2,260,635	1,864,809
Security	12,956	10,000	19,318
Employee Benefits - Salaries	146,377	153,437	139,643
	<u>2,693,866</u>	<u>3,147,772</u>	<u>2,714,350</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 of Property, Plant and Equipment

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements	42,542	40,000	44,318
Furniture and Equipment	53,276	50,000	64,349
Information and Communication Technology	72,949	50,000	71,058
Motor Vehicles	2,247	2,000	5,610
Leased Assets	150,389	113,000	147,941
Library Resources	11,324	10,000	14,427
	<u>332,727</u>	<u>265,000</u>	<u>347,703</u>

9. Cash and Cash Equivalents

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash on Hand	460	-	460
Bank Current Account	52,284	328,956	291,689
Short-term Bank Deposits	-	-	211,020
Cash and cash equivalents for Statement of Cash Flows	<u>52,744</u>	<u>328,956</u>	<u>503,169</u>

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

Of the \$52,744 Cash and Cash Equivalents & \$4,274,700 Investments includes \$73,222 of unspent grant funding held by the School. This funding is subject to restrictions which specify how the grant is required to be spent in providing specified deliverables of the grant arrangement.

10. Accounts Receivable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Receivables	6,729	56,917	56,917
Interest Receivable	11,519	23,722	23,722
Teacher Salaries Grant Receivable	757,739	608,139	608,139
	<u>775,987</u>	<u>688,778</u>	<u>688,778</u>
Receivables from Exchange Transactions	18,248	80,639	80,639
Receivables from Non-Exchange Transactions	757,739	608,139	608,139
	<u>775,987</u>	<u>688,778</u>	<u>688,778</u>

11. Investments

The School's investment activities are classified as follows:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Asset			
Short-term Bank Deposits	4,069,045	3,620,821	3,620,821
Non-current Asset			
Graham Condon Investment Shares	130,433 2,000	134,781 2,000	134,781 2,000
Total Investments	<u>4,201,478</u>	<u>3,757,602</u>	<u>3,757,602</u>

The Graham Condon Investment relates to a long term prepayment for use by the school of the Graham Condon facilities .



12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2020						
Building Improvements	727,471	2,163	-	-	(42,542)	687,092
Furniture and Equipment	283,544	27,677	-	-	(53,276)	257,945
Information and Communication Technology	153,149	234,745	(308)	-	(72,949)	314,637
Motor Vehicles	5,354	-	-	-	(2,247)	3,107
Leased Assets	501,659	22,739	-	-	(150,389)	374,009
Library Resources	-	11,324	-	-	(11,324)	-
Balance at 31 December 2020	1,671,177	298,648	(308)	-	(332,727)	1,636,790

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2020			
Building Improvements	1,260,263	(573,171)	687,092
Furniture and Equipment	1,523,909	(1,265,964)	257,945
Information and Communication Technology	1,452,099	(1,137,462)	314,637
Motor Vehicles	115,648	(112,541)	3,107
Leased Assets	669,369	(295,360)	374,009
Library Resources	186,395	(186,395)	-
Balance at 31 December 2020	5,207,683	(3,570,893)	1,636,790

The net carrying value of equipment held under a finance lease is \$374,009 (2019: \$501,659)

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2019						
Building Improvements	771,789	-	-	-	(44,318)	727,471
Furniture and Equipment	300,928	46,965	-	-	(64,349)	283,544
Information and Communication Technology	151,180	73,027	-	-	(71,058)	153,149
Motor Vehicles	10,964	-	-	-	(5,610)	5,354
Leased Assets	611,967	37,633	-	-	(147,941)	501,659
Library Resources	3,102	11,484	(159)	-	(14,427)	-
Balance at 31 December 2019	1,849,930	169,109	(159)	-	(347,703)	1,671,177

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2019			
Building Improvements	1,258,099	(530,628)	727,471
Furniture and Equipment	1,496,233	(1,212,689)	283,544
Information and Communication Technology	1,217,661	(1,064,512)	153,149
Motor Vehicles	115,647	(110,293)	5,354
Leased Assets	667,680	(166,021)	501,659
Library Resources	203,292	(203,292)	-
Balance at 31 December 2019	4,958,612	(3,287,435)	1,671,177

13. Accounts Payable

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Operating creditors	66,140	80,929	80,929
Accruals	21,803	34,988	34,988
Banking staffing overuse	249,958	249,958	249,958
Employee Entitlements - salaries	842,616	680,795	680,795
Employee Entitlements - leave accrual	74,322	72,635	72,635
	1,254,839	1,119,305	1,119,305
Payables for Exchange Transactions	1,254,839	1,119,305	1,119,305
	1,254,839	1,119,305	1,119,305

The carrying value of payables approximates their fair value.



14. Revenue Received in Advance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Grants in Advance - Ministry of Education	73,222	-	-
International Student Fees	144,284	400,516	400,516
Other	82,261	66,401	66,401
	<u>299,767</u>	<u>466,917</u>	<u>466,917</u>

15. Provision for Cyclical Maintenance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Provision at the Start of the Year	105,700	105,700	52,850
Increase/ (decrease) to the Provision During the Year	52,850	-	52,850
Provision at the End of the Year	<u>158,550</u>	<u>105,700</u>	<u>105,700</u>
Cyclical Maintenance - Current	-	-	-
Cyclical Maintenance - Term	158,550	105,700	105,700
	<u>158,550</u>	<u>105,700</u>	<u>105,700</u>

16. 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	164,464	176,550	176,550
Later than One Year and no Later than Five Years	275,732	418,669	418,669
	<u>440,196</u>	<u>595,219</u>	<u>595,219</u>

17. Funds Held in Trust

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	177,170	427,375	427,375
	<u>177,170</u>	<u>427,375</u>	<u>427,375</u>

These funds relate to arrangements where the school is acting as an agent. These amounts are not revenue or expenditure of the school and therefore are not included in the Statement of Comprehensive Revenue and Expense.

18. Funds Held for Capital Works

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	Closing Balances \$
Kimi Ora Project	In Progress	-	20,788	(20,898)	-	(110)
Totals		-	20,788	(20,898)	-	(110)

Represented by:

Funds Due from the Ministry of Education

(110)
(110)



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, and Deputy and Assistant Principals.

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	7,138	7,487
Full-time equivalent members	0.22	0.23
<i>Leadership Team</i>		
Remuneration	843,415	845,396
Full-time equivalent members	6.00	6.75
Total key management personnel remuneration	850,553	852,883
Total full-time equivalent personnel	6.22	6.98

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	210 -220	190-200
Benefits and Other Emoluments	5-6	5-6
Termination Benefits	0 - 0	0 - 0

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	12.00	2.00
110 -120	3.00	2.00
120 - 130	2.00	-
140-150	1.00	-
	18.00	4.00

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



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	\$		\$	
Number of People		-		-

22. 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.

Contingent Liability - Cyclical Maintenance.

The School has an obligation to the Ministry of Education to maintain in good order and repair at all times the land, buildings and other facilities on the School site. The school is part of the Christchurch Schools Rebuild Programme which will result in the School's buildings either being repaired or rebuilt in the future. At the present time there is significant uncertainty over how the programme will affect the School. As a result, the School cannot make a reliable estimate of the maintenance required on the School's buildings so no cyclical maintenance provision has been recognised, even though the school will be required to maintain any buildings that are not replaced.

23. Commitments

(a) Capital Commitments

As at 31 December 2020 the Board has not entered into any contract agreements for capital works.

(Capital commitments at 31 December 2019: nil)

(b) Operating Commitments

As at 31 December 2020 the Board has not entered into any operating contracts.

(Operating 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.



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	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash and Cash Equivalents	52,744	328,956	503,169
Receivables	775,987	688,778	688,778
Investments - Term Deposits	4,069,045	3,620,821	3,620,821
Total Financial assets measured at amortised cost	<u>4,897,776</u>	<u>4,638,555</u>	<u>4,812,768</u>

Financial liabilities measured at amortised cost

Payables	1,254,839	1,119,305	1,119,305
Finance Leases	391,271	511,032	511,032
Total Financial liabilities measured at amortised Cost	<u>1,646,110</u>	<u>1,630,337</u>	<u>1,630,337</u>

26. Events After Balance Date

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





INDEPENDENT AUDITOR'S REPORT

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

The Auditor-General is the auditor of Papanui High School (the School). The Auditor-General has appointed me, Nicole Dring 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 3 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 28 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 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 1989¹.

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 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.



Nicole Dring
Deloitte Limited

On behalf of the Auditor-General
Christchurch, New Zealand