



Pembroke School (Oamaru)

# PEMBROKE SCHOOL



## 2022 Annual Report And Financial Statements

# Pembroke School

Respect \* Excellence \* Action \* Learning

## ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

School Directory

Ministry Number: 3737  
Principal: Brent Godfery  
School Address: Harlech Street, Oamaru, 9400  
School Phone: 03 437 0931  
School Email: [office@pembroke.school.nz](mailto:office@pembroke.school.nz)

Solutions &  
Services  
Collaborative School Administration

# PEMBROKE SCHOOL

Annual Report - For the year ended 31 December 2022

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# Pembroke School

## Statement of Responsibility

For the year ended 31 December 2022

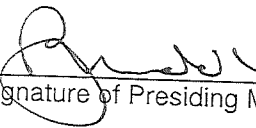
The Board accepts responsibility for the preparation of the annual financial statements and the judgements used in these financial statements.

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 2022 fairly reflects the financial position and operations of the School.

The School's 2022 financial statements are authorised for issue by the Board.

PETER MIDDLEMISS.  
Full Name of Presiding Member

  
Signature of Presiding Member

23 - May - 2023.  
Date:

BRENT GODFERY  
Full Name of Principal

  
Signature of Principal

23 - May - 2023  
Date:

# Pembroke School

## Members of the Board

For the year ended 31 December 2022

Name	Position	How Position Gained	Term Expired/ Expires
Peter Middlemiss	Co Presiding Member	Appointed	Sep 2022
	Presiding Member	Elected	Sep 2025
Alex McLeod	Co Presiding Member	Elected	Sep 2022
Brent Godfery	Principal	ex Officio	
Danny Fountaine	Parent Representative	Elected	Sep 2022
Phil Crossan	Parent Representative	Elected	Sep 2025
Belinda Hirst	Parent Representative	Elected	Sep 2025
Gemma Cathcart	Parent Representative	Elected	Sep 2025
Jim Tawaketini	Parent Representative	Elected	Sep 2025
Peyton Tolchard	Staff Representative	Elected	Sep 2022
Sophie Taylor	Staff Representative	Elected	Sep 2025

**Pembroke School**  
**Statement of Comprehensive Revenue and Expense**  
For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Revenue</b>				
Government Grants				
Locally Raised Funds	2	2,555,548	2,194,551	2,485,150
Interest Income	3	16,340	8,600	20,896
		8,400	1,500	3,455
		<u>2,580,288</u>	<u>2,204,651</u>	<u>2,509,501</u>
<b>Expenses</b>				
Locally Raised Funds	3	13,588	14,500	12,139
Learning Resources	4	1,825,527	1,634,023	1,855,442
Administration	5	343,911	348,027	291,705
Finance		1,021	-	957
Property	6	419,120	416,935	346,976
Loss on Disposal of Property, Plant and Equipment		5,913	-	4,332
		<u>2,609,080</u>	<u>2,413,485</u>	<u>2,511,551</u>
<b>Net (Deficit)/Surplus for the year</b>		(28,792)	(208,834)	(2,050)
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>(28,792)</u>	<u>(208,834)</u>	<u>(2,050)</u>

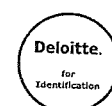
The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes which form part of these financial statements.



**Pembroke School**  
**Statement of Changes in Net Assets/Equity**  
For the year ended 31 December 2022

Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Equity at 1 January	739,674	739,674	817,488
Total comprehensive revenue and expense for the year	(28,792)	(208,834)	(2,050)
Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	32,584	-	-
Distribution of Equity	-	-	(75,764)
<b>Equity at 31 December</b>	<b>743,466</b>	<b>530,840</b>	<b>739,674</b>
Accumulated comprehensive revenue and expense	743,466	530,840	739,674
<b>Equity at 31 December</b>	<b>743,466</b>	<b>530,840</b>	<b>739,674</b>

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.



**Pembroke School**  
**Statement of Financial Position**  
As at 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents				
Accounts Receivable	7	432,382	176,628	374,262
GST Receivable	8	130,046	112,585	112,585
Prepayments		-	4,085	4,085
Investments		17,257	10,515	10,515
Funds Receivable for Capital Works Projects	9 16	- 10,000	139,507 -	139,507 -
		589,685	443,320	640,954
<b>Current Liabilities</b>				
GST Payable				
Accounts Payable		360	-	-
Revenue Received in Advance	11	144,134	125,796	125,796
Provision for Cyclical Maintenance	12	74	79	79
Finance Lease Liability	13	52,947	55,000	29,700
Funds held in Trust	14	14,109	12,431	12,431
Funds held for Capital Works Projects	15 16	51 33,663	- -	- -
		245,338	193,306	168,006
<b>Working Capital Surplus/(Deficit)</b>		344,347	250,014	472,948
<b>Non-current Assets</b>				
Investments				
Property, Plant and Equipment	9 10	186,455 256,906	43,173 256,685	43,173 275,685
		443,361	299,858	318,858
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	13	35,352	7,875	40,975
Finance Lease Liability	14	8,890	11,157	11,157
		44,242	19,032	52,132
<b>Net Assets</b>				
		743,466	530,840	739,674
<b>Equity</b>				
		743,466	530,840	739,674

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



# Pembroke School

## Statement of Cash Flows

For the year ended 31 December 2022

	Note	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		756,215	854,173	769,511
Locally Raised Funds		14,300	8,600	22,538
Goods and Services Tax (net)		4,445	-	2,706
Payments to Employees		(451,224)	(396,000)	(480,206)
Payments to Suppliers		(285,093)	(629,907)	(256,669)
Interest Received		7,566	1,500	13,608
Net cash from/(to) Operating Activities		46,209	(161,634)	71,488
<b>Cash flows from Investing Activities</b>				
Purchase of Property Plant & Equipment (and Intangibles)		(19,772)	(36,000)	(29,131)
Purchase of Investments		(3,775)	-	(12,782)
Net cash (to)/from Investing Activities		(23,547)	(36,000)	(41,913)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		32,584	-	-
Distribution of Equity		-	-	(75,764)
Finance Lease Payments		(10,850)	-	(10,343)
Funds Administered on Behalf of Third Parties		13,724	-	54,576
Net cash from/(to) Financing Activities		35,458	-	(31,531)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>58,120</b>	<b>(197,634)</b>	<b>(1,956)</b>
Cash and cash equivalents at the beginning of the year	7	374,262	374,262	376,218
<b>Cash and cash equivalents at the end of the year</b>	<b>7</b>	<b>432,382</b>	<b>176,628</b>	<b>374,262</b>

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.

# Pembroke School

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 1. Statement of Accounting Policies

##### 1.1. Reporting Entity

Pembroke 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 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 statements have been prepared for the period 1 January 2022 to 31 December 2022 and in accordance with the requirements of the Education and Training Act 2020.

###### *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 whole dollar.

###### *Specific Accounting Policies*

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

###### *Critical Accounting Estimates And Assumptions*

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

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

###### *Cyclical Maintenance*

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition. During the year, the Board assesses the reasonableness of its painting maintenance plan on which the provision is based. Cyclical maintenance is disclosed at note 13.

#### *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 10.

#### ***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. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. 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. Finance lease liability disclosures are contained in note 14. Future operating lease commitments are disclosed in note 21b.

##### *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.

### **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 to which they relate. The grants are not received in cash by the School and are paid directly to teachers by the Ministry of Education.

Other Ministry Grants for directly funded programs are recorded as revenue when the School has the rights to the funding in the period to which they relate. The grants are not received in cash by the School and are paid directly by the Ministry of Education.

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. Grants for the use of land and buildings 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. 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 revenue that is offset by a non-cash expense. The use of land and buildings grants and associated expenditure are recorded in the period the School uses the land and buildings.

#### ***Donations, Gifts and Bequests***

Donations, gifts and bequests are recognised as an asset and revenue when the right to receive funding or the asset has been established unless there is an obligation to return funds if conditions are not met. If conditions are not met funding is recognised as revenue in advance and recognised as revenue when conditions are satisfied.

### **Interest Revenue**

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

#### **1.4. 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.

#### **1.5. 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.

#### **1.6. Accounts Receivable**

Short-term receivables are recorded at the amount due, less an allowance for expected 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.

#### **1.7. 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.

#### **1.8. 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 funded by the Board to buildings owned by the Crown or directly by the board 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 Statement of Comprehensive Revenue and Expense 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	20-50 years
Furniture and equipment	1-10 years
Information and communication technology	4-5 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

### **1.9. 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. If such indication exists, the School estimates the asset's recoverable service amount. An impairment loss is recognised as 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.

In determining fair value less costs to sell the school engages an independent valuer to assess market value based on the best available 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 Statement of Comprehensive Revenue and Expense.

The reversal of an impairment loss is recognised in the Statement of Comprehensive Revenue and Expense. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognised.

### **1.10. 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.

### **1.11. Employee Entitlements**

#### *Short-term employee entitlements*

Employee entitlements that are expected to be settled within 12 months after the end of the reporting period in which the employees provide the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned by non teaching staff, but not yet taken at balance date.

#### *Long-term employee entitlements*

Employee benefits that are not expected to be settled wholly before 12 months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis.

The calculations are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows. Remeasurements are recognised in Statement of Comprehensive Revenue and Expense in the period in which they arise.

### **1.12. 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.

### **1.13. 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 Comprehensive Revenue and Expense.

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

#### **1.14. Funds held for Capital Works**

The school directly receives funding from the Ministry of Education for capital works projects that are included in the School five year capital works agreement. These funds are held on behalf and for a specified purpose as such these transactions are not recorded in the Statement of Comprehensive Revenue and Expense.

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

#### **1.15. 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.

Cyclical maintenance, which involves painting of the School, makes up the most significant part of the Board's responsibilities outside the day-to-day maintenance. The provision is a reasonable estimate, based on the school's best estimate of the cost of painting the school and when the School is required to be painted, based on an assessment of the school's condition.

The School carries out painting maintenance of the whole school over a variety of periods in accordance with the conditional assessment of each area of the school. The economic outflow of this is dependent on the plan established by the School to meet this obligation and is detailed in the notes and disclosures of these accounts.

#### **1.16. 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 initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

Investments that are shares are categorised as financial assets at fair value through other comprehensive revenue and expense in accordance with financial reporting standards. On initial recognition of an equity investment that is not held for trading, the School may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive revenue and expense. This election has been made for investments that are shares. Subsequent to initial recognition, these assets are measured at fair value. Dividends are recognised as income in the Statement of Comprehensive Revenue and Expense unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive revenue and expense and are never reclassified to the Statement of Comprehensive Revenue and Expense.

The School's financial liabilities comprise accounts payable, and finance lease liability. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in the Statement of Comprehensive Revenue and Expense.

#### **1.17. 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.

#### **1.18. 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.

#### **1.19. Budget Figures**

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

#### **1.20. 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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Government Grants - Ministry of Education			
Teachers' Salaries Grants	745,892	605,461	810,485
Use of Land and Buildings Grants	1,267,713	1,058,303	1,234,897
Healthy Lunches Grants	282,075	282,075	227,534
Other Government Grants	248,712	248,712	205,245
	11,156	-	6,989
	<u>2,555,548</u>	<u>2,194,551</u>	<u>2,485,150</u>

The School has opted in to the donations scheme for this year. Total amount received was \$36,900 (2021: \$39,600).

## 3. Locally Raised Funds

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Revenue</b>			
Donations & Bequests	4,866	5,500	11,820
Fees for Extra Curricular Activities	6,992	3,100	9,045
Trading	22	-	-
Other Revenue	4,460	-	31
	<u>16,340</u>	<u>8,600</u>	<u>20,896</u>
<b>Expenses</b>			
Extra Curricular Activities Costs	13,588	14,000	12,139
Trading	-	500	-
	<u>13,588</u>	<u>14,500</u>	<u>12,139</u>
	<u>2,752</u>	<u>(5,900)</u>	<u>8,757</u>

Surplus / (Deficit) for the year Locally raised funds

## 4. Learning Resources

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Curricular			
Equipment Repairs	86,455	119,810	69,761
Information and Communication Technology	486	900	618
Library Resources	12,432	14,000	17,102
Employee Benefits - Salaries	1,913	8,210	1,823
Staff Development	1,660,345	1,409,303	1,706,667
Depreciation	14,726	26,800	10,588
	49,170	55,000	48,883
	<u>1,825,527</u>	<u>1,634,023</u>	<u>1,855,442</u>

## 5. Administration

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Audit Fee	4,531	4,530	4,244
Board Fees	3,300	5,665	3,330
Board Expenses	6,003	10,100	8,193
Communication	3,480	3,500	3,273
Consumables	9,058	13,305	8,365
Other	653	3,125	3,620
Healthy Lunches Expenses	248,712	248,712	205,245
Employee Benefits - Salaries	59,067	45,000	45,544
Insurance	6,017	11,000	5,691
Service Providers, Contractors and Consultancy	3,090	3,090	4,200
	<u>343,911</u>	<u>348,027</u>	<u>291,705</u>



## 6. Property

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	-	500	292
Consultancy and Contract Services	77,920	89,000	66,101
Cyclical Maintenance Provision	17,624	-	15,375
Grounds	2,469	1,050	6,330
Heat, Light and Water	18,134	19,500	14,049
Rates	4,393	4,000	3,687
Repairs and Maintenance	13,242	17,810	12,819
Use of Land and Buildings	282,075	282,075	227,534
Security	3,263	3,000	789
	<u>419,120</u>	<u>416,935</u>	<u>346,976</u>

The Use of Land and Buildings figure represents 5% 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. Cash and Cash Equivalents

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Accounts	432,382	176,628	374,262
Cash and Cash Equivalents for Statement of Cash Flows	<u>432,382</u>	<u>176,628</u>	<u>374,262</u>

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

Of the \$432,382 Cash and Cash Equivalents, \$34,713 is held by the School on behalf of the Ministry of Education. These funds have been provided for the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2023 on Crown owned school buildings.

## 8. Accounts Receivable

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	2,714	679	679
Receivables from the Ministry of Education	24,196	9,615	9,615
Interest Receivable	1,615	781	781
Banking Staffing Underuse	3,913	-	-
Teacher Salaries Grant Receivable	97,608	101,510	101,510
	<u>130,046</u>	<u>112,585</u>	<u>112,585</u>
Receivables from Exchange Transactions	4,329	1,460	1,460
Receivables from Non-Exchange Transactions	125,717	111,125	111,125
	<u>130,046</u>	<u>112,585</u>	<u>112,585</u>

## 9. Investments

The School's investment activities are classified as follows:

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset	-	139,507	139,507
Short-term Bank Deposits			
Non-current Asset			
Long-term Bank Deposits	186,455	43,173	43,173
Total Investments	<u>186,455</u>	<u>182,680</u>	<u>182,680</u>



10. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2022	\$	\$	\$	\$	\$	\$
Building Improvements	123,538	-	(5,323)	-	(9,868)	108,347
Furniture and Equipment	44,123	5,893	-	-	(8,332)	41,684
Information and Communication Technology	38,163	14,002	-	-	(18,431)	33,734
Leased Assets	40,061	14,077	-	-	(8,596)	45,542
Library Resources	29,800	2,331	(589)	-	(3,943)	27,599
<b>Balance at 31 December 2022</b>	<b>275,685</b>	<b>36,303</b>	<b>(5,912)</b>	<b>-</b>	<b>(49,170)</b>	<b>256,906</b>

The net carrying value of equipment held under a finance lease is \$45,542 (2021: \$40,061)

Restrictions

With the exception of the contractual restrictions relating to the above noted finance leases, there are no other restrictions over the title of the school's property, plant and equipment, nor are any property, plant and equipment pledged as security for liabilities.

	2022 Cost or Valuation	2022 Accumulated Depreciation	2022 Net Book Value	2021 Cost or Valuation	2021 Accumulated Depreciation	2021 Net Book Value
Building Improvements	\$ 328,321	\$ (219,974)	\$ 108,347	\$ 341,883	\$ (218,345)	\$ 123,538
Furniture and Equipment	144,224	(102,540)	41,684	138,515	(94,392)	44,123
Information and Communication Technology	148,174	(114,440)	33,734	138,805	(100,642)	38,163
Leased Assets	90,648	(45,106)	45,542	88,679	(48,618)	40,061
Library Resources	67,180	(39,581)	27,599	66,157	(36,357)	29,800
<b>Balance at 31 December</b>	<b>778,547</b>	<b>(521,641)</b>	<b>256,906</b>	<b>774,039</b>	<b>(498,354)</b>	<b>275,685</b>

11. Accounts Payable

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
Creditors	\$ 27,598	\$ 9,873	\$ 9,873
Accruals	4,371	4,244	4,244
Employee Entitlements - Salaries	103,567	103,269	103,269
Employee Entitlements - Leave Accrual	8,598	8,410	8,410
	<u>144,134</u>	<u>125,796</u>	<u>125,796</u>
Payables for Exchange Transactions	144,134	125,796	125,796
	<u>144,134</u>	<u>125,796</u>	<u>125,796</u>

The carrying value of payables approximates their fair value.

12. Revenue Received in Advance

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
Other Revenue in Advance	\$ 74	\$ 79	\$ 79
	<u>74</u>	<u>79</u>	<u>79</u>

### 13. Provision for Cyclical Maintenance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Provision at the Start of the Year			
Increase to the Provision During the Year	70,675	70,675	55,300
Other Adjustments	16,028	-	15,375
Use of the Provision During the Year	1,596	-	-
Provision at the End of the Year	-	(7,800)	-
	<u>88,299</u>	<u>62,875</u>	<u>70,675</u>
Cyclical Maintenance - Current	52,947	55,000	29,700
Cyclical Maintenance - Non current	35,352	7,875	40,975
	<u>88,299</u>	<u>62,875</u>	<u>70,675</u>

The School's cyclical maintenance schedule details annual painting & other significant cyclical maintenance work to be undertaken. The costs associated with this annual work will vary depending on the requirements during the year. This plan is based on the School's most recent 10 Year Property plan, adjusted as identified and confirmed appropriate by the Board, to other reliable sources of evidence.

### 14. Finance Lease Liability

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
No Later than One Year	15,082	12,850	12,850
Later than One Year and no Later than Five Years	9,447	11,270	11,270
Future Finance Charges	(1,530)	(532)	(532)
	<u>22,999</u>	<u>23,588</u>	<u>23,588</u>
Represented by:			
Finance lease liability - Current	14,109	12,431	12,431
Finance lease liability - Non current	8,890	11,157	11,157
	<u>22,999</u>	<u>23,588</u>	<u>23,588</u>

### 15. Funds Held in Trust

Funds Held in Trust on Behalf of Third Parties - Current

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
	51	-	-
	<u>51</u>	<u>-</u>	<u>-</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.

### 16. Funds Held for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects. The amount of cash held on behalf of the Ministry for capital works project is included under cash and cash equivalents in note 7.

2022	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Heatpump Replacement - 240165	-	21,040	(21,040)	-	-
Roofing Works - 236536	-	21,555	-	-	21,555
Student Toilet Refurbishment - 216967	-	13,158	(1,050)	-	12,108
Watermain Replacement & Asbestos Removal	-	-	(10,000)	-	(10,000)
Totals	-	55,753	(32,090)	-	23,663

#### Represented by:

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

33,663  
(10,000)

2021	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
MOE Project Blk 1 ILE	(63,683)	48,885	(60,966)	75,764	-
Totals	<u>(63,683)</u>	<u>48,885</u>	<u>(60,966)</u>	<u>75,764</u>	<u>-</u>

## 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.

## 18. Remuneration

### Key management personnel compensation

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

	2022 Actual \$	2021 Actual \$
<i>Board Members</i>		
Remuneration	3,300	3,330
<i>Leadership Team</i>		
Remuneration		
Full-time equivalent members	549,507	554,453
	5.00	5.00
Total key management personnel remuneration	552,807	557,783

There are six members of the Board excluding the Principal. The Board had held eight full meetings of the Board in the year. The Board also has 1 Finance member. As well as these regular meetings, including preparation time, the Presiding member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

### Principal

The total value of remuneration paid or payable to the Principal was in the following bands:

	2022 Actual \$000	2021 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments		
Benefits and Other Emoluments	140-150	150-160
Termination Benefits	0-5	0-5
	0 - 0	0 - 0

### Other Employees

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

Remuneration \$000	2022 FTE Number	2021 FTE Number
100 -110	1.00	-
110 -120	-	1.00
	1.00	1.00

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

## 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 members, 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:

	2022 Actual \$	2021 Actual \$
Total Number of People	-	-

## 20. Contingencies

There are no contingent liabilities and no contingent assets except as noted below as at 31 December 2022 (Contingent liabilities and assets at 31 December 2021: nil).

### Holidays Act Compliance – schools payroll

The Ministry of Education performs payroll processing and payments on behalf of boards, 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. 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 2022, a contingent liability for the school may exist.

### Additional funding wash up payment

The Ministry of Education provided additional funding for both the Support Staff in Schools' Collective Agreement (CA) Settlement and the Teacher Aide Pay Equity Settlement. The School has not been notified of the final wash up calculation relating to 31 December 2022. The final calculations impact on the financial statements is unable to be determined at the date of reporting.

## 21. Commitments

### (a) Capital Commitments

As at 31 December 2022 the Board has entered into the following contract agreements for capital works.

(a) The school has contracted for roofing works design fees. The total cost of this design project is estimated to be \$21,555. The project is fully funded by the Ministry. An amount of \$21,555 has been received from the Ministry for this project, of which no funds have been spent on the project to balance date. This project has been approved by the Ministry.

(b) The school has contracted for student toilets refurbishment block 1&2 design fees. The total cost of this design project is estimated to be \$13,158. The project is fully funded by the Ministry. An amount of \$13,158 has been received from the Ministry for this project, of which \$1,050 has been spent on the project to balance date. This project has been approved by the Ministry.

### (b) Operating Commitments

As at 31 December 2022 the Board has not entered into any operating contracts.

(Operating commitments at 31 December 2021: nil)

## 22. 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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Cash and Cash Equivalents			
Receivables	432,382	176,628	374,262
Investments - Term Deposits	130,046	112,585	112,585
Total Financial assets measured at amortised cost	186,455	182,680	182,680
	<u>748,883</u>	<u>471,893</u>	<u>669,527</u>

### Financial liabilities measured at amortised cost

Payables			
Finance Leases	144,134	125,796	125,796
Total Financial liabilities measured at amortised Cost	22,999	23,588	23,588
	<u>167,133</u>	<u>149,384</u>	<u>149,384</u>

## 23. Events After Balance Date

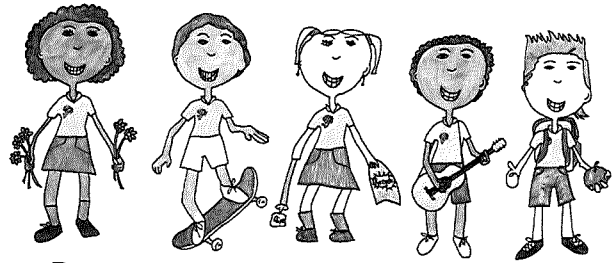
There were no significant events after the balance date that impact these financial statements.

## 24. Comparatives

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

## Pembroke School (Oamaru) Analysis of Variance 2022

<u>2022 Goals</u>	<u>2022 Targets</u>	<u>Why/What</u>
<p><b>Goal Title: Curriculum</b>  <b>Goal:</b> Student engagement and wellbeing</p>	<p><b>School Performance Target</b>            90 % of students will be enthusiastic about their learning at Pembroke School</p>	<p>With Covid etc making school intermittent and attitudes being here shifting all the time we wanted to look at student attitude and wellbeing as happy students learn better.</p>
<p><b>What happened</b> Regular checks were done at the end of each unit to gauge enthusiasm for school and school lessons and activities  <b>Results</b> There was positive feedback from most children around their schooling.  <b>Where to now</b> To keep checking on class activities to ensure we are catering for the interests and keep motivation high around learning.</p>		
<p><b>Goal Title: PB4L</b>  <b>Goal</b> Revise and refresh PB4L tier 1 practice across the school</p>	<p><b>School Performance Target.</b>            For tier 1 team to meet regularly and inform next steps as required from arising data information</p>	<p>A lot of investment has gone into our PB4L SW development and we need to ensure we keep it focussed and developing.</p>
<p><b>What happened</b> The team met 1-2 times each term dependant on the status of the response to covid presence in the school.  <b>Results</b> . System change school wide due to data analysis and student feedback  <b>Where to now</b> After checking our data and talking with the children (Seniors weren't really into our REAL cards) we have developed a house system of rewards rather than targeting individuals</p>		
<p><b>Goal Title : Curriculum Development</b>  <b>Goal</b> Review reading programmes across the school.</p>	<p><b>School Performance Target</b>            To support accelerated learning of identified students to progress to an age equivalent level or make accelerated progress towards their expected reading level. Continue tracking students from previous year with newly arrived students built into the cohort. Yrs 3-4</p>	<p>Potentially due to covid disruption a core group of students were reading below where they should be.</p>
<p><b>What happened</b> These students were targeted for extra class tuition and discussed regularly in syndicate meetings around how best to move their learning  <b>Results</b> 25 of the 36 targeted students moved ahead significantly in their reading. 17 of these children are now reading at or above expectation  <b>Where to now</b> These children and another group of newly arrived students have been identified for targeting again this year.</p>		
<p><b>Goal Title : Digital technology</b>  <b>Goal</b> To support staff to gain knowledge of the digital curriculum for use with their classes.</p>	<p><b>School performance</b>            Increased use of digital curriculum built into integrated approach to curriculum delivery where practical</p>	<p>Digital proficiency and use across the school by teachers was uneven. We wanted teachers to be able to use and support digital learning and communication in an even way across the school</p>
<p><b>What happened</b> Our facilitator ran workshops and demonstrated in class how to better use the digital systems in the school.  <b>Results</b> The facilitator reported that from her observations all teachers had made great gains and grown in confidence in using and trying new software in their classrooms  <b>Where to now</b> To continue to use our facilitator as PLD has been allocated. To now begin to use the digital curriculum to enhance our progress utilising local curriculum objectives.</p>		



Pembroke kids are **R.E.A.L.** kids

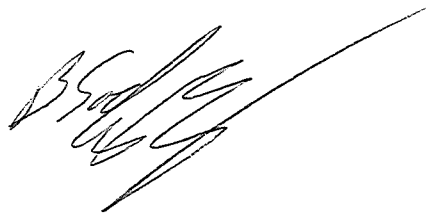
To whom it may concern,

This is to confirm that Pembroke School received Kiwisport funding in 2022.

We used this money to subsidise partially or fully sports fees for children who may otherwise not of been able to play sport.

Brent Godfery,

Principal





## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF PEMBROKE SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The Auditor-General is the auditor of Pembroke School (the School). The Auditor-General has appointed me, Mike Hawken, 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 17, that comprise the statement of financial position as at 31 December 2022, 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 2022; 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 23 May 2023. 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 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 arise 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 accompanying the financial statements 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.



Mike Hawken  
for Deloitte Limited  
On behalf of the Auditor-General  
Dunedin, New Zealand