

SOUTHLAND BOYS HIGH SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

School Directory

Ministry Number:	404
Principal:	Simon Coe
School Address:	181 Herbert Street, Invercargill 9810
School Postal Address:	P O Box 1543, Invercargill 9840
School Phone:	(03) 211 3003
School Email:	mail@sbhs.school.nz

Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Janice Ormsby	Presiding Member	Elected	Aug-25
Simon Coe	Principal ex Officio		
Emma Smail	Parent Representative	Elected	Aug-25
Chami Abeysinghe	Parent Representative	Elected	Aug-25
Janine Hopcroft	Parent Representative	Elected	Aug-25
Melissa Kean	Parent Representative	Elected	Aug-25
Shaun Fitzgibbon	Staff Representative	Elected	Aug-25
Nick Brown	Student Representative	Elected	Sep-23
Andrew Kennedy	Student Representative	Elected	Resigned Sep 22
Sarah Brown	Parent Representative	Co-opted	Resigned Aug 22
Cam Froude	Parent Representative	Elected	Resigned Aug 22
Paul Stirling	Parent Representative	Elected	Resigned Aug 22
Charlene Withy	Parent Representative	Co-opted	Resigned Aug 22
Leon Dunn	Staff Representative	Elected	Resigned Aug 22

Accountant / Service Provider: Maggie Turnhout

SOUTHLAND BOYS HIGH SCHOOL

Annual Report - For the year ended 31 December 2022

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Southland Boys High 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.

Full Name of Presiding Member

Full Name of Principal

Signature of Presiding Member

Signature of Principal

Date:

Date:

Southland Boys High School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Revenue				
Government Grants	2	10,806,452	10,034,789	10,254,710
Locally Raised Funds	3	1,012,647	829,089	889,340
Interest Income		11,197	850	1,445
Hostel	4	1,014,245	938,240	871,426
Total Revenue		12,844,541	11,802,968	12,016,921
Expenses				
Locally Raised Funds	3	911,949	846,674	763,101
Hostel	4	973,686	928,118	858,468
Learning Resources	5	8,002,777	7,649,923	7,533,597
Administration	6	659,424	514,793	486,940
Finance		8,429	22,000	19,224
Property	7	1,894,633	1,836,190	2,011,638
Loss on Disposal of Property, Plant and Equipment		1,749	-	1,518
		12,452,647	11,797,698	11,674,486
Net Surplus / (Deficit) for the year		391,894	5,270	342,435
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		391,894	5,270	342,435

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

Southland Boys High 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		2,410,211	2,410,206	2,016,881
Total comprehensive revenue and expense for the year		391,894	5,270	342,435
Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		12,544	-	50,895
Equity at 31 December		2,814,649	2,415,476	2,410,211
Accumulated comprehensive revenue and expense		2,814,649	2,415,476	2,410,211
Equity at 31 December		2,814,649	2,415,476	2,410,211

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.

Southland Boys High School Statement of Financial Position

As at 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Current Assets				
Cash and Cash Equivalents	8	2,495,846	1,697,210	1,331,592
Accounts Receivable	9	1,302,811	1,083,365	1,083,365
GST Receivable		-	30,539	30,545
Prepayments		41,684	33,643	33,643
Inventories	10	65,177	64,113	64,113
Investments	11	310	310	310
Funds Receivable for Capital Works Projects	17	102,799	-	-
		<u>4,008,627</u>	<u>2,909,180</u>	<u>2,543,568</u>
Current Liabilities				
GST Payable		92,559	-	-
Accounts Payable	13	1,177,631	942,623	942,623
Revenue Received in Advance	14	735,151	527,195	527,195
Provision for Cyclical Maintenance	15	517,707	507,253	451,654
Provision for Healthy Homes Standard		10,000	-	-
Finance Lease Liability	16	94,022	44,997	57,251
Funds held for Capital Works Projects	17	682,063	310,565	310,565
		<u>3,309,133</u>	<u>2,332,633</u>	<u>2,289,288</u>
Working Capital Surplus/(Deficit)		699,494	576,547	254,280
Non-current Assets				
Property, Plant and Equipment	12	2,261,008	1,950,043	2,312,042
		<u>2,261,008</u>	<u>1,950,043</u>	<u>2,312,042</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	43,321	75,992	75,992
Finance Lease Liability	16	102,532	35,122	80,119
		<u>145,853</u>	<u>111,114</u>	<u>156,111</u>
Net Assets		<u>2,814,649</u>	<u>2,415,476</u>	<u>2,410,211</u>
Equity		<u>2,814,649</u>	<u>2,415,476</u>	<u>2,410,211</u>

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

Southland Boys High School Statement of Cash Flows

For the year ended 31 December 2022

		2022	2022	2021
	Note	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		2,955,443	2,581,134	2,998,486
Locally Raised Funds		771,257	829,089	416,359
Hostel		1,235,823	938,240	1,293,338
International Students		-	-	9,176
Goods and Services Tax (net)		123,103	-	30,219
Payments to Employees		(1,462,115)	(1,388,443)	(1,319,273)
Payments to Suppliers		(2,069,864)	(2,516,001)	(2,498,945)
Interest Paid		(8,429)	(22,000)	(19,224)
Interest Received		11,197	850	1,445
Net cash from/(to) Operating Activities		1,556,415	422,869	911,581
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(183,047)	-	(584,915)
Purchase of Investments		-	-	(4)
Net cash from/(to) Investing Activities		(183,047)	-	(584,919)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	50,895
Finance Lease Payments		(70,738)	(57,251)	(95,817)
Funds Administered on Behalf of Third Parties		(138,376)	-	(77,384)
Net cash from/(to) Financing Activities		(209,114)	(57,251)	(122,306)
Net increase/(decrease) in cash and cash equivalents		1,164,254	365,618	204,356
Cash and cash equivalents at the beginning of the year	8	1,331,592	1,331,592	1,127,236
Cash and cash equivalents at the end of the year	8	2,495,846	1,697,210	1,331,592

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.

Southland Boys High School

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

a) Reporting Entity

Southland Boys 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 is of the view that the School is a public benefit entity for financial reporting purposes.

b) 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 expense threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. 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 15.

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.

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 16. Future operating lease commitments are disclosed in note 22b.

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

Other Ministry Grants for directly funded programs are recorded as revenue when the School has the rights to the funding in the period they relate to. 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.

Other Grants where conditions exist

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 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.

d) 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.

e) Finance Lease Payments

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

f) Cash and Cash Equivalents

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

g) Accounts Receivable

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

h) Inventories

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

i) Investments

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

j) Property, Plant and Equipment

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

Improvements (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 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	8-50 years
Furniture and equipment	4-20 years
Information and communication technology	3-10 years
Motor vehicles	5 years
Hostel	5-50 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

k) Impairment of property, plant, and equipment

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

Non cash generating assets

Property, plant, and equipment held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indication exists, the School estimates the asset's recoverable service amount. 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.

In determining fair value less costs to sell the school engages an independent valuer to assess market value based on the best available information. The valuation is based on details of the valuer's approach to determining market value.

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. 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.

l) 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.

m) 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, to 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 surplus or deficit in the period in which they arise.

n) Revenue Received in Advance

Revenue received in advance relates to fees received from students 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.

o) 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 Revenue and Expense.

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

p) 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 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 schools carries out painting maintenance of the whole school over a 7 to 10 year period, 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.

q) Financial Instruments

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

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 surplus or deficit.

r) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

s) Budget Figures

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

t) Services received in-kind

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

2. Government Grants

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Government Grants - Ministry of Education	2,868,435	2,509,433	2,790,116
Teachers' Salaries Grants	6,561,911	6,254,628	6,168,834
Use of Land and Buildings Grants	1,269,704	1,199,027	1,199,027
Other Government Grants	106,402	71,701	96,733
	10,806,452	10,034,789	10,254,710

The school has not opted in to the donations scheme for this year.

3. Locally Raised Funds

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Revenue			
Donations & Bequests	81,085	7,000	69,867
Curriculum related Activities - Purchase of goods and services	181,593	210,250	194,340
Fees for Extra Curricular Activities	321,411	231,250	202,355
Trading	245,352	229,999	239,960
Fundraising & Community Grants	48,711	15,000	31,334
Other Revenue	134,495	135,590	142,308
International Student Fees	-	-	9,176
	1,012,647	829,089	889,340
Expenses			
Extra Curricular Activities Costs	610,522	549,924	492,584
Trading	238,721	270,000	212,107
Other Locally Raised Funds Expenditure	62,706	27,500	57,560
International Student - Employee Benefit - Salaries	-	-	850
International Student - Other Expenses	-	(750)	-
	911,949	846,674	763,101
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	100,698	(17,585)	126,239

4. Hostel Revenue and Expenses

	2022 Actual Number	2022 Budget (Unaudited) Number	2021 Actual Number
Hostel Financial Performance			
Hostel Full Boarders	5	5	5
Hostel Weekly Boarders	85	81	81
	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Revenue			
Hostel Fees	931,692	928,240	860,993
Other Revenue	74,283	10,000	10,433
Student Contributions	8,270	-	-
	<hr/>	<hr/>	<hr/>
	1,014,245	938,240	871,426
Expenses			
Administration	92,474	98,297	81,558
Property	159,047	146,742	137,045
Employee Benefit - Salaries	457,288	442,500	422,078
Depreciation	90,701	72,000	71,728
Other Hostel Expenses	174,176	168,579	146,059
	<hr/>	<hr/>	<hr/>
	973,686	928,118	858,468
	<hr/>	<hr/>	<hr/>
<i>Surplus/ (Deficit) for the year Hostel</i>	40,559	10,122	12,958

5. Learning Resources

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Curricular	415,316	364,115	384,143
Equipment Repairs	2,320	5,000	4,175
Information and Communication Technology	141,901	145,096	140,931
Library Resources	1,866	5,000	467
Employee Benefits - Salaries	7,113,882	6,830,712	6,702,184
Staff Development	25,150	10,000	13,852
Depreciation	302,342	290,000	287,845
	<hr/>	<hr/>	<hr/>
	8,002,777	7,649,923	7,533,597

6. Administration

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Audit Fee	9,868	9,581	9,581
Board Fees	4,545	4,565	4,565
Board Expenses	16,352	17,974	14,871
Communication	26,559	34,000	33,658
Consumables	15,494	10,193	7,771
Operating Lease	17,405	17,381	17,381
Legal Fees	80,969	50,000	49,866
Other	114,887	80,671	64,916
Employee Benefits - Salaries	351,328	271,028	265,314
Insurance	17,007	16,000	15,622
Service Providers, Contractors and Consultancy	5,010	3,400	3,395
	<u>659,424</u>	<u>514,793</u>	<u>486,940</u>

7. Property

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Caretaking and Cleaning Consumables	15,946	14,741	14,740
Consultancy and Contract Services	197,926	189,064	194,698
Cyclical Maintenance Provision	33,382	55,599	222,842
Grounds	20,135	20,638	21,041
Heat, Light and Water	157,643	115,000	112,401
Rates	8,176	8,500	8,194
Repairs and Maintenance	91,654	133,729	138,803
Use of Land and Buildings	1,269,704	1,199,027	1,199,027
Security	2,765	1,061	1,061
Employee Benefits - Salaries	97,302	98,831	98,831
	<u>1,894,633</u>	<u>1,836,190</u>	<u>2,011,638</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.

8. Cash and Cash Equivalents

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Bank Accounts	2,495,846	1,697,210	1,331,592
Cash and cash equivalents for Statement of Cash Flows	<u>2,495,846</u>	<u>1,697,210</u>	<u>1,331,592</u>

Of the \$2,495,846 Cash and Cash Equivalents, \$682,063 is held by the School on behalf of the Ministry of Education. These funds have been provided by 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.

9. Accounts Receivable

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Receivables	786,502	558,734	558,734
Receivables from the Ministry of Education	1,150	-	-
Teacher Salaries Grant Receivable	515,159	524,631	524,631
	<u>1,302,811</u>	<u>1,083,365</u>	<u>1,083,365</u>
Receivables from Exchange Transactions	786,502	558,734	558,734
Receivables from Non-Exchange Transactions	516,309	524,631	524,631
	<u>1,302,811</u>	<u>1,083,365</u>	<u>1,083,365</u>

10. Inventories

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
School Uniforms	65,177	63,709	63,709
Canteen	-	404	404
	<u>65,177</u>	<u>64,113</u>	<u>64,113</u>

11. Investments

The School's investment activities are classified as follows:

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Current Asset			
Short-term Bank Deposits	310	310	310
	<u>310</u>	<u>310</u>	<u>310</u>

12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2022	\$	\$	\$	\$	\$	\$
Artwork	53,800	-	-	-	-	53,800
Building Improvements	275,825	7,072	-	-	(34,085)	248,812
Hostel	1,328,863	8,435	(1,141)	-	(90,701)	1,245,456
Furniture and Equipment	282,915	116,633	-	-	(68,822)	330,726
Information and Communication Technology	182,986	57,396	-	-	(91,664)	148,718
Motor Vehicles	8,698	-	-	-	(6,958)	1,740
Leased Assets	140,922	177,269	(29,103)	-	(95,378)	193,710
Library Resources	38,034	6,638	(1,191)	-	(5,435)	38,046
Balance at 31 December 2022	2,312,042	373,443	(31,435)	-	(393,043)	2,261,008

Restrictions

There are no 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	2022	2022	2021	2021	2021
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Artwork	53,800	-	53,800	53,800	-	53,800
Building Improvements	572,256	(323,444)	248,812	565,184	(289,359)	275,825
Hostel	2,247,678	(1,002,222)	1,245,456	2,244,943	(916,080)	1,328,863
Furniture and Equipment	2,287,769	(1,957,043)	330,726	2,171,135	(1,888,220)	282,915
Information and Communication Technology	2,020,000	(1,871,282)	148,718	1,962,605	(1,779,619)	182,986
Motor Vehicles	53,922	(52,182)	1,740	53,922	(45,224)	8,698
Leased Assets	359,341	(165,631)	193,710	411,559	(270,637)	140,922
Library Resources	92,660	(54,614)	38,046	88,801	(50,767)	38,034
Balance at 31 December	7,687,426	(5,426,418)	2,261,008	7,551,949	(5,239,906)	2,312,042

13. Accounts Payable

	2022	2022	2021
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Creditors	612,607	365,188	365,188
Accruals	13,368	12,081	12,081
Employee Entitlements - Salaries	515,159	524,631	524,631
Employee Entitlements - Leave Accrual	36,497	40,723	40,723
	1,177,631	942,623	942,623
Payables for Exchange Transactions	1,177,631	942,623	942,623
	1,177,631	942,623	942,623

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Hostel Fees in Advance	679,588	458,010	458,010
Other revenue in Advance	55,563	69,185	69,185
	735,151	527,195	527,195

15. Provision for Cyclical Maintenance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Provision at the Start of the Year	527,646	527,646	304,804
Increase to the Provision During the Year	33,382	55,599	222,842
Provision at the End of the Year	561,028	583,245	527,646
Cyclical Maintenance - Current	517,707	507,253	451,654
Cyclical Maintenance - Non current	43,321	75,992	75,992
	561,028	583,245	527,646

The schools cyclical maintenance schedule details annual painting to be undertaken, the costs associated to this annual work will vary dependent on the requirements during the year. This plan is based on the schools 10 Year Property plan.

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:

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
No Later than One Year	99,844	44,997	65,500
Later than One Year and no Later than Five Years	108,127	35,122	90,360
Future Finance Charges	(11,417)	-	(18,490)
	196,554	80,119	137,370
Represented by			
Finance lease liability - Current	94,022	44,997	57,251
Finance lease liability - Non current	102,532	35,122	80,119
	196,554	80,119	137,370

17. 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 8.

2022	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Storm water, heating & asbestos removal	7,543	-	(7,543)	-	-
Roof & wall cladding replacement	281,336	298,000	(682,135)	-	(102,799)
Classroom ILE modernisation	21,686	500,000	(327,913)	-	193,773
Blocks A,B gutter, shingle, membrane roof replacement	-	750,000	(421,857)	-	328,143
Block D Roof Structure & Wall Cladding	-	180,662	(20,515)	-	160,147
Totals	310,565	1,728,662	(1,459,963)	-	579,264

Represented by:

Funds Held on Behalf of the Ministry of Education	682,063
Funds Receivable from the Ministry of Education	(102,799)

2021	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Storm water, heating & asbestos removal	93,393	11,105	(96,955)	-	7,543
Roof & wall cladding replacement	(44,004)	1,757,429	(1,432,089)	-	281,336
Classroom ILE modernisation	42,616	-	(20,930)	-	21,686
Learning co-ordinator space repurpose	43,068	79	(43,147)	-	-
Synthetic turf development	252,876	40,000	(315,741)	22,865	-
Pastoral care toilet remodels	-	78,479	(78,479)	-	-
Totals	387,949	1,887,092	(1,987,341)	22,865	310,565

Represented by:

Funds Held on Behalf of the Ministry of Education	310,565
Funds Receivable from the Ministry of Education	-

18. 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.

19. Remuneration

Key management personnel compensation

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

	2022 Actual \$	2021 Actual \$
<i>Board Members</i>		
Remuneration	4,545	4,565
 <i>Leadership Team</i>		
Remuneration	2,276,039	1,540,779
Full-time equivalent members	20	13
 Total key management personnel remuneration	2,280,584	1,545,344

There are 8 members of the Board excluding the Principal. The Board had held 10 full meetings of the Board in the year. The Board also has Finance (4 members) that met 10 times over the year. 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.

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

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	13	12
110-120	5	5
130-140	1	1
	19	18

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

20. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be board members, 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	\$24,103	-
Number of People	1	-

21. Contingencies

There are no contingent liabilities and no contingent assets 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.

22. Commitments

(a) Capital Commitments

As at 31 December 2022 the Board has entered into contract agreements for capital works as follows:

(a) \$2,255,000 contract for wall and roof cladding to be completed in 2023, which will be fully funded by the Ministry of Education.

\$2,267,827 has been received of which \$2,370,626 has been spent on the project to date; and

(b) \$799,157 contract for ILE modernisation to be completed in 2023, which will be fully funded by the Ministry of Education.

\$542,616 has been received of which \$348,843 has been spent on the project to date; and

(c) \$2,353,924 contract for AB: shingle, membrane roof and gutter replacement to be completed in 2023, which will be fully funded by the Ministry of Education. \$750,000 has been received of which \$421,857 has been spent on the project to date; and

(Capital commitments at 31 December 2021: \$2,505,116)

(b) Operating Commitments

As at 31 December 2022 the Board has entered into the following contracts:

(a) operating lease of computer equipment;

	2022 Actual	2021 Actual
	\$	\$
No later than One Year	1,049	103
Later than One Year and No Later than Five Years	1,489	-
	<u>2,538</u>	<u>103</u>

The total lease payments incurred during the period were \$622 (2021: \$411).

23. Financial Instruments

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

Financial assets measured at amortised cost

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Cash and Cash Equivalents	2,495,846	1,697,210	1,331,592
Receivables	1,302,811	1,083,365	1,083,365
Investments - Term Deposits	310	310	310
Total Financial assets measured at amortised cost	<u>3,798,967</u>	<u>2,780,885</u>	<u>2,415,267</u>

Financial liabilities measured at amortised cost

Payables	1,177,631	942,623	942,623
Finance Leases	196,554	80,119	137,370
Total Financial Liabilities Measured at Amortised Cost	<u>1,374,185</u>	<u>1,022,742</u>	<u>1,079,993</u>

24. Events After Balance Date

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

25. Comparatives

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

Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sports. During 2022, the school received total Kiwisport funding of \$21870.60 [excluding GST]. The funding was used to purchase disc golf and basketball equipment as well as maintaining the regularly used equipment. But primarily the funds had been used to employ a sports activator. This staff member has organised and run programs during lunchtimes for the whole year. This has increases participation of students tremendously and also given opportunities for new activities and sports to be trialled.