

WHANGAREI BOYS HIGH SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021



WHANGAREI BOYS HIGH SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

School Directory

Ministry Number: 15

Principal: K Gilbert-Smith

School Address: Kent Road, Regent, Whangarei

School Postal Address: P O Box 5034, Whangarei

School Phone: (09) 430-4170

School Email: y.nees@wbhs.school.nz (Business & Finance Manager)

Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Don Robertson	Presiding Member	Elected	Jun-22
Karen Gilbert-Smith	Principal ex Officio	ex Officio	Jun-22
Greg Atkins	Parent Representative	Elected	Jun-22
Andrew Carvell	Parent Representative	Elected	Jun-22
Andre Hemara	Parent Representative	Elected	Jun-22
Derek Slatter	Parent Representative	Elected	Jun-22
Richard Harrison	Parent Representative	Co-Opted	Jun-22
Stevie Huurnink	Staff Representative	Elected	Jun-22
Ben Woodgates	Student Representative	Re-Elected	Oct-21
Kyle Hanlon	Student Representative	Elected	Oct-22

Accountant / Service Provider:



Auditor:

UHY Haines Norton (Auckland) Ltd

WHANGAREI BOYS HIGH SCHOOL

Annual Report - For the year ended 31 December 2021

Index

Page	Statement
------	-----------

	Financial Statements
--	-----------------------------

1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expense
3	Statement of Changes in Net Assets/Equity
4	Statement of Financial Position
5	Statement of Cash Flows
6 - 22	Notes to the Financial Statements

	Other Information
--	--------------------------

Appendix	Kiwisport
Appendix	Analysis of Variance
Appendix	Independent Auditors Report

Nhangarei Boys High School

Statement of Responsibility

For the year ended 31 December 2021

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 2021 fairly reflects the financial position and operations of the school.

The School's 2021 financial statements are authorised for issue by the Board.

Andrew Carrell
Full Name of Presiding Member


Signature of Presiding Member

4.5.23
Date:

Karen Gilbert-Smith
Full Name of Principal


Signature of Principal

5/5/23
Date:

Whangarei Boys High School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Revenue				
Government Grants	2	12,596,484	11,599,857	11,975,505
Locally Raised Funds	3	1,684,877	1,786,240	727,044
Interest Income		7,533	13,000	5,229
Gain on Sale of Property, Plant and Equipment		6	-	-
Hostel	4	397,311	524,450	480,828
International Students	5	19,097	78,083	75,462
		14,705,308	14,001,630	13,264,068
Expenses				
Locally Raised Funds	3	266,127	334,000	275,917
Hostel	4	514,416	512,414	525,932
International Students	5	88,685	120,099	97,178
Learning Resources	6	9,245,365	8,644,283	8,917,919
Administration	7	1,244,578	1,165,808	928,880
Finance		28,130	35,000	49,224
Property	8	1,921,522	2,065,538	2,219,972
Depreciation	12	458,170	408,937	439,781
		13,766,993	13,286,079	13,454,803
Net Surplus / (Deficit) for the year		938,315	715,551	(190,735)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		938,315	715,551	(190,735)

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

Whangarei Boys High School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Equity at 1 January		2,900,316	2,900,316	2,498,821
Total comprehensive revenue and expense for the year		938,315	715,551	(190,735)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		1,431,898	-	592,230
Equity at 31 December		5,270,529	3,615,867	2,900,316
Retained Earnings		5,212,177	3,557,515	2,841,964
Reserves		58,352	58,352	58,352
Equity at 31 December		5,270,529	3,615,867	2,900,316

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.

Reserved Equity

The Reserved Equity relates to funds received by the school from bequests. These funds are not required to be repaid. In accordance with the terms in the bequests the funds are to be held in term deposits with the interest being used for specific purposes relating directly to the students of WBHS and to assist families of students in the boarding hostel who are undergoing financial hardship.

	Balance 31/12/20	Receipts	Payments	Balance 31/12/21
Reserves				
McLaughlin Scholarship	41,185	-	-	41,185
Kerr Scholarship	3,313	-	-	3,313
Prizegiving Trusts	13,854	-	-	13,854
	58,352	-	-	58,352

Whangarei Boys High School

Statement of Financial Position

As at 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Assets				
Cash and Cash Equivalents	9	2,447,564	1,287,841	661,650
Accounts Receivable	10	651,150	806,076	806,076
GST Receivable		8,219	6,862	6,862
Prepayments		54,873	54,630	54,630
Investments	11	-	594,164	594,164
		3,161,806	2,749,573	2,123,382
Current Liabilities				
Accounts Payable	13	997,594	805,234	805,234
Revenue Received in Advance	14	63,597	202,590	202,590
Provision for Cyclical Maintenance	15	18,550	62,086	62,086
Finance Lease Liability	16	120,689	112,315	131,656
Funds held in Trust	17	135,942	239,495	239,495
Funds held for Capital Works Projects	18	314,406	-	87,706
		1,650,778	1,421,720	1,528,767
Working Capital Surplus/(Deficit)		1,511,028	1,327,853	594,615
Non-current Assets				
Property, Plant and Equipment	12	4,027,839	2,430,854	2,587,819
		4,027,839	2,430,854	2,587,819
Non-current Liabilities				
Provision for Cyclical Maintenance	15	107,589	33,972	96,058
Finance Lease Liability	16	146,942	108,868	186,060
Funds held in Trust	17	13,807	-	-
		268,338	142,840	282,118
Net Assets		5,270,529	3,615,867	2,900,316
Equity		5,270,529	3,615,867	2,900,316

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

Whangarei Boys High School

Statement of Cash Flows

For the year ended 31 December 2021

	Note	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash flows from Operating Activities				
Government Grants		4,152,632	3,881,764	3,835,552
Locally Raised Funds		1,762,400	1,640,495	581,299
Hostel		294,763	620,400	576,778
International Students		49,074	20,557	17,936
Goods and Services Tax (net)		(1,357)	1,025	1,025
Payments to Employees		(3,087,970)	(2,739,419)	(2,895,875)
Payments to Suppliers		(1,578,634)	(2,329,339)	(1,823,946)
Interest Paid		(28,130)	(35,000)	(49,224)
Interest Received		8,389	12,144	4,373
Net cash from/(to) Operating Activities		1,571,167	1,072,627	247,918
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		46	-	-
Purchase of Property Plant & Equipment (and Intangibles)		(1,813,426)	(1,120,342)	(423,593)
Purchase of Investments		-	(594,164)	(594,164)
Proceeds from Sale of Investments		594,164	-	-
Net cash from/(to) Investing Activities		(1,219,216)	(1,714,506)	(1,017,757)
Cash flows from Financing Activities				
Furniture and Equipment Grant		1,431,898	-	592,230
Finance Lease Payments		(134,889)	(146,622)	(119,853)
Painting contract payments		-	-	(11,591)
Funds Administered on Behalf of Third Parties		136,954	(79,619)	(55,049)
Net cash from/(to) Financing Activities		1,433,963	(226,241)	405,737
Net increase/(decrease) in cash and cash equivalents		1,785,914	(868,120)	(364,102)
Cash and cash equivalents at the beginning of the year	9	661,650	2,155,961	1,025,752
Cash and cash equivalents at the end of the year	9	2,447,564	1,287,841	661,650

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.

Whangarei Boys High School

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

a) Reporting Entity

Whangarei 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 reports have been prepared for the period 1 January 2021 to 31 December 2021 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 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 long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 15.

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. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised.

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. These are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown. 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

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) 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.

e) 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.

f) Accounts Receivable

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

g) 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.

h) Property, Plant and Equipment

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

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

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

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

Finance Leases

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty whether the school will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Depreciation

Property, plant and equipment except for library resources are depreciated over their estimated useful lives on a straight line basis. Library resources are depreciated on a diminishing value basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	10–75 years
Board Owned Buildings	10–75 years
Furniture and equipment	4–20 years
Information and communication technology	3 years
Motor vehicles	5 years
Textbooks	4 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	10 years

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

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

Non cash generating assets

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

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

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

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

j) 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.

k) 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 twelve 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

l) Revenue Received in Advance

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

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

m) Funds Held in Trust

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

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

n) Provision for Cyclical Maintenance

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

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision is a reasonable estimate, based on an up to date 10 Year Property Plan (10YPP) or another appropriate source of evidence.

o) Financial Instruments

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

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

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

p) Borrowings

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

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

q) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

r) Budget Figures

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

s) 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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Operational Grants	3,341,303	3,179,208	3,161,706
Teachers' Salaries Grants	7,230,285	6,372,000	6,690,123
Use of Land and Buildings Grants	1,184,269	1,330,000	1,433,737
Other MoE Grants	506,505	354,500	335,195
Other Government Grants	334,122	364,149	354,744
	<u>12,596,484</u>	<u>11,599,857</u>	<u>11,975,505</u>

The school has opted in to the donations scheme for this year. Total amount received was \$174,750.

3. Locally Raised Funds

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Revenue			
Donations & Bequests	1,228,874	1,250,000	384,423
Fees for Extra Curricular Activities	234,967	263,000	157,255
Trading	153,481	169,000	110,648
Other Revenue	67,555	104,240	74,718
	<u>1,684,877</u>	<u>1,786,240</u>	<u>727,044</u>
Expenses			
Extra Curricular Activities Costs	154,045	219,000	175,594
Trading	112,082	115,000	100,323
	<u>266,127</u>	<u>334,000</u>	<u>275,917</u>
Surplus/ (Deficit) for the year Locally raised funds	<u>1,418,750</u>	<u>1,452,240</u>	<u>451,127</u>

Donations include a \$3,000 from Fulton Hogan Ltd , \$4,000 from Barfoot and Thompson, \$2,500 from Hansen Products and \$1,500 from Beescene which are earmarked for Rugby Sponsorships 2021 season. \$4,684 from Whangarei Old Boys' Association earmark for a Marquees. Sponsorships includes:- Four Winds Foundation \$50,000 earmarked to Audio Visual Equipment, Oxford Sports \$68,623 earmarked for Chromebooks, Gas Lift Chairs, Laboratory Stools, Library chairs upholstered, Basketball Hoops & Scoreboards and Pub Charity \$33,615 Sponsor for Fitness Rower & Van

4. Hostel Revenue and Expenses

Hostel Financial Performance

Hostel Full Boarders

	2021 Actual Number	2021 Budget (Unaudited) Number	2020 Actual Number
	40	50	48
	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Revenue			
Hostel Fees	377,329	453,350	394,412
Other Revenue	19,982	71,100	86,416
	397,311	524,450	480,828
Expenses			
Administration	22,793	33,860	25,236
Property	62,078	67,920	111,228
Employee Benefit - Salaries	343,000	310,634	307,838
Other Hostel Expenses	86,545	100,000	81,630
	514,416	512,414	525,932
<i>Surplus/ (Deficit) for the year Hostel</i>	<u>(117,105)</u>	<u>12,036</u>	<u>(45,104)</u>

5. International Student Revenue and Expenses

	2021 Actual Number	2021 Budget (Unaudited) Number	2020 Actual Number
International Student Roll	1	10	7
	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Revenue			
International Student Fees	19,097	78,083	75,462
Expenses			
Student Recruitment	2,095	18,000	8,662
Employee Benefit - Salaries	80,501	74,263	70,804
Other Expenses	6,089	27,836	17,712
	88,685	120,099	97,178
<i>Surplus/ (Deficit) for the year International Students</i>	<u>(69,588)</u>	<u>(42,016)</u>	<u>(21,716)</u>

6. Learning Resources

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Curricular	459,401	741,216	497,369
Equipment Repairs	702	-	649
Information and Communication Technology	21,723	19,250	20,335
Library Resources	5,092	5,000	3,736
Employee Benefits - Salaries	8,703,470	7,820,817	8,365,948
Staff Development	54,977	58,000	29,882
	<u>9,245,365</u>	<u>8,644,283</u>	<u>8,917,919</u>

7. Administration

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Audit Fee	11,450	9,900	10,450
Board Fees	2,760	9,120	8,625
Board Expenses	5,132	6,500	1,450
Communication	35,013	32,000	26,123
Consumables	29,351	40,000	17,273
Other	77,018	173,547	60,298
Employee Benefits - Salaries	1,007,722	873,041	781,257
Insurance	54,843	20,700	17,304
Service Providers, Contractors and Consultancy	21,289	1,000	6,100
	<u>1,244,578</u>	<u>1,165,808</u>	<u>928,880</u>

8. Property

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	11,511	11,000	12,493
Consultancy and Contract Services	243,612	204,000	222,188
Cyclical Maintenance Provision	(2,005)	40,000	50,891
Grounds	19,814	35,600	48,317
Heat, Light and Water	183,945	132,780	158,823
Rates	11,917	16,000	28,080
Repairs and Maintenance	85,042	133,963	81,164
Use of Land and Buildings	1,184,269	1,330,000	1,433,737
Security	20,569	31,000	25,597
Employee Benefits - Salaries	162,848	131,195	158,682
	<u>1,921,522</u>	<u>2,065,538</u>	<u>2,219,972</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.

9. Cash and Cash Equivalents

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Bank Accounts	2,447,564	1,287,841	661,650
Cash and cash equivalents for Statement of Cash Flows	<u>2,447,564</u>	<u>1,287,841</u>	<u>661,650</u>

Of the \$2,447,564 Cash and Cash Equivalents, \$314,406 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 2021 - 2025 on Crown owned school buildings.

10. Accounts Receivable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Receivables	103,246	184,191	184,191
Receivables from the Ministry of Education	24,171	57,873	57,873
Interest Receivable	-	856	856
Teacher Salaries Grant Receivable	523,733	563,156	563,156
	<u>651,150</u>	<u>806,076</u>	<u>806,076</u>
Receivables from Exchange Transactions	103,246	185,047	185,047
Receivables from Non-Exchange Transactions	547,904	621,029	621,029
	<u>651,150</u>	<u>806,076</u>	<u>806,076</u>

11. Investments

The School's investment activities are classified as follows:

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Asset			
Short-term Bank Deposits	-	594,164	594,164
Total Investments	<u>-</u>	<u>594,164</u>	<u>594,164</u>

12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2021	\$	\$	\$	\$	\$	\$
Buildings - School	1,437,618	152,940			(51,837)	1,538,721
Building Improvements - Crown	136,391	726,967			(5,547)	857,811
Furniture and Equipment	578,160	491,929	(39)		(145,696)	924,354
Information and Communication Technology	161,843	382,914			(105,541)	439,216
Motor Vehicles	-	52,895			(881)	52,014
Textbooks	4,571	780			(2,146)	3,205
Leased Assets	249,580	84,804			(143,420)	190,964
Library Resources	19,656	5,000			(3,102)	21,554
Balance at 31 December 2021	2,587,819	1,898,229	(39)	-	(458,170)	4,027,839

The net carrying value of equipment held under a finance lease is \$190,964(2020: \$249,580)

	2021	2021	2021	2020	2020	2020
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Buildings - School	2,530,967	(992,246)	1,538,721	2,378,026	(940,408)	1,437,618
Building Improvements - Crown	968,984	(111,173)	857,811	242,018	(105,627)	136,391
Furniture and Equipment	2,081,788	(1,157,434)	924,354	1,590,105	(1,011,945)	578,160
Information and Communication Technology	1,001,500	(562,284)	439,216	620,338	(458,495)	161,843
Motor Vehicles	173,885	(121,871)	52,014	120,990	(120,990)	-
Textbooks	120,245	(117,040)	3,205	119,464	(114,893)	4,571
Leased Assets	512,245	(321,281)	190,964	427,441	(177,861)	249,580
Library Resources	42,767	(21,213)	21,554	37,767	(18,111)	19,656
Balance at 31 December	7,432,381	(3,404,542)	4,027,839	5,536,149	(2,948,330)	2,587,819

13. Accounts Payable

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Creditors	306,372	54,875	54,875
Accruals	11,450	10,450	10,450
Employee Entitlements - Salaries	549,657	620,903	620,903
Employee Entitlements - Leave Accrual	130,115	119,006	119,006
	997,594	805,234	805,234
Payables for Exchange Transactions	997,594	805,234	805,234
	997,594	805,234	805,234

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Grants in Advance - Ministry of Education	-	63,000	63,000
International Student Fees in Advance	43,934	13,957	13,957
Hostel Fees in Advance	6,800	109,348	109,348
Other revenue in Advance	12,863	16,285	16,285
	<u>63,597</u>	<u>202,590</u>	<u>202,590</u>

15. Provision for Cyclical Maintenance

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Provision at the Start of the Year	158,144	158,144	131,253
Increase/ (decrease) to the Provision During the Year	(32,005)	40,000	26,891
Use of the Provision During the Year		(102,086)	
Provision at the End of the Year	<u>126,139</u>	<u>96,058</u>	<u>158,144</u>
Cyclical Maintenance - Current	18,550	62,086	62,086
Cyclical Maintenance - Term	107,589	33,972	96,058
	<u>126,139</u>	<u>96,058</u>	<u>158,144</u>

16. Finance Lease Liability

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

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
No Later than One Year	138,153	137,315	163,529
Later than One Year and no Later than Five Years	165,878	128,868	202,673
Future Finance Charges	(25,238)	(45,000)	(48,486)
	<u>278,793</u>	<u>221,183</u>	<u>317,716</u>
Represented by			
Finance lease liability - Current	120,689	112,315	131,656
Finance lease liability - Term	146,942	108,868	186,060
	<u>267,631</u>	<u>221,183</u>	<u>317,716</u>

17. Funds held in Trust

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	135,942	239,495	239,495
Funds Held in Trust on Behalf of Third Parties - Non-current	13,807	-	-
	<u>149,749</u>	<u>239,495</u>	<u>239,495</u>

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

18. Funds Held for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects.

	2021	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
School Rebuild	<i>in progress</i>	91,374	90,972	(97,917)	-	84,429
Y: Plumbing Works	<i>in progress</i>	-	-	(315)	-	(315)
Pool Fence Replacement	<i>in progress</i>	-	-	(578)	-	(578)
Drainage	<i>in progress</i>	-	-	(314)	-	(314)
Electrical Works	<i>in progress</i>	-	15,844	(2,830)	-	13,014
Pool Change Shed	<i>in progress</i>	-	17,000	(5,520)	-	11,480
Pool Filter Shed & Filtration System Replacement	<i>in progress</i>	-	10,000	(1,788)	-	8,212
Cladding Replacement	<i>in progress</i>	-	14,000	(5,250)	-	8,750
Cladding, Window Joinery Replacement & Internal Refurbishment	<i>in progress</i>	-	70,000	(5,288)	-	64,712
K: Cladding Replacements, Floor Coverings, Change and bath Rooms Internal Refurbishment	<i>in progress</i>	-	49,500	(8,288)	-	41,212
K: Block Roof Repairs	<i>in progress</i>	-	80,000	(3,576)	-	76,424
Internal Refurbishment	<i>in progress</i>	-	10,300	(2,920)	-	7,380
		<u>87,706</u>	<u>361,284</u>	<u>(134,584)</u>	<u>-</u>	<u>314,406</u>

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

315,613
(1,207)
314,406

	2020	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
		\$	\$	\$	\$	\$
School Rebuild	<i>in progress</i>	92,545	71,615	(72,786)	-	91,374
5YA Projects	<i>in progress</i>	(9,723)	-	-	6,055	(3,668)
Roof Replacement	<i>completed</i>	780	-	-	(780)	-
Electrical Upgrade	<i>completed</i>	2,959	-	-	(2,959)	-
Heat & Ventilation	<i>in progress</i>	(699)	-	-	699	-
Special Needs Modifications	<i>completed</i>	(7,489)	-	(3,276)	10,765	-
Laboratory Renovations	<i>in progress</i>	2,816	-	-	(2,816)	-
Science Block Roof	<i>completed</i>	(521)	20	-	501	-
Flood Repairs	<i>in progress</i>	(1,441)	-	-	1,441	-
Technology Outdoor Workshop	<i>in progress</i>	(10,026)	-	-	10,026	-
Weathertightness	<i>in progress</i>	(9,953)	-	-	9,953	-
Plasma Cutter	<i>in progress</i>	(5,361)	-	-	5,361	-
K Block Roof Repairs	<i>in progress</i>	9,249	-	(9,249)	-	-
Internal Refurbishment	<i>in progress</i>	1,611	-	-	(1,611)	-
Science Block Lighting & Power	<i>in progress</i>	(1,611)	-	-	1,611	-
Totals		(19,686)	20	(12,525)	32,191	-

19. Related Party Transactions

The School is a controlled entity of the Crown, and the Crown provides the major source of revenue to the school. The school enters into transactions with other entities also controlled by the Crown, such as government departments, state-owned enterprises and other Crown entities. Transactions with these entities are not disclosed as they occur on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted if dealing with that entity at arm's length.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the school would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

20. Remuneration

Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	3,865	8,625
<i>Leadership Team</i>		
Remuneration	1,856,142	1,584,951
Full-time equivalent members	16.00	13.53
Total key management personnel remuneration	1,860,007	1,593,576

There are 8 members of the Board excluding the Principal. The Board had held 9 full meetings of the Board in the year and 4 special meetings. The Board also has Finance 3 members and Property 8 members that meet monthly and quarterly respectively. As well as these regular meetings, including preparation time, the Chair 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:

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	200-210	190 - 200
Benefits and Other Emoluments	0-5	0 - 5
Termination Benefits	-	-

Principal 2

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

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	0	0
Benefits and Other Emoluments	-	-
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2021 FTE Number	2020 FTE Number
100-110	10.00	9.00
110-120	5.00	3.00
120-130	2.00	1.00
130-140	3.00	0.00
180-190	1.00	0.00
	21.00	13.00

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

21. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be 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:

	2021 Actual	2020 Actual
Total		-
Number of People		-

22. Contingencies

There are no contingent liabilities except as noted below and no contingent assets as at 31 December 2021 (Contingent liabilities and assets at 31 December 2020: nil).

The Board have Personal Grievances which couldn't be resolve through Mediation. The Board has not recognised this matter in the financial statements because as an agreement was not met yet.

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 2021, a contingent liability for the school may exist.

23. Commitments

(a) Capital Commitments

As at 31 December 2021 the Board has entered into contract agreements for capital works as follows:

- (a) \$158,445 contract for Electrical Works, which will be fully funded by the Ministry of Education. \$15,844 has been received of which \$2,830 has been spent on the project to date; and
- (b) \$5,000 contract for Y: Plumbing Works Project, which will be fully funded by the Ministry of Education. No funds has been received and \$315 has been spent on the project to date; and
- (c) \$140,000 contract for R: Cladding Replacement and Weights Room Internal Works Projects, which will be fully funded by the Ministry of Education. \$14,000 has been received of which \$5,250 has been spent on the project to date; and
- (d) \$600,000 contract for AMS, 5YA Combined H,7 Roof Replacement; Cladding, Window Joinery replacement & Internal Refurbishment Project, which will be fully funded by the Ministry of Education. \$60,000 has been received of which \$5,288 has been spent on the project to date; and
- (e) \$100,000 contract for AMS, 5YA Combined H,7 Roof Replacement; Cladding, Window Joinery replacement & Internal Refurbishment Project, which will be fully funded by the Ministry of Education. \$90,000 has been received of which \$3,576 has been spent on the project to date; and
- (f) \$495,000 contract for Combined K: Cladding Replacements; Floor Coverings; Change and bathroom Internal Refurbishment Project. The project is fully funded by the Ministry and \$49,500 has been received of which \$8,288 has been spent on the project to balance date. This project has been approved by the Ministry.
- (g) \$170,000 contract for Pool Change Shed:1: Roofing and Internal Works Project. The project is fully funded by the Ministry and \$17,000 has been received of which \$5,520 has been spent on the project to balance date. This project has been approved by the Ministry.
- (h) \$46,168 contract for 1: Pool Fence Replacement Project. The project is fully funded by the Ministry and \$0,00 has been received of which \$578 has been spent on the project to balance date. This project has been approved by the Ministry.
- (i) \$100,000 contract for 2: Pool Filter Shed & Filtration system Replacement Project. The project is fully funded by the Ministry and \$10,000 has been received of which \$1,788 has been spent on the project to balance date. This project has been approved by the Ministry.
- (j) \$25,000 contract for Drainage Investigation Project. The project is fully funded by the Ministry and \$0,00 has been received of which \$314 has been spent on the project to balance date. This project has been approved by the Ministry.
- (k) \$103,000 Y: Internal Refurbishment Project. The project is fully funded by the Ministry and \$10,300 has been received of which \$2,920 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments at 31 December 2020: \$500,000)

(b) Operating Commitments

As at 31 December 2021 the Board has entered into the following contracts:

(a) several Furniture & Fittings contracts which were paid for during 2021 however the delivery date will only be when the school buildings are finished.

2021 2020

24. 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

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Cash and Cash Equivalents	2,447,564	1,287,841	661,650
Receivables	651,150	806,076	806,076
Investments - Term Deposits	-	594,164	594,164
Total Financial assets measured at amortised cost	<u>3,098,714</u>	<u>2,688,081</u>	<u>2,061,890</u>

Financial liabilities measured at amortised cost

Payables	997,594	805,234	805,234
Finance Leases	267,631	221,183	317,716
Total Financial Liabilities Measured at Amortised Cost	<u>1,265,225</u>	<u>1,026,417</u>	<u>1,122,950</u>

25. Events After Balance Date

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

26. Comparatives

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

27. COVID 19 Pandemic on going implications

Impact of Covid-19

During 2021 the country moved between alert levels. During February and March 2021 Auckland was placed into alert levels 3 and 2 and other parts of the country moved into alert level 2.

Towards the end of June 2021, the Wellington region was placed into alert level 2 for one week.

Towards the end of August 2021, the entire country moved to alert level 4, with a move to alert level 3 and 2 for everyone outside the Auckland region three weeks later. While Auckland has remained in alert level 3 for a prolonged period of time the Northland and Waikato regions have also returned to alert level 3 restrictions during this period.

Impact on operations

Schools have been required to continue adapting to remote and online learning practices when physical attendance is unable to occur in alert level 4 and 3. Schools continue to receive funding from the Te Tāhuhu o te Mātauranga | Ministry to Education, even while closed.

However, the ongoing interruptions resulting from the moves in alert levels have impacted schools in various ways which potentially will negatively affect the operations and services of the school. We describe below the possible effects on the school that we have identified, resulting from the ongoing impacts of the COVID-19 alert level changes.

Reduction in locally raised funds

Under alert levels 4,3, and 2 the school's ability to undertake fund raising events in the community and/ or collect donations or other contributions from parents, may have been compromised. Costs already incurred arranging future events may not be recoverable.

Increased Remote learning additional costs

Under alert levels 4 and 3 ensuring that students have the ability to undertake remote or distance learning often incurs additional costs in the supply of materials and devices to students to enable alternative methods of curriculum delivery.

Reduction in International students

Under alert levels 4, 3, 2, and 1 International travel is heavily restricted. The school has been unable to welcome and enrol prospective international students which has resulted in a reduction in revenue from student fees & charges from International students and/or Board of Trustee operated boarding facilities

Whangarei Boys High School

Kiwisport Statement

For the year ended 31 December 2021

Kiwisport is a government funding initiative to support students participation in organised sport. The 2021 Kiwisport Funding of \$28,812.08 (2020 \$27,564.95) excluding GST, has been utilised by providing part of the salary of a Sports Coordinator. The primary objective of the Sports Coordinator is to enhance the profile of sports and physical recreation within the school, to facilitate the running of non-curricular sports programmes and to increase student participation and parent involvement.