

WHANGAREI BOYS HIGH SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022



WHANGAREI BOYS HIGH SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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
Andrew Carvell	Presiding Member	Elected	May-25
Karen Gilbert-Smith	Principal ex Officio	ex Officio	
Andre Hemara	Parent Representative	Elected	May-25
Gemma Thompson	Parent Representative	Elected	May-25
Greg Atkins	Parent Representative	Elected	May-25
Loraine Witana	Parent Representative	Elected	May-25
Don Robertson	Parent Representative	Co-Opted	May-25
Richard Harrison	Parent Representative	Co-Opted	May-25
Derek Slatter	Parent Representative	Elected	Jun-22
David Moratti	Staff Representative	Elected	Jun-22
Stevie Huurnink	Staff Representative	Elected	Jun-22
JP Savio	Student Representative	Elected	Oct-23
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 2022

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Whangarei 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.

Andrew Carvell
Full Name of Presiding Member



Signature of Presiding Member

30 October 2023
Date:

Karen Gilbert-Smith
Full Name of Principal



Signature of Principal

30 October 2023
Date:

Whangarei 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	12,726,338	12,652,934	12,596,484
Locally Raised Funds	3	674,254	708,817	1,703,974
Interest Income		9,223	1,000	7,533
Gain on Sale of Property, Plant and Equipment		2,005	-	6
Hostel	4	345,805	528,170	397,311
Total Revenue		13,757,625	13,890,921	14,705,308
Expenses				
Locally Raised Funds	3	501,063	384,247	354,812
Hostel	4	531,915	524,645	570,633
Learning Resources	5	10,640,996	9,712,108	9,647,319
Administration	6	1,376,571	1,095,620	1,244,577
Finance		20,736	29,000	28,130
Property	7	1,140,541	2,073,129	1,921,522
Loss on Disposal of Property, Plant and Equipment		974	-	-
		14,212,796	13,818,749	13,766,993
Net Surplus / (Deficit) for the year		(455,171)	72,172	938,315
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		(455,171)	72,172	938,315

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 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Equity at 1 January		5,270,529	4,985,448	2,900,316
Total comprehensive revenue and expense for the year		(455,171)	72,172	938,315
Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	1,431,898
Equity at 31 December		4,815,358	5,057,620	5,270,529
Accumulated comprehensive revenue and expense		4,757,006	5,057,620	5,212,177
Reserves		58,352	-	58,352
Equity at 31 December		4,815,358	5,057,620	5,270,529

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 31/12/2021	Receipts	Payments	Balance 31/12/22
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 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Current Assets				
Cash and Cash Equivalents	8	1,350,654	1,055,951	2,447,564
Accounts Receivable	9	938,337	127,417	651,150
GST Receivable		-	8,218	8,219
Prepayments		56,160	54,873	54,873
Funds Receivable for Capital Works Projects	16	8,349	-	1,207
		2,353,500	1,246,459	3,163,013
Current Liabilities				
GST Payable		59,503	-	-
Accounts Payable	11	964,961	758,941	997,594
Revenue Received in Advance	12	130,127	63,597	63,597
Provision for Cyclical Maintenance	13	22,637	18,550	18,550
Finance Lease Liability	14	95,023	87,751	120,689
Funds held in Trust	15	291,369	135,942	135,942
Funds held for Capital Works Projects	16	596,944	-	315,613
		2,160,564	1,064,781	1,651,985
Working Capital Surplus/(Deficit)		192,936	181,678	1,511,028
Non-current Assets				
Property, Plant and Equipment	10	4,740,315	5,075,439	4,027,839
		4,740,315	5,075,439	4,027,839
Non-current Liabilities				
Provision for Cyclical Maintenance	13	19,338	107,589	107,589
Finance Lease Liability	14	77,130	78,101	146,942
Funds held in Trust	15	21,425	13,807	13,807
		117,893	199,497	268,338
Net Assets		4,815,358	5,057,620	5,270,529
Equity		4,815,358	5,057,620	5,270,529

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 2022

	Note	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Cash flows from Operating Activities				
Government Grants		4,700,928	5,760,217	4,152,632
Locally Raised Funds		694,186	743,073	1,762,400
Hostel		339,005	425,622	294,763
International Students		104,823	73,244	49,074
Goods and Services Tax (net)		67,722	(1,356)	(1,357)
Payments to Employees		(3,391,932)	(2,586,040)	(3,204,197)
Payments to Suppliers		(2,186,696)	(3,221,567)	(1,462,407)
Interest Paid		(20,736)	(29,000)	(28,130)
Interest Received		9,150	1,856	8,389
Net cash from/(to) Operating Activities		316,450	1,166,049	1,571,167
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		5,944	-	46
Purchase of Property Plant & Equipment (and Intangibles)		(1,570,805)	(1,763,962)	(1,813,426)
Proceeds from Sale of Investments		-	594,164	594,164
Net cash from/(to) Investing Activities		(1,564,861)	(1,169,798)	(1,219,216)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	1,431,898
Finance Lease Payments		(285,733)	(138,395)	(134,889)
Funds Administered on Behalf of Third Parties		437,234	(89,746)	136,954
Net cash from/(to) Financing Activities		151,501	(228,141)	1,433,963
Net increase/(decrease) in cash and cash equivalents		(1,096,910)	(231,890)	1,785,914
Cash and cash equivalents at the beginning of the year	8	2,447,564	1,287,841	661,650
Cash and cash equivalents at the end of the year	8	1,350,654	1,055,951	2,447,564

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 2022

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 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.

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

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the significant accounting policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 10.

Critical Judgements in applying accounting policies

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

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised. Finance lease liability disclosures are contained in note 14. Future operating lease commitments are disclosed in note 21b.

Recognition of grants

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

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) 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 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.

g) 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. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Building improvements	10–75 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

h) Intangible Assets

Software costs

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

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

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. 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.

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.

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 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.

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) 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.

o) Shared Funds

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. In instances where funds are outside of the School's control, these amounts are not recorded in the Statement of Revenue and Expense. In instances where the school is determined to be the principal for providing the service related to the Shared Funds (such as the RTL B programme), all income and expenditure related to the provision of the service is recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

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, except for investments that are shares, are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

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

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract 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	4,573,732	4,011,565	3,847,808
Teachers' Salaries Grants	7,339,155	6,903,000	7,230,285
Use of Land and Buildings Grants	448,520	1,330,000	1,184,269
Other Government Grants	364,931	408,369	334,122
	<u>12,726,338</u>	<u>12,652,934</u>	<u>12,596,484</u>

The school has opted in to the donations scheme for this year. Total amount received was \$196,800.

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	140,315	150,000	1,228,874
Other Revenue	68,138	92,500	67,555
Trading	179,838	169,000	153,481
Fees for Extra Curricular Activities	254,944	254,050	234,967
International Student Fees	31,019	43,267	19,097
	<u>674,254</u>	<u>708,817</u>	<u>1,703,974</u>
Expenses			
Extra Curricular Activities Costs	284,561	206,600	154,045
Trading	150,987	115,000	112,082
International Student - Student Recruitment	10,581	2,000	2,095
International Student - Employee Benefit - Salaries	49,373	49,663	80,501
International Student - Other Expenses	5,561	10,984	6,089
	<u>501,063</u>	<u>384,247</u>	<u>354,812</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>173,191</u>	<u>324,570</u>	<u>1,349,162</u>

4. Hostel Revenue and Expenses

Hostel Financial Performance

	2022 Actual Number	2022 Budget (Unaudited) Number	2021 Actual Number
Hostel Full Boarders	34	50	40
	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Revenue			
Hostel Fees	267,791	453,350	377,329
Other Revenue	60,738	74,820	19,982
Student Contributions	17,276	-	-
	345,805	528,170	397,311
Expenses			
Administration	38,576	32,514	22,793
Property	53,254	54,170	62,078
Employee Benefit - Salaries	292,265	272,019	343,000
Depreciation	72,363	63,442	56,217
Other Hostel Expenses	75,457	102,500	86,545
	531,915	524,645	570,633
<i>Surplus/ (Deficit) for the year Hostel</i>	<i>(186,110)</i>	<i>3,525</i>	<i>(173,322)</i>

5. Learning Resources

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Curricular	632,155	837,319	459,401
Equipment Repairs	-	-	702
Information and Communication Technology	28,362	30,900	21,723
Library Resources	3,692	5,000	5,092
Employee Benefits - Salaries	9,143,745	8,345,465	8,703,470
Staff Development	51,989	58,000	54,977
Depreciation	781,053	435,424	401,954
	10,640,996	9,712,108	9,647,319

6. Administration

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Audit Fee	11,448	11,450	11,450
Board Fees	3,555	4,600	2,760
Board Expenses	12,777	16,272	5,132
Communication	31,476	35,500	35,013
Consumables	34,121	36,950	29,350
Legal Fees	20,699	-	-
Other	68,899	131,477	77,018
Employee Benefits - Salaries	1,169,540	833,871	1,007,722
Insurance	18,861	20,700	54,843
Service Providers, Contractors and Consultancy	5,195	4,800	21,289
	<u>1,376,571</u>	<u>1,095,620</u>	<u>1,244,577</u>

7. Property

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Caretaking and Cleaning Consumables	17,085	11,000	11,511
Consultancy and Contract Services	242,182	204,000	243,612
Cyclical Maintenance Provision	(66,520)	40,000	(2,005)
Grounds	29,010	35,600	19,814
Heat, Light and Water	202,901	132,780	183,945
Rates	17,199	16,000	11,917
Repairs and Maintenance	71,738	136,588	85,042
Use of Land and Buildings	448,520	1,330,000	1,184,269
Security	42,639	31,000	20,569
Employee Benefits - Salaries	135,787	136,161	162,848
	<u>1,140,541</u>	<u>2,073,129</u>	<u>1,921,522</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	1,350,654	1,055,951	2,447,564
Cash and cash equivalents for Statement of Cash Flows	<u>1,350,654</u>	<u>1,055,951</u>	<u>2,447,564</u>

Of the \$1,350,654 Cash and Cash Equivalents, \$596,944 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	51,821	103,246	103,246
Receivables from the Ministry of Education	261,906	24,171	24,171
Interest Receivable	73	-	-
Teacher Salaries Grant Receivable	624,537	-	523,733
	<u>938,337</u>	<u>127,417</u>	<u>651,150</u>
Receivables from Exchange Transactions	51,894	103,246	103,246
Receivables from Non-Exchange Transactions	886,443	24,171	547,904
	<u>938,337</u>	<u>127,417</u>	<u>651,150</u>

10. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2022						
Building Improvements	857,811	90,354	-	-	(25,191)	922,974
Hostel	1,571,191	7,004	-	-	(72,363)	1,505,832
Furniture and Equipment	891,884	911,081	(4,913)	-	(315,317)	1,482,735
Information and Communication Technology	439,216	505,400	-	-	(290,390)	654,226
Motor Vehicles	52,014	-	-	-	(10,579)	41,435
Textbooks	3,205	24,480	-	-	(1,702)	25,983
Leased Assets	190,964	28,555	-	-	(134,927)	84,592
Library Resources	21,554	3,931	-	-	(2,947)	22,538
	-	-	-	-	-	
Balance at 31 December 2022	<u>4,027,839</u>	<u>1,570,805</u>	<u>(4,913)</u>	<u>-</u>	<u>(853,416)</u>	<u>4,740,315</u>

The net carrying value of furniture and equipment held under a finance lease is \$84,592 (2021: \$190,964)

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 Cost or Valuation \$	2022 Accumulated Depreciation \$	2022 Net Book Value \$	2021 Cost or Valuation \$	2021 Accumulated Depreciation \$	2021 Net Book Value \$
Building Improvements	1,059,338	(136,364)	922,974	968,984	(111,173)	857,811
Hostel	2,682,626	(1,176,794)	1,505,832	2,675,623	(1,104,432)	1,571,191
Furniture and Equipment	2,802,817	(1,320,082)	1,482,735	1,937,132	(1,045,248)	891,884
Information and Communication Technology	1,502,613	(848,387)	654,226	1,001,500	(562,284)	439,216
Motor Vehicles	173,885	(132,450)	41,435	173,885	(121,871)	52,014
Textbooks	144,725	(118,742)	25,983	120,245	(117,040)	3,205
Leased Assets	540,800	(456,208)	84,592	512,245	(321,281)	190,964
Library Resources	46,699	(24,161)	22,538	42,767	(21,213)	21,554
Balance at 31 December	<u>8,953,503</u>	<u>(4,213,188)</u>	<u>4,740,315</u>	<u>7,432,381</u>	<u>(3,404,542)</u>	<u>4,027,839</u>

11. Accounts Payable

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Creditors	129,490	306,372	306,372
Accruals	(4,728)	127,677	11,450
Banking Staffing Overuse	-	-	-
Employee Entitlements - Salaries	705,723	194,777	549,657
Employee Entitlements - Leave Accrual	134,476	130,115	130,115
	<u>964,961</u>	<u>758,941</u>	<u>997,594</u>
Payables for Exchange Transactions	964,961	758,941	997,594
	<u>964,961</u>	<u>758,941</u>	<u>997,594</u>

The carrying value of payables approximates their fair value.

12. Revenue Received in Advance

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
International Student Fees in Advance	117,738	43,934	43,934
Hostel Fees in Advance	-	6,800	6,800
Other revenue in Advance	12,389	12,863	12,863
	<u>130,127</u>	<u>63,597</u>	<u>63,597</u>

13. Provision for Cyclical Maintenance

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Provision at the Start of the Year	126,139	126,139	158,144
Increase to the Provision During the Year	-	40,000	-
Other Adjustments	(84,164)	-	(32,005)
Provision at the End of the Year	<u>41,975</u>	<u>166,139</u>	<u>126,139</u>
Cyclical Maintenance - Current	22,637	18,550	18,550
Cyclical Maintenance - Non current	19,338	107,589	107,589
	<u>41,975</u>	<u>126,139</u>	<u>126,139</u>

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.

14. Finance Lease Liability

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

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
No Later than One Year	61,306	107,751	138,153
Later than One Year and no Later than Five Years	122,225	83,101	165,878
Future Finance Charges	(11,378)	(25,000)	(25,238)
	<u>172,153</u>	<u>165,852</u>	<u>278,793</u>
Represented by			
Finance lease liability - Current	95,023	87,751	120,689
Finance lease liability - Non current	77,130	78,101	146,942
	<u>172,153</u>	<u>165,852</u>	<u>267,631</u>

15. Funds held in Trust

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Funds Held in Trust on Behalf of Third Parties - Current	291,369	135,942	135,942
Funds Held in Trust on Behalf of Third Parties - Non-current	21,425	13,807	13,807
	<u>312,794</u>	<u>149,749</u>	<u>149,749</u>

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

16. Funds Held for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects. The amount of cash held on behalf of the Ministry for capital works project is included under cash and cash equivalents in note 8.

2022	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
School Rebuild	84,429	248,977	(266,042)	-	67,364
Y: Plumbing Works	(315)	4,500	-	-	4,185
Pool Fence Replacement	(578)	4,617	-	-	4,039
Drainage	(314)	22,500	(2,530)	-	19,656
Electrical Works	13,014	126,756	(123,883)	-	15,887
Pool Change Shed	11,480	136,000	(29,796)	-	117,684
Pool Filter Shed & Filtration System Replacement	8,212	80,000	(894)	-	87,318
Cladding Replacement	8,750	112,000	(43,084)	-	77,666
Cladding, Window Joinery Replacement & Internal Refurbishment	64,712	-	(10,497)	-	54,215
K: Cladding Replacements, Floor Coverings, Change and bath Rooms Internal Refurbishment	41,212	108,000	(20,512)	-	128,700
K: Block Roof Repairs	76,424	-	(56,194)	-	20,230
Internal Refurbishment	7,380	82,400	(98,129)	-	(8,349)
Totals	314,406	925,750	(651,561)	-	588,595

Represented by:

Funds Held on Behalf of the Ministry of Education	596,944
Funds Receivable from the Ministry of Education	(8,349)

2021	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
School Rebuild	91,374	90,972	(97,917)	-	84,429
Y: Plumbing Works	-	-	(315)	-	(315)
Pool Fence Replacement	-	-	(578)	-	(578)
Drainage	-	-	(314)	-	(314)
Electrical Works	-	15,844	(2,830)	-	13,014
Pool Change Shed	-	17,000	(5,520)	-	11,480
Pool Filter Shed & Filtration System Replacement	-	10,000	(1,788)	-	8,212
Cladding Replacement	-	14,000	(5,250)	-	8,750
Cladding, Window Joinery Replacement & Internal Refurbishment	-	70,000	(5,288)	-	64,712
K: Cladding Replacements, Floor Coverings, Change and bath Rooms Internal Refurbishment	-	49,500	(8,288)	-	41,212
K: Block Roof Repairs	-	80,000	(3,576)	-	76,424
Internal Refurbishment	-	10,300	(2,920)	-	7,380
Totals	91,374	357,616	(134,584)	-	314,406

Represented by:

Funds Held on Behalf of the Ministry of Education	315,613
Funds Receivable from the Ministry of Education	(1,207)

17. Related Party Transactions

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

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

18. Remuneration

Key management personnel compensation

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

	2022 Actual \$	2021 Actual \$
<i>Board Members</i>		
Remuneration	3,555	3,865
<i>Leadership Team</i>		
Remuneration	1,825,048	1,856,142
Full-time equivalent members	14.60	16.00
Total key management personnel remuneration	1,828,603	1,860,007

There are nine members of the Board excluding the Principal. The Board had held nine full meetings of the Board in the year. The Board also has Finance (3 members) and Property (2 members) that meet monthly. As well as these regular meetings, including preparation time, the Presiding member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal

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

	2022 Actual \$000	2021 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	210-220	200-210
Benefits and Other Emoluments	5-6	0-5

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	9.00	10.00
110-120	4.00	5.00
120-130	1.00	2.00
130-140	4.00	5.00
180-190	0.00	1.00
	18.00	23.00

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

19. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be 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 Number of People	\$14,500 1	\$0 nil

20. Contingencies

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

The Board was notified of a Personal Grievance ongoing case. The Board has not recognised this as a provision in the financial statements as there is significant uncertainty around the timing and amount of any future obligation.

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.

21. Commitments

(a) Capital Commitments

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

(a) \$588,595 contracts for various projects as per capital works note, some are funded by the Ministry of Education, remainder by BOT or fundraising.

(Capital commitments as at 31 December 2021: \$314,406)

(b) Operating Commitments

As at 31 December 2022 the Board has no operating commitments.

22. Financial Instruments

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

Financial assets measured at amortised cost

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Cash and Cash Equivalents	1,350,654	1,055,951	2,447,564
Receivables	938,337	127,417	651,150
Total Financial assets measured at amortised cost	<u>2,288,991</u>	<u>1,183,368</u>	<u>3,098,714</u>

Financial liabilities measured at amortised cost

Payables	964,961	758,941	997,594
Finance Leases	172,153	165,852	267,631
Total Financial Liabilities Measured at Amortised Cost	<u>1,137,114</u>	<u>924,793</u>	<u>1,265,225</u>

23. Events After Balance Date

In May 2023, a student tragically passed away during a school field trip. At this time, there is no certainty regarding any legal actions taken by the student's family or regulatory authorities. Both WorkSafe and the school are actively conducting an investigation into the incident, and preliminary findings from this inquiry are not yet available. The financial implications of this incident cannot currently be determined.

24. Comparatives

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

Whangarei Boys High School

Kiwisport Statement

For the year ended 31 December 2022

Kiwisport is a government funding initiative to support students participation in organised sport. The 2022 Kiwisport Funding of \$30,114 (2021 \$28,812) 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.