

WHANGAREI BOYS HIGH SCHOOL

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023



WHANGAREI BOYS HIGH SCHOOL

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

School Directory

Ministry Number:	15
Principal:	K Gilbert-Smith
School Address:	245 Western Hills Drive, Avenues, 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	
Andre Hemara	Parent Representative	Elected	May-25
Gemma Thompson	Parent Representative	Elected	May-25
Greg Atkins	Parent Representative	Elected	May-25
Lorraine Witana	Parent Representative	Elected	May-25
Don Robertson	Parent Representative	Co-Opted	May-25
Richard Harrison	Parent Representative	Co-Opted	May-25
David Moratti	Staff Representative	Elected	Dec-23
Cohen Ace	Student Representative	Elected	Oct-24
JP Savio	Student Representative	Elected	Oct-23

Accountant / Service Provider:



Auditor:

UHY Haines Norton (Auckland) Ltd

WHANGAREI BOYS HIGH SCHOOL

Annual Financial Statements - For the year ended 31 December 2023

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Whangarei Boys High School

Statement of Responsibility

For the year ended 31 December 2023

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 2023 fairly reflects the financial position and operations of the school.

The School's 2023 financial statements are authorised for issue by the Board.

Andrew Carvell

Full Name of Presiding Member



Signature of Presiding Member

30 July 2024

Date:

Karen Smith

Full Name of Principal



Signature of Principal

30 July 2024

Date:

Whangarei Boys High School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Revenue				
Government Grants	2	18,257,458	13,774,025	12,726,338
Locally Raised Funds	3	1,017,994	922,992	674,254
Interest		48,466	3,000	9,223
Gain on Sale of Property, Plant and Equipment		-	-	2,005
Hostel	4	-	-	345,805
Total Revenue		19,323,918	14,700,017	13,757,625
Expense				
Locally Raised Funds	3	686,270	604,332	501,063
Hostel	4	74,483	-	531,915
Learning Resources	5	12,322,988	10,659,356	10,640,996
Administration	6	1,445,446	1,215,848	1,376,571
Interest		33,695	31,265	20,736
Property	7	5,162,416	2,311,198	1,140,541
Loss on Disposal of Property, Plant and Equipment		-	-	974
Total Expense		19,725,298	14,821,999	14,212,796
Net Surplus / (Deficit) for the year		(401,380)	(121,982)	(455,171)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		(401,380)	(121,982)	(455,171)

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 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Equity at 1 January		4,815,358	4,628,126	5,270,529
Total comprehensive revenue and expense for the year		(401,380)	(121,982)	(455,171)
Equity at 31 December		4,413,978	4,506,144	4,815,358
Accumulated comprehensive revenue and expense		4,355,626	4,447,792	4,757,006
Reserves		58,352	58,352	58,352
Equity at 31 December		4,413,978	4,506,144	4,815,358

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.

Reserves	Balance 31/12/22	Receipts	Payments	Balance 31/12/23
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 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Current Assets				
Cash and Cash Equivalents	8	1,587,304	1,418,461	1,350,654
Accounts Receivable	9	786,464	938,337	938,337
Prepayments		104,263	56,160	56,160
Funds Receivable for Capital Works Projects	16	38,828	-	8,349
		<u>2,516,859</u>	<u>2,412,958</u>	<u>2,353,500</u>
Current Liabilities				
GST Payable		2,943	59,503	59,503
Accounts Payable	11	1,067,863	1,110,360	964,961
Revenue Received in Advance	12	240,974	130,127	130,127
Provision for Cyclical Maintenance	13	-	22,637	22,637
Finance Lease Liability	14	180,588	70,000	95,023
Funds held in Trust	15	294,909	291,369	291,369
Funds held for Capital Works Projects	16	420,396	-	596,944
		<u>2,207,673</u>	<u>1,683,996</u>	<u>2,160,564</u>
Working Capital Surplus/(Deficit)		309,186	728,962	192,936
Non-current Assets				
Property, Plant and Equipment	10	4,263,708	3,847,945	4,740,315
		<u>4,263,708</u>	<u>3,847,945</u>	<u>4,740,315</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	13	34,535	19,338	19,338
Finance Lease Liability	14	124,381	30,000	77,130
Funds held in Trust	15	-	21,425	21,425
		<u>158,916</u>	<u>70,763</u>	<u>117,893</u>
Net Assets		<u>4,413,978</u>	<u>4,506,144</u>	<u>4,815,358</u>
Equity		<u>4,413,978</u>	<u>4,506,144</u>	<u>4,815,358</u>

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 2023

	Note	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Cash flows from Operating Activities				
Government Grants		5,517,971	4,968,543	4,700,928
Locally Raised Funds		915,020	818,285	694,186
Hostel		-	-	339,005
International Students		178,794	229,462	104,823
Goods and Services Tax (net)		(56,560)	67,721	67,722
Payments to Employees		(2,968,450)	(2,892,129)	(3,391,932)
Payments to Suppliers		(2,786,354)	(2,667,490)	(2,186,696)
Interest Paid		(33,695)	(31,265)	(20,736)
Interest Received		48,413	2,927	9,150
Net cash from/(to) Operating Activities		815,139	496,054	316,450
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		-	-	5,944
Purchase of Property Plant & Equipment (and Intangibles)		(167,681)	(47,886)	(1,570,805)
Net cash from/(to) Investing Activities		(167,681)	(47,886)	(1,564,861)
Cash flows from Financing Activities				
Finance Lease Payments		(185,896)	(241,903)	(285,733)
Funds Administered on Behalf of Other Parties		(224,912)	163,045	437,234
Net cash from/(to) Financing Activities		(410,808)	(78,858)	151,501
Net increase/(decrease) in cash and cash equivalents		236,650	369,310	(1,096,910)
Cash and cash equivalents at the beginning of the year	8	1,350,654	1,049,151	2,447,564
Cash and cash equivalents at the end of the year	8	1,587,304	1,418,461	1,350,654

The Statement of Cash Flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries, use of land and buildings grant and expense and other notional items 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 2023

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 2023 to 31 December 2023 and in accordance with the requirements of the Education and Training Act 2020.

Basis of Preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been consistently applied throughout the period.

Financial Reporting Standards Applied

The Education and Training Act 2020 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as 'having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders'.

PBE Accounting Standards Reduced Disclosure Regime

The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the expense threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition. During the year, the Board assesses the reasonableness of its painting maintenance plan on which the provision is based. Cyclical maintenance is disclosed at note 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 21.

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. Library resources are depreciated on a diminishing value basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Building improvements	10–75 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	12.5% Diminishing value

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 surplus or deficit.

The reversal of an impairment loss is recognised in 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 and annual leave earned, by non teaching staff, but not yet taken at balance date.

Long-term employee entitlements

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

The calculations are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows. Remeasurements are recognised in 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 students and grants received where there are unfulfilled obligations for the School to provide services in the future. The fees or grants are recorded as revenue as the obligations are fulfilled and the fees or grants are 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 Comprehensive 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 Comprehensive Revenue and Expense.

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

o) 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 School 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.

p) 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.

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

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Government Grants - Ministry of Education	4,573,813	4,723,802	4,573,732
Teachers' Salaries Grants	8,975,587	7,315,000	7,339,155
Use of Land and Buildings Grants	4,082,054	1,330,000	448,520
Other Government Grants	626,004	405,223	364,931
	<u>18,257,458</u>	<u>13,774,025</u>	<u>12,726,338</u>

The school has opted in to the donations scheme for this year. Total amount received was \$201,461.

3. Locally Raised Funds

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

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Revenue			
Donations & Bequests	121,746	150,000	140,315
Fees for Extra Curricular Activities	489,872	253,950	254,944
Trading	93,370	207,449	179,838
Other Revenue	185,721	155,935	68,138
International Student Fees	127,285	155,658	31,019
	<u>1,017,994</u>	<u>922,992</u>	<u>674,254</u>
Expense			
Extra Curricular Activities Costs	393,718	186,600	284,561
Trading	122,334	207,449	150,987
Other Locally Raised Funds Expenditure	36,538	68,076	-
International Student - Student Recruitment	15,406	17,900	10,581
International Student - Employee Benefits - Salaries	89,886	95,420	49,373
International Student - Other Expenses	28,388	28,887	5,561
	<u>686,270</u>	<u>604,332</u>	<u>501,063</u>
<i>Surplus/ (Deficit) for the year Locally Raised Funds</i>	<u>331,724</u>	<u>318,660</u>	<u>173,191</u>

During the year, the School hosted 8.25 International students (2022:2)

International students

During the year ended December 2023, the Director of International Students travelled to Australia and Thailand at a cost of \$8,712 for the purpose of recruiting new students for the school. The travel was funded from the net surplus from international student fees revenue.

4. Hostel Revenue and Expense

	2023 Actual Number	2023 Budget (Unaudited) Number	2022 Actual Number
Hostel Financial Performance			
Hostel Full Boarders			34
	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Revenue			
Hostel Fees	-	-	267,791
Other Revenue	-	-	60,738
Student Contributions	-	-	17,276
	-	-	345,805
Expense			
Administration	2,754	-	38,576
Property	-	-	53,254
Employee Benefits - Salaries	-	-	292,265
Depreciation	71,729	-	72,363
Other Hostel Expenses	-	-	75,457
	74,483	-	531,915
Surplus/ (Deficit) for the year Hostel	(74,483)	-	(186,110)

5. Learning Resources

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Curricular	661,143	824,054	632,155
Equipment Repairs	798	-	-
Information and Communication Technology	45,107	25,855	28,362
Library Resources	2,622	5,000	3,692
Employee Benefits - Salaries	10,652,433	8,874,191	9,143,745
Staff Development	69,614	60,000	51,989
Depreciation	891,271	870,256	781,053
	12,322,988	10,659,356	10,640,996

6. Administration

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Audit Fees	17,862	12,854	11,448
Board Fees	4,275	4,600	3,555
Board Expenses	7,205	6,500	12,777
Communication	29,199	32,000	31,476
Consumables	31,912	31,950	34,121
Legal Fees	69,972	-	20,699
Other	120,455	131,104	68,899
Employee Benefits - Salaries	1,072,937	974,840	1,169,540
Insurance	89,679	22,000	18,861
Service Providers, Contractors and Consultancy	1,950	-	5,195
	1,445,446	1,215,848	1,376,571

7. Property

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Caretaking and Cleaning Consumables	30,325	16,000	17,085
Consultancy and Contract Services	281,588	287,716	242,182
Cyclical Maintenance	57,594	41,975	(66,520)
Grounds	36,718	47,240	29,010
Heat, Light and Water	257,492	210,500	202,901
Rates	32,874	35,000	17,199
Repairs and Maintenance	124,013	146,294	71,738
Use of Land and Buildings	4,082,054	1,330,000	448,520
Security	124,794	43,025	42,639
Employee Benefits - Salaries	134,964	153,448	135,787
	<u>5,162,416</u>	<u>2,311,198</u>	<u>1,140,541</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

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Bank Accounts	1,587,304	1,418,461	1,350,654
Cash and cash equivalents for Statement of Cash Flows	<u>1,587,304</u>	<u>1,418,461</u>	<u>1,350,654</u>

Of the \$1,587,304 Cash and Cash Equivalents, \$420,396 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 2024 on Crown owned school buildings.

Of the \$1,587,304 Cash and Cash Equivalents, \$56,248 of unspent grant funding is held by the School. This funding is subject to conditions which specify how the grant is required to be spent. If these conditions are not met, the funds will need to be returned.

9. Accounts Receivable

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Receivables	30,600	51,821	51,821
Receivables from the Ministry of Education	-	261,906	261,906
Interest Receivable	126	73	73
Teacher Salaries Grant Receivable	755,738	624,537	624,537
	<u>786,464</u>	<u>938,337</u>	<u>938,337</u>
Receivables from Exchange Transactions	30,726	51,894	51,894
Receivables from Non-Exchange Transactions	755,738	886,443	886,443
	<u>786,464</u>	<u>938,337</u>	<u>938,337</u>

10. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2023	\$	\$	\$	\$	\$	\$
Building Improvements - Crown Hostel	922,974	-	-	-	(25,980)	896,994
Furniture and Equipment	1,505,832	-	-	-	(71,729)	1,434,103
Information and Communication Technology	1,482,735	118,852	-	-	(392,687)	1,208,900
Motor Vehicles	654,226	45,460	-	-	(319,783)	379,903
Textbooks	41,435	-	-	-	(10,579)	30,856
Leased Assets	25,983	-	-	-	(6,854)	19,129
Library Resources	84,592	318,711	-	-	(131,882)	271,421
	22,538	3,370	-	-	(3,506)	22,402
Balance at 31 December 2023	4,740,315	486,393	-	-	(963,000)	4,263,708

The net carrying value of furniture and equipment held under a finance lease is \$271,421 (2022: \$84,592)

Restrictions

With the exception of the contractual restrictions related to the above noted finance leases, 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.

	2023	2023	2023	2022	2022	2022
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Building Improvements - Crown Hostel	1,059,338	(162,344)	896,994	1,059,338	(136,364)	922,974
Furniture and Equipment	2,682,626	(1,248,523)	1,434,103	2,682,626	(1,176,794)	1,505,832
Information and Communication Technology	2,921,669	(1,712,769)	1,208,900	2,802,817	(1,320,082)	1,482,735
Motor Vehicles	1,548,073	(1,168,170)	379,903	1,502,613	(848,387)	654,226
Textbooks	173,885	(143,029)	30,856	173,885	(132,450)	41,435
Leased Assets	144,725	(125,596)	19,129	144,725	(118,742)	25,983
Library Resources	859,511	(588,090)	271,421	540,800	(456,208)	84,592
	50,068	(27,666)	22,402	46,699	(24,161)	22,538
Balance at 31 December 2023	9,439,895	(5,176,187)	4,263,708	8,953,503	(4,213,188)	4,740,315

11. Accounts Payable

	2023	2023	2022
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Creditors	63,386	129,490	129,490
Accruals	26,894	140,671	(4,728)
Employee Entitlements - Salaries	822,314	705,723	705,723
Employee Entitlements - Leave Accrual	155,269	134,476	134,476
	1,067,863	1,110,360	964,961
Payables for Exchange Transactions	1,067,863	1,110,360	964,961
	1,067,863	1,110,360	964,961

The carrying value of payables approximates their fair value.

12. Revenue Received in Advance

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Grants in Advance - Ministry of Education	56,248	-	-
International Student Fees in Advance	169,247	117,738	117,738
Other revenue in Advance	15,479	12,389	12,389
	<u>240,974</u>	<u>130,127</u>	<u>130,127</u>

13. Provision for Cyclical Maintenance

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Provision at the Start of the Year	41,975	107,589	126,139
Increase to the Provision During the Year	57,594	41,975	-
Use of the Provision During the Year	(65,034)	-	-
Other Adjustments	-	-	(84,164)
Provision at the End of the Year	<u>34,535</u>	<u>149,564</u>	<u>41,975</u>
Cyclical Maintenance - Current	-	22,637	22,637
Cyclical Maintenance - Non current	34,535	19,338	19,338
	<u>34,535</u>	<u>41,975</u>	<u>41,975</u>

The schools cyclical maintenance schedule details annual painting to be undertaken. The costs associated with this annual work will vary depending on the requirements during the year. This plan is based on the schools 10 Year Property plan and/or quotes from local painting contractors.

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:

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
No Later than One Year	202,431	80,000	61,306
Later than One Year and no Later than Five Years	132,861	35,000	122,225
Future Finance Charges	(30,323)	(15,000)	(11,378)
	<u>304,969</u>	<u>100,000</u>	<u>172,153</u>
Represented by			
Finance lease liability - Current	180,588	70,000	95,023
Finance lease liability - Non current	124,381	30,000	77,130
	<u>304,969</u>	<u>100,000</u>	<u>172,153</u>

15. Funds held in Trust

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	294,909	291,369	291,369
Funds Held in Trust on Behalf of Third Parties - Non-current	-	21,425	21,425
	<u>294,909</u>	<u>312,794</u>	<u>312,794</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.

2023	Opening Balances \$	Receipts from MOE \$	Payments \$	Board Contributions \$	Closing Balances \$
School Rebuild	67,364	128,863	(155,541)	-	40,686
Plumbing Works (231503)	4,185	-	(4,262)	-	(77)
Pool Fence Replacement (231513)	4,039	-	(12,105)	-	(8,066)
Drainage (231515)	19,656	-	(10,867)	-	8,789
Electrical Works (231502)	15,887	-	(31,732)	-	(15,845)
Pool Change Shed (231512)	117,684	-	(88,176)	-	29,508
Pool Filter Shed & Filtration System (231514)	87,318	-	(1,500)	-	85,818
Cladding Replacement (231504/231505)	77,666	-	(90,506)	-	(12,840)
Cladding, Window Joinery Replacement (231506/231507)	54,215	-	(49,624)	-	4,591
Cladding Replacements, Internal Refurbishment (231509/231510/231511)	128,700	-	(8,140)	-	120,560
Block Roof Repairs (231508)	20,230	-	(16,997)	-	3,233
Internal Refurbishment (231517)	(8,349)	8,349	-	-	-
Caretakers House Roof (242340)	-	127,211	-	-	127,211
Hardcourts Canopy Cover (231516)	-	-	(2,000)	-	(2,000)
Totals	588,595	264,423	(471,450)	-	381,568

Represented by:

Funds Held on Behalf of the Ministry of Education	420,396
Funds Receivable from the Ministry of Education	(38,828)

2022	Opening Balances \$	Receipts from MOE \$	Payments \$	Board Contributions \$	Closing Balances \$
School Rebuild	84,429	248,977	(266,042)	-	67,364
Plumbing Works (231503)	(315)	4,500	-	-	4,185
Pool Fence Replacement (231513)	(578)	4,617	-	-	4,039
Drainage (231515)	(314)	22,500	(2,530)	-	19,656
Electrical Works (231502)	13,014	126,756	(123,883)	-	15,887
Pool Change Shed (231512)	11,480	136,000	(29,796)	-	117,684
Pool Filter Shed & Filtration System (231514)	8,212	80,000	(894)	-	87,318
Cladding Replacement (231504/231505)	8,750	112,000	(43,084)	-	77,666
Cladding, Window Joinery Replacement (231506/231507)	64,712	-	(10,497)	-	54,215
Cladding Replacements, Internal Refurbishment (231509/231510/231511)	41,212	108,000	(20,512)	-	128,700
Block Roof Repairs (231508)	76,424	-	(56,194)	-	20,230
Internal Refurbishment (231517)	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)

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.

	2023 Actual \$	2022 Actual \$
<i>Board Members</i> Remuneration	4,275	3,555
<i>Leadership Team</i> Remuneration Full-time equivalent members	2,025,904 15.25	1,825,048 14.60
Total key management personnel remuneration	<u>2,030,179</u>	<u>1,828,603</u>

There are nine members of the Board excluding the Principal. The Board has held ten full meetings of the Board in the year. The Board also has Finance (4 members including Principal & Business Manager) committee 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:

	2023 Actual \$000	2022 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	220-230	210-220
Benefits and Other Emoluments	5-6	5-6
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2023 FTE Number	2022 FTE Number
100 - 110	24.00	9.00
110 - 120	7.00	4.00
120 - 130	6.00	1.00
130 - 140	1.00	4.00
140 - 150	3.00	0.00
	<u>41.00</u>	<u>18.00</u>

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:

	2023 Actual	2022 Actual
Total	\$14,200	\$14,500
Number of People	1	1

20. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2023 (Contingent liabilities and assets at 31 December 2022: nil).

The Board has been notified of potential claims/fines arising from the ongoing Worksafe investigation of an EOTC trip to Abbey Caves, resulting in the death of a student. To date, no amount has been recognised in the financial statements for this due to the uncertainty over timing and amount of potential liability.

Separate to above, there is an ongoing legal process with a former employee. An initial settlement figure was reached but this is still being challenged in court for further payments. To date, no amount has been recognised in the financial statements for this due to the uncertainty over timing and amount of potential liability.

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 continues to review the Schools Sector Payroll to ensure compliance with the Holidays Act 2003. An initial remediation payment has been made to some current school employees. The Ministry is continuing to perform detailed analysis to finalise calculations and the potential impacts of specific individuals, as such, this is expected to resolve the liability for school boards.

21. Commitments

(a) Capital Commitments

At 31 December 2023, the Board had capital commitments of \$991,696 (2022:\$588,595) as a result of entering the following contracts:

Contract Name	Contract Amount	Spend To Date	Remaining Capital Commitment
	\$	\$	\$
Cladding, Window Joinery Replacement (231506/231507)	400,000	65,409	334,591
Block Roof Repairs (231508)	100,000	76,766	23,234
Cladding Replacements, Internal Refurbishment (231509/231510/231511)	495,000	36,940	458,060
Pool Change Shed (231512)	170000	123,492	46,508
Pool Fence Replacement (231513)	46168	12,683	33,485
Pool Filter Shed & Filtration System (231514)	100000	4,182	95,818
Total	1,311,168	319,472	991,696

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

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Cash and Cash Equivalents	1,587,304	1,418,461	1,350,654
Receivables	786,464	938,337	938,337
Total financial assets measured at amortised cost	<u>2,373,768</u>	<u>2,356,798</u>	<u>2,288,991</u>

Financial liabilities measured at amortised cost

Payables	1,067,863	1,110,360	964,961
Finance Leases	304,969	100,000	172,153
Total financial liabilities measured at amortised cost	<u>1,372,832</u>	<u>1,210,360</u>	<u>1,137,114</u>

23. Events After Balance Date

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

Whangarei Boys High School Kiwisport Statement

For the year ended 31 December 2023

Kiwisport is a government funding initiative to support students participation in organised sport. The 2023 Kiwisport Funding of \$33,164 (2022 \$30,114) 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.

Statement of Compliance with Employment Policy

For the year ended 31 December 2023

For the year ended 31 December 2023: the Whangarei Boys High School Board:

Has developed and implemented personnel policies, within policy and procedural frameworks to ensure fair and proper treatment of employees in all aspects of their employment.

Has reviewed its compliance against both its personnel policy and procedure and can report that it meets all requirements and has identified best practice.

Is a good employer and complies with the conditions contained in the employment contracts of all staff employed by the Board.

Ensures all employees and applicants for employment are treated according to their skills, qualifications and abilities, without bias or discrimination.

Meets all Equal Employment Opportunities requirements.