

PAPANUI HIGH SCHOOL



ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

School Directory

Ministry Number:	316
Principal:	Robert Gilbert
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PAPANUI HIGH SCHOOL

Annual Financial Statements - For the year ended 31 December 2023

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Papanui 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.

Alison Arrow

Full Name of Presiding Member

ROBERT JAMES GILBERT

Full Name of Principal

Arrow

Signature of Presiding Member

Robert Gilbert

Signature of Principal

31 May 2024

Date:

31/5/24

Date:

Papanui High School

Members of the Board

For the year ended 31 December 2023

Name	Position	How Position Gained	Term Expired/ Expires
Lana McCarroll	Presiding Member	Elected	Sep 2025
Jeffrey Smith	Principal	ex Officio	Jan 2024
Robert Gilbert	Principal	ex Officio	
Michelle Dalley	Staff Representative	Elected	Sep 2025
Vikanda Bagrie	Parent Representative	Elected	Sep 2025
Husein Bahrainwala	Parent Representative	Elected	Sep 2025
Alison Arrow	Parent Representative	Elected	Sep 2025
Elizabeth Cox	Student Representative	Elected	Dec 2023
Ashton Fairley	Student Representative	Elected	Dec 2024
Shane Watson	Parent Representative	Co-opted	Sep 2025

Papanui High School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2023

		2023	2023	2022
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	18,246,241	13,017,599	16,918,921
Locally Raised Funds	3	1,246,742	909,800	591,648
Interest		242,973	120,000	88,775
Gain on Sale of Property, Plant and Equipment		-	-	8,359
Total Revenue		19,735,956	14,047,399	17,607,703
Expenses				
Locally Raised Funds	3	860,247	997,084	509,709
Learning Resources	4	14,734,701	9,459,083	13,595,064
Administration	5	923,694	888,845	938,899
Interest		32,134	-	37,912
Property	6	2,811,445	2,951,045	2,407,409
Loss on Disposal of Property, Plant and Equipment		741	-	-
Total Expense		19,362,962	14,296,057	17,488,993
Net Surplus / (Deficit) for the year		372,994	(248,658)	118,710
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		372,994	(248,658)	118,710

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

Papanui 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		5,024,918	5,024,918	4,820,738
Total comprehensive revenue and expense for the year		372,994	(248,658)	118,710
Contribution - Furniture and Equipment Grant		-	-	85,470
Contribution - Te Mana Tuhono		228,268	-	-
(Distributions to) Ministry of Education - Solar Panels		(195,000)	-	-
Equity at 31 December		5,431,180	4,776,260	5,024,918
Accumulated comprehensive revenue and expense		5,431,180	4,776,260	5,024,918
Reserves		-	-	-
Equity at 31 December		5,431,180	4,776,260	5,024,918

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.

Papanui High School

Statement of Financial Position

As at 31 December 2023

		2023	2023	2022
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	7	1,573,676	1,165,195	1,840,988
Accounts Receivable	8	1,150,693	1,027,791	1,027,791
GST Receivable		41,178	10,944	10,944
Prepayments		58,763	26,330	26,330
Investments	9	3,778,630	3,153,177	3,153,177
Funds Receivable for Capital Works Projects	16	-	9,237	9,237
		6,602,940	5,392,674	6,068,467
Current Liabilities				
Accounts Payable	11	1,629,984	1,251,442	1,251,442
Revenue Received in Advance	12	450,534	428,786	428,786
Provision for Cyclical Maintenance	13	208,780	141,038	52,209
Finance Lease Liability	14	150,289	147,819	147,819
Funds held in Trust	15	342,639	286,814	286,814
Funds held for Capital Works Projects	16	15,000	15,000	15,000
		2,797,226	2,270,899	2,182,070
Working Capital Surplus		3,805,714	3,121,775	3,886,397
Non-current Assets				
Investments	9	119,389	123,797	123,797
Property, Plant and Equipment	10	1,924,658	2,078,752	1,657,884
		2,044,047	2,202,549	1,781,681
Non-current Liabilities				
Provision for Cyclical Maintenance	13	131,932	145,760	240,856
Finance Lease Liability	14	286,649	402,304	402,304
		418,581	548,064	643,160
Net Assets		5,431,180	4,776,260	5,024,918
Equity		5,431,180	4,776,260	5,024,918

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

Papanui High School

Statement of Cash Flows

For the year ended 31 December 2023

		2023	2023	2022
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		5,022,614	4,873,009	4,886,602
Locally Raised Funds		720,710	435,500	503,112
International Students		572,846	474,300	329,214
Goods and Services Tax (net)		(30,234)	-	30,221
Payments to Employees		(2,895,590)	(2,957,927)	(2,625,931)
Payments to Suppliers		(2,790,690)	(2,979,808)	(2,353,596)
Interest Paid		(32,134)	-	-
Interest Received		227,829	120,000	60,771
Net cash from/(to) Operating Activities		795,351	(34,926)	830,393
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment		-	-	8,359
Purchase of Property Plant & Equipment		(381,559)	(640,867)	(134,827)
Purchase of Investments		(621,045)	-	-
Proceeds from Sale of Investments		-	-	127,887
Net cash (to)/from Investing Activities		(1,002,604)	(640,867)	1,419
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	85,470
Finance Lease Payments		(125,121)	-	(162,435)
Funds Administered on Behalf of Other Parties		65,062	-	145,093
Net cash (to)/from Financing Activities		(60,059)	-	68,128
Net (decrease)/increase in cash and cash equivalents		(267,312)	(675,793)	899,940
Cash and cash equivalents at the beginning of the year	7	1,840,988	1,840,988	941,048
Cash and cash equivalents at the end of the year	7	1,573,676	1,165,195	1,840,988

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.

Papanui High School

Notes to the Financial Statements

For the year ended 31 December 2023

1. Statement of Accounting Policies

1.1. Reporting Entity

Papanui 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.

1.2. 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 expenditure threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical Maintenance

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

Useful lives of property, plant and equipment

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

Critical Judgements in applying accounting policies

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

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee.

Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised. Finance lease liability disclosures are contained in note 14. Future operating lease commitments are disclosed in note 21b.

Recognition of grants

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

1.3. Revenue Recognition

Government Grants

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

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

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

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

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. Grants for the use of land and buildings are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes.

This is a non-cash revenue that is offset by a non-cash expense. The use of land and buildings grants and associated expenditure are recorded in the period the School uses the land and buildings.

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 recognised as 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.

1.4. Operating Lease Payments

Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight line basis over the term of the lease.

1.5. Finance Lease Payments

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

1.6. Cash and Cash Equivalents

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

1.7. Accounts Receivable

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

1.8. Investments

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

1.9. 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 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	10–50 years
Furniture and equipment	5-10 years
Information and communication technology	4–5 years
Motor vehicles	5 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value

1.10. Impairment of property, plant and equipment and intangible assets

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

Non cash generating assets

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

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

In determining fair value less costs to sell the school engages an independent valuer to assess market value based on the best available information.

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

1.11. Accounts Payable

Accounts Payable represents liabilities for goods and services provided to the School prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

1.12. Employee Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

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

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

1.13. Revenue Received in Advance

Revenue received in advance relates to fees received from students and grants received where there are unfulfilled obligations for the School to provide services in the future. The fees 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.

1.14. Funds Held in Trust

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

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

1.15. Funds held for Capital Works

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

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

1.16. 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 Comprehensive Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

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

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

1.18. 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.

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

1.19. Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

1.20. Budget Figures

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

1.21. 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	2023 Budget	2022
	Actual	(Unaudited)	Actual
	\$	\$	\$
Government Grants - Ministry of Education	5,068,091	4,796,280	4,901,511
Teachers' Salaries Grants	11,322,750	6,250,000	10,492,157
Use of Land and Buildings Grants	1,729,010	1,883,863	1,420,012
Other Government Grants	126,390	87,456	105,241
	<u>18,246,241</u>	<u>13,017,599</u>	<u>16,918,921</u>

The School has opted in to the donations scheme for this year. Total amount received was \$232,567 (2022: \$232,950).

3. Locally Raised Funds

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

	2023	2023 Budget	2022
	Actual	(Unaudited)	Actual
	\$	\$	\$
Revenue			
Donations & Bequests	350,857	192,800	220,848
Fees for Extra Curricular Activities	177,171	55,700	84,369
Fundraising & Community Grants	-	2,000	962
Other Revenue	221,708	185,000	179,911
International Student Fees	497,006	474,300	105,558
	<u>1,246,742</u>	<u>909,800</u>	<u>591,648</u>
Expenses			
Extra Curricular Activities Costs	286,682	118,530	144,118
Other Locally Raised Funds Expenditure	154,944	153,504	134,809
International Student - Student Recruitment	21,563	63,000	3,238
International Student - Employee Benefit - Salaries	298,706	555,000	205,316
International Student - Other Expenses	98,352	107,050	22,228
	<u>860,247</u>	<u>997,084</u>	<u>509,709</u>
	<u>386,495</u>	<u>(87,284)</u>	<u>81,939</u>

Surplus / (Deficit) for the year Locally raised funds

During the year the School hosted 27 International students (2022:4)

4. Learning Resources

	2023	2023 Budget	2022
	Actual	(Unaudited)	Actual
	\$	\$	\$
Curricular	758,701	890,051	720,792
Information and Communication Technology	289,849	285,125	279,252
Library Resources	6,776	6,800	6,809
Employee Benefits - Salaries	13,241,636	7,870,407	12,217,963
Depreciation	396,265	378,200	346,648
Staff Development	41,474	28,500	23,600
	<u>14,734,701</u>	<u>9,459,083</u>	<u>13,595,064</u>

5. Administration

	2023	2023 Budget	2022
	Actual	(Unaudited)	Actual
	\$	\$	\$
Audit Fee	10,219	12,000	9,921
Board Fees	7,887	6,000	9,040
Board Expenses	13,594	20,000	31,173
Communication	22,752	28,000	22,900
Consumables	30,641	32,700	24,863
Legal Fees	18,339	20,000	10,528
Other	110,164	111,400	94,298
Employee Benefits - Salaries	682,077	620,745	696,509
Insurance	10,177	19,000	22,837
Service Providers, Contractors and Consultancy	17,844	19,000	16,830
	<u>923,694</u>	<u>888,845</u>	<u>938,899</u>



6. Property

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	33,187	40,000	37,922
Consultancy and Contract Services	338,630	351,700	287,477
Cyclical Maintenance Provision	39,863	37,243	61,030
Adjustment to the Provision- Other Adjustments	18,905	-	-
Grounds	58,902	56,100	76,348
Heat, Light and Water	228,007	210,000	198,851
Rates	25,055	22,000	23,581
Repairs and Maintenance	141,582	159,637	130,755
Use of Land and Buildings	1,729,010	1,883,863	1,420,012
Security	21,788	18,000	18,236
Employee Benefits - Salaries	176,516	172,502	153,197
	<u>2,811,445</u>	<u>2,951,045</u>	<u>2,407,409</u>

The Use of Land and Buildings figure represents 5% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

7. Cash and Cash Equivalents

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Accounts	223,676	1,165,195	1,840,988
Short-term Bank Deposits	1,350,000	-	-
Cash and Cash Equivalents for Statement of Cash Flows	<u>1,573,676</u>	<u>1,165,195</u>	<u>1,840,988</u>

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

Of the \$1,573,676 Cash and Cash Equivalents, \$15,000 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 \$1,573,676 Cash and Cash Equivalents, \$37,058 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.

Of the \$1,573,676 Cash and Cash Equivalents, \$342,639 is funds held in trust by the School. See note 15 for details of funds held in trust

8. Accounts Receivable

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	55,080	23,557	23,557
Receivables from the Ministry of Education	81,534	60,754	60,754
Interest Receivable	54,679	39,535	39,535
Teacher Salaries Grant Receivable	959,400	903,945	903,945
	<u>1,150,693</u>	<u>1,027,791</u>	<u>1,027,791</u>
Receivables from Exchange Transactions	109,759	63,092	63,092
Receivables from Non-Exchange Transactions	1,040,934	964,699	964,699
	<u>1,150,693</u>	<u>1,027,791</u>	<u>1,027,791</u>

9. Investments

The School's investment activities are classified as follows:

	2023	2023 Budget	2022
	Actual	(Unaudited)	Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	3,778,630	3,153,177	3,153,177
Non-current Asset			
Graham Condon Investment	117,389	121,797	121,797
Shares	2,000	2,000	2,000
Total Investments	3,898,019	3,276,974	3,276,974

The School holds two shares in Canterbury Education Services Society Limited. The shares are not listed on an active market. The shares are measured at cost as fair value cannot be reliably measured.

10. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2023	\$	\$	\$	\$	\$	\$
Building Improvements	624,660	-	-	-	(31,216)	593,444
Furniture and Equipment	208,524	120,125	-	-	(54,439)	274,210
Information and Communication Technology	275,246	462,606	-	-	(143,737)	594,115
Motor Vehicles	-	27,609	-	-	(3,558)	24,051
Leased Assets	537,232	41,457	-	-	(160,381)	418,308
Library Resources	12,222	11,983	(741)	-	(2,934)	20,530
Balance at 31 December 2023	1,657,884	663,780	(741)	-	(396,265)	1,924,658

The net carrying value of equipment held under a finance lease is \$418,308 (2022: \$537,232)

Restrictions

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

	2023 Cost or Valuation	2023 Accumulated Depreciation	2023 Net Book Value	2022 Cost or Valuation	2022 Accumulated Depreciation	2022 Net Book Value
	\$	\$	\$	\$	\$	\$
Building Improvements	1,260,263	(666,819)	593,444	1,260,263	(635,603)	624,660
Furniture and Equipment	1,499,478	(1,225,268)	274,210	1,410,181	(1,201,657)	208,524
Information and Communication Technology	1,791,141	(1,197,026)	594,115	1,431,673	(1,156,427)	275,246
Motor Vehicles	139,256	(115,205)	24,051	115,647	(115,647)	-
Leased Assets	718,020	(299,712)	418,308	699,220	(161,988)	537,232
Library Resources	191,595	(171,065)	20,530	191,210	(178,988)	12,222
Balance at 31 December	5,599,753	(3,675,095)	1,924,658	5,108,194	(3,450,310)	1,657,884

11. Accounts Payable

	2023	2023 Budget	2022
	Actual	(Unaudited)	Actual
	\$	\$	\$
Creditors	57,435	47,585	47,585
Accruals	248,147	51,311	51,311
Banking Staffing Overuse	-	10,727	10,727
Employee Entitlements - Salaries	1,142,248	1,008,395	1,008,395
Employee Entitlements - Leave Accrual	182,154	133,424	133,424
	1,629,984	1,251,442	1,251,442
Payables for Exchange Transactions	1,629,984	1,251,442	1,251,442
	1,629,984	1,251,442	1,251,442

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	37,058	93,647	93,647
International Student Fees in Advance	358,819	282,979	282,979
Other Revenue in Advance	54,657	52,160	52,160
	<u>450,534</u>	<u>428,786</u>	<u>428,786</u>

13. Provision for Cyclical Maintenance

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Provision at the Start of the Year	293,065	293,065	232,035
Increase to the Provision During the Year	39,863	37,243	37,335
Other Adjustments	18,905	-	23,695
Use of the Provision During the Year	(11,121)	(43,510)	-
Provision at the End of the Year	<u>340,712</u>	<u>286,798</u>	<u>293,065</u>
Cyclical Maintenance - Current	208,780	141,038	52,209
Cyclical Maintenance - Non current	131,932	145,760	240,856
	<u>340,712</u>	<u>286,798</u>	<u>293,065</u>

The School's cyclical maintenance schedule details annual painting & other significant cyclical maintenance work to be undertaken. The costs associated with this annual work will vary depending on the requirements during the year. This plan is based on the School's most recent 10 Year Property plan, adjusted as identified and confirmed appropriate by the Board, to other reliable sources of evidence. The adjustment in 2023 of \$18,905 was due to an increase in painting costs planned for 2024 based on painting quotes obtained.

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	173,409	178,138	178,138
Later than One Year and no Later than Five Years	305,462	440,106	440,106
Future Finance Charges	(41,933)	(68,121)	(68,121)
	<u>436,938</u>	<u>550,123</u>	<u>550,123</u>
Represented by:			
Finance lease liability - Current	150,289	147,819	147,819
Finance lease liability - Non current	286,649	402,304	402,304
	<u>436,938</u>	<u>550,123</u>	<u>550,123</u>

15. Funds Held in Trust

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	342,639	286,814	286,814
	<u>342,639</u>	<u>286,814</u>	<u>286,814</u>

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

16. Funds Held for Capital Works Projects

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

2023	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
MOE Rebuild	15,000	15,000	(15,000)	-	15,000
MOE Fencing Reimbursement	(9,237)	21,426	(12,189)	-	-
Minor Capital Expenses Reimbursement	-	1,566	(1,566)	-	-
F15&16 Refurbishment Reimbursement	-	100,000	(100,000)	-	-
Heat Pumps Reimbursement	-	48,345	(48,345)	-	-
Hall Lighting Reimbursement	-	209,872	(209,872)	-	-
Office Cabinets Reimbursement	-	1,522	(1,522)	-	-
CCTV Reimbursement	-	3,490	(3,490)	-	-
Totals	5,763	401,221	(391,984)	-	15,000

Represented by:

Funds Held on Behalf of the Ministry of Education 15,000

2022	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
MOE Rebuild	30,000	30,000	(45,000)	-	15,000
MOE Pipe Repair Reimbursement	-	12,632	(12,632)	-	-
MOE Fencing Reimbursement	-	-	(9,237)	-	(9,237)
Totals	30,000	42,632	(66,869)	-	5,763

Represented by:

Funds Held on Behalf of the Ministry of Education 15,000
Funds Receivable from the Ministry of Education (9,237)

17. Related Party Transactions

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

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

18. Remuneration

Key management personnel compensation

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

	2023 Actual	2022 Actual
	\$	\$
Board Members		
Remuneration	7,887	9,040
Leadership Team		
Remuneration	1,234,408	1,134,351
Full-time equivalent members	8.00	8.00
Total key management personnel remuneration	1,242,295	1,143,391

There are 7 members of the Board excluding the Principal. The Board held 10 full meetings of the Board in the year 2022. 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 matters including finance and property and Principal Appointment.

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	230 - 240	220 - 230
Benefits and Other Emoluments	5 - 6	5 - 6
Termination Benefits	0 - 0	0 - 0

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	20.00	25.00
110 - 120	20.00	5.00
120 - 130	8.00	2.00
130 - 140	2.00	4.00
140 - 150	3.00	-
150 - 160	-	1.00
	<u>53.00</u>	<u>37.00</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 trustees, committee members, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

	2023 Actual	2022 Actual
Total	\$ 10,000	\$ -
Number of People	1	-

20. Contingencies

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

Holidays Act Compliance – schools payroll

The Ministry of Education performs payroll processing and payments on behalf of boards, through payroll service provider Education Payroll Limited.

The Ministry 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.

Pay Equity Settlement Wash Up amounts

In 2023 the Ministry of Education provided additional funding for non-teaching collective and pay equity agreements. The School is yet to receive a final wash up that adjusts the estimated quarterly instalments for the actual eligible staff members employed in 2023. The Ministry is in the process of determining wash up payments or receipts for the year ended 31 December 2023 however as at the reporting date this amount had not been calculated and therefore is not recorded in these financial statements.

21. Commitments

(a) Capital Commitments

At 31 December 2023, the Board had the following capital commitments \$289,680 (2022:\$192,480) .

Contract Name	Contract Amount	Spend To Date	Remaining Capital Commitment
	\$	\$	\$
Purchase of two school vans	192,480		192,480
BOT contribution to Equity re Solar Panels	292,200	195,000	97,200
Total	484,680	195,000	289,680

(b) Operating Commitments

As at 31 December 2023 the Board has not entered into any operating contracts.

(Operating commitments at 31 December 2022: nil)



22. Financial Instruments

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

Financial assets measured at amortised cost

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Cash and Cash Equivalents	1,573,676	1,165,195	1,840,988
Receivables	1,150,693	1,027,791	1,027,791
Investments - Term Deposits	3,898,019	3,153,177	3,276,974
Total Financial assets measured at amortised cost	<u>6,622,388</u>	<u>5,346,163</u>	<u>6,145,753</u>

Financial liabilities measured at amortised cost

Payables	1,629,984	1,251,442	1,251,442
Finance Leases	436,938	550,123	550,123
Total Financial liabilities measured at amortised Cost	<u>2,066,922</u>	<u>1,801,565</u>	<u>1,801,565</u>

23. Events After Balance Date

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

24. Subsequent Event

The Board has been advised of a legal issue which has been initiated relating to complaints raised in 2021. The Board is currently working through this issue with its legal advisors and has notified its insurers of the issue. The Board considers that the financial impact, if any, will be limited to the school's insurance excess of \$5,000

25. Comparatives

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

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF PAPANUI HIGH SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The Auditor-General is the auditor of Papanui High school (the School). The Auditor-General has appointed me, Nicole Dring, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 3 to 18, that comprise the statement of financial position as at 31 December 2023, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2023 and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 31 May 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board for the financial statements

The Board is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

The Board's responsibilities arise from section 134 of the Education and Training Act 2020.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the School's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- We assess the risk of material misstatement arising from the school payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the List of Board of Trustees, Statement of Responsibility, KiwiSport Statement, Good Employer Statement and Te Tiriti o Waitangi Report, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the School.



Nicole Dring

Partner

for Deloitte Limited

On behalf of the Auditor-General

Christchurch, New Zealand