



ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

School Directory

Ministry Number:	268
Principal:	Grant Jones
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NEWLANDS COLLEGE

Annual Financial Statements - For the year ended 31 December 2023

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Newlands College

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.

Full Name of Presiding Member

Full Name of Principal

Signature of Presiding Member

Signature of Principal

Date:

Date:

Newlands College

Members of the Board

For the year ended 31 December 2023

Name	Position	How Position Gained	Term Expired/ Expires
Gavin Knight	Presiding Member	Elected	Sep 2025
Grant Jones	Principal	ex Officio	
Sapphire Aitcheson	Parent Representative	Co-opted	Sep 2025
Brian Norris	Parent Representative	Elected	Sep 2025
Ashleigh Lambert	Staff Representative	Elected	Sep 2025
Bayley Puha-Harris	Student Representative	Elected	Nov 2023
Nathan Dodd	Parent Representative	Elected	Sep 2025
Anna Middlemass	Parent Representative	Elected	Sep 2025
Cherish Paul	Parent Representative	Elected	Sep 2025
Ngaire Wiki	Student Representative	Co-opted	Nov 2023

Newlands College

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	13,637,080	13,285,276	12,450,338
Locally Raised Funds	3	1,254,847	964,460	663,019
Interest		171,824	50,000	66,979
Gain on Sale of Property, Plant and Equipment		34,783	-	-
Total Revenue		15,098,534	14,299,736	13,180,336
Expenses				
Locally Raised Funds	3	486,937	434,778	190,538
Learning Resources	4	10,288,834	10,314,719	9,425,699
Administration	5	512,723	413,638	503,961
Interest		13,575	13,000	15,155
Property	6	3,448,638	3,310,950	2,797,883
Loss on Disposal of Property, Plant and Equipment		13,948	5,000	-
Total Expense		14,764,655	14,492,085	12,933,236
Net Surplus / (Deficit) for the year		333,879	(192,349)	247,100
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		333,879	(192,349)	247,100

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

Newlands College
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		3,709,519	3,709,519	3,412,506
Total comprehensive revenue and expense for the year		333,879	(192,349)	247,100
Contribution - Furniture and Equipment Grant		82,855	-	49,913
Contribution - Te Mana Tuhono		99,985	-	-
(Distributions to) Ministry of Education		(95,574)	-	-
Equity at 31 December		4,130,664	3,517,170	3,709,519
Accumulated comprehensive revenue and expense		4,130,664	3,517,170	3,709,519
Equity at 31 December		4,130,664	3,517,170	3,709,519

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.

Newlands College

Statement of Financial Position

As at 31 December 2023

		2023	2023	2022
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	7	1,602,793	1,055,596	878,630
Accounts Receivable	8	670,319	718,325	718,325
Prepayments		50,932	28,770	28,770
Investments	9	2,870,064	2,743,337	2,743,337
Funds Receivable for Capital Works Projects	17	-	260,882	260,882
		5,194,108	4,806,910	4,629,944
Current Liabilities				
GST Payable		30,292	2,205	2,205
Accounts Payable	11	813,144	822,328	822,328
Borrowings	12	30,199	30,199	30,199
Revenue Received in Advance	13	568,142	394,015	394,015
Provision for Cyclical Maintenance	14	207,880	114,880	151,598
Finance Lease Liability	15	34,128	40,831	40,831
Funds held in Trust	16	433,383	426,791	426,791
Funds held for Capital Works Projects	17	102,636	-	-
		2,219,804	1,831,249	1,867,967
Working Capital Surplus		2,974,304	2,975,661	2,761,977
Non-current Assets				
Property, Plant and Equipment	10	1,327,964	944,895	1,234,210
		1,327,964	944,895	1,234,210
Non-current Liabilities				
Borrowings	12	60,398	90,597	90,597
Provision for Cyclical Maintenance	14	97,066	280,924	164,206
Finance Lease Liability	15	14,140	31,865	31,865
		171,604	403,386	286,668
Net Assets		4,130,664	3,517,170	3,709,519
Equity		4,130,664	3,517,170	3,709,519

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

Newlands College

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		3,077,781	2,776,657	3,185,303
Locally Raised Funds		874,264	546,030	647,854
International Students		559,286	418,430	316,933
Goods and Services Tax (net)		28,087	-	21,826
Payments to Employees		(1,894,615)	(1,786,429)	(1,811,149)
Payments to Suppliers		(2,018,621)	(1,809,722)	(1,882,840)
Interest Paid		(13,575)	(13,000)	-
Interest Received		160,993	50,000	56,763
Net cash from Operating Activities		773,600	181,966	534,690
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment		34,783	(5,000)	-
Purchase of Property Plant & Equipment		(270,714)	-	(355,002)
Purchase of Investments		(126,727)	-	(52,040)
Net cash (to) Investing Activities		(362,658)	(5,000)	(407,042)
Cash flows from Financing Activities				
Furniture and Equipment Grant		82,855	-	49,913
(Distributions to) Ministry of Education		(95,574)	-	-
Finance Lease Payments		(22,016)	-	(35,018)
Painting Contract Payments		-	-	(35,450)
Loans Received		-	-	150,995
Repayment of Loans		(30,199)	-	(30,199)
Funds Administered on Behalf of Other Parties		378,155	-	61,677
Net cash from Financing Activities		313,221	-	161,918
Net increase in cash and cash equivalents		724,163	176,966	289,566
Cash and cash equivalents at the beginning of the year	7	878,630	878,630	589,064
Cash and cash equivalents at the end of the year	7	1,602,793	1,055,596	878,630

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.

Newlands College

Notes to the Financial Statements

For the year ended 31 December 2023

1. Statement of Accounting Policies

1.1. Reporting Entity

Newlands College (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 14.

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

Recognition of grants

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

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 programs 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. 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, except for library resources, are depreciated over their estimated useful lives on a straight line basis. Library resources are expensed. 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
Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Motor vehicles	5 years
Leased assets held under a Finance Lease	Term of Lease

1.10. Impairment of property, plant and equipment

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

Non cash generating assets

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

1.17. 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, borrowings, and finance lease liability. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in surplus or deficit.

1.18. Borrowings

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

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 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Government Grants - Ministry of Education	3,019,276	2,691,332	3,120,613
Teachers' Salaries Grants	8,048,420	8,024,352	7,289,540
Use of Land and Buildings Grants	2,484,267	2,484,267	1,939,974
Other Government Grants	85,117	85,325	100,211
	<u>13,637,080</u>	<u>13,285,276</u>	<u>12,450,338</u>

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	130,529	75,000	92,590
Fees for Extra Curricular Activities	536,141	333,972	350,867
Trading	13,467	9,000	12,849
Other Revenue	138,624	128,058	81,458
International Student Fees	436,086	418,430	125,255
	<u>1,254,847</u>	<u>964,460</u>	<u>663,019</u>
Expenses			
Extra Curricular Activities Costs	150,516	152,770	81,926
Trading	3,566	-	1,590
International Student - Student Recruitment	83,064	56,856	8,309
International Student - Employee Benefit - Salaries	237,423	213,452	75,283
International Student - Other Expenses	12,368	11,700	23,430
	<u>486,937</u>	<u>434,778</u>	<u>190,538</u>
<i>Surplus for the year Locally raised funds</i>	<u>767,910</u>	<u>529,682</u>	<u>472,481</u>

During the year the School hosted 24 International students (2022:10)

4. Learning Resources

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Curricular	610,679	657,515	523,661
Equipment Repairs	-	1,000	576
Information and Communication Technology	54,940	56,161	56,214
Library Resources	3,646	4,670	2,916
Employee Benefits - Salaries	9,289,931	9,242,246	8,558,554
Staff Development	46,565	63,812	30,274
Depreciation	283,073	289,315	253,504
	<u>10,288,834</u>	<u>10,314,719</u>	<u>9,425,699</u>

5. Administration

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Audit Fee	12,416	13,000	12,054
Board Fees	5,770	5,900	5,145
Board Expenses	40,301	11,100	19,383
Communication	19,272	12,500	19,299
Consumables	13,523	15,000	12,339
Legal Fees	6,131	5,000	16,368
Other	66,021	72,138	55,829
Employee Benefits - Salaries	324,056	255,000	340,936
Insurance	25,233	24,000	22,608
	<u>512,723</u>	<u>413,638</u>	<u>503,961</u>

6. Property

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	50,432	45,100	46,565
Consultancy and Contract Services	232,999	275,000	276,059
Cyclical Maintenance	42,145	80,000	1,196
Adjustment to the Provision- Other Adjustments	7,752	-	-
Grounds	34,144	16,000	12,318
Heat, Light and Water	149,423	116,000	109,195
Rates	12,325	24,000	39,115
Repairs and Maintenance	244,383	142,500	220,955
Use of Land and Buildings	2,484,267	2,484,267	1,939,974
Security	77,080	28,000	40,385
Employee Benefits - Salaries	113,688	100,083	112,121
	<u>3,448,638</u>	<u>3,310,950</u>	<u>2,797,883</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	1,602,793	1,055,596	878,630
Cash and Cash Equivalents for Statement of Cash Flows	<u>1,602,793</u>	<u>1,055,596</u>	<u>878,630</u>

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

Of the \$1,602,793 Cash and Cash Equivalents, \$102,636 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 \$1,602,793 Cash and Cash Equivalents, \$19,995 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.

8. Accounts Receivable

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	33,411	57,982	57,982
Receivables from the Ministry of Education	-	9,252	9,252
Interest Receivable	24,547	13,716	13,716
Teacher Salaries Grant Receivable	612,361	637,375	637,375
	<u>670,319</u>	<u>718,325</u>	<u>718,325</u>
Receivables from Exchange Transactions	57,958	71,698	71,698
Receivables from Non-Exchange Transactions	612,361	646,627	646,627
	<u>670,319</u>	<u>718,325</u>	<u>718,325</u>

9. Investments

The School's investment activities are classified as follows:

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	2,870,064	2,743,337	2,743,337
Total Investments	<u>2,870,064</u>	<u>2,743,337</u>	<u>2,743,337</u>

10. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2023	\$	\$	\$	\$	\$	\$
Building Improvements	291,803	-	-	-	(35,814)	255,989
Furniture and Equipment	744,755	35,516	(13,948)	-	(111,329)	654,994
Information and Communication Technology	122,053	197,184	-	-	(70,064)	249,173
Motor Vehicles	7,712	137,999	-	-	(22,866)	122,845
Leased Assets	67,887	20,076	-	-	(43,000)	44,963
Balance at 31 December 2023	1,234,210	390,775	(13,948)	-	(283,073)	1,327,964

The net carrying value of furniture and equipment held under a finance lease is \$44,963 (2022: \$67,887)

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	431,745	(175,756)	255,989	431,745	(139,942)	291,803
Furniture and Equipment	2,433,537	(1,778,543)	654,994	2,537,895	(1,793,140)	744,755
Information and Communication Technology	1,132,210	(883,037)	249,173	936,802	(814,749)	122,053
Motor Vehicles	160,426	(37,581)	122,845	161,534	(153,822)	7,712
Leased Assets	155,241	(110,278)	44,963	148,164	(80,277)	67,887
Balance at 31 December	4,313,159	(2,985,195)	1,327,964	4,216,140	(2,981,930)	1,234,210

11. Accounts Payable

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Creditors	100,923	84,721	84,721
Accruals	14,816	12,054	12,054
Employee Entitlements - Salaries	656,494	694,877	694,877
Employee Entitlements - Leave Accrual	40,911	30,676	30,676
	813,144	822,328	822,328
Payables for Exchange Transactions	813,144	822,328	822,328
	813,144	822,328	822,328

The carrying value of payables approximates their fair value.

12. Borrowings

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Loans due in one year	30,199	30,199	30,199
Loans due after one year	60,398	90,597	90,597
	90,597	120,796	120,796

The School has borrowings at 31 December 2023 of \$90,597 (31 December 2022 \$120,796). This loan is from the EECA. The loan is unsecured, interest is nil% per annum and the loan is payable in equal instalments of \$7,550.

13. Revenue Received in Advance

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Grants in Advance - Ministry of Education	19,995	-	-
International Student Fees in Advance	401,617	278,417	278,417
Other Revenue in Advance	146,530	115,598	115,598
	<u>568,142</u>	<u>394,015</u>	<u>394,015</u>

14. Provision for Cyclical Maintenance

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Provision at the Start of the Year	315,804	315,804	314,608
Increase to the Provision During the Year	42,145	80,000	38,749
Other Adjustments	7,752	-	(37,553)
Use of the Provision During the Year	(60,755)	-	-
Provision at the End of the Year	<u>304,946</u>	<u>395,804</u>	<u>315,804</u>
Cyclical Maintenance - Current	207,880	114,880	151,598
Cyclical Maintenance - Non current	97,066	280,924	164,206
	<u>304,946</u>	<u>395,804</u>	<u>315,804</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.

15. 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	34,128	45,897	45,897
Later than One Year and no Later than Five Years	14,140	33,641	33,641
Future Finance Charges	-	(6,842)	(6,842)
	<u>48,268</u>	<u>72,696</u>	<u>72,696</u>
Represented by:			
Finance lease liability - Current	34,128	40,831	40,831
Finance lease liability - Non-current	14,140	31,865	31,865
	<u>48,268</u>	<u>72,696</u>	<u>72,696</u>

16. Funds Held in Trust

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	433,383	426,791	426,791
	<u>433,383</u>	<u>426,791</u>	<u>426,791</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.

17. Funds Held for Capital Works Projects

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

2023	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
LSC Circulation - 233143	(338)	338	-	-	-
Roofing and Cladding - 214323	(212,716)	139,842	(16,847)	89,721	-
Special Needs Modification - 219249	(6,845)	16,045	(9,200)	-	-
SIP modification - 229467	(34,500)	58,000	(29,352)	5,852	-
Sump / Pavilion Drainage - 237606	(6,483)	6,483	-	-	-
2023 Security system Upgrade	-	35,000	(10,814)	-	24,186
Block B & H: ILE Upgrade & Toilet Replacement / Pavillion -240582	-	200,000	(121,550)	-	78,450
Totals	(260,882)	455,708	(187,763)	95,573	102,636

Represented by:

Funds Held on Behalf of the Ministry of Education

102,636

2022	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
LSC Circulation - 233143	35,000	-	(35,338)	-	(338)
Roofing and Cladding - 214323	(131,197)	-	(81,519)	-	(212,716)
Special Needs Modification - 219249	(28,810)	-	21,965	-	(6,845)
SIP modification - 229467	(6,055)	482,000	(510,445)	-	(34,500)
Sump / Pavilion Drainage - 237606	-	27,834	(34,317)	-	(6,483)
Relocation	-	21,626	(21,626)	-	-
Totals	(131,062)	531,460	(661,280)	-	(260,882)

Represented by:

Funds Receivable from the Ministry of Education

(260,882)

18. Related Party Transactions

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

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

19. Remuneration

Key management personnel compensation

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

	2023 Actual	2022 Actual
	\$	\$
<i>Board Members</i>		
Remuneration	5,770	5,145
<i>Leadership Team</i>		
Remuneration	2,018,099	1,947,000
Full-time equivalent members	16.04	16.00
Total key management personnel remuneration	2,023,869	1,952,145

There are 8 members of the Board excluding the Principal. The Board had held 9 full meetings of the Board in the year. As well as these regular meetings, including preparation time, the Presiding Member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, 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	230 - 240	220 -230
Benefits and Other Emoluments	30 - 40	30 - 40
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	18.00	16.00
110 -120	14.00	2.00
120 - 130	3.00	1.00
130-140	1.00	3.00
140-150	1.00	-
	<u>37.00</u>	<u>22.00</u>

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

20. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be trustees, committee members, or employees during the financial year in relation to that cessation and the number of persons to whom all or part of that total was payable was as follows:

	2023 Actual	2022 Actual
Total	\$ -	\$ -
Number of People	-	-

21. 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.

22. Commitments

(a) Capital Commitments

At 31 December 2023, the Board had capital commitments of \$871,636 (2022:\$1,063,258) as a result of entering the following contracts:

Contract Name	Contract Amount	Spend To Date	Remaining Capital Commitment
	\$	\$	\$
2023 Security System Upgrade	50,000	10,814	39,186
Block B & H : ILE Upgrade & Toilet Replacement/ Pavillion -240582	954,000	121,550	832,450
Total	1,004,000	132,364	871,636

(b) Operating Commitments

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

(a) operating lease of a EFTPOS Machine;

	2023 Actual \$	2022 Actual \$
No later than One Year	-	420
	-	420

The total lease payments incurred during the period were \$nil (2022: \$420).

23. Financial Instruments

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

Financial assets measured at amortised cost

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Cash and Cash Equivalents	1,602,793	1,055,596	878,630
Receivables	670,319	718,325	718,325
Investments - Term Deposits	2,870,064	2,743,337	2,743,337
Total Financial assets measured at amortised cost	<u>5,143,176</u>	<u>4,517,258</u>	<u>4,340,292</u>

Financial liabilities measured at amortised cost

Payables	813,144	822,328	822,328
Borrowings - Loans	90,597	120,796	120,796
Finance Leases	48,268	72,696	72,696
Total Financial liabilities measured at amortised Cost	<u>952,009</u>	<u>1,015,820</u>	<u>1,015,820</u>

24. Events After Balance Date

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

25. Comparatives

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

KiwiSport Funding

KiwiSport is a Government funding initiative that promotes sport and aims to increase opportunities for school-aged students to participate in organised sport.

In 2023 the school received KiwiSport funding of \$29,395 (excluding GST). The funding was spent on new sports equipment and salaries for the Sports Department staff.

Statement of Compliance with Employment Policy

Section 597 of the Education and Training Act 2020 (the Act) provides that a good employer is one who operates a personnel policy containing provisions generally accepted as necessary for the fair and proper treatment of employees in all aspects of their employment.

The Board operates an Equal Employment Opportunities policy and other Employment policies, each of which complies with the principle of being a good employer. The Board is satisfied that it has complied with these policies and that its employees and applicants for employment are treated according to their skills, qualifications, abilities and aptitudes without bias or discrimination.

The Board is satisfied that the provisions in section 597 of the Act are being met.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF NEWLANDS COLLEGE'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The Auditor-General is the auditor of Newlands College ('the College'). The Auditor-General has appointed me, Pam Thompson, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements of the College on his behalf.

Opinion

We have audited the financial statements of the College 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 College:

- 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 5 June 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 College 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.

- We assess the risk of material misstatement arising from the College 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 arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information including List of Board of Trustees, Statement of Responsibility, Statement of Variance, KiwiSport Report and Statement of Compliance with Employment Policy, 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 College 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 College.



Pam Thompson
Partner
for Deloitte Limited
On behalf of the Auditor-General
Wellington, New Zealand