



ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

School Directory

Ministry Number:	3510
Principal:	Julie Walls
School Address:	26 Marshall Street Rangiora
School Phone:	(03) 313 8792
School Email:	admin@southbrook.school.nz

Accountant / Service Provider:

89 Nazareth Avenue
Christchurch
Ph: 03 338 4444



SOUTHBROOK SCHOOL

Annual Financial Statements - For the year ended 31 December 2023

Index

Page	Statement
1	Members of the Board
2	Statement of Responsibility
3	Statement of Comprehensive Revenue and Expense
4	Statement of Changes in Net Assets/Equity
5	Statement of Financial Position
6	Statement of Cash Flows
7 - 19	Notes to the Financial Statements
	Independent Auditor's Report

Southbrook School

Members of the Board

For the year ended 31 December 2023

Name	Position	How Position Gained	Term Expired/ Expires
Rebekah Hennessey	Presiding Member	Elected Feb 2023	Sep 2025
Liz McClure	Presiding Member	Re-Elected Sep 2022	Feb 2023
Julie Walls	Principal ex Officio		
Ben Schluter	Parent Representative	Elected Sep 2022	Resigned Dec 2023
Rebekah Hennessey	Parent Representative	Elected Sep 2022	Feb 2023
Richard Hogg	Parent Representative	Elected Sep 2022	Sep 2025
Louise Moore	Parent Representative	Elected Sep 2023	Sep 2026
Louise Moore	Parent Representative	Co-opted Oct 2022	Sep 2023
Lauren Lincoln	Parent Representative	Elected Sep 2023	Sep 2026
Annie Wilson	Parent Representative	Elected Oct 2023	Resigned Dec 2023
Holly Marsh	Staff Representative	Re-Elected Sep 2022	Sep 2025

Southbrook 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.

Rebekah Hennessey

Full Name of Presiding Member

Signed by:

8970A65891DEE6C2

Signature of Presiding Member

30/05/2024

Date:

Julie Walls

Full Name of Principal

Signed by:

21EB000E81065B62

Signature of Principal

30/05/2024

Date:

Southbrook School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Revenue				
Government Grants	2	3,004,902	636,213	2,861,744
Locally Raised Funds	3	101,096	29,000	59,455
Interest		12,210	1,000	1,949
Total Revenue		3,118,208	666,213	2,923,148
Expense				
Locally Raised Funds	3	67,630	-	42,184
Learning Resources	4	2,134,833	418,037	2,039,380
Administration	5	127,668	111,925	130,524
Interest		6,105	5,492	4,517
Property	6	860,534	136,200	719,440
Loss on Disposal of Property, Plant and Equipment		709	300	314
Total Expense		3,197,479	671,954	2,936,359
Net Surplus / (Deficit) for the year		(79,271)	(5,741)	(13,211)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		(79,271)	(5,741)	(13,211)

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

Southbrook 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		431,705	431,704	444,916
Total comprehensive revenue and expense for the year		(79,271)	(5,741)	(13,211)
Contributions from / (Distributions to) the Ministry of Education		36,435	-	-
Contribution - Furniture and Equipment Grant		-	-	-
Equity at 31 December		388,869	425,963	431,705
Accumulated comprehensive revenue and expense		388,869	425,963	431,705
Reserves		-	-	-
Equity at 31 December		388,869	425,963	431,705

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.

Southbrook School

Statement of Financial Position

As at 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Current Assets				
Cash and Cash Equivalents	7	143,564	283,830	215,864
Accounts Receivable	8	127,878	127,878	153,512
GST Receivable		18,395	18,395	(2,745)
Prepayments		12,833	12,833	9,664
Inventories		-	-	-
Investments		103,970	103,970	-
Funds Receivable for Capital Works Projects	15	615	615	6,745
		<u>407,255</u>	<u>547,521</u>	<u>383,040</u>
Current Liabilities				
GST Payable		-	-	-
Accounts Payable	11	172,784	172,782	153,710
Borrowings		-	-	-
Revenue Received in Advance	12	7,292	7,292	3,500
Provision for Cyclical Maintenance		-	-	-
Painting Contract Liability		-	-	-
Finance Lease Liability	14	37,885	37,885	28,887
Funds held in Trust		-	-	-
Funds held for Capital Works Projects	15	15,809	15,810	2,216
Funds held on behalf of School Cluster	15	-	-	-
		<u>233,770</u>	<u>233,769</u>	<u>188,313</u>
Working Capital Surplus/(Deficit)		173,485	313,752	194,727
Non-current Assets				
Investments		-	-	-
Property, Plant and Equipment	10	362,297	259,124	338,861
Intangible Assets		-	-	-
		<u>362,297</u>	<u>259,124</u>	<u>338,861</u>
Non-current Liabilities				
Borrowings		-	-	-
Provision for Cyclical Maintenance	13	106,425	106,425	75,500
Painting Contract Liability		-	-	-
Finance Lease Liability	14	40,488	40,488	26,383
Funds held in Trust		-	-	-
		<u>146,913</u>	<u>146,913</u>	<u>101,883</u>
Net Assets		<u><u>388,869</u></u>	<u><u>425,963</u></u>	<u><u>431,705</u></u>
Equity		<u><u>388,869</u></u>	<u><u>425,963</u></u>	<u><u>431,705</u></u>

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

Southbrook School

Statement of Cash Flows

For the year ended 31 December 2023

	Note	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Cash flows from Operating Activities				
Government Grants		733,614	673,129	720,602
Locally Raised Funds		97,596	25,500	62,955
Goods and Services Tax (net)		(21,140)	(21,140)	14,405
Payments to Employees		(469,499)	(338,840)	(457,132)
Payments to Suppliers		(293,358)	(204,102)	(251,162)
Interest Paid		(6,105)	(5,492)	(4,517)
Interest Received		11,565	355	1,949
Net cash from/(to) Operating Activities		52,673	129,410	87,100
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		-	(300)	(13,447)
Purchase of Property Plant & Equipment (and Intangibles)		(35,236)	-	
Purchase of Investments		(103,970)	(103,970)	
Net cash from/(to) Investing Activities		(139,206)	(104,270)	(13,447)
Cash flows from Financing Activities				
Contributions from / (Distributions to) Ministry of Education		36,435	-	
Finance Lease Payments		(41,925)	23,103	(47,136)
Funds Administered on Behalf of Other Parties		19,723	19,723	(32,011)
Net cash from/(to) Financing Activities		14,233	42,826	(79,147)
Net increase/(decrease) in cash and cash equivalents		(72,300)	67,966	(5,494)
Cash and cash equivalents at the beginning of the year	7	215,864	215,864	221,358
Cash and cash equivalents at the end of the year	7	143,564	283,830	215,864

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.

Southbrook School

Notes to the Financial Statements

For the year ended 31 December 2023

1. Statement of Accounting Policies

a) Reporting Entity

Southbrook School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. The Board is of the view that the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

Reporting Period

The financial statements have been prepared for the period 1 January 2023 to 31 December 2023 and in accordance with the requirements of the Education and Training Act 2020.

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical maintenance

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

Useful lives of property, plant and equipment

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

Critical Judgements in applying accounting policies

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

Classification of leases

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

Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised. Finance lease liability disclosures are contained in note 14. Future operating lease commitments are disclosed in note 19.

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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

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

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

Other Grants where conditions exist

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

Donations, Gifts and Bequests

Donations, gifts and bequests are recognised as an asset and revenue when the right to receive funding or the asset has been established unless there is an obligation to return funds if conditions are not met. If conditions are not met, funding is recognised as revenue in advance and recognised as revenue when conditions are satisfied.

Interest Revenue

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

d) 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.

e) 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.

f) 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.

g) Accounts Receivable

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

h) 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 material.

i) Property, Plant and Equipment

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

Improvements (funded by the Board) to buildings owned by the Crown or directly by the board are recorded at cost, less accumulated depreciation and impairment losses.

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

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Building improvements	10–75 years
Board Owned Buildings	10–75 years
Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

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

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

Non cash generating assets

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

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

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

The reversal of an impairment loss is recognised in surplus or deficit. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognised.

k) 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.

l) Employee Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

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

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

m) Revenue Received in Advance

Revenue received in advance relates to fees received from grants received [Principal Coaching/Wellbeing, and Public Sector Pay] 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.

n) Funds held for Capital works

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

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

o) Provision for Cyclical Maintenance

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

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

The School carries out painting maintenance of the whole school over a 7 to 10 year period. The economic outflow of this is dependent on the plan established by the school to meet this obligation and is detailed in the notes and disclosures of these accounts.

p) Financial Instruments

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

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 surplus or deficit.

q) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

r) Budget Figures

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

x) 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	677,379	630,511	669,942
Teachers' Salaries Grants	1,602,498	-	1,533,263
Use of Land and Buildings Grants	705,706	-	575,268
Other Government Grants	19,319	5,702	83,271
	<u>3,004,902</u>	<u>636,213</u>	<u>2,861,744</u>

The school has opted in to the donations scheme for this year. Total amount received was \$12,484.

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	3,631	2,000	3,195
Fees for Extra Curricular Activities	36,258	-	31,979
Trading	2,617	1,000	708
Fundraising & Community Grants	34,646	12,000	18
Other Revenue	23,944	14,000	23,555
	<u>101,096</u>	<u>29,000</u>	<u>59,455</u>
Expense			
Extra Curricular Activities Costs	36,191	-	34,149
Trading	666	-	83
Other Locally Raised Funds Expenditure	30,773	-	7,952
	<u>67,630</u>	<u>-</u>	<u>42,184</u>
<i>Surplus/ (Deficit) for the year Locally Raised Funds</i>	<u>33,466</u>	<u>29,000</u>	<u>17,271</u>

4. Learning Resources

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Curricular	52,739	54,700	48,745
Equipment Repairs	-	400	-
Information and Communication Technology	2,923	4,650	4,951
Library Resources	45	400	447
Employee Benefits - Salaries	1,984,125	262,150	1,893,965
Staff Development	16,882	16,000	8,622
Depreciation	78,119	79,737	82,650
	<u>2,134,833</u>	<u>418,037</u>	<u>2,039,380</u>

5. Administration

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Audit Fees	6,064	6,500	5,775
Board Fees	4,605	-	2,420
Board Expenses	2,091	8,000	3,290
Communication	1,271	1,400	1,235
Consumables	3,286	3,200	2,583
Operating Leases	5,351	4,100	3,948
Other	27,760	21,500	26,510
Employee Benefits - Salaries	61,065	50,000	69,082
Insurance	8,275	9,500	7,951
Service Providers, Contractors and Consultancy	7,900	7,725	7,730
	<u>127,668</u>	<u>111,925</u>	<u>130,524</u>

6. Property

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Caretaking and Cleaning Consumables	4,300	2,000	2,274
Consultancy and Contract Services	43,770	43,200	40,856
Cyclical Maintenance	30,925	14,000	16,500
Grounds	12,220	15,000	14,277
Heat, Light and Water	18,785	20,000	19,664
Rates	5,302	5,800	4,842
Repairs and Maintenance	4,482	2,200	2,303
Use of Land and Buildings	705,706	-	575,268
Security	2,427	1,500	1,404
Employee Benefits - Salaries	32,617	32,500	42,052
	<u>860,534</u>	<u>136,200</u>	<u>719,440</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	143,564	283,830	215,864
Cash and cash equivalents for Statement of Cash Flows	<u>143,564</u>	<u>283,830</u>	<u>215,864</u>

Of the \$143,564 Cash and Cash Equivalents, \$15,809 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.

8. Accounts Receivable

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Receivables from the Ministry of Education	-	-	32,611
Interest Receivable	645	645	-
Teacher Salaries Grant Receivable	127,233	127,233	120,901
	<u>127,878</u>	<u>127,878</u>	<u>153,512</u>
Receivables from Exchange Transactions	645	645	-
Receivables from Non-Exchange Transactions	127,233	127,233	153,512
	<u>127,878</u>	<u>127,878</u>	<u>153,512</u>

9. Investments

The School's investment activities are classified as follows:

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Current Asset			
Short-term Bank Deposits	103,970	103,970	-
	<u>103,970</u>	<u>103,970</u>	<u>-</u>

10. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2023						
Buildings	181,860				(5,931)	175,929
Building Improvements	1,523				(810)	713
Furniture and Equipment	50,573				(10,665)	39,908
Information and Communication Technology	38,370	36,435			(12,258)	62,547
Leased Assets	58,769	65,708	(679)		(47,473)	76,325
Library Resources	7,766	122	(30)		(982)	6,876
Balance at 31 December 2023	<u>338,861</u>	<u>102,264</u>	<u>(709)</u>	<u>-</u>	<u>(78,119)</u>	<u>362,298</u>

Restrictions

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

	2023 Cost or Valuation \$	2023 Accumulated Depreciation \$	2023 Net Book Value \$	2022 Cost or Valuation \$	2022 Accumulated Depreciation \$	2022 Net Book Value \$
Buildings	296,548	(120,619)	175,929	308,488	(125,105)	183,383
Building Improvements	11,941	(11,228)	713	-	-	-
Furniture and Equipment	174,777	(134,868)	39,909	174,777	(124,204)	50,573
Information and Communication Technology	126,127	(63,580)	62,547	89,692	(51,322)	38,370
Leased Assets	122,854	(46,530)	76,324	160,593	(101,824)	58,769
Library Resources	66,463	(59,588)	6,875	66,600	(58,834)	7,766
Balance at 31 December 2023	<u>798,710</u>	<u>(436,413)</u>	<u>362,297</u>	<u>800,150</u>	<u>(461,289)</u>	<u>338,861</u>

11. Accounts Payable

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Creditors	13,404	13,402	2,099
Accruals	6,714	6,714	8,100
Banking Staffing Overuse	4,207	4,207	2,987
Employee Entitlements - Salaries	127,233	127,233	120,892
Employee Entitlements - Leave Accrual	21,226	21,226	19,632
	<u>172,784</u>	<u>172,782</u>	<u>153,710</u>
Payables for Exchange Transactions	172,784	172,782	153,710
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)			
Payables for Non-exchange Transactions - Other			
	<u>172,784</u>	<u>172,782</u>	<u>153,710</u>

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	7,292	7,292	-
Other revenue in Advance	-	-	3,500
	<u>7,292</u>	<u>7,292</u>	<u>3,500</u>

13. Provision for Cyclical Maintenance

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Provision at the Start of the Year	75,500	75,500	59,000
Increase to the Provision During the Year	18,883	14,000	16,500
Other Adjustments	12,042	16,925	-
Provision at the End of the Year	<u>106,425</u>	<u>106,425</u>	<u>75,500</u>
Cyclical Maintenance - Non current	106,425	106,425	75,500
	<u>106,425</u>	<u>106,425</u>	<u>75,500</u>

The schools cyclical maintenance schedule details annual painting to be undertaken, the costs associated to this annual work will vary dependent on the requirements during the year. This plan is based on the schools 10 Year Property plan.

14. Finance Lease Liability

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

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
No Later than One Year	42,503	42,503	30,528
Later than One Year and no Later than Five Years	42,754	42,754	27,761
Future Finance Charges	(6,884)	(6,884)	(3,019)
	<u>78,373</u>	<u>78,373</u>	<u>55,270</u>
Represented by			
Finance lease liability - Current	37,885	37,885	28,887
Finance lease liability - Non current	40,488	40,488	26,383
	<u>78,373</u>	<u>78,373</u>	<u>55,270</u>

15. 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 \$
SIP Site Works - Project number 225386	2,217		(443)		1,774
Upgrade Doors - Project number 232525	(6,745)	19,223	(12,478)		-
Pool Project - Project number 241000	-	253,436	(239,694)		13,742
Block 14 ILE Upgrade - Project number 240854	-	79,919	(79,626)		293
Heatpumps - Project number 240855	-	20,830	(21,445)		(615)
LSC Office - Project number 219186	-	75,468	(75,468)		-
Totals	<u>(4,528)</u>	<u>448,876</u>	<u>(429,154)</u>	<u>-</u>	<u>15,194</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	15,809
Funds Receivable from the Ministry of Education	615

2022	Opening Balances \$	Receipts from MOE \$	Payments \$	Board Contributions \$	Closing Balances \$
SIP Site Works - Project number 225386	27,483	15,292	(40,559)		2,217
Upgrade Doors - Project number 232525		24,913	(31,658)		(6,745)
Totals	<u>27,483</u>	<u>40,205</u>	<u>(72,217)</u>	<u>-</u>	<u>(4,528)</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	2,217
Funds Receivable from the Ministry of Education	6,745

16. 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.

17. Remuneration

Key management personnel compensation

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

	2023 Actual \$	2022 Actual \$
<i>Board Members</i> Remuneration	4,605	2,420
<i>Leadership Team</i> Remuneration	272,232	351,530
Full-time equivalent members	2	3
Total key management personnel remuneration	276,837	353,950

There are 7 members of the Board excluding the Principal. The Board had held 8 full meetings of the Board in the year. The Board also has Finance Committee (2 members) that meet 4 times a year and Property Committee (2 members) that meet 4 times a year. As well as these regular meetings, including preparation time, the Chair and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal 1

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	150 - 160	140 - 150
Benefits and Other Emoluments	-	-
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2023 FTE Number	2022 FTE Number
100 - 110	2.00	3.00
110 - 120	2.00	
	4.00	3.00

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

18. Contingencies

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

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 of 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.

19. Commitments

(a) Capital Commitments

At 31 December 2023, the Board had capital commitments of \$685,402.0 (2022:\$2,217) as a result of entering the following contracts:

Contract Name	Contract Amount	Spend To Date	Remaining Capital Commitment
	\$	\$	\$
SIP Site Works	156,909	153,136	3,773
Upgrade Doors	44,136	44,136	0
Pool Project	356,181	243,511	112,670
Block 14 ILE Upgrade	103,681	75,809	27,872
Heatpumps	24,495	21,445	3,050
Total	685,402	538,036	147,366

(b) Operating Commitments

As at 31 December 2023, the Board has entered into no contracts.

20. 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	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Cash and Cash Equivalents	143,564	283,830	215,864
Receivables	127,878	127,878	153,512
Investments - Term Deposits	103,970	103,970	-
Total financial assets measured at amortised cost	<u>375,412</u>	<u>515,678</u>	<u>369,376</u>

Financial liabilities measured at amortised cost

Payables	172,784	172,782	153,710
Finance Leases	78,373	78,373	55,270
Total financial liabilities measured at amortised cost	<u>251,157</u>	<u>251,155</u>	<u>208,980</u>

21. Events After Balance Date

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

30/05/2024

Warren Johnstone
BDO Christchurch
Level 4, 287/293 Durham Street North,
Christchurch Central
CHRISTCHURCH 8013

REPRESENTATION LETTER FOR THE YEAR ENDED 31 DECEMBER 2023

This representation letter is provided in connection with your audit, carried out on behalf of the Auditor-General, of the financial statements of Southbrook School (the School) for the year ended 31 December 2023 for the purpose of expressing an independent opinion about whether the financial statements:

- present fairly, in all material respects:
 - the financial position as at 31 December 2023; and
 - the 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 (PBE) Standards Reduced Disclosure Regime.

We understand that your audit was carried out in accordance with the Auditing Standards issued by the Auditor-General, which incorporate the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

General representations

To the best of our knowledge and belief:

- the resources, activities, under our control have been operating effectively and efficiently;
- we have complied with our statutory obligations including laws, regulations and contractual requirements;
- we have carried out our decisions and actions with due regard to minimising waste;
- we have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector (that is, we have carried out our decisions and actions with due regard to probity); and
- any decisions or actions have been taken with due regard to financial prudence.

We also acknowledge that we have responsibility for designing, implementing, and maintaining internal control (to the extent that is reasonably practical given the size of the School) to prevent and detect fraud or error, and which enables the preparation of the financial statements that are free from material misstatement whether due to fraud or error (*a requirement of paragraph NZ40.1(a) in ISA (NZ) 240*).

Representations for the financial statements

We confirm that all transactions have been recorded in the accounting records and are reflected in the financial statements, and that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- We have fulfilled our responsibilities for preparing and presenting the financial statements as required by section 134 of the Education and Training Act 2020 and, in particular, that the financial statements:
 - present fairly, in all material respects:
 - the financial position as at 31 December 2023; and
 - the 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 (PBE) Standards Reduced Disclosure Regime.
- we believe the methods, significant assumptions, and data used in making and supporting the accounting estimates and the related disclosures in the financial statements are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework;
- we have appropriately accounted for and disclosed the related party relationships and transactions in the financial statements;
- we have adjusted or disclosed all events subsequent to the date of the financial statements that require adjustment or disclosure; and

- we believe the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this representation letter at Appendix 1;
- we have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. Where applicable, such litigation and claims have been accounted for and disclosed in accordance with Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime.

Representations about the provision of information

We confirm that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have provided you with:
 - all information, such as records and documentation, and other matters that are relevant to preparing and presenting the financial statements; and
 - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence;
- we have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- we have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements;
- we have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others;
- we have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements;
- we have disclosed the identity of the related parties, all of their relationships, and all of their transactions of which we are aware; and
- we have provided you with all the other documents ("other information") which will accompany the financial statements which are consistent with the financial statements, and the other information does not contain any material misstatements.

Going concern basis of accounting

We confirm that, to the best of our knowledge and belief, the School has adequate resources to continue operations at its current level for the foreseeable future. For this reason, the Board continues to adopt the going concern basis of accounting in preparing the financial statements for the year ended 31 December 2023. We have reached this conclusion after making enquiries and having regard to circumstances that we consider likely to affect the School during the period of one year from the date of signing the financial statements, and to circumstances that we know will occur after that date which could affect the validity of the going concern basis of accounting.

We consider that the financial statements adequately disclose the circumstances, and any uncertainties, that we can reasonably be expected to be aware of concerning the adoption of the going concern basis of accounting by the School.

Publication of the financial statements and related audit report on a website

- We confirm that we are responsible for the electronic presentation of the audited financial statements, and:
- that the electronic version of the audited financial statements and the related audit report presented on the website are the same as the final signed version of the audited financial statements and audit report.
 - that the audited and unaudited information on the website has been clearly differentiated and we understand the risk of potential misrepresentation without appropriate controls.

- that we have assessed the security controls over audited financial information and the related audit report and are satisfied that procedures are adequate to ensure the integrity of the information provided.
- that the full financial statements have been provided on the website.

The representations in this letter are made at your request, and to supplement information obtained by you from the records of the School and to confirm information given to you orally.

Yours faithfully,

Rebekah Hennessey

Signed by:

 8970A65891DEE6C2

Presiding Member

Julie Walls

Signed by:

 21EB000E81065B62

Principal

Appendix 1 - Uncorrected misstatements

Description	Assets	Liabilities	Reserves	Profit
	Dr(Cr)	Dr(Cr)	Dr(Cr)	Dr(Cr)
PSPA Backpay Accrual		(\$8,305)		\$8,305
PSPA Backpay Receivable	\$8,305			(\$8,305)
Net Effect of misstatements:	\$8,305	(\$8,305)	-	-



Certificate of completion

Generated by Annature

Envelope Id	925413c460bc4b2592653822cb37551b	Sender	Zoe Smith
Envelope name	Southbrook School 2023 Annual Accounts for Signing.pdf	Business	BDO Christchurch Audit Limited
Sent	29 May 2024, 03:35:24 pm (GMT+10:00)	Email	Zoe.Smith@bdo.co.nz
Completed	04 Jun 2024, 01:34:33 pm (GMT+10:00)	Number	
Number of documents	2 (Two)	Address	
Number of pages	24 (Twenty-four)	Website	
Number of recipients	2 (Two)		
Recipient Id	be1e841bc9c346c1b21f22a68768ba8e	Sent	30 May 2024, 07:14:36 am (GMT+10:00)
Recipient name	Julie Walls	Viewed	30 May 2024, 07:20:21 am (GMT+10:00)
Email address	julie.walls@southbrook.school.nz	Signed	30 May 2024, 12:25:35 pm (GMT+10:00)
Authenticated by	Email	Completed	30 May 2024, 12:25:38 pm (GMT+10:00)
Session Id	2abd5acd249e436799e7c04976c86d48	Signature	 Signed by: <i>Julie Walls</i> 21EB000E81065B62
Fingerprint	e6e5a6b7b80a2cce4f40ba2ee7f5223b		
IP Address	210.55.73.129		
User agent	Mozilla/5.0 (Macintosh; Intel Mac OS X 10_15_7) AppleWebKit/537.36 (KHTML, like Gecko) Chrome/125.0.0.0 Safari/537.36		
Recipient Id	b8709553d8d7408faa14c35a2cf4a792	Sent	30 May 2024, 07:14:35 am (GMT+10:00)
Recipient name	Rebekah Hennessey	Viewed	04 Jun 2024, 01:33:48 pm (GMT+10:00)
Email address	rebekah.hennessey@southbrook.school.nz	Signed	04 Jun 2024, 01:34:30 pm (GMT+10:00)
Authenticated by	Email	Completed	04 Jun 2024, 01:34:32 pm (GMT+10:00)
Session Id	bb4d5193148447caa6e6d46846745aab	Signature	 Signed by: <i>Rebekah Hennessey</i> 8970A65891DEE6C2
Fingerprint	ffb874c6b0ef46b452ba152c301aaa4b		
IP Address	222.154.101.58		
Geolocation	-43.3140409 172.5905362 (approximate)		
User agent	Mozilla/5.0 (Linux; Android 10; K) AppleWebKit/537.36 (KHTML, like Gecko) Chrome/125.0.0.0 Mobile Safari/537.36		

Audit log

- 29 May 2024, 03:29:22 pm The envelope has been created by Zoe Smith.
- 29 May 2024, 03:35:21 pm The envelope has been sent by Zoe Smith.
- 29 May 2024, 03:35:26 pm Rebekah Hennessey (rebekah.hennessey@southbrook.school.nz) has been emailed a copy of the envelope to complete.
- 29 May 2024, 03:35:26 pm Julie Walls (julie.walls@southbrook.school.nz) has been emailed a copy of the envelope to complete.
- 30 May 2024, 05:22:46 am Julie Walls (julie.walls@southbrook.school.nz) has opened and viewed the envelope.
- 30 May 2024, 05:23:00 am Julie Walls (julie.walls@southbrook.school.nz) has opened and viewed the envelope.
- 30 May 2024, 05:23:49 am Julie Walls (julie.walls@southbrook.school.nz) has opened and viewed the envelope.
- 30 May 2024, 06:42:48 am The envelope has been recalled by Zoe Smith.
- 30 May 2024, 07:14:31 am The envelope has been sent by Zoe Smith.
- 30 May 2024, 07:14:36 am Rebekah Hennessey (rebekah.hennessey@southbrook.school.nz) has been emailed a copy of the envelope to complete.
- 30 May 2024, 07:14:37 am Julie Walls (julie.walls@southbrook.school.nz) has been emailed a copy of the envelope to complete.
- 30 May 2024, 07:20:21 am Julie Walls (julie.walls@southbrook.school.nz) has opened and viewed the envelope.
- 30 May 2024, 07:20:35 am Julie Walls (julie.walls@southbrook.school.nz) has opened and viewed the envelope.
- 30 May 2024, 07:21:23 am Julie Walls (julie.walls@southbrook.school.nz) has opened and viewed the envelope.
- 30 May 2024, 12:25:35 pm Julie Walls (julie.walls@southbrook.school.nz) has completed the envelope.
- 03 Jun 2024, 02:27:24 pm Rebekah Hennessey (rebekah.hennessey@southbrook.school.nz) has opened and viewed the envelope.
- 03 Jun 2024, 02:27:32 pm Rebekah Hennessey (rebekah.hennessey@southbrook.school.nz) has opened and viewed the envelope.
- 03 Jun 2024, 02:28:00 pm Rebekah Hennessey (rebekah.hennessey@southbrook.school.nz) has opened and viewed the envelope.
- 04 Jun 2024, 01:33:48 pm Rebekah Hennessey (rebekah.hennessey@southbrook.school.nz) has opened and viewed the envelope.
- 04 Jun 2024, 01:33:57 pm Rebekah Hennessey (rebekah.hennessey@southbrook.school.nz) has opened and viewed the envelope.
- 04 Jun 2024, 01:34:30 pm Rebekah Hennessey (rebekah.hennessey@southbrook.school.nz) has completed the envelope.
- 04 Jun 2024, 01:34:32 pm Rebekah Hennessey (rebekah.hennessey@southbrook.school.nz) has opened and viewed the envelope.
- 04 Jun 2024, 01:34:33 pm The envelope has been viewed and completed by all recipients.