

# JOHN MCGLASHAN COLLEGE

## ANNUAL FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### School Directory

**Ministry Number:** 387

**Principal:** Neil Garry

**School Address:** 2 Pilkington Street, Maori Hill, Dunedin, 9010

**School Postal Address:** 2 Pilkington Street, Maori Hill, Dunedin, 9010

**School Phone:** 03 467 6620

**School Email:** admin@mcglashan.school.nz

#### Members of the Board:

Name	Position	How Position Gained	Term Expired/ Expires
Mr K Murdoch	Presiding Member	Elected 14/9/2022	Sep-25
Mr T Toro	Deputy Presiding Member	Elected 14/9/2022	Sep-25
Mr R O'Brien	Parent Representative	Elected 14/9/2022	Sep-25
Mr G Burns	Parent Representative	Elected 14/9/2022	Sep-25
Mr D Stevens	Parent Representative	Elected 14/9/2022	Sep-25
Mr N Garry	Principal ex Officio	Appointed Jan 2014	
Mrs A Anderson	Staff Rep	Elected 10/8/2022	Sep-25
Mr M Hartono	Student Rep	Elected 17/8/2022	Sep-23
Mr O Hamilton	Student Rep	Elected 21/9/2023	Sep-24
Ms S Pettigrew	Proprietors Rep	Appointed Feb 2023	Mar-23
Mr G Friedlander	Proprietors Rep	Appointed Feb 2023	Nov-23
Mr S Anderson	Proprietors Rep	Appointed Feb 2023	Confirmed annually
Mrs D Erskine	Proprietors Rep	Appointed Jun 2022	Confirmed annually
Mr J Guthrie	Proprietors Rep	Appointed May 2023	Confirmed annually
Mrs R Miller	Proprietors Rep	Appointed Nov 2023	Confirmed annually

# JOHN MCGLASHAN COLLEGE

Annual Financial Statements - For the year ended 31 December 2023

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# John McGlashan 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.

Kyle David Murdoch

\_\_\_\_\_  
Full Name of Presiding Member

*Kyle David Murdoch*

\_\_\_\_\_  
Signature of Presiding Member

31 May 2024

\_\_\_\_\_  
Date:

Neil Alfred Garry

\_\_\_\_\_  
Full Name of Principal

*Neil Alfred Garry*

\_\_\_\_\_  
Signature of Principal

31 May 2024

\_\_\_\_\_  
Date:

# John McGlashan College

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
<b>Revenue</b>				
Government Grants	2	5,557,530	5,156,000	5,249,438
Locally Raised Funds	3	710,136	701,400	658,824
Use of Proprietor's Land and Buildings		1,874,485	1,472,600	1,874,485
Interest		15,133	-	3,336
<b>Total Revenue</b>		<b>8,157,284</b>	<b>7,330,000</b>	<b>7,786,083</b>
<b>Expense</b>				
Locally Raised Funds	3	197,794	208,500	161,425
Learning Resources	4	5,332,957	4,995,100	4,973,046
Administration	5	452,134	343,600	335,476
Interest		7,067	8,100	9,197
Property	6	2,310,783	1,880,900	2,279,164
Loss on Disposal of Property, Plant and Equipment		1,875	-	8,285
<b>Total Expense</b>		<b>8,302,610</b>	<b>7,436,200</b>	<b>7,766,593</b>
<b>Net Surplus / (Deficit) for the year</b>		<b>(145,326)</b>	<b>(106,200)</b>	<b>19,490</b>
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b>(145,326)</b>	<b>(106,200)</b>	<b>19,490</b>

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

# John McGlashan College

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
<b>Equity at 1 January</b>		682,774	502,905	639,268
Total comprehensive revenue and expense for the year		(145,326)	(106,200)	19,490
Contributions from / (Distributions to) the Ministry of Education		-	-	-
Contribution - Furniture and Equipment Grant		108,725	64,000	24,016
<b>Equity at 31 December</b>		646,173	460,705	682,774
Accumulated comprehensive revenue and expense		646,173	460,705	682,774
<b>Equity at 31 December</b>		646,173	460,705	682,774

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.

# John McGlashan College

## Statement of Financial Position

As at 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	7	579,524	850,905	1,177,876
Accounts Receivable	8	807,078	320,000	377,315
Prepayments		18,501	5,000	13,762
Inventories	9	10,133	5,000	5,182
		1,415,236	1,180,905	1,574,135
<b>Current Liabilities</b>				
GST Payable		4,428	30,000	15,326
Accounts Payable	11	600,982	458,500	646,888
Revenue Received in Advance	12	362,350	691,500	386,747
Provision for Cyclical Maintenance	13	-	5,000	-
Finance Lease Liability	14	7,854	50,000	8,005
		975,614	1,235,000	1,056,966
<b>Working Capital Surplus/(Deficit)</b>		439,622	(54,095)	517,169
<b>Non-current Assets</b>				
Property, Plant and Equipment	10	334,749	570,000	295,700
		334,749	570,000	295,700
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	13	81,029	20,200	64,031
Finance Lease Liability	14	47,169	35,000	66,064
		128,198	55,200	130,095
<b>Net Assets</b>		646,173	460,705	682,774
<b>Equity</b>		646,173	460,705	682,774

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

# John McGlashan College

## Statement of Cash Flows

For the year ended 31 December 2023

	Note	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		1,343,034	1,236,100	1,389,964
Locally Raised Funds		59,927	347,800	689,577
International Students		319,334	353,600	323,865
Goods and Services Tax (net)		(10,898)	-	(33,801)
Payments to Employees		(1,216,220)	(988,700)	(1,072,294)
Payments to Suppliers		(1,021,178)	(904,900)	(753,915)
Interest Paid		(7,067)	(8,100)	(9,198)
Interest Received		15,133	-	3,336
Net cash from/(to) Operating Activities		(517,935)	35,800	537,534
				646,888
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		-	-	(8,285)
Purchase of Property Plant & Equipment (and Intangibles)		(126,778)	(102,400)	(21,711)
Net cash from/(to) Investing Activities		(126,778)	(102,400)	(29,996)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		74,058	64,000	24,016
Finance Lease Payments		(27,697)	-	(22,934)
Net cash from/(to) Financing Activities		46,361	64,000	1,082
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(598,352)</b>	<b>(2,600)</b>	<b>508,620</b>
Cash and cash equivalents at the beginning of the year	7	1,177,876	853,505	669,256
<b>Cash and cash equivalents at the end of the year</b>	7	<b>579,524</b>	<b>850,905</b>	<b>1,177,876</b>

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.

# JOHN MCGLASHAN COLLEGE

## Notes to the Financial Statements

### For the year ended 31 December 2023

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

John McGlashan 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.

##### 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 Proprietor. 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. This expense is based on an assumed market rental yield on the land and buildings as used for rating purposes.

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

#### **Other Grants where conditions exist**

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

#### **Donations, Gifts and Bequests**

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

#### **Interest Revenue**

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

### **d) Finance Lease Payments**

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

### **e) Cash and Cash Equivalents**

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

### **f) Accounts Receivable**

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

**g) Inventories**

Inventories are consumable items held for sale and are comprised of stationery and school uniforms. They are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is the estimated selling price in the ordinary course of activities less the estimated costs necessary to make the sale. Any write down from cost to net realisable value is recorded as an expense in the Statement of Comprehensive Revenue and Expense in the period of the write down.

**h) Property, Plant and Equipment**

Land and buildings owned by the Proprietor 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 to buildings owned by the Proprietor 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:

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
Library resources	12.5% Diminishing value

#### **i) Impairment of property, plant, and equipment and intangible assets**

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

##### **Non cash generating assets**

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

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

In determining fair value less costs to sell, the School engages an independent valuer to assess market value based on the best available information. The valuation is based on [details of the valuer's approach to determining market value (i.e. what valuation techniques have been employed, comparison to recent market transaction etc.)].

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

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

#### **j) Accounts Payable**

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

#### **k) Employee Entitlements**

##### *Short-term employee entitlements*

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

##### *Long-term employee entitlements*

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

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

#### **l) Revenue Received in Advance**

Revenue received in advance relates to fees received from international students where there are unfulfilled obligations for the School to provide services in the future. The fees are recorded as revenue as the obligations are fulfilled and the fees are earned.

The School holds sufficient funds to enable the refund of unearned fees in relation to international students, should the School be unable to provide the services to which they relate.

#### **m) Provision for Cyclical Maintenance**

The property from which the school operates is owned by the Proprietor. 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.

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

**o) 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.

**p) 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	1,409,489	1,201,800	1,352,987
Teachers' Salaries Grants	4,114,101	3,919,900	3,862,064
Other Government Grants	33,940	34,300	34,387
	<u>5,557,530</u>	<u>5,156,000</u>	<u>5,249,438</u>

The school has not opted in to the donations scheme for this year.

## 3. Locally Raised Funds

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

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
<b>Revenue</b>			
Donations & Bequests	306,586	300,000	170,380
Curriculum related Activities - Purchase of goods and services	30,629	41,800	36,613
Other Revenue	29,190	6,000	20,115
International Student Fees	343,731	353,600	431,716
	<u>710,136</u>	<u>701,400</u>	<u>658,824</u>
<b>Expense</b>			
Extra Curricular Activities Costs	9,974	7,800	7,478
International Student - Student Recruitment	15,734	44,000	9
International Student - Employee Benefits - Salaries	111,468	116,200	101,478
International Student - Other Expenses	42,812	40,500	52,460
International Student - Overseas Travel	17,806	-	-
	<u>197,794</u>	<u>208,500</u>	<u>161,425</u>
<i>Surplus/ (Deficit) for the year Locally Raised Funds</i>	<u>512,342</u>	<u>492,900</u>	<u>497,399</u>

### International students

During the year ended December 2023, the Director of International Students travelled to Hong Kong, China, South Korea, Thailand and Japan at a cost of \$17,800 for the purpose of recruiting new students for the school. The travel was funded from the net surplus from international student fees revenue.

#### 4. Learning Resources

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Curricular	193,732	239,000	194,217
Information and Communication Technology	33,010	24,000	34,189
Library Resources	6,090	7,500	4,098
Employee Benefits - Salaries	4,963,952	4,574,600	4,611,337
Staff Development	31,627	47,600	16,412
Depreciation	104,546	102,400	112,792
	<u>5,332,957</u>	<u>4,995,100</u>	<u>4,973,045</u>

#### 5. Administration

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Audit Fees	7,466	7,300	7,740
Board Fees	4,630	6,200	5,350
Board Expenses	27,912	17,100	21,867
Communication	22,226	17,400	16,911
Consumables	25,034	25,000	37,134
Legal Fees	43,575	10,500	13,989
Other	81,385	108,600	52,891
Employee Benefits - Salaries	222,492	142,800	169,101
Insurance	9,221	4,800	5,318
Service Providers, Contractors and Consultancy	8,193	3,900	5,175
	<u>452,134</u>	<u>343,600</u>	<u>335,476</u>

#### 6. Property

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	27,315	31,800	32,951
Consultancy and Contract Services	144,007	135,100	132,219
Cyclical Maintenance	16,998	-	20,596
Heat, Light and Water	122,392	115,600	107,748
Repairs and Maintenance	61,746	50,800	50,469
Use of Land and Buildings	1,874,485	1,472,600	1,874,485
Employee Benefits - Salaries	63,840	75,000	60,696
	<u>2,310,783</u>	<u>1,880,900</u>	<u>2,279,164</u>

The use of land and buildings figure represents 5% of the school's total property value. This is used as a 'proxy' for the market rental of the property

## 7. Cash and Cash Equivalents

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
Bank Accounts	\$ 579,524	\$ 850,905	\$ 1,177,876
Cash and cash equivalents for Statement of Cash Flows	<u>579,524</u>	<u>850,905</u>	<u>1,177,876</u>

## 8. Accounts Receivable

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
Receivables	\$ 409,597	\$ 10,000	\$ 28,633
Receivables from the Ministry of Education	39,118	60,000	207
Teacher Salaries Grant Receivable	358,363	250,000	348,476
	<u>807,078</u>	<u>320,000</u>	<u>377,315</u>
Receivables from Exchange Transactions	409,597	10,000	28,633
Receivables from Non-Exchange Transactions	397,481	310,000	348,682
	<u>807,078</u>	<u>320,000</u>	<u>377,315</u>

## 9. Inventories

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
Stationery	\$ 10,133	\$ 5,000	\$ 5,182
	<u>10,133</u>	<u>5,000</u>	<u>5,182</u>

## 10. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2023	\$	\$	\$	\$	\$	\$
Furniture and Equipment	162,901	49,897	-	-	(42,291)	170,507
Information and Communication Technology	16,920	12,356	-	-	(10,307)	18,969
Motor Vehicles	-	52,261	-	-	(5,567)	46,694
Leased Assets	65,679	18,691	-	-	(38,807)	45,563
Library Resources	50,200	12,265	(1,875)	-	(7,574)	53,016
<b>Balance at 31 December 2023</b>	<b>295,700</b>	<b>145,471</b>	<b>(1,875)</b>	<b>-</b>	<b>(104,546)</b>	<b>334,749</b>

The net carrying value of furniture and equipment held under a finance lease is \$45,462 (2022: \$65,679)

	2023	2023	2023	2022	2022	2022
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Furniture and Equipment	545,978	(375,471)	170,507	496,081	(333,180)	162,901
Information and Communication Technology	163,653	(144,684)	18,969	151,297	(134,378)	16,920
Motor Vehicles	63,472	(16,778)	46,694	11,212	(11,212)	-
Leased Assets	138,660	(93,097)	45,563	131,748	(66,070)	65,678
Library Resources	132,655	(79,639)	53,016	125,062	(74,861)	50,201
<b>Balance at 31 December 2023</b>	<b>1,044,418</b>	<b>(709,669)</b>	<b>334,749</b>	<b>915,400</b>	<b>(619,700)</b>	<b>295,700</b>

## 11. Accounts Payable

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Creditors	87,667	48,500	102,359
Accruals	75,870	95,000	136,077
Employee Entitlements - Salaries	397,481	240,000	369,901
Employee Entitlements - Leave Accrual	39,964	75,000	38,551
	<u>600,982</u>	<u>458,500</u>	<u>646,888</u>
Payables for Exchange Transactions	163,537	143,500	238,437
Payables for Non-exchange Transactions - Other	437,445	315,000	408,451
	<u>600,982</u>	<u>458,500</u>	<u>646,888</u>

The carrying value of payables approximates their fair value.

## 12. Revenue Received in Advance

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
International Student Fees in Advance	362,350	691,500	386,747
	<u>362,350</u>	<u>691,500</u>	<u>386,747</u>

## 13. Provision for Cyclical Maintenance

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Provision at the Start of the Year	64,031	20,200	43,435
Increase to the Provision During the Year	14,313	5,000	13,180
Use of the Provision During the Year	(12,876)	-	-
Other Adjustments	15,561	-	7,416
Provision at the End of the Year	<u>81,029</u>	<u>25,200</u>	<u>64,031</u>
Cyclical Maintenance - Current	-	5,000	-
Cyclical Maintenance - Non current	81,029	20,200	64,031
	<u>81,029</u>	<u>25,200</u>	<u>64,031</u>

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

#### 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	7,854	50,000	8,005
Later than One Year and no Later than Five Years	47,169	35,000	66,064
	55,023	85,000	74,069
<b>Represented by</b>			
Finance lease liability - Current	7,854	50,000	8,005
Finance lease liability - Non current	47,169	35,000	66,064
	55,023	85,000	74,069

#### 15. 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 if 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.

The Proprietor of the School (John McGlashan Presbyterian College Inc) is a related party of the School Board because the proprietor appoints representatives to the School Board, giving the proprietor significant influence over the School Board. Any services or contributions between the School Board and Proprietor have been disclosed appropriately. If the proprietor collects fund on behalf of the school (or vice versa), the amounts are disclosed.

The Proprietor provides land and buildings free of charge for use by the School Board as noted in Note 1(c). The estimated value of this use during the current period is included in the Statement of Comprehensive Revenue and Expense as 'Use of Land and Buildings'.

The School and Proprietor have in place a current account for inter-entity transactions. The balance of the current account at 31 December 2023 was a receivable from the Proprietor of \$409,597 (2022: \$55,519 payable). Included, the Proprietor provided for a one-off \$300,000 donation to the School (2022: \$165,000).

## 16. Remuneration

### Key management personnel compensation

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

	<b>2023 Actual \$</b>	<b>2022 Actual \$</b>
<i>Board Members</i> Remuneration	4,630	5,350
<i>Leadership Team</i> Remuneration Full-time equivalent members	2,248,367 19	1,852,460 17
Total key management personnel remuneration	<u>2,252,997</u>	<u>1,857,810</u>

There are 11 members of the Board excluding the Principal. The Board has held 8 full meetings of the Board in the year. The Board also has a Finance (3 members) committee that meet monthly. As well as these regular meetings, including preparation time, the Presiding member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

### Principal 1

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

	<b>2023 Actual \$000</b>	<b>2022 Actual \$000</b>
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	200-210	160-170
Benefits and Other Emoluments	20-30	20-30
Termination Benefits	-	-

### Other Employees

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

<b>Remuneration \$000</b>	<b>2023 FTE Number</b>	<b>2022 FTE Number</b>
100-110	14.00	6.00
110-120	6.00	5.00
120-130	4.00	1.00
130-140	2.00	0.00
	<u>26.00</u>	<u>12.00</u>

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

## 17. Compensation and Other Benefits Upon Leaving

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

	<b>2023 Actual</b>	<b>2022 Actual</b>
Total	\$15,000	-
Number of People	1	-

## 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.

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.

## 19. Commitments

### (a) Capital Commitments

As at 31 December 2023, the Board has no Capital commitments (2022: nil)

### (b) Operating Commitments

As at 31 December 2023, the Board has no Operating commitments (2022: nil)

## 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 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Cash and Cash Equivalents	579,524	850,905	1,177,876
Receivables	807,078	320,000	377,315
Total financial assets measured at amortised cost	<u>1,386,602</u>	<u>1,170,905</u>	<u>1,555,191</u>

### Financial liabilities measured at amortised cost

Payables	600,982	458,500	646,888
Finance Leases	55,023	85,000	74,069
Total financial liabilities measured at amortised cost	<u>656,005</u>	<u>543,500</u>	<u>720,957</u>

## 21. Events After Balance Date

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



## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF JOHN MCGLASHAN COLLEGE'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The Auditor-General is the auditor of John McGlashan College (the School). The Auditor-General has appointed me, Heidi Rautjoki, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements of the School on his behalf.

#### Opinion

We have audited the financial statements of the School on pages 2 to 19, that comprise the statement of financial position as at 31 December 2023, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

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

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

#### Basis for our opinion

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

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

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

#### Responsibilities of the Board for the financial statements

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

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

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

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

## **Responsibilities of the auditor for the audit of the financial statements**

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

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

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

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

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

## Other information

The Board is responsible for the other information. The other information comprises the information included on the pages accompanying the financial statements but does not include the financial statements, and our auditor's report thereon.

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

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

## Independence

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

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



Heidi Rautjoki  
for Deloitte Limited  
On behalf of the Auditor-General  
Dunedin, New Zealand