

RICHMOND SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

School Directory

Ministry Number: 3216

Principal: Tim Brenton

School Address: 14 Cambridge Street, Richmond, Nelson, 7020

School Phone: 03 544 8959

School Email: principal@richmondprimary.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Term Expires
Paul Suisted	Chair Person	Elected	14/06/2025
Tim Brenton	Principal		
Christine Irvine	Parent Rep	Elected	14/06/2025
Tina Harper	Parent Rep	Elected	14/06/2025
Vanessa Jones	Parent Rep	Elected	22/11/2026
Bryan Llewelin	Parent Rep	Elected	22/11/2026
Suzie Halligan	Staff Rep	Elected	22/12/2023

Accountant / Service Provider: Lois Lester

RICHMOND SCHOOL

Annual Report - For the year ended 31 December 2023

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Richmond School

Statement of Responsibility

For the year ended 31 December 2023

The Board of Trustees accepts responsibility for the preparation of the annual financial statements and the judgements used in these statements.

The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal control 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 reflect the financial position and operations of the School.

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



Presiding Member



Principal

23/4/2024
Date

15/04/2024
Date

Richmond School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2023

		2023	2023	2022
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Revenue				
Government Grants	2	4,615,458	4,421,006	4,132,950
Locally Raised Funds	3	84,450	18,285	41,454
Interest Income		44,958	5,000	14,552
Other Revenue		17,175	2,830	7,869
Total Revenue		4,762,040	4,447,121	4,196,824
Expenses				
Locally Raised Funds	3	32,884	17,100	14,952
Learning Resources	4	3,214,608	3,323,387	3,042,683
Administration	5	208,513	215,410	199,865
Finance		2,516	-	1,541
Property	6	1,008,697	974,472	806,457
Total Expense		4,467,218	4,530,369	4,065,499
Net Surplus/(Deficit) for the year		294,823	(83,248)	131,324
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		294,823	(83,248)	131,324

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

Richmond School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2023

	Actual 2023 \$	Budget (Unaudited) 2023 \$	Actual 2022 \$
Equity at 1 January	1,201,564	1,201,564	1,070,241
Total comprehensive revenue and expense for the year	294,823	(83,248)	131,324
Contributions from/(Distributions to) the Ministry of Education			
Contribution - Furniture and Equipment Grant	21,392	-	-
Equity at 31 December	1,517,780	1,118,316	1,201,564
Accumulated comprehensive revenue and expense	1,517,780	1,118,316	1,201,564
Reserves	-	-	-
Equity at 31 December	1,517,780	1,118,316	1,201,564

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

Richmond 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	463,937	405,000	414,898
Accounts Receivable	8	293,605	173,500	243,816
GST Receivable		-	5,000	-
Prepayments		11,800	10,000	10,163
Inventories	9	7,266	5,000	6,193
Investments	10	711,356	475,000	489,087
Funds Receivable for Capital Works Projects	16	-	-	4,741
		<u>1,487,965</u>	<u>1,073,500</u>	<u>1,168,899</u>
Current Liabilities				
Accounts Payable	12	249,817	221,500	304,379
GST Payable		3,745	-	9,724
Revenue Received in Advance	13	12,076	11,000	7,633
Provision for Cyclical Maintenance	14	33,169	25,000	13,636
Finance Lease Liability - Current Portion	15	19,720	20,000	12,889
Funds held for Capital Works Projects	16	-	-	-
		<u>318,527</u>	<u>277,500</u>	<u>348,262</u>
Working Capital Surplus/(Deficit)		1,169,437	796,000	820,636
Non-current Assets				
Property, Plant and Equipment	11	505,743	472,316	492,931
		<u>505,743</u>	<u>472,316</u>	<u>492,931</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	134,227	125,000	106,418
Finance Lease Liability	15	23,174	25,000	5,585
		<u>157,401</u>	<u>150,000</u>	<u>112,003</u>
Net Assets		<u>1,517,780</u>	<u>1,118,316</u>	<u>1,201,564</u>
Equity		<u>1,517,780</u>	<u>1,118,316</u>	<u>1,201,564</u>

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

Richmond School
Statement of Cash Flows
For the year ended 31 December 2023

	2023	2023	2022
Note	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Cash flows from Operating Activities			
Government Grants	1,139,955	1,021,006	1,316,151
Locally Raised Funds	99,414	18,285	46,974
Goods and Services Tax (net)	(5,980)	-	29,517
Payments to Employees	(452,662)	(497,486)	(460,332)
Payments to Suppliers	(455,994)	(459,160)	(349,589)
Cyclical Maintenance Payments in the year	-	(172)	-
Interest Paid	(2,516)	-	(1,541)
Interest Received	38,862	5,000	10,451
Net cash from / (to) the Operating Activities	361,080	87,473	591,631
Cash flows from Investing Activities			
Proceeds from Sale of PPE (and Intangibles)	-	-	-
Purchase of PPE (and Intangibles)	(140,324)	(181,372)	(92,535)
Purchase of Investments	(222,269)	60,000	(428,067)
Net cash from / (to) the Investing Activities	(362,593)	(121,372)	(520,602)
Cash flows from Financing Activities			
Furniture and Equipment Grant	21,392	-	-
Finance Lease Payments	24,421	24,000	(16,927)
Contributions from/(Distributions to) Ministry of Education	4,741	-	4,442
Net cash from Financing Activities	50,553	24,000	(12,485)
Net increase/(decrease) in cash and cash equivalents	49,040	(9,899)	58,544
Cash and cash equivalents at the beginning of the year	7 414,898	414,898	356,353
Cash and cash equivalents at the end of the year	7 463,938	405,000	414,898

The statement of cash flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries and the use of land and buildings grant and expense and other notional items have been excluded.

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

Richmond School

Notes to the Financial Statements

For the year ended 31 December 2023

1. Statement of Accounting Policies

a) Reporting Entity

Richmond 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 reports 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 the assessment of the school's condition. During the year, the Board assesses the reasonableness of its painting maintenance plan on which the provision is based. Cyclical maintenance is disclosed at note 14.

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment, as disclosed in the significant accounting policies, are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 11.

Critical Judgements in applying accounting policies

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

Classification of leases

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

Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised. Finance lease liability disclosures are contained in note 15. Future operating lease commitments are disclosed in note 21b.

Recognition of grants

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

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) Inventories

Inventories are consumable items held for sale and comprise 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.

i) Investments

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

j) 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 Lease

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 to Crown Owned Assets	10-75 years
Building improvements	3 - 20 years
Audio Visual	10 - 20 years
Furniture and equipment	10 years
Information and communication technology	10 - 20years
Plant & Machinery	10 - 20 years
Textbooks	12.5% Diminishing value
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value
Sports & Minor Capital	10 - 20 years

k) 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. 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 the surplus or deficit.

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

l) 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.

m) Employee Entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period of the reporting period in which the employees provide the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned, by non teaching staff, to 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 long service leave and retirement, 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. Remeasurments are recognised in surplus or deficit in the period in which they arise.

n) Revenue Received in Advance

Revenue received in advance relates to fees received from grants received 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 earned.

The School holds sufficient funds to enable the refund of grants received, should the School be unable to provide the services to which they relate.

o) Funds Held in Trust

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

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

p) 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 Revenue and Expense.

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

q) Shared Funds

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. In instances where funds are outside of the School's control, these amounts are not recorded in the Statement of Revenue and Expense.

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

r) 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.

s) 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.

t) Borrowings

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

u) 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.

v) Budget Figures

The budget figures are extracted from the School budget that was approved by the Board at the start of the year.

w) Services received in-kind

From time to time the School receives services in-kind, including the time of volunteers. The School has elected not to recognise services received in kind in the Statement of Comprehensive Revenue and Expense.

2. Government Grants

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Government Grants - Ministry of Education	1,211,447	1,021,006	1,087,331
Teachers' salaries grants	2,690,376	2,690,000	2,472,165
Use of Land and Buildings grants	713,635	710,000	573,454
Other Government Grants	-	-	-
	<u>4,615,458</u>	<u>4,421,006</u>	<u>4,132,950</u>

The School has opted in to the donations scheme for the year. The total amount received was \$70,587 (2022: \$71,250).

3. Locally Raised Funds

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

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations & Bequests	32,829	6,225	13,277
Fees for Extra Curricular Activities	4,834	2,400	1,911
Trading	20,716	9,660	10,029
Fundraising & Community Grants	26,071	-	16,236
	<u>84,450</u>	<u>18,285</u>	<u>41,454</u>
Expenses			
Extra Curricular Activities	2,266	2,100	2,177
Trading	23,592	15,000	10,020
Fundraising & Community Grants Costs	7,025	-	2,756
	<u>32,884</u>	<u>17,100</u>	<u>14,952</u>
<i>Surplus for the year Locally raised funds</i>	<u>51,566</u>	<u>1,185</u>	<u>26,501</u>

Included in donations and bequests is Pub charity donations of \$26,047 for the purchase of laptops.

4. Learning Resources

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	95,453	126,750	97,671
Equipment repairs	14,864	12,502	7,894
Library resources	3,796	4,900	4,747
Employee benefits - salaries	2,948,786	3,011,386	2,792,817
Staff development	24,198	36,600	7,797
Depreciation	127,512	131,249	131,757
	<u>3,214,608</u>	<u>3,323,387</u>	<u>3,042,683</u>

5. Administration

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	4,985	5,050	4,985
Board Fees	5,635	6,000	3,200
Board Expenses	3,658	4,950	4,965
Communication	7,795	10,700	7,019
Consumables	15,504	22,680	15,144
Operating Lease	(313)	5,000	75
Other	16,607	19,930	16,386
Employee Benefits - Salaries	134,793	117,100	129,317
Insurance	10,541	13,000	9,901
Service Providers, Contractors and Consultancy	9,307	11,000	8,872
	<u>208,513</u>	<u>215,410</u>	<u>199,865</u>

6. Property

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	9,164	13,700	9,886
Consultancy and Contract Services	57,060	51,000	53,463
Cyclical Maintenance Expense	47,343	40,172	19,073
Grounds	2,946	4,500	4,702
Heat, Light and Water	24,487	30,800	21,694
Rates	11,449	11,000	11,020
Repairs and Maintenance	69,596	43,300	47,769
Use of Land and Buildings	713,635	710,000	573,454
Security	8,544	11,000	9,371
Employee Benefits - Salaries	64,474	59,000	56,025
	<u>1,008,697</u>	<u>974,472</u>	<u>806,457</u>

The use of land and buildings figure represents 8% 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 Current Account	84,325	80,000	125,437
Bank Call Account	379,612	325,000	289,460
Cash and cash equivalents for Cash Flow Statement	<u>463,937</u>	<u>405,000</u>	<u>414,898</u>

Of the \$463,937 Cash and Cash Equivalents, \$18,762 is unspent bequest funding earmarked for purchase of library books in the future.

8. Accounts Receivable

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	1,150	3,500	307
Receivables from the Ministry of Education	66,000	-	49,238
Interest Receivable	10,197	-	4,101
Teacher Salaries Grant Receivable	216,258	170,000	190,170
	<u>293,605</u>	<u>173,500</u>	<u>243,816</u>
Receivables from Exchange Transactions	11,346	3,500	4,408
Receivables from Non-Exchange Transactions	282,258	170,000	239,408
	<u>293,605</u>	<u>173,500</u>	<u>243,816</u>

9. Inventories

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	7,266	5,000	6,193
	<u>7,266</u>	<u>5,000</u>	<u>6,193</u>

10. Investments

The School's investment activities are classified as follows:

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	711,356	475,000	489,087

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

11. Property, Plant and Equipment

2023	Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Buildings - School	107,759	1,768	-	-	(17,508)	92,019
Audio Visual	8,697	-	-	-	(3,992)	4,705
Furniture and Equipment	84,098	25,199	-	-	(17,079)	92,218
Information and Communication	94,956	36,913	-	-	(37,504)	94,366
Plant & Machinery	113,953	2,174	-	-	(17,515)	98,612
Textbooks	25,521	14,360	-	-	(4,985)	34,896
Leased Assets	17,771	45,000	-	-	(20,865)	41,905
Library Resources	35,735	7,693	-	-	(5,428)	38,000
Sports & Minor Capital	4,441	7,217	-	-	(2,635)	9,023
Balance at 31 December 2023	492,931	140,324	-	-	(127,512)	505,743

	2023			2022		
	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Buildings - School	749,135	(657,116)	92,019	747,367	(639,609)	107,759
Audio Visual	226,551	(221,846)	4,705	226,551	(217,854)	8,697
Furniture and Equipment	425,995	(333,777)	92,218	400,795	(316,698)	84,098
Information and Communication	542,080	(447,714)	94,366	505,167	(410,211)	94,956
Plant & Machinery	288,574	(189,962)	98,612	286,400	(172,447)	113,953
Textbooks	217,939	(183,042)	34,896	203,579	(178,057)	25,521
Leased Assets	221,709	(179,804)	41,905	176,710	(158,939)	17,771
Library Resources	213,381	(175,381)	38,000	205,688	(169,953)	35,735
Sports & Minor Capital	105,158	(96,135)	9,023	97,941	(93,500)	4,441
Balance at 31 December	2,990,522	(2,484,779)	505,743	2,850,198	(2,357,267)	492,931

12. Accounts Payable

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Creditors	5,005	10,000	30,132
Accruals	4,985	4,000	4,985
Banking staffing overuse	-	-	60,538
Employee Entitlements - salaries	230,799	200,000	203,110
Employee Entitlements - leave accrual	9,028	7,500	5,614
	249,817	221,500	304,379
Payables for Exchange Transactions	249,817	221,500	304,379
	249,817	221,500	304,379

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Income in Advance - Ministry of Education	5,808	-	-
Family Accounts & Others	6,268	11,000	7,633
	12,076	11,000	7,633

14. Provision for Cyclical Maintenance

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Provision at the Start of the Year	120,054	120,054	100,981
Increase to the Provision During the Year	47,343	38,897	19,073
Use of the Provision During the Year	-	-	-
Provision at the End of the Year	<u>167,397</u>	<u>158,951</u>	<u>120,054</u>
Cyclical Maintenance - Current	33,169	25,000	13,636
Cyclical Maintenance - Non current	134,227	125,000	106,418
	<u>167,396</u>	<u>150,000</u>	<u>120,054</u>

15. Finance Lease Liability

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

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
No Later than One Year	19,720	20,000	12,889
Later than One Year and no Later than Five Years	23,174	25,000	5,585
Later than Five Years	-	-	-
	<u>42,895</u>	<u>45,000</u>	<u>18,474</u>

Represented by:

Finance lease liability - Current	19,720	20,000	12,889
Finance lease liability - Non current	23,174	25,000	5,585

16. Funds Held for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects.

The amount of cash held on behalf of the Ministry for capital works project is included under cash and cash equivalents in note 9.

	2023	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
Reroofing	<i>Ongoing</i>	(14,443)	123,393	92,932	(16,018)	-
Bolier Room Doors	<i>Ongoing</i>	9,702	2,016	11,718		-
		<u>(4,741)</u>	<u>125,409</u>	<u>104,650</u>	<u>(16,018)</u>	<u>-</u>
Totals						

Represented by:

Funds Held on Behalf of the Ministry of Education	-
Funds Due from the Ministry of Education	-
	<u>-</u>

	2022	Opening Balances	Receipts from MoE	Payments	BOT Contributions	Closing Balances
		\$	\$	\$	\$	\$
Heat Pumps Block F,H & J	<i>Completed</i>	4,379	14,787	19,166		-
RTLB Renovations	<i>Completed</i>	(11,312)	121,476	95,781	(14,383)	-
Reroofing	<i>Ongoing</i>	(2,250)	250,000	276,576	14,383	(14,443)
Bolier Room Doors	<i>Ongoing</i>	-	9,702			9,702
		<u>(9,183)</u>	<u>395,965</u>	<u>391,523</u>	<u>-</u>	<u>(4,741)</u>

Totals

Represented by:

Funds Held on Behalf of the Ministry of Education	9,702
Funds Due from the Ministry of Education	<u>(14,443)</u>
	<u><u>(4,741)</u></u>

17. Related Party Transactions

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

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

Related Parties include the
Raewyn Brenton (teacher) is the wife of Tim Brenton (Principal)

18. Remuneration

Key management personnel compensation

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

	2023 Actual	2022 Actual
	\$	\$
<i>Board Members</i> Remuneration	5,635	3,200
<i>Leadership Team</i> Remuneration	824,248	801,482
Full-time equivalent members	7	7
Total key management personnel remuneration	<u>829,883</u>	<u>804,682</u>
Total full-time equivalent personnel	<u><u>7</u></u>	<u><u>7</u></u>

There are 7 members on the Board excluding the Principal. The Board held 9 full meetings for the year. The Board also has a Finance committee that has 6 members and met 9 times during the year. The Board also has a Property committee with 2 members and they met 7 times during the 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

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

	2023	2022
	Actual	Actual
	\$000	\$000
Salaries and Other Short-term Employee Benefits:	160-170	150-160
Salary and Other Payments	20-30	20-30

Other Employees

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

Remuneration	2023	2022
\$000	FTE Number	FTE Number
100-110	2	4
110-120	4	2
120-130	2	-
	<u>8</u>	<u>6</u>

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

19. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be trustees, committee member, 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 nil. (2022: nil)

20. Contingencies

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

Holidays Act Compliance – schools payroll

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

The Ministry's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis and solutions have been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2023, a contingent liability for the school may exist.

21. Commitments

(a) Capital Commitments

As at 31 December 2023 the Board had not entered into any contract agreements for capital works. All capital works were completed during the year.

(Capital commitments at 31 December 2021: \$422,730)

(b) Operating Commitments

As at 31 December 2023 the Board had no operating leases. (31 December 2022: nil)

22. Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but attempts to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.

23. Financial Instruments

The carrying amount of financial

Loans and receivables

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash and Cash Equivalents	463,937	405,000	414,898
Receivables	293,605	173,500	243,816
Investments - Term Deposits	711,356	475,000	489,087
Total Loans and Receivables	<u>1,468,898</u>	<u>1,053,500</u>	<u>1,147,801</u>

Financial liabilities measured at amortised cost

Payables	249,817	221,500	304,379
Finance Leases	42,895	45,000	18,474
Funds Held for Capital Works	-	-	-
Total Financial Liabilities Measured at Amortised Cost	<u>292,712</u>	<u>266,500</u>	<u>322,853</u>

24 Events After Balance Date

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

25. Comparatives

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

**INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF RICHMOND SCHOOL'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

The Auditor-General is the auditor of Richmond School (the School). The Auditor-General has appointed me, John Hooper, using the staff and resources of John Hooper & Co, 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 statements of comprehensive revenue and expense, changes in net assets / equity and 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 23 April 2024. This is the date at which our opinion is expressed.

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

Basis of 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 of Trustees

The Board of Trustees 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 of Trustees 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 of Trustees is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board of Trustees 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 of Trustees' 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 of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees 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 Novopay 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 of Trustees 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 of Trustees is responsible for other information. The other information obtained at the date of our report is the list of board of trustee members, Kiwisport report and the statement of variance report.

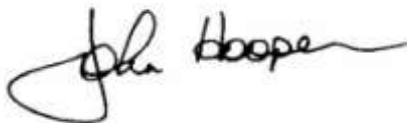
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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) issued by the New Zealand Auditing and Assurance Standards Board.

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



JOHN HOOPER

John Hooper & Co

On behalf of the Auditor-General

Nelson, New Zealand