

OTAHUHU COLLEGE

GROUP ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

School Directory

Ministry Number: 88
Principal: Neil Watson
School Address: Mangere Road, Otahuhu, Auckland
School Postal Address: Private Bag 93 317, Auckland 1640
School Phone: 09 963 4000
School Email: mwu@otahuhucollege.school.nz

Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Fita Lolo	Presiding Member	Elected	Aug-22
John Pulu	Presiding Member	Elected	Jun-25
Neil Watson	Principal ex Officio	ex Officio	Current
Craig Sionetuato	Parent Representative	Elected	Jun-25
David Faave	Parent Representative	Elected	Jun-25
Rae Nield	Parent Representative	Co-opted	Jun-25
Sei Brown	Parent Representative	Elected	Aug-22
Tony Faatonu Fautu	Parent Representative	Elected	Aug-22
Viliami Latu	Parent Representative	Elected	Jun-25
Xen-Day Taufelila	Student Representative	Elected	Dec-23
Julie Rogers	Staff Representative	Elected	Jun-25

Accountant / Service Provider: S.A.J. Services Ltd

OTAHUHU COLLEGE

Group Annual Report - For the year ended 31 December 2022

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Otahuhu College

Statement of Responsibility

For the year ended 31 December 2022

The Board accepts responsibility for the preparation of the annual consolidated financial statements and the judgements used in these consolidated 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 group's financial reporting.

It is the opinion of the Board and management that the consolidated annual financial statements for the financial year ended 31 December 2022 fairly reflects the financial position and operations of the group.

The Group's 2022 consolidated financial statements are authorised for issue by the Board.

Craig Stonefuep
Full Name of Presiding Member


Signature of Presiding Member

25 May 2023
Date:

Neil Michael Watson
Full Name of Principal


Signature of Principal

25 May 2023
Date:

Otago College
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2022

	Notes	2022 Actual \$	School 2022 Budget (Unaudited) \$	2021 Actual \$	2022 Actual \$	Group 2022 Budget (Unaudited) \$	2021 Actual \$
Revenue							
Government Grants	2	13,646,244	12,310,474	12,954,607	13,646,244	12,310,474	12,954,607
Locally Raised Funds	3	1,309,108	1,244,927	1,549,302	1,309,108	1,244,927	1,559,807
Interest Earned		37,299	5,000	8,602	39,557	5,000	9,843
Total revenue		14,992,651	13,560,401	14,512,511	14,994,909	13,560,401	14,524,257
Expenses							
Locally Raised Funds	3	181,009	245,112	82,291	181,009	245,112	82,291
Learning Resources	4	9,645,252	8,814,510	9,385,186	9,645,252	8,814,510	9,385,186
Administration	5	1,484,053	428,858	1,084,277	1,495,629	428,858	1,093,261
Finance		10,449	9,970	6,637	10,449	9,970	6,637
Property	6	3,446,154	3,971,010	3,070,520	3,446,154	3,971,010	3,070,520
Loss on Disposal of Property, Plant and Equipment		1,325	-	6,896	1,325	-	6,896
Total expenses		14,768,242	13,469,460	13,635,806	14,779,818	13,469,460	13,644,790
Net Surplus / (Deficit) for the year		224,409	90,941	876,704	215,091	90,941	879,466
Other Comprehensive Revenue and Expenses							
Gain on equity investment revaluations		-	-	-	-	-	-
Total other comprehensive revenue and expense		-	-	-	-	-	-
Total Comprehensive Revenue and Expense for the Year		224,409	90,941	876,704	215,091	90,941	879,466

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

Otago College
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2022

	Notes	2022	School	2021	2022	Group	2021
		Actual	2022 Budget (Unaudited)	Actual	Actual	2022 Budget (Unaudited)	Actual
		\$	\$	\$	\$	\$	\$
Equity at 1 January		5,176,976	5,176,976	4,300,272	5,315,437	5,176,976	4,435,971
Total comprehensive revenue and expense for the year		224,409	90,941	876,704	215,091	90,941	879,466
Contributions from the Ministry of Education							
Contribution - Furniture and Equipment Grant		47,932	-	-	47,932	-	-
Equity at 31 December		5,449,317	5,267,917	5,176,976	5,578,460	5,267,917	5,315,437
Accumulated comprehensive revenue and expense		5,449,317	5,267,917	5,176,976	5,578,460	5,267,917	5,315,437
Reserves		-	-	-	-	-	-
Equity at 31 December		5,449,317	5,267,917	5,176,976	5,578,460	5,267,917	5,315,437
Reserve Movements Analysis							
Accumulated comprehensive revenue and expense							
Balance at 1 January		5,176,976	5,176,976	4,300,272	5,315,437	5,176,976	4,435,971
Furniture & Equipment grant		47,932	-	-	47,932	-	-
Surplus/(deficit) for the year		224,409	90,941	876,704	215,091	90,941	879,466
Balance 31 December		5,449,317	5,267,917	5,176,976	5,578,460	5,267,917	5,315,437
Total equity		5,449,317	5,267,917	5,176,976	5,578,460	5,267,917	5,315,437

The above Consolidated Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes which form part of these financial statements.

Otaguhu College
Statement of Financial Position
As at 31 December 2022

	Notes	2022 Actual \$	School 2022 Budget (Unaudited) \$	2021 Actual \$	2022 Actual \$	Group 2022 Budget (Unaudited) \$	2021 Actual \$
Current Assets							
Cash and Cash Equivalents	7	2,287,758	2,238,565	2,572,623	2,418,427	2,238,565	2,586,624
Accounts Receivable	8	536,608	48,829	579,882	536,608	48,829	580,181
GST Receivable		158,042	21,814	21,814	158,042	21,814	21,814
Prepayments		72,004	13,686	13,686	72,004	13,686	13,686
Inventories	9	27,430	56,268	56,268	27,430	56,268	56,268
Investments	10	1,000,000	1,000,000	400,000	1,000,000	1,000,000	525,641
Funds receivable for Capital Works Projects	17	69,617	-	-	69,617	-	-
		<u>4,151,459</u>	<u>3,379,162</u>	<u>3,644,274</u>	<u>4,282,128</u>	<u>3,379,162</u>	<u>3,784,215</u>
Current Liabilities							
Accounts Payable	12	1,237,368	349,594	880,648	1,238,894	349,594	882,128
Revenue Received in Advance	13	601,233	533,949	533,949	601,233	533,949	533,949
Provision for Cyclical Maintenance	14	83,071	63,111	63,111	83,071	63,111	63,111
Finance Lease Liability	15	45,332	26,169	26,169	45,332	26,169	26,169
Funds held in Trust	16	22,079	8,279	8,279	22,079	8,279	8,279
Funds held for Capital Works Projects	17	13,374	226,433	226,433	13,374	226,433	226,433
Funds held on behalf of Kiwi Park Cluster	18	101,153	101,153	101,153	101,153	101,153	101,153
		<u>2,103,610</u>	<u>1,308,688</u>	<u>1,839,742</u>	<u>2,105,136</u>	<u>1,308,688</u>	<u>1,841,222</u>
Working Capital Surplus/(Deficit)		<u>2,047,849</u>	<u>2,070,474</u>	<u>1,804,532</u>	<u>2,176,992</u>	<u>2,070,474</u>	<u>1,942,993</u>
Non-current Assets							
Property, Plant and Equipment	11	3,495,786	3,417,110	3,592,111	3,495,786	3,417,110	3,592,111
Work in Progress		127,720	-	-	127,720	-	-
		<u>3,623,506</u>	<u>3,417,110</u>	<u>3,592,111</u>	<u>3,623,506</u>	<u>3,417,110</u>	<u>3,592,111</u>
Non-current Liabilities							
Provision for Cyclical Maintenance	14	154,577	184,274	184,274	154,577	184,274	184,274
Finance Lease Liability	15	67,461	35,393	35,393	67,461	35,393	35,393
		<u>222,038</u>	<u>219,667</u>	<u>219,667</u>	<u>222,038</u>	<u>219,667</u>	<u>219,667</u>
Net Assets		<u>5,449,317</u>	<u>5,267,917</u>	<u>5,176,976</u>	<u>5,578,460</u>	<u>5,267,917</u>	<u>5,315,437</u>
Equity:							
Accumulated comprehensive revenue and expense		5,449,317	5,267,917	5,176,976	5,578,460	5,267,917	5,315,437
Equity investment revaluation reserves		-	-	-	-	-	-
Total equity		<u>5,449,317</u>	<u>5,267,917</u>	<u>5,176,976</u>	<u>5,578,460</u>	<u>5,267,917</u>	<u>5,315,437</u>

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

Otahuhu College
Statement of Cash Flows
For the year ended 31 December 2022

	Notes	2022 Actual \$	School 2022 Budget (Unaudited) \$	2021 Actual \$	2022 Actual \$	Group 2022 Budget (Unaudited) \$	2021 Actual \$
Cash flows from Operating Activities							
Government Grants		5,312,339	4,515,835	4,750,397	5,312,339	4,515,835	4,750,397
Locally Raised Funds		1,349,303	1,552,418	1,782,517	1,349,303	1,552,418	1,793,022
Goods and Services Tax (net)		(136,228)	(11,870)	(11,870)	(136,228)	(11,870)	(11,870)
Payments to Employees		(1,125,789)	(941,676)	(1,020,373)	(1,125,789)	(941,676)	(1,020,373)
Payments to Suppliers		(4,350,723)	(3,307,617)	(3,841,235)	(4,364,254)	(3,307,617)	(3,859,294)
Interest Paid		(10,449)	(9,970)	(6,637)	(10,449)	(9,970)	(6,637)
Interest Received		34,243	3,396	10,518	36,800	3,396	11,598
Net cash from / (to) the Operating Activities		1,072,696	1,800,516	1,663,316	1,061,722	1,800,516	1,656,842
Cash flows from Investing Activities							
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		-	(190)	-	-	(190)	-
Purchase of Property Plant & Equipment (and Intangibles)		(453,094)	(1,019,130)	(637,465)	(451,094)	(1,019,130)	(637,465)
Purchase of Investments		(600,000)	-	-	(474,359)	-	-
Proceeds from Sale of Investments		-	601,883	701,884	-	601,883	700,813
Net cash from / (to) the Investing Activities		(1,053,094)	(417,437)	64,419	(925,453)	(417,437)	63,348
Cash flows from Financing Activities							
Furniture and Equipment Grant		47,936	-	-	47,936	-	-
Finance Lease Payments		(42,485)	203,944	(64,367)	(42,485)	203,944	(64,367)
Funds Administered on Behalf of Third Parties		(309,917)	(400,598)	(400,599)	(309,917)	(400,598)	(400,599)
Net cash from / (to) Financing Activities		(304,467)	(196,654)	(464,966)	(304,467)	(196,654)	(464,966)
Net increase/(decrease) in cash and cash equivalents		(284,865)	1,186,425	1,262,769	(168,198)	1,186,425	1,255,224
Cash and cash equivalents at the beginning of the year	7	2,572,623	1,052,140	1,309,854	2,586,624	1,052,140	1,331,400
Cash and cash equivalents at the end of the year	7	2,287,758	2,238,565	2,572,623	2,418,426	2,238,565	2,586,624

The Consolidated 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 have been omitted.

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

Otahuhu College

Notes to the Group Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

a) Reporting Entity

Otahuhu College 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 Otahuhu College (the 'Group') consists of Otahuhu College and its subsidiary trust. The subsidiary is a School Trust ('Trust') which supports the school by raising funds and making donations for the school.

The School's subsidiary is incorporated and domiciled in New Zealand.

b) Basis of Preparation

Reporting Period

The consolidated financial statements have been prepared for the period 1 January 2022 to 31 December 2022 and in accordance with the requirements of the Education and Training Act 2020.

Basis of Preparation

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

Basis of Consolidation

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses, and cash flows of entities in the group on a line-by-line basis. All intra-group balances, transactions, revenue, and expenses are eliminated on consolidation.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed, or has rights, to variable benefits from its involvement with the other entity and has the ability to affect the nature or amount of those benefits through its power over the other entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in surplus or deficit. Any interest retained in the former subsidiary is measured at fair value when control is lost.

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

Measurement Base

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

Presentation Currency

These consolidated 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 consolidated financial statements are set out below.

Critical Accounting Estimates And Assumptions

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

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

Cyclical maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition. During the year, the Board assesses the reasonableness of its painting maintenance plan on which the provision is based. Cyclical maintenance is disclosed at note 14.

Useful lives of property, plant and equipment

The Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The Group 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 15.

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.

Consolidation of entities

The Group consolidates entities based on whether the School has established control of the subsidiary. The subsidiaries which are controlled are disclosed at Note 26.

c) Revenue Recognition

Government Grants

The Group 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 Group 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 Group has the rights to the funding in the salary period they relate to. The grants are not received in cash by the Group 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. These 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 Group 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. Interest revenue is accrued using the effective interest method.

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 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 Consolidated Statement of Comprehensive Revenue and Expense in the period of the write down.

h) Investments

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

Equity investments are designated at initial recognition at fair value through other comprehensive revenue and expense because they are investments that the group intends to hold for long term strategic purposes. They are initially measured at fair value plus transaction costs. They are subsequently measured at their fair value with gains and losses recognised in other comprehensive revenue and expense. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred within equity to accumulated surplus/(deficit).

The Group has met the requirements of Section 154 (2)(b)(ii) of the Education and Training Act 2020 in relation to the acquisition of investment securities.

i) Property, Plant and Equipment

Land and buildings owned by the Crown are excluded from these consolidated 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 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 Consolidated 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 Consolidated Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Building improvements	40 years
Board Owned Buildings	40 years
Furniture and equipment	10 years
Information and communication technology	3 years
Motor vehicles	5 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

j) Intangible Assets

Software costs

Computer software acquired by the Group are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance and research expenditure are recognised as an expense in the Consolidated Statement of Comprehensive Revenue and Expense when incurred.

Fees to access the supplier's application software in a SaaS arrangement:

Where the SaaS contract only gives the school the right to receive access to the supplier's application software, costs associated with the licence would be expensed when incurred due to a lack of control over an identified asset. When the Group receives rights beyond right of access, this could indicate that the Group has an intangible asset, if the definition and recognition criteria under PBE IPSAS 31 are satisfied.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Consolidated Statement of Comprehensive Revenue and Expense.

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

The Group 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 Group 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 group 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 the surplus or deficit.

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

l) Accounts Payable

Accounts Payable represents liabilities for goods and services provided to the Group 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 in which the employee renders 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 also 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 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.

n) Revenue Received in Advance

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

o) Funds Held in Trust

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

The Group 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 participating schools as agreed with the Ministry of Education. In instances where funds are outside of the Group's control, these amounts are not recorded in the Statement of Revenue and Expense. In instances where the school is determined to be the principal for providing the service related to the Shared Funds (such as the RTL programme), all income and expenditure related to the provision of the service is recorded in the Statement of Revenue and Expense. The Group holds sufficient funds to enable the funds to be used for their intended purpose.

r) Provision for Cyclical Maintenance

The property from which the Group 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 Group sites in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the Group, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision is a reasonable estimate, the groups 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 group 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 Group'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.

Investments that are shares are categorised as 'financial assets at fair value through other comprehensive revenue and expense' for accounting purposes in accordance with financial reporting standards. On initial recognition of an equity investment that is not held for trading, the group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive revenue and expense. This election has been made for investments that are shares. Subsequent to initial recognition, these assets are measured at fair value. Dividends are recognised as income in surplus or deficit unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive revenue and expense and are never reclassified to surplus or deficit.

The Group'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) Goods and Services Tax (GST)

The consolidated 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 consolidated statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

u) Budget Figures

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

v) Services received in-kind

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

2. Government Grants

	2022 Actual \$	School 2022 Budget (Unaudited) \$	2021 Actual \$	2022 Actual \$	Group 2022 Budget (Unaudited) \$	2021 Actual \$
Government Grants - Ministry of Education	4,892,988	3,322,225	4,420,629	4,892,988	3,322,225	4,420,629
Teachers' Salaries Grants	6,250,903	5,614,596	6,087,046	6,250,903	5,614,596	6,087,046
Use of Land and Buildings Grants	2,107,095	3,032,654	2,093,071	2,107,095	3,032,654	2,093,071
Other Government Grants	395,258	340,999	353,861	395,258	340,999	353,861
	13,646,244	12,310,474	12,954,607	13,646,244	12,310,474	12,954,607

The school has opted in to the donations scheme for this year. Total amount received was \$142,350.

3. Locally Raised Funds

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

	2022 Actual \$	School 2022 Budget (Unaudited) \$	2021 Actual \$	2022 Actual \$	Group 2022 Budget (Unaudited) \$	2021 Actual \$
Revenue						
Donations and Bequests	-	-	-	-	-	10,000
Fundraising & Community Grants	1,167,147	1,074,115	1,506,666	1,167,147	1,074,115	1,506,666
Curriculum related activities - Purchase of goods and services	37,905	5,650	9,602	37,905	5,650	9,602
Trading	49,440	51,000	17,152	49,440	51,000	17,657
Fees for Extra Curricular Activities	54,616	114,162	15,881	54,616	114,162	15,881
	1,309,108	1,244,927	1,549,302	1,309,108	1,244,927	1,559,807
Expenses						
Extra Curricular Activities costs	136,336	211,112	80,276	136,336	211,112	80,276
Trading	44,673	34,000	2,015	44,673	34,000	2,015
	181,009	245,112	82,291	181,009	245,112	82,291
Surplus for the year Locally raised funds	1,128,099	999,815	1,467,011	1,128,099	999,815	1,477,516

4. Learning Resources

	2022 Actual \$	School 2022 Budget (Unaudited) \$	2021 Actual \$	2022 Actual \$	Group 2022 Budget (Unaudited) \$	2021 Actual \$
Curricular	1,999,690	1,879,723	1,998,970	1,999,690	1,879,723	1,998,970
Information and Communication Technology	143,249	161,010	155,258	143,249	161,010	155,258
Library Resources	5,215	8,500	3,227	5,215	8,500	3,227
Employee Benefits - Salaries	6,922,535	6,239,276	6,717,278	6,922,535	6,239,276	6,717,278
Staff Development	19,431	26,000	9,751	19,431	26,000	9,751
Depreciation	555,132	500,001	500,702	555,132	500,001	500,702
	9,645,252	8,814,510	9,385,186	9,645,252	8,814,510	9,385,186

5. Administration

	2022 Actual \$	School 2022 Budget (Unaudited) \$	2021 Actual \$	2022 Actual \$	Group 2022 Budget (Unaudited) \$	2021 Actual \$
Audit Fee	10,183	11,370	9,887	11,707	11,370	11,367
Board Fees	2,285	5,000	2,725	2,285	5,000	2,725
Board Expenses	1,822	5,200	1,433	1,822	5,200	1,433
Communication	46,500	35,000	19,027	46,500	35,000	19,027
Consumables	1,261	(3,000)	27,949	1,261	(3,000)	27,949
Other	1,032,930	21,300	657,256	1,042,982	21,300	664,760
Employee Benefits - Salaries	349,783	316,488	327,737	349,783	316,488	327,737
Insurance	27,594	25,000	25,644	27,594	25,000	25,644
Service Providers, Contractors and Consultancy	11,695	12,500	12,619	11,695	12,500	12,619
	1,484,053	428,858	1,084,277	1,495,629	428,858	1,093,261

6. Property

	2022 Actual \$	School 2022 Budget (Unaudited) \$	2021 Actual \$	2022 Actual \$	Group 2022 Budget (Unaudited) \$	2021 Actual \$
Caretaking and Cleaning Consumables	28,494	33,000	26,560	28,494	33,000	26,560
Consultancy and Contract Services	254,707	237,356	261,326	254,707	237,356	261,326
Cyclical Maintenance Provision	25,233	71,000	53,894	25,233	71,000	53,894
Grounds	108,809	95,320	80,307	108,809	95,320	80,307
Heat, Light and Water	126,886	105,000	124,808	126,886	105,000	124,808
Rates	540	600	508	540	600	508
Repairs and Maintenance	583,147	206,863	251,514	583,147	206,863	251,514
Use of Land and Buildings	2,107,095	3,032,654	2,093,071	2,107,095	3,032,654	2,093,071
Security	114,451	90,000	90,426	114,451	90,000	90,426
Employee Benefits - Salaries	96,792	99,217	88,106	96,792	99,217	88,106
	3,446,154	3,971,010	3,070,520	3,446,154	3,971,010	3,070,520

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

	2022 Actual \$	School 2022 Budget (Unaudited) \$	2021 Actual \$	2022 Actual \$	Group 2022 Budget (Unaudited) \$	2021 Actual \$
Bank Accounts	2,287,758	2,238,565	2,572,623	2,418,427	2,238,565	2,586,624
Cash equivalents and bank overdraft for Consolidated Cash Flow Statement	2,287,758	2,238,565	2,572,623	2,418,427	2,238,565	2,586,624

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

Of the \$2,287,758 Cash and Cash Equivalents, \$13,374 is held by the Group on behalf of the Ministry of Education. These funds have been provided for the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2023 on Crown owned Group buildings.

Of the \$2,287,758 Cash and Cash Equivalents, \$101,153 is held by the School on behalf of the Te Kura o Waipuna Cluster. See note 18 for details of how the funding received for the cluster has been spent in the year.

8. Accounts Receivable

	2022 Actual \$	School 2022 Budget (Unaudited) \$	2021 Actual \$	2022 Actual \$	Group 2022 Budget (Unaudited) \$	2021 Actual \$
Receivables	49,922	23,132	22,833	49,922	23,132	22,833
Receivables from the Ministry of Education	-	24,093	24,093	-	24,093	24,093
Interest Receivable	4,660	1,604	1,604	4,660	1,604	1,903
Teacher Salaries Grant Receivable	482,026	-	531,352	482,026	-	531,352
	536,608	48,829	579,882	536,608	48,829	580,181
Receivables from Exchange Transactions	54,583	24,736	24,437	54,583	24,736	24,736
Receivables from Non-Exchange Transactions	482,026	24,093	555,445	482,026	24,093	555,445
	536,608	48,829	579,882	536,608	48,829	580,181

9. Inventories

	2022 Actual \$	School 2022 Budget (Unaudited) \$	2021 Actual \$	2022 Actual \$	Group 2022 Budget (Unaudited) \$	2021 Actual \$
Stationery	27,430	56,268	56,268	27,430	56,268	56,268
	27,430	56,268	56,268	27,430	56,268	56,268

10. Investments

The Group and School's investments are classified as follows:

	2022 Actual \$	School 2022 Budget (Unaudited) \$	2021 Actual \$	2022 Actual \$	Group 2022 Budget (Unaudited) \$	2021 Actual \$
Current Asset						
Short-term Bank Deposits	1,000,000	1,000,000	400,000	1,000,000	1,000,000	525,641
	1,000,000	1,000,000	400,000	1,000,000	1,000,000	525,641
Total Investments	1,000,000	1,000,000	400,000	1,000,000	1,000,000	525,641

11. Property, Plant and Equipment

GROUP

	Opening Balance (Net Book Value) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2022						
Building Improvements	2,454,594	102,712	(41,162)	-	(92,423)	2,423,718
Furniture and Equipment	533,239	193,458	-	-	(142,537)	584,159
Information and Communication Technology	516,194	106,707	-	-	(251,613)	371,290
Motor Vehicles	14,213	-	-	-	(8,528)	5,685
Leased Assets	59,723	93,715	-	-	(57,840)	95,598
Library Resources	14,148	4,946	(1,567)	-	(2,191)	15,336
Balance at 31 December 2022	3,592,111	501,538	(42,729)	-	(555,132)	3,495,786

GROUP

	2022 Cost or Valuation \$	2022 Accumulated Depreciation \$	2022 Net Book Value \$	2021 Cost or Valuation \$	2021 Accumulated Depreciation \$	2021 Net Book Value \$
Building Improvements	3,715,978	(1,292,260)	2,423,718	3,654,673	(1,200,079)	2,454,594
Furniture and Equipment	1,631,761	(1,047,601)	584,159	1,451,867	(918,628)	533,239
Information and Communication Technology	1,121,706	(750,417)	371,290	1,419,565	(903,371)	516,194
Motor Vehicles	173,628	(167,942)	5,685	173,628	(159,415)	14,213
Leased Assets	173,954	(78,357)	95,598	80,238	(20,515)	59,723
Library Resources	81,956	(66,620)	15,336	86,604	(72,456)	14,148
Balance at 31 December	6,898,984	(3,403,197)	3,495,786	6,866,575	(3,274,464)	3,592,111

SCHOOL

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2022						
Building Improvements	2,454,594	102,712	(41,162)	-	(92,423)	2,423,718
Furniture and Equipment	533,239	193,458	-	-	(142,537)	584,159
Information and Communication Technology	516,194	106,707	-	-	(251,613)	371,290
Motor Vehicles	14,213	-	-	-	(8,528)	5,685
Leased Assets	59,723	93,715	-	-	(57,840)	95,598
Library Resources	14,148	4,946	(1,567)	-	(2,191)	15,336
Balance at 31 December 2022	3,592,111	501,538	(42,729)	-	(555,132)	3,495,786

SCHOOL

	2022 Cost or Valuation \$	2022 Accumulated Depreciation \$	2022 Net Book Value \$	2021 Cost or Valuation \$	2021 Accumulated Depreciation \$	2021 Net Book Value \$
Building Improvements	3,715,978	(1,292,260)	2,423,718	3,654,673	(1,200,079)	2,454,594
Furniture and Equipment	1,631,761	(1,047,601)	584,159	1,451,867	(918,628)	533,239
Information and Communication Technology	1,121,706	(750,417)	371,290	1,419,565	(903,371)	516,194
Motor Vehicles	173,628	(167,942)	5,685	173,628	(159,415)	14,213
Leased Assets	173,954	(78,357)	95,598	80,238	(20,515)	59,723
Library Resources	81,956	(66,620)	15,336	86,604	(72,456)	14,148
Balance at 31 December	6,898,984	(3,403,197)	3,495,786	6,866,575	(3,274,464)	3,592,111

The net carrying value of furniture and equipment held under a finance lease is \$95,598 (2021: \$59,723)

Restrictions

There are no restrictions over the title of the school's property, plant and equipment, nor are any property, plant and equipment pledged as security for liabilities.

12. Accounts Payable

	2022 Actual \$	School 2022 Budget (Unaudited) \$	2021 Actual \$	2022 Actual \$	Group 2022 Budget (Unaudited) \$	2021 Actual \$
Creditors	656,331	244,295	244,296	656,331	244,295	244,296
Accruals	8,183	6,590	6,590	9,707	6,590	8,070
Employee Entitlements - Salaries	544,821	73,365	604,418	544,821	73,365	604,418
Employee Entitlements - Leave Accrual	28,034	25,344	25,344	28,034	25,344	25,344
	<u>1,237,368</u>	<u>349,594</u>	<u>880,648</u>	<u>1,238,894</u>	<u>349,594</u>	<u>882,128</u>
Payables for Exchange Transactions	1,237,368	349,594	880,648	1,238,894	349,594	882,128
	<u>1,237,368</u>	<u>349,594</u>	<u>880,648</u>	<u>1,238,894</u>	<u>349,594</u>	<u>882,128</u>

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2022 Actual \$	School 2022 Budget (Unaudited) \$	2021 Actual \$	2022 Actual \$	Group 2022 Budget (Unaudited) \$	2021 Actual \$
Other revenue in Advance	601,233	533,949	533,949	601,233	533,949	533,949
	<u>601,233</u>	<u>533,949</u>	<u>533,949</u>	<u>601,233</u>	<u>533,949</u>	<u>533,949</u>

14. Provision for Cyclical Maintenance

	2022 Actual \$	School and Group 2022 Budget (Unaudited) \$	2021 Actual \$
Provision at the Start of the Year	247,385	247,385	194,869
Increase to the Provision During the Year	25,233	-	53,894
Use of the Provision During the Year	(34,970)	-	(1,378)
Provision at the End of the Year	<u>237,648</u>	<u>247,385</u>	<u>247,385</u>
Cyclical Maintenance - Current	83,071	63,111	63,111
Cyclical Maintenance - Non current	154,577	184,274	184,274
	<u>237,648</u>	<u>247,385</u>	<u>247,385</u>

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

15. Finance Lease Liability

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

	2022 Actual \$	School 2022 Budget (Unaudited) \$	2021 Actual \$	2022 Actual \$	Group 2022 Budget (Unaudited) \$	2021 Actual \$
No Later than One Year	45,332	26,169	26,169	45,332	26,169	26,169
Later than One Year and no Later than Five Years	67,461	35,393	35,393	67,461	35,393	35,393
	<u>112,793</u>	<u>61,562</u>	<u>61,562</u>	<u>112,793</u>	<u>61,562</u>	<u>61,562</u>
Represented by						
Finance lease liability - Current	45,332	26,169	26,169	45,332	26,169	26,169
Finance lease liability - Non-current	67,461	35,393	35,393	67,461	35,393	35,393
	<u>112,793</u>	<u>61,562</u>	<u>61,562</u>	<u>112,793</u>	<u>61,562</u>	<u>61,562</u>

16. Funds held in Trust

	2022 Actual \$	School 2022 Budget (Unaudited) \$	2021 Actual \$	2022 Actual \$	Group 2022 Budget (Unaudited) \$	2021 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	22,079	8,279	8,279	22,079	8,279	8,279
Funds Held in Trust on Behalf of Third Parties - Non-current	-	-	-	-	-	-
	22,079	8,279	8,279	22,079	8,279	8,279

These funds relate to arrangements where the school is acting as agent and therefore these are not included in the Consolidated Statement of Comprehensive Revenue and Expense

17. Funds Held for Capital Works Projects

During the year the School and Group 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 per note 9

School and GROUP

2022	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contribution \$	Closing Balances \$
Site Security Upgrade	(53,793)	19,740	34,053	-	-
Hard Cover Canopy	31,315	13,579	(44,895)	-	-
LSC Space	-	-	-	-	-
Sports Turf	(6,481)	6,614	(1,018)	885	-
Fire Alarm Upgrade	118,914	-	(105,540)	-	13,374
Toilet Reconfiguration	23,847	468,000	(535,671)	-	(43,824)
Stormwater	112,631	-	(112,631)	-	-
Drama Room Floor Resurfacing	-	21,807	(21,807)	-	-
Block B Electrical Upgrade	-	29,470	(55,263)	-	(25,793)
Totals	226,433	559,210	(842,772)	885	(56,243)

Represented by:

Funds Held on Behalf of the Ministry of Education	13,374
Funds Receivable from the Ministry of Education	(69,617)

2021	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contribution \$	Closing Balances \$
Site Security Upgrade	62,747	-	(116,540)	-	(53,793)
Hard Cover Canopy	274,896	13,579	(257,160)	-	31,315
LSC Space	(5,054)	3,222	1,832	-	-
Sports Turf	44,442	454	(92,781)	41,404	(6,481)
Fire Alarm Upgrade	250,000	198,787	(329,873)	-	118,914
Toilet Reconfiguration	-	58,500	(34,653)	-	23,847
Stormwater	-	157,500	(44,869)	-	112,631
Totals	627,032	432,042	(874,044)	41,404	226,433

Represented by:

Funds Held on Behalf of the Ministry of Education	286,707
Funds Receivable from the Ministry of Education	(60,274)

18. Funds Held on Behalf of Te Kura o Waipuna

Otauhu College is the lead school and holds funds on behalf of the cluster, a group of schools funded by the Ministry.

School and GROUP

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Funds Held at Beginning of the Year	101,153	101,153	101,153
Funds Received from MoE	-	-	-
Total funds received	101,153	101,153	101,153
Funds Spent on Behalf of the Cluster	-	-	-
Funds remaining	101,153	101,153	101,153

19. Related Party Transactions

The Group is a controlled entity of the Crown, and the Crown provides the major source of revenue to the Group. The Group 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 Group 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 Group 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.

20. Remuneration

Key management personnel compensation (School and Group)

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

	2022 Actual \$	2021 Actual \$
<i>Board Members - School</i> Remuneration	2,285	2,725
<i>Leadership Team</i> Remuneration Full-time equivalent members	698,719 5	745,110 5
Total key management personnel remuneration	<u>701,004</u>	<u>747,835</u>

There are 6 members of the Board excluding the Principal. The Board had held 8 full meetings of the Board in 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.

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

	2022 Actual \$000	2021 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	190 - 200	190 - 200
Benefits and Other Emoluments	5 - 10	5 - 10
Termination Benefits		

Other Employees

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

Remuneration \$000	2022 FTE Number	2021 FTE Number
100 - 110	8.00	12.00
110 - 120	5.00	3.00
120 - 130	2.00	0.00
130 - 140	1.00	0.00
140 - 150	0.00	3.00
	<u>16.00</u>	<u>18.00</u>

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

21. 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:

	2022 Actual	2021 Actual
School and GROUP Total Number of People	-	-

22. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2022 (Contingent liabilities and assets at 31 December 2021: nil).

Holidays Act Compliance – schools payroll

The Ministry of Education performs payroll processing and payments on behalf of school boards, 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 2022, a contingent liability for the school may exist.

Support Staff in Schools' Collective Agreement (CA) Settlement and the Teacher Aide Pay Equity Settlement

In 2022 the Ministry of Education provided additional funding for both the Support Staff in Schools' Collective Agreement (CA) Settlement and the Teacher Aide Pay Equity Settlement. The School is still yet to receive a final wash up that adjusts the estimated quarterly instalments for the actual teacher aides employed in 2022. The Ministry is in the process of determining the amount of the final wash up payment for the year ended 31 December 2022. Even though the payment is probable, the amount to be received is not known with a high level of certainty. The School has therefore not recognised the expected receipt (asset) and income in its financial statements. The payment is expected to be received in July 2023.

23. Commitments

(a) Capital Commitments

As at 31 December 2022 the Board has entered into contract agreements for capital works as follows:

(a) \$273,000 contract for an upgrade to the schools courtyard, this project will be fully funded by the board. \$127,719.35 has been spent on the project to date.

(Capital commitments at 31 December 2021: \$760,000)

(b) Operating Commitments School and GROUP

As at 31 December 2022 the Board has entered into no contracts.

Operating commitments at 31 December 2021: nil

24. 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

	2022 Actual \$	School 2022 Budget (Unaudited) \$	2021 Actual \$	2022 Actual \$	Group 2022 Budget (Unaudited) \$	2021 Actual \$
Cash and Cash Equivalents	2,287,758	2,238,565	2,572,623	2,418,427	2,238,565	2,586,624
Receivables	536,608	48,829	579,882	536,608	48,829	580,181
Investments - Term Deposits	1,000,000	1,000,000	400,000	1,000,000	1,000,000	525,641
Total Financial Assets Measured at Amortised Cost	3,824,366	3,287,394	3,552,505	3,955,035	3,287,394	3,692,446

Financial liabilities measured at amortised cost

Payables	1,237,368	349,594	880,648	1,238,894	349,594	882,128
Finance Leases	112,793	61,562	61,562	112,793	61,562	61,562
Total Financial Liabilities Measured at Amortised Cost	1,350,161	411,156	942,210	1,351,687	411,156	943,690

25. Events After Balance Date

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

26. Investment in Subsidiaries

Details of the Group's material subsidiaries at the end of the reporting period are as follows.

Name of Subsidiary	Principal Activity	Place of incorporation and operation	Proportion of ownership interest and voting power held		Value of investment \$000	
			2022	2021	2022	2021
Otahuhu College Trust	Raising Funds	Auckland, New Zealand	100%	100%	130,668.00	138,461.00

All subsidiaries have 31 December balance dates, are 100% owned by the School, and are incorporated and domiciled in New Zealand.

The School controls the Trust for financial reporting purposes because, in substance, the school predetermined the objectives of the Trust at establishment and benefits from the Trust's complementary activities.

The Trust is a registered charity. Under its constitution, the company is prohibited from paying dividends (or similar distributions) to the School.

27. Comparatives

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



Otahuhu College

Analysis of Variance for 2022

Leading Educational Excellence and Endeavour in Our Community

Tataki ai kuranga hiranga kia naniore I to tatou hapori

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Student Achievement

Focus Area	2020 position	Target for 2022	Outcome for 2022								
Year 9 and 10	20% of students were Stanine 5 or above. 32% at stanine 1 or 2.	30% of students at Stanine 5 or above, 20% of students at Stanine 2 or below.	The Junior Award scheme was introduced this year “The Kotuku Award” which saw students completing extra- curricular, Education Perfect activities as well as regular attendance with good engagement. PAT results revealed clearly the impact of regular attendance on outcomes. (See Appendix 1) It is clear that there are major learning gaps caused by the lockdowns which have exacerbated the pre-existing gaps. Ōtāhuhu College needs to be better at accelerating our students progress so that all students have a realistic opportunity to gain UE by Year 13.								
Internals			Overall the pass rates for internals was down on previous years as was the Merit and excellence rates. This was coupled by a decrease in standards completed through the year. These figures highlight the need for Ōtāhuhu College to effectively start again in terms of lifting levels of student achievement. It is noticeable that some Departments under performed significantly. These include Science, English, Technology, Digital and Physical Education and Health. (See Appendix 2)								
Externals	17% of standards completed are from externals Last two year results distorted by Covid	Aim for 2022 is to have best external results from last six years as broken down by Department.	External results were a decrease on previous years and highlight the importance of improving both the teaching but also the independent study skills of our students.								
NCEA Pass Rates	Pass rates distorted for last two years	<table border="1"> <tbody> <tr> <td>Level 1</td> <td>76%</td> </tr> <tr> <td>Level 2</td> <td>82%</td> </tr> <tr> <td>Level 3</td> <td>85%</td> </tr> <tr> <td>UE</td> <td>49%</td> </tr> </tbody> </table>	Level 1	76%	Level 2	82%	Level 3	85%	UE	49%	The full NCEA statistics for the year will be available the week of 23 January.
Level 1	76%										
Level 2	82%										
Level 3	85%										
UE	49%										

Student Engagement

Focus Area	2021 Position	2022Target	Outcome for 2022
Attendance	Covid and lockdowns have made the last two years attendance figures meaningless. However attendance continues to be a major issue.	90% of students attending 80% or time. 60% attending 90% of the time.	Close work with families and external agencies, including the revised Ministry Engagement workers in school (EWIS) Unfortunately the EWIS did not make any improvement on previous service. We targeted some of the time for Career adviser for at risk students to encourage retention and attendance. Ōtāhuhu College also employed Employment of 2 Attendance Navigators. Despite these efforts attendance did not recover to the already low levels prior to the pandemic. Attendance will need to be a crucial and continued focus for the College and our families. (See Appendix 4)
Behaviour	Decrease in minor offences. Standdown rate of 45 per 1000 (2016)	Continued decrease in minor offending. Stand down offences less than 30.	There was an increase in standdowns this year, predominantly created by two events: <ul style="list-style-type: none"> Fights caused by social media Vaping inside buildings Overall there was a significant decrease in suspensions with three students being suspended in 2022.
Retention	Retention to 17 th birthday is 85%	Levels of retention is 85% or better.	Ongoing work with careers and curriculum development to maintain levels of retention. Extra learning support capacity to support vulnerable learners. Work on reintroduction after covid lock down. Despite these efforts Ōtāhuhu College saw a significant decrease in the roll, mainly through chronic absenteeism then being absent for 20 or more days at school. There has also been an uptick in the number of students applying early leaving exemptions, the College opposes these as a rule, but often they are granted by the Ministry. 2023 will be a focus on starting again in terms of our e retention of students through to Year 13.

Focus Area	2021 Position	2022Target	Outcome for 2022
Engagement in learning	Weekly engagement grades were disrupted by lockdown.	Weekly engagement grades show an average of 3.5 across year groups, ethnicities and gender.	Work on staff development in catering for each and every student. Encourage greater reading was done through use of the library. Engagement grades are maintaining over 3.5 target. A learning Culture survey of staff indicated 5/40 areas where we need to improve further. Next year we will also survey the students and the families.

Teaching and Learning

Focus Area	2021Position	Target for 2022	Outcome for 2022
Classroom teaching	Teaching practise is improving. Lack of overseas teachers to recruit due to covid means greater focus needed on developing our own teachers.	Teaching development pathways entrenched.	Due to workload caused by staff absence little has been done in this area. Good support has been provided to our Teach first teachers. Employed six full time relievers to reduce staff workload covering classes. Craft of Teaching starts for first year teachers this week. Observations started towards the end of Term 3 in priority areas for student achievement. Improving the effectiveness of classroom teaching will be an essential focus into the future.
Leadership	Leadership development through tertiary study	Two staff members to begin Masters in Leadership	Two staff doing educational leadership at Masters level Encourage staff to enrol in Masters level programmes. Work begun on developing an Ōtāhuhu College leadership development programme.

Focus Area	2021Position	Target for 2022	Outcome for 2022
Curriculum Development	Junior curriculum more closely aligned with needs of NCEA, With new standards being introduced in 2023 this area needs to be a key focus.	Kotuku Unit has more inclusion Staff involved in Review of Achievement Standards 3 new UE subjects for 2023 Implementation of Senior College changes for 2023.	Development of Digital Technology/robotics Year 11 Digital technology has been overhauled to look at robotics and coding this will follow through into Year 12 Creation of University approved course in Whakairo is ongoing with Level 2 standards to be trialled in 2023. Production Design Technology, a new UE approved subject to be introduced in 2023 A number of departments are trialling a new approach in 2023, with a focus on preparing students for UE, and less a focus on gaining Level 1. This has the potential to improve outcomes significantly and the depth of knowledge and understanding of our students.

Maori

Focus Area	2020 Position	Target for 2022	Outcome for 2022
Leavers	63.2% Leavers with Level 2 from 2017% Leavers 42% Level 3 range	80% of Māori students have Level 2 and 55% having level 3	Retention is the key to increasing Māori achievement on leaving school. Creation of Māori whanau class to act as a beacon. Review of Te Reo classes and how this can be used to enhance Māori achievement and retention. Trial the Pūhoro STEM Academy programme seeks to accelerate Māori student achievement in preparation for university study and eventually the workforce 2021 leavers Level 2 51.9% cf 55% for Decile 1 Level 3 44.4% cf 30% Decile 1 UE 7.4% cf 8% decile 1 Our Level 2 results were down on previous years- retention from covid impacting . UE is a key area for improvement.
Retention	Māori retention to 17 th birthday was 67% cf National	Retention rate of Māori students is 80%	Focus on Māori students in Year 10 and 11 in terms of career development, link with whanau and future planning. This saw the employment of a Pathway Navigator, however due to staffing shortage this has been discontinued.

Focus Area	2020 Position	Target for 2022	Outcome for 2022
	average for Māori students of 69%		
Attendance	Significant difference between Māori and Non Māori attendance. 7% point difference based on periods.. This needs to be a key area for 2022	Reduction of disparity between Māori and non Māori attendance.	Attendance for our students again was a key issue. Our Mental Health worker trialed a programme to help re engage some Year 10 Māori students and we will continue to look at ways to do this.
Tikanga Māori	Growing biculturalism in the College	Establishment of Māori whanau class	TTR whanau class regularly topped the engagement grades for the week.te Wiki o Te Māori was the best that Ōtāhuhu College has seen in over twenty years based on feedback from long serving staff. The end of Year also saw an end of year celebration for our Māori students which was well attended by whanau. Another aspirational whanau class will be introduced in 2023. .

Whanau Ora

Focus Area	2021 Position	Target for 2022	Outcome for 2022
STEM	In 2019 30% of Pasifika Year 13 students gain 14 credits in 1 or more STEM subject. 4.4% gain 14+ credits in three STEM subjects	50% of Pacific Year 11 students doing Science 35% of Year 13 Pasifika students gain 14 credits in 1 or more STEM subject. 10% gain 14+ credits in three STEM subjects.	Development of a Year 1-10 science programme for Otahuhu Development of coherent Digital technology programme has begun and will lead to higher levels of engagement. STEM based holiday and afterschool activities Focus on improving Science results will be needed after the disruption to the Department in 2022.. 85/132 Pasifika Year 11 students doing Science 50% of Year 11 Pasifika students participating in Science
Degree based study	12.5% of Pacific students enrolled in degree level study	15% of Pacific leavers enrolled in degree level study	Improved scholarship application process to decrease financial burden for families saw a significant number of scholarships awarded to Ōtāhuhu College students. Coherent University development focus from Year 9-13.

			Long term goal is 33% of leavers are enrolled in degree level study (national Average)
Leadership and Engagement	40% participation in sport	Increased participation and outcomes for students involved in sport and leadership development	Review of Sport was carried out in 2021 Run leadership development seminars for students and staff will occur in 2023. Decrease in participation – covid related. An ongoing area of work.
Family Engagement	New contract targets annual figures for register rather than cumulative. Target 900 families per annum.	900 families benefit from Whanau Ora funding	Continued work with navigators and with communication with families. Outreach into wider Otahuhu Community 650 families engaged in whanau ora. All Pasifika families in Otahuhu COL benefit from whanau ora.

Leaver Transition

Note that this area has been adjusted from original annual/strategic plan to fit in with changes to the way TEC is recording the statistics.

Focus Area	2020 position	Target for 2022	Outcome for 2022
Year 13	72% of 2020 leavers had Level 3 or higher.	76% of leavers have Level 3 or higher	Increase career and pathway support in Year 11 and 12 with particular focus on Māori students to help retention, with the employment of a pathway navigator. Unfortunately this position did not last as the appointed person left for fulltime employment. 75% of 2021 school leavers had Level 3 or higher Focus on retention with impact of covid, it is expected our retention rates have dropped with the easy availability of jobs, this will be an area for focus in 2023..

Focus Area	2020 position	Target for 2022	Outcome for 2022
Employment/Apprenticeships	Low levels of apprenticeships from Ōtāhuhu College students. The national average in this area is 4.5% Ōtāhuhu College students vary from 0-2.3%	Establish clear process to develop apprenticeship pathways so 5% of leavers gain apprenticeships.	Record in central database destination of leavers with work place. Following up in first term after leaving school and providing support where needed. Schoolwide programme of CV building and interview technique with the use of Career Central. Career Central was introduced and we are working on pathways for students to utilise more effectively. Structured approach to have more students doing apprenticeships appears to be successful and we will continue this in 2023. This includes developing relationships with apprenticeship organisations and businesses eg Skookum.
Level 4-7 training	Under the TEC Revised statistics Ōtāhuhu College leavers average percentage enrolled 13.6%	15% of leavers in level 4-7 training	Identification of at risk students for emphasis in career work. Decrease the number of students enrolling in Level 1-3 courses – increase level 4 and above will need to be a focus in 2023. We are concerned that with the easy availability of work students have left school for jobs without necessarily a pathway for career enhancement.
University and Degree Level Study	Under the TEC revised statistics Ōtāhuhu College leavers average 10.3 % of leavers enrolling in degree level study.	16% of leavers enrolled in degree level study.	Improved scholarship application process to decrease financial burden for families. Coherent University development focus from Year 9-12 needs to be developed. Developing relationships with pacific Lawyers association is an example of work done in 2022 to increase students aspirations in this area.

Co Curricular Activities

Focus Area	2020 Position	Target for 2022	Outcome for 2022
Sports	33% of students involved in extra-curricular sports	Implementation of longterm plan to lift participation and pride in sport.	Development of links with community club has led to growth in basketball. Recruitment and training of student based coaches and officials has been well done in Netball. 211 students involved in sports. Budget for 2023 to focus on aims of sports policy and increasing participation.
Arts	Approximately 10-15% of students involved in extra curricular arts	Development of mass participation Art event. Regular music performances Itinerant music teacher group performances.	The Arts were hit by Covid which saw a crowding of events into Term 3. The year saw 172 students involved in extra curricular art events.
Culture	Polyfest is annual event	Participation in Polyfest and continuation of language weeks	Language weeks have been focus of cultural groups this year. Polyfest was not participated in this year due to the disruption of Covid for student and staff absences. Polyfest is being held on 8-11 March 2023 and Ōtāhuhu College looks forward to returning.
Performance	Consistently high performers in the Arts and Polyfest	Develop plan for sport performance with key accountabilities.	U17 Girls Basketball in Auckland Semifinals U15 and U14 rugby top of table of southern, but lost in quarter finals. The Athlete Development Programme struggled this year and greater use needs to be made of this resource and the school facilities.
Leadership	Use of House Prefects, School prefects and leadership camps	Framework of leadership development pathway established for students.	The College runs a leadership development programme based on house leadership and also development camps which are held each year. Next year we will look at recognition of school leaders throughout the year.

Finance and Property

Focus Area	2021 Position	Target for 2022	Outcomes for 2022
Finances	Working Capital estimated \$2 million	Maintain working capital above \$1.5 million.	High quality capital spend to improve facilities and resources. Working capital of \$2.7 million has allowed the school to upgrade facilities and resources. \$260k for a block quad landscaping with work due to be finished early 2023
Quality classrooms	Quality classrooms in B, L and T Block. Music and Drama Rooms high quality. No surplus prefabs.	Modernisation of Toilets in A Block. Planning underway for M Block with conceptual plans completed by end of year.	Planned landscaping of T Block quad, with work to be completed by 2023. Toilets in A block have been renewed. 10 year Property Plan to Ministry for approval, including A block renovation. However, as of December Ōtāhuhu College is still waiting to here back from Ministry of Education regarding approval of ten year property plan.. The Board made a commitment to cost of whare redevelopments approx. \$500k Disappointingly the progress on M Block stalled during the middle of the year and will need to be a major focus next year for the Ministry, the Board has considered using political and media to help ensure our students are in safe and healthy classrooms.
Property	Grounds well presented. Pool consistently up and running Improvement to Golf Avenue entrance Increased visibility of Memorial Fields	T Block quad landscaped. Garden utilised by students and community.	The T Block landscaping is scheduled to be completed by early 2023. The garden has been developed and is being used by students and the community, which has added to the College activities and links with the community.

Governance

Focus Area	2020 Position	Target for 2022	Outcomes for 2022
Achievement	Otahuhu College achievement is below national averages	Otahuhu College is achieving in NCEA above national averages for all schools at Levels 1,2,3 and UE	Covid impacted significantly on the Board's ability to complete the work in the annual plan. A more targeted approach next year will be needed as the College starts again after the disruption of the last three years.
Strategic	Significant improvements overseen by the Board	Design of Martin block rebuild	Development on long term Master Plan for College Buildings. Was followed by initial design of Martin block rebuild. Planning permission by Council for Martin block redevelopment. Work has begun on developing Year 7 and 8 and refreshing strategic plan of College.
Board		Board elections	Identification of potential Board members to stand at next elections. New Board to begin in September, welcome to Dave, Craig and John. Orientation of new Board members