

JAMES HARGEST COLLEGE



JAMES HARGEST COLLEGE **KEEP FAITH**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

School Directory:

Ministry Number: 552

Principal: Mike Newell

Accountant: Findex NZ Limited

Members of the Board:

Name	Position	How Position Gained	Occupation	Term Expires
Toni Green	Presiding Member	Elected	Lawyer	Jun-25
Mike Newell	Principal ex Officio	Non-Elected	Principal	
Nicholas Raines	Parent Rep	Elected	Investment Advisor	Jun-25
Rev. Richard Aitken	Parent Rep	Elected	Company Director	Jun-25
Mary Foley	Parent Rep	Elected	Lawyer	Jun-25
Lara Buchanan	Staff Rep	Non-Elected	Teacher	Jun-25
Ishaan Boon	Student Rep	Non-Elected	Student	Sep-24
Sewmi Dissanayaka	Student Rep	Non-Elected	Student	Dec-23

JUNIOR CAMPUS

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SENIOR CAMPUS

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James Hargest College

Annual Financial Statements - For the year ended 31 December 2023

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James Hargest College

Statement of Responsibility

For the year ended 31 December 2023

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

The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2023 fairly reflects the financial position and operations of the school.

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

Toni Maree Green

Full Name of Presiding Member



Signature of Presiding Member

31 May 2024

Date:

Michael James Newell

Full Name of Principal



Signature of Principal

31 May 2024

Date:

James Hargest College

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Revenue				
Government Grants	2	20,138,838	17,871,786	17,892,272
Locally Raised Funds	3	2,668,362	817,920	1,518,455
Interest		323,820	170,623	160,837
Invercargill Activity Centre	4	195,961	109,567	199,396
Murihiku Young Parents Learning Centre	20	457,936	416,000	477,082
Gain on Disposal of Property, Plant and Equipment		4,734	-	19,044
		23,789,651	19,385,896	20,267,086
Expenses				
Locally Raised Funds	3	2,150,450	663,972	1,115,083
Invercargill Activity Centre	4	213,625	185,947	220,217
Learning Resources	5	15,813,202	14,665,431	14,687,603
Administration	6	1,503,513	1,572,863	1,365,329
Finance		14,738	15,485	16,122
Property	7	3,475,917	2,616,844	2,850,958
Murihiku Young Parents Learning Centre	20	423,894	416,000	335,920
Loss on Disposal of Investments		-	-	4,920
		23,595,340	20,136,542	20,596,152
Net Surplus / (Deficit) for the year		194,312	(750,646)	(329,065)
Other Comprehensive Revenue and Expenses				
Unrealised gain / (loss) on Revaluation of Investments		8,560	-	(124,665)
Total Comprehensive Revenue and Expense for the Year		202,872	(750,646)	(453,730)

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

James Hargest College
Statement of Changes in Net Assets/Equity

For the year ended 31 December 2023

	Notes	Actual 2023 \$	Budget (Unaudited) 2023 \$	Actual 2022 \$
Balance at 1 January		6,497,189	6,497,189	6,950,919
Total comprehensive revenue and expense for the year		202,872	(750,646)	(453,730)
Capital Contributions from the Ministry of Education				
Board contribution towards the MOE capital works projects		(17,923)		
Contribution - Furniture and Equipment Grant (IAC)		1,796	-	-
Contribution - Furniture and Equipment Grant (MYPLC)		23,993	-	-
Equity at 31 December		6,707,927	5,746,543	6,497,189
Accumulated comprehensive revenue and expense		6,100,718	5,175,063	5,924,022
<u>Reserve - Teen Parent Unit</u>				
Opening balance		573,167	573,167	432,005
Surplus for the year	20	34,042	(1,687)	141,162
Closing balance		607,209	571,480	573,167
Equity at 31 December		6,707,927	5,746,543	6,497,189

The Reserve is designated funds for the Teen Parent Unit. Refer to Note 20.

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

James Hargest College Statement of Financial Position

As at 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Current Assets				
Cash and Cash Equivalents	8	1,280,068	831,354	1,074,861
Accounts Receivable	9	1,389,483	1,383,654	1,383,653
GST Receivable		83,838	47,474	47,474
Prepayments		50,231	45,712	45,712
Inventories	10	1,851	7,055	7,055
Investments	11	1,445,586	1,888,105	1,842,941
Funds receivable for Capital Works Projects	19	169,087	-	-
		4,420,144	4,203,354	4,401,696
Current Liabilities				
Accounts Payable	13	1,862,073	1,773,432	1,773,432
Revenue Received in Advance	14	561,260	510,313	510,313
Provision for Cyclical Maintenance	15	78,000	216,753	127,053
Painting Contract Liability	16	25,385	9,950	-
Finance Lease Liability	17	115,887	109,209	163,792
Funds held in Trust	18	334,521	325,389	325,389
Funds held for Capital Works Projects	19	542,052	119,172	119,172
		3,519,179	3,064,218	3,019,151
Working Capital Surplus / (Deficit)		900,964	1,139,136	1,382,543
Non-current Assets				
Investments	11	4,070,309	3,488,091	3,488,091
Property, Plant and Equipment	12	2,154,966	1,615,115	2,122,353
		6,225,275	5,103,207	5,610,445
Non-current Liabilities				
Provision for Cyclical Maintenance	15	286,428	372,595	372,595
Painting Contract Liability	16	76,155	-	-
Finance Lease Liability	17	55,729	123,204	123,204
		418,312	495,799	495,799
Net Assets		6,707,927	5,746,543	6,497,189
Equity		6,707,927	5,746,543	6,497,189

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

James Hargest College
Statement of Cash Flows
For the year ended 31 December 2023

		2023	2023	2022
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		5,113,965	4,451,154	4,540,658
Locally Raised Funds		2,131,742	817,920	1,249,186
Invercargill Activity Centre		117,374	-	47,423
Murihiku Young Parents Learning Centre		13,607	-	102,722
International Students		481,261	76,680	357,191
Goods and Services Tax (net)		(36,364)	-	(108,376)
Payments to Employees		(3,285,646)	(3,204,875)	(3,414,940)
Payments to Suppliers		(3,986,859)	(2,539,524)	(2,645,402)
Interest Paid		(14,738)	(15,485)	(16,121)
Interest Received		264,298	170,623	141,189
Net cash from / (to) the Operating Activities		798,641	(243,509)	253,530
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant and Equipment		12,947	-	50,397
Purchase of Property Plant and Equipment		(445,677)	-	(321,118)
Purchase of Investments		(184,863)	-	(1,005,801)
Proceeds from Sale of Investments		-	-	-
Net cash from / (to) the Investing Activities		(617,593)	-	(1,276,522)
Cash flows from Financing Activities				
Funds Administered on Behalf of Third Parties		166,352	-	(250,282)
Furniture and Equipment Grant		25,789	-	-
Finance Lease Payments		(167,982)	-	(28,406)
Painting Contract Payments		-	-	-
Net cash from Financing Activities		24,159	-	(278,688)
Net increase/(decrease) in cash and cash equivalents		205,207	(243,509)	(1,301,680)
Cash and cash equivalents at the beginning of the year	8	1,074,861	1,074,861	2,376,542
Cash and cash equivalents at the end of the year	8	1,280,068	831,354	1,074,862

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 have been excluded.

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

James Hargest College

Notes to the Financial Statements

For the year ended 31 December 2023

1. Statement of Accounting Policies

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

The financial 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 expenditure threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

Measurement Base

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

Presentation Currency

These financial statements are presented in New Zealand dollars, rounded to the nearest 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 long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 15.

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 12.

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. 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 leases are disclosed at note 17.

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.

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Finance Lease Payments

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

e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks. 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 comprise of stationery and canteen supplies. They are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is the estimated selling price in the ordinary course of activities less the estimated costs necessary to make the sale. Any write down from cost to net realisable value is recorded as an expense in the Statement of Comprehensive Revenue and Expense in the period of the write down.

h) 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.

i) Property, Plant and Equipment

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

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

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

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Board Owned Buildings	5 - 50 years
Motor Vehicles	5 - 10 years
Furniture	5 - 20 years
Major Equipment	10 - 20 years
Electronic Equipment	1 - 50 years
Plant	5 - 10 years
Sports Equipment	1 - 20 years
Minor Equipment	5 - 20 years
Library Resources	12.5% per annum
Leased Assets held under a Finance Lease	Term of lease

j) Impairment of Property, Plant, and Equipment

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

Non-Cash Generating Assets

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

k) Accounts Payable

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

l) Employee Entitlements

Short-Term Employee Entitlements

Employee 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.

m) Revenue Received in Advance

Revenue received in advance relates to fees received from international students and 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 unearned fees in relation to international students, should the School be unable to provide the services to which they relate.

n) 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.

o) 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.

p) 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 schools 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.

q) 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.

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 School's financial liabilities comprise accounts payable, 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.

r) 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. 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.

s) Budget Figures

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

t) Services Received In-Kind

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

2. Government Grants

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Government Grants - Ministry of Education	4,906,239	4,451,154	4,516,886
Teachers' Salaries Grants	12,755,719	11,828,840	11,627,153
Use of Land and Buildings Grants	2,246,443	1,459,647	1,637,009
Other Government Grants	230,438	132,145	111,225
	20,138,838	17,871,786	17,892,272

3. Locally Raised Funds

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

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Revenue			
Donations and Bequests	69,274	72,225	65,547
Fundraising and Community Grants	37,575	37,864	200,205
Curriculum Related Activities - Purchase of Goods and Services	295,152	11,760	230,270
Trading Revenue	331,667	283,258	262,768
Fees for Extra Curricular Activities	1,319,569	6,578	490,455
Other Locally Raised Funds Revenue	64,430	24,500	53,547
Levies	62,962	47,935	43,040
Hargest Centre	43,681	31,974	40,579
International Student Fees	444,053	301,826	132,045
	2,668,362	817,920	1,518,455
Expenses			
Trading Expense	304,398	163,850	214,987
Canteen Staff Wages	72,548	82,444	79,206
Extra Curricular Activities Costs	1,348,043	79,248	515,548
Fundraising and Community Grant Costs	6,973	37,864	37,403
Hargest Centre	21,446	22,920	17,856
Other Locally Raised Funds Expenditure	81,796	-	71,329
International Student - Student Recruitment	97,903	74,430	45,757
International Student - Employee Benefit - Salaries	178,693	185,947	121,366
International Student - Other Expenses	38,650	17,269	11,631
	2,150,450	663,972	1,115,083
Surplus for the year Locally Raised Funds	517,911	153,948	403,372

During the year the School hosted 25 International students (2022:7)

International travel

During the year there was international travel incurred by the school. The nature of the trip was to rebuild relationships with international agents and boost student enrolment to pre-COVID levels. The trip to Korea, Thailand and Hong Kong was attended by the Principal, Mike Newell from 23.8.23 – 3.9.23.

The objective was to re-establish connections with key agents, promote the school's programs, and increase student recruitment, by attending agent seminars & fairs to network with agents and potential students. Expected outcomes is to build & strengthen relationships with existing and new agents, increase student enrolment applications and enhance the school's visibility and reputation in Asia. The trip was budgeted for under the International Student programme budget from Board Operations funding. This travel adheres to the school's policies and procedures.



4. Invercargill Activity Centre Revenue and Expenses

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Revenue			
Activity Centre Income	19,912	-	11,898
Government Grants - Ministry of Education	126,469	109,567	144,675
Use of Land and Buildings Grants	49,580	-	42,823
	195,961	109,567	199,396
Expenses			
Course Costs	7,095	-	3,497
Fixed Assets Purchased/Capitalised Expenditure	-	-	-
Maintenance Costs	32,521	-	78,630
Motor Vehicle Expenses	3,724	-	1,952
Other Expenses	32,134	-	20,372
Wages	88,571	185,947	72,943
Use of Land and Buildings Expense	49,580	-	42,823
	213,625	185,947	220,217
<i>Surplus / (Deficit) for the year Invercargill Activity Centre</i>	<i>(17,665)</i>	<i>(76,379)</i>	<i>(20,821)</i>

Invercargill Activity Centre has opted in to the donations scheme for this year. Total amount received was \$3,082

5. Learning Resources

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Curricular	424,363	435,401	374,101
STAR Funding	26,082	-	27,033
Equipment Repairs	16,916	-	20,306
Employee Benefits - Salaries	14,749,029	13,652,792	13,651,019
Other Expenses	-	-	56,403
Staff Professional Development	52,219	70,000	29,830
Depreciation	513,654	507,238	505,467
Attached Unit - Student Support Centre	9,354	-	4,869
Attached Unit - Itinerant Music	21,586	-	18,575
	15,813,202	14,665,431	14,687,603

6. Administration

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Audit Fee	12,384	12,344	11,984
Board Fees	7,886	9,845	7,181
Board Expenses	30,599	47,059	23,065
Communication	15,408	25,705	19,389
Consumables	69,905	51,500	54,553
Operating Lease	-	188,830	(0)
Other	282,677	258,431	228,072
Employee Benefits - Salaries	1,027,474	931,055	981,051
Insurance	48,359	40,094	33,220
Service Providers, Contractors and Consultancy	8,819	8,000	6,815
	1,503,513	1,572,863	1,365,329

7. Property

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Caretaking and Cleaning Consumables	66,321	63,500	63,379
Consultancy and Contract Services	285,761	245,053	261,317
Cyclical Maintenance Expense	92,470	89,700	153,658
Grounds	59,187	49,500	20,640
Heat, Light and Water	265,377	217,500	246,798
Rates	14,290	26,500	15,717
Repairs and Maintenance	207,401	186,523	156,861
Use of Land and Buildings	2,246,443	1,459,647	1,637,009
Security	27,583	15,000	25,254
Employee Benefits - Salaries	211,085	263,921	270,324
	3,475,917	2,616,844	2,850,958

The use of land and buildings figure represents 5% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

8. Cash and Cash Equivalents

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Cash on Hand	706	506	606
Bank Accounts	1,279,362	830,848	1,074,255
Cash equivalents and bank overdraft for Cash Flow Statement	1,280,068	831,354	1,074,861

Of the \$1,280,068 Cash and Cash Equivalents, \$542,052 is held by the School on behalf of the Ministry of Education (2022: \$332,591). These funds are required to be spent next year on Crown owned school buildings under the School's Five Year Property Plan.

9. Accounts Receivable

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Receivables	136,807	76,053	76,053
Receivables from the Ministry of Education	79,093	287,500	287,500
Interest Receivable	84,687	25,165	25,165
Teacher Salaries Grant Receivable	1,088,896	994,936	994,936
	1,389,483	1,383,654	1,383,653
Receivables from Exchange Transactions	221,494	101,218	101,218
Receivables from Non-Exchange Transactions	1,167,989	1,282,437	1,282,436
	1,389,483	1,383,654	1,383,653

10. Inventories

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Stationery	1,320	6,308	6,308
Canteen	531	747	747
	1,851	7,055	7,055

11. Investments

The School's investment activities are classified as follows:

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Current Asset			
Short-term Bank Deposits	1,445,586	1,842,941	1,842,941
Non-Current Asset			
Long-term Bank Deposits	4,070,309	3,488,091	3,488,091
	5,515,894	5,331,031	5,331,031

12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Depreciation	Total (NBV)
2023	\$	\$	\$	\$	\$
Buildings	534,806	68,343	(61,479)	(30,149)	511,521
Motor Vehicles	137,064	32,679	(9,779)	(47,915)	112,049
Furniture	640,330	154,016	-	(91,099)	703,247
Major Equipment	3,738	6,061	-	(923)	8,876
Electronic Equipment	313,734	232,710	(643)	(121,680)	424,121
Plant	167,147	18,990	-	(22,729)	163,408
Sports Equipment	53,784	20,962	-	(18,320)	56,426
Minor Equipment	27,795	4,447	-	(7,138)	25,104
Library Resources	68,938	18,657	(7,289)	(10,038)	70,268
Leased Assets	175,017	68,591	-	(163,663)	79,945
Balance at 31 December 2023	2,122,353	625,456	(79,190)	(513,654)	2,154,966

	2023	2023	2023	2022	2022	2022
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Buildings	1,335,755	(824,233)	511,521	1,328,542	(793,736)	534,806
Motor Vehicles	359,430	(247,381)	112,049	350,235	(213,172)	137,064
Furniture	2,164,261	(1,461,014)	703,247	2,016,871	(1,376,541)	640,330
Major Equipment	346,223	(337,348)	8,875	343,077	(339,339)	3,738
Electronic Equipment	2,514,147	(2,090,024)	424,122	2,457,028	(2,143,294)	313,734
Plant	308,096	(144,688)	163,408	290,628	(123,481)	167,147
Sports Equipment	358,846	(302,420)	56,426	347,450	(293,666)	53,784
Minor Equipment	252,727	(227,622)	25,104	255,700	(227,905)	27,795
Library Resources	173,684	(103,416)	70,268	172,932	(103,994)	68,938
Leased Assets	690,357	(610,412)	79,945	604,504	(429,487)	175,017
Balance at 31 December	8,503,524	(6,348,557)	2,154,966	8,166,966	(6,044,613)	2,122,353

The net carrying value of electronic equipment under a finance lease is \$79,945 (2022: \$175,017).

13. Accounts Payable

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Creditors	389,451	396,245	396,245
Accruals	36,858	35,484	35,484
Banking Staffing Overuse	5,634	51,385	51,385
Employee Entitlements - Salaries	1,374,087	1,236,489	1,236,489
Employee Entitlements - Leave Accrual	56,043	53,828	53,828
	1,862,073	1,773,432	1,773,432
Payables for Exchange Transactions	1,862,073	1,773,432	1,773,432
	1,862,073	1,773,432	1,773,432

The carrying value of payables approximates their fair value.



14. Revenue Received in Advance

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Students' Credits	94,156	83,695	83,695
International Student Fees in Advance	406,740	369,532	369,532
Sport and Cultural Fundraising	15,530	46,333	46,333
James Hargest PTA	13,476	10,754	10,754
Grants in Advance - Ministry	31,358	-	-
	561,260	510,313	510,313

15. Provision for Cyclical Maintenance

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Provision at the Start of the Year	499,648	499,648	373,983
Increase to the Provision During the Year	78,219	89,700	179,626
Use of the Provision During the Year	(213,439)	-	(53,961)
	364,428	589,348	499,648
Provision at the End of the Year	364,428	589,348	499,648
Cyclical Maintenance - Current	78,000	216,753	127,053
Cyclical Maintenance - Non current	286,428	372,595	372,595
	364,428	589,348	499,648

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

16. Painting Contract Liability

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Due within one year	25,385	9,950	-
Due after one year	76,155	-	-
	101,540	9,950	-

In 2022 the Board signed an agreement with Programmed Maintenance Services Ltd (the contractor) for an agreed programme of work covering a 6 year period. The programme provides for an interior and exterior repaint of the Ministry owned buildings in 2023, with regular maintenance in subsequent years. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

17. Finance Lease Liability

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

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
No Later than One Year	115,887	109,209	163,792
Later than One Year and no Later than Five Years	55,729	123,204	123,204
	<u>171,616</u>	<u>232,413</u>	<u>286,996</u>
Represented by			
Finance Lease Liability - Current	115,887	109,209	163,792
Finance Lease Liability - Non Current	55,729	123,204	123,204
	<u>171,616</u>	<u>232,413</u>	<u>286,996</u>

18. Funds Held in Trust

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Funds Held on Behalf of Third Parties - Current	334,521	325,389	325,389
	<u>334,521</u>	<u>325,389</u>	<u>325,389</u>

These funds relate to arrangements where the school is acting as an agent. These amounts are not revenue or expenditure of the school and therefore are not included in the Statement of Comprehensive Revenue and Expense.

These funds are held in trust for international students.

19. 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 8.

2023	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contribution \$	Closing Balances \$
JHC - Essential Infrastructure	-	74,348	-	-	74,348
Snr and Jnr Campus Boiler Replacement	(133,276)	210,601	77,325	-	-
Jnr Campus Synthetic Court & Frontage Dev.	(15,025)	96,844	81,818	-	-
Jnr Campus Synthetic Turf	(52,923)	35,000	-	17,923	-
Jnr Campus Hall Roof & Wall Replacement	(3,471)	55,406	51,935	-	-
Jnr Campus Toilet Block & Breakout Space Upgrade	8,669	750,000	290,965	-	467,704
IAC Kitchen & Outdoor Learning	(2,152)	337,560	407,858	-	(72,450)
MYPLC Internal & Outdoor Learning Area	118,707	123,753	273,583	-	(31,123)
D Block Learning Support Property Modification	19,900	1,972	21,872	-	-
Roof Repairs - Snr Blocks B,C,D,F,H,I	21,075	31,500	74,761	-	(22,186)
Metal & Translucent Roof Replacements	157,668	-	185,581	-	(27,913)
Cultural Entrance Way	-	-	69,392	69,392	-
Sports Office redevelopment	-	-	3,540	-	(3,540)
New Pastoral Care Offices	-	-	3,524	-	(3,524)
Learning Support Property Modification & Equipment	-	-	2,197	-	(2,197)
Snr E,F Toilet remodel	-	-	4,243	-	(4,243)
Snr Toilet Block (quad)	-	-	1,913	-	(1,913)
Totals	<u>119,172</u>	<u>1,716,984</u>	<u>1,550,506</u>	<u>87,315</u>	<u>372,965</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	542,052
Funds Receivable from the Ministry of Education	(169,087)
	<u>372,965</u>

2022	Opening Balances	Receipts from MoE	Payments	Board Contribution	Closing Balances
	\$	\$	\$	\$	\$
A Block - Roof Replacement	6,572	-	-	(6,572)	(0)
Snr and Jnr Campus Boiler Replacement	(6,759)	-	126,517	-	(133,276)
Jnr Campus Synthetic Court & Frontage Dev.	(575)	60,000	74,450	-	(15,025)
Jnr Campus Synthetic Turf	283,320	30,000	366,243	-	(52,923)
Jnr Campus Hall Roof & Wall Replacement	163,457	-	166,928	-	(3,471)
Jnr Campus Toilet Block & Breakout Space Upgrade	20,043	-	11,374	-	8,669
IAC Kitchen & Outdoor Learning	39,566	-	41,718	-	(2,152)
MYPLC Internal & Outdoor Learning Area	69,643	500,000	450,935	-	118,707
D Block Learning Support Property Modification	-	22,000	2,100	-	19,900
Roof Repairs - Snr Blocks B,C,D,F,H,I	-	148,500	127,425	-	21,075
Metal & Translucent Roof Replacements	-	170,000	12,332	-	157,668
Snr Campus Gymnasium	75,810	35,597	111,407	-	0
Jnr Campus P1 Relocation	(27,671)	41,934	14,263	-	0
Totals	623,406	1,008,031	1,505,691	(6,572)	119,172

Represented by:

Funds Held on Behalf of the Ministry of Education

326,019

Funds Receivable from the Ministry of Education

(206,847)

119,172

20. Funds Held for Teen Parent Unit

James Hargest College Teen Parent Unit, Murihiku Young Parents Learning Centre, is a separate business unit of the school in accordance with the agreement with the Ministry of Education. The revenue and expenditure is included in the school's Statement of Comprehensive Revenue and Expense. During the year the funds were spent as follows:

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Revenue			
Course Fees	112,897	120,000	120,559
Government Grants - Ministry of Education	209,367	200,000	259,916
Donations	1,330	1,000	1,030
Conveyance Allowance	15,270	16,000	16,570
Use of Land and Buildings Grants	101,681	79,000	79,008
Other	17,391	-	-
	457,936	416,000	477,082
Expenses			
Course Costs	48,615	50,000	9,911
Motor Vehicle Expenses	13,009	10,000	4,474
Operational Set-up and Maintenance Costs	11,554	10,000	5,459
Other Expenses	162,582	145,000	134,050
Use of Land and Buildings Expense	101,681	95,000	79,008
Employee Benefit - Professional Development	5,187	6,000	5,153
Employee Benefit - Salaries	81,266	100,000	97,865
	423,894	416,000	335,920
Surplus for the year Teen Parent Unit	34,042	-	141,162

Murihiku Young Parents Learning Centre has opted in to the donations scheme for the year. Total amount received was \$2,312

21. 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.

22. Remuneration

Key management personnel compensation

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

	2023 Actual \$	2022 Actual \$
<i>Board Members</i>		
Remuneration	7,886	7,181
<i>Leadership Team</i>		
Remuneration	921,994	834,294
Full-time equivalent members	6.00	6.00
Total key management personnel remuneration	929,880	841,476

There are 9 members of the Board excluding the Principal. The Board held 10 full meetings of the Board in the year. The Board also has four Finance committee members that meet monthly. As well as these regular meetings, including preparation time, the Chair and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal 1

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

	2023 Actual \$000	2022 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	220 - 230	210 - 220
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	2023 FTE Number	2022 FTE Number
150 - 160	1	0
140 - 150	1	0
130 - 140	2	1
120 - 130	4	4
110 - 120	24	5
100 - 110	35	20
	67	30

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

23. Compensation and Other Benefits Upon Leaving

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

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

24. Contingencies

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

Holidays Act Compliance – Schools Payroll

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

The Ministry's review of the Schools Sector Payroll to ensure compliance with the Holidays Act 2003 is ongoing. An initial remediation payment has been made to some school employees. The Ministry is continuing to perform detailed analysis to finalise calculations and the potential impacts of specific individuals. As such, this is expected to resolve the liability for school boards.

25. Commitments

(a) Capital Commitments

As at 31 December 2023 the Board had capital commitments of \$1,228,412 (2022: \$2,386,399) as a result of entering the following contracts: has entered into contract agreements for capital works as follows:

Contract Name	Contract Amount	Spend To Date	Remaining
	\$	\$	\$
IAC Kitchen and Outdoor Learning Structure	455,775	464,651	-8,876
MYPLC Internal and Outdoor Learning Area Upgrade	806,179	745,626	60,553
Toilet Block and Breakout Space Upgrade	1,515,944	347,296	1,168,648
Snr Metal & Translucent Roof Replacements	206,000	197,913	8,087
Total	2,983,898	1,755,486	1,228,412

(b) Operating Commitments

There are no operating commitments as at 31 December 2023 (capital commitments at 31 December 2022: nil).

26. Financial Instruments

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

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Financial assets measured at amortised cost			
Cash and Cash Equivalents	1,280,068	831,354	1,074,861
Receivables	1,389,483	1,383,654	1,383,653
Investments - Term Deposits	5,515,895	5,331,032	5,331,032
Total Financial Assets Measured at Amortised Cost	8,185,446	7,546,041	7,789,547
Financial liabilities measured at amortised cost			
Payables	1,862,073	1,773,432	1,773,432
Finance Leases	171,616	232,413	286,996
Painting Contract Liability	101,540	9,950	-
Total Financial Liabilities Measured at Amortised Cost	2,135,230	2,015,795	2,060,428

27. Events After Balance Date

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

28. 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 JAMES HARGEST COLLEGE'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The Auditor-General is the auditor of James Hargest College (the School). The Auditor-General has appointed me, Aaron Higham, using the staff and resources of BDO Invercargill, 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 21, that comprise the statement of financial position as at 31 December 2023, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

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

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

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements

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

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information obtained at the date of our report is the Statement of Responsibility, Members of the Board, Statement of Variance, Evaluation and analysis of the School's students' progress and achievement, How we have given effect to Te Tiriti o Waitangi, Statement of Compliance with employment policy and Statement of Kiwisport funding, but does not include the financial statements, and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

Independence

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

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



Aaron Higham
BDO Invercargill
On behalf of the Auditor-General
Invercargill, New Zealand



JAMES HARGEST COLLEGE KEEP FAITH

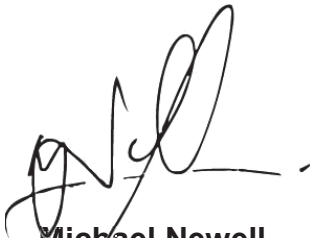
Principal:

Mr M Newell

BPhed, DipTchg (Secondary)

Kiwisport Funding 2023

During 2023 the school received total Kiwisport funding of \$41,870.31 (excluding GST). The funding contributed to salaries for our two Sports Co-ordinators, along with sport and recreation equipment.



Michael Newell
Principal

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