

Annual Report



**NELSON
COLLEGE**
TE KURA TAMATĀNE O WHAKATŪ

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Presiding member report

Recent years in education have been significantly hampered by the COVID19 global pandemic and all the complexities that lockdowns, disruptions, and illness have brought with it. Our students' resilience and determination to progress their interrupted education has not gone unnoticed.

This graduating class, indeed, all students must be commended for not only overcoming these obstacles but for excelling in the face of that adversity. They have shown resilience, adaptability, and the constant ability to learn and grow in the most trying of circumstances. Enduring and overcoming this hardship, will serve them well in the years to come. In New Zealand and globally, we will all remember how hard these school years would have been for any student to learn and gain a successful education.

In addition, their academic achievements and sporting successes both individually and as teams, over the tenure of their time at Nelson College are a true testament to their success and we all thank them immensely for that.

2023 has been a year like no other, especially from a Board of Trustees perspective. A year filled with unprecedented challenges and uncertainties. The ongoing impact of staff fatigue, essential educational changes and adjustments, economic fluctuations, continued financial constraints, forward planning, and numerous unforeseen events have all left their mark on us.

These scenarios are not just isolated to Nelson College but have been occurring on a national scale. However, it is during such difficult times that we truly discover the strength of our character and the depth of our resolve as a school community.

We have a strong, experienced, and most importantly, vehemently determined Board. School governance is no easy feat at the best of times and these volunteering individuals have over the course of this year been working tirelessly in the background of everyday school life.

Collectively, the Board is determined to ensure that Nelson College continues to thrive today, tomorrow, and well into the future.

Our heartfelt thanks go to our local community for its consistent support and generosity being offered.

Our ongoing engagement with our sister school Nelson College for Girls ensures that we continuously strengthen our existing bonds, help, and assist one another to ensure we grow and develop cohesively and in symmetry.

Without doubt, enormous thanks must also and always go to the Old Boys Association and the Trust Foundation. These two entities have historically and more recently been of such great support to this institution. Without your generosity, time, input, and guidance we would undoubtedly not be where we are today.

Lastly, to all our amazing staff, your consistency and continued commitment to the students and their learning as well as your enthusiasm to continue to engage with all our co-curricular activities where possible, is a true reflection of your professionalism. The board expresses its gratitude and acknowledgment of your combined effort.

List of all school board members

You may like to list the names of each school board member who have served on the school board during the year, and the date on which each member will finish their term.

Board member names	Date that the board member's term finishes
Richard Smith	September 2025
Tim Gall	September 2025
Manoli Aerakis	September 2025
Leith Bruning	September 2025
Vikki Heays	September 2025
Guyon Janssen	September 2025
Tim Oughton (Acting Principal)	July 2024

Board of Trustees



Richard Smith
Presiding Member

Richard joined the Nelson College Board of Trustees as a parent representative in February 2021. He currently has two boys at the college, one being at Prep.

Richard is closely associated with everyday life at school through his sons. He is driven and passionate about ensuring that all boys have an equal opportunity to excel in all areas of both their educational life and extra-curricular activities. Richard is committed to ensuring the future of Nelson College and its continued success in the community as a whole.

Originally from the UK, for the past 30 years he's been working overseas in the shipping and commodity trading space but now has settled in Nelson and loves living here. His family are excited to start another chapter in their life. The move involved a shift from the fast-paced corporate world, to fulfilling a passion of changing careers and moving into real estate sales with his wife. Richard enjoys coaching local football and of course being an active board member.



Tim Gall
Deputy Chair

Tim joined the Board in 2022. He is a Nelson College Old Boy, who had a 40 year career in the New Zealand Defence Force, finishing up in 2019 as one of the Deputy CE's, and part of the Executive Board. He is a Chartered Company Director and over the years has gained and continues to retain professional currency in best practice governance.

He has worked as a Senior Advisor for a major international management consultancy. This involved developing organisational strategy, board skills, and mentoring senior leadership in how to approach problems from fresh perspectives.

Tim brings to the College his experience and knowledge of both developing and leading some of the most complex and demanding aspects of governance to the Board.

Tim is conscious of the great legacy of the College, and how it helped develop him. He feels now is the right time to pay some of that back by contributing to both the current management and future development of the College.



Tim Oughton
Acting Principal

Tim stepped into the role of Acting Principal at the start of Term 4 2023.

In recent years Tim has been coaching and mentoring fellow Principals and aspiring Principals throughout the country.

During his career, Tim has taught and led at a number of schools, both in NZ and Australia. This includes Executive Principal at Kristin School, Principal at Scotch College, Adelaide, and Headmaster at Scots College, Wellington. Tim has been involved in many school leadership roles. He was a Board member of the Independent Schools of NZ, and Chair of IB Schools, NZ. He is currently a Director of Yalari, a not-for-profit organisation supporting the education of rural and remote Indigenous children throughout Australia.

During his time at Nelson College Tim has led the Nelson College Way Working Party and the development of the new staff code of conduct. Tim is married with three children.



Manoli Aerakis
Parent Trustee

Manoli joined the Board of Trustees in 2022. He is the Managing Director of Malloch McClean Chartered Accountants, Tasman and is Vice President of the Nelson Tasman Chamber of Commerce.

As a father of three young boys aged 8 to 13, he is passionate about ensuring the next generation are equipped to be our future leaders. Manoli is actively involved in the community as a sports coach and through providing support to the various community and sports clubs he has connections to.

Manoli's governance experience and professional career has given him exposure to a diverse range of situations. This has included navigating organisations which have been in financial difficulty and turning these around to be in a more sustainable financial position.

Manoli is dedicated to building culture within the school that enables Nelson College to enhance its standing with its current and future students and teachers.



Leith Bruning

Parent Trustee

Leith was selected as a Trustee in February 2024 and brings a strong educational knowledge and training skillset to the Board.

Leith has taught at primary and secondary schools in New Zealand since 2000. This has included teaching at Palmerston North Boys High School and being a house master in their boarding house.

He was employed on a one term contract at Nelson College in 2002 prior to heading overseas. He played professional rugby in Japan and Scotland. Returning to NZ he worked as an area manager and project manager before getting back into teaching.

He has been deputy principal at both a local primary school and intermediate. His last role in education was employed as a learning support coordinator for the Motueka Kāhui Ako



Vikki Heays

Staff Member

Vikki has worked in a variety of teaching positions across many sectors and levels over the past 25 years. This reflects her adaptability and passion for serving others in all career settings.

She's skilled at building connections and fostering positive relationships with students, colleagues, and

whānau.

Vikki loves her work and making a positive difference in people's lives, approaching everything with a sunny and collegial attitude.

Vikki enjoys building strong relationships with stakeholders and brings these skills to her role as staff representative on the Board.

She's invested in the college and seeing it become a successful and thriving school. Nelson College is her workplace, as well as being the school of choice for her three sons.

She's passionate about supporting boys' career well-being and relational education. A key element of this is enabling our rangatahi to plan and discuss their futures, and so flourish in the fast-changing future world of work.



Guyon Janssen

Student Member

Guyon joined the Board as the Student Representative at the end of 2023.

He is a dedicated year 13 student who first started here in 2020. He has a passion for enhancing student wellbeing and success at Nelson College.

As the Student Representative, Guyon has a unique relationship between the students and the school's governing body. This allows him to be the voice for the main areas that students would like the Board to discuss.

The Student Rep. role enables him to grow in areas of governance and communication, and leadership, which was a key motivator for deciding to nominate for the Board of Trustees.

After graduating from Nelson College he is looking to study law at university.

Statement of variance: progress against targets

Strategic Goal 1:
Ako – Continue to improve and develop teaching and learning

Annual Target/Goal:
Continue to refresh our Junior Curriculum (Yrs 7-10) using the IB MYP framework. Faculties will deliver the MYP across Years 7 and 9 and prepare for the MYP at Years 8 and 10 in 2024. Investigate timetable implications of the Junior curriculum and trial interdisciplinary units.

Actions	What did we achieve?	Evidence	Reasons for any differences (variances) between the target and the outcomes	Planning for next year – where to next?
Action 1 Teach and assess units in Years 7 and 9 using the 0-8 MYP rubric.	Several cross-curricula units were developed across Years 7 and 9 using the MYP framework. They proved effective and useful for reporting purposes	We are now into the 3 rd year of introducing the MYP. This was the first year of teaching it (at Years 7 and 9) and assessing students using the MYP 0-8 rubric. This has been a significant and successful development	The external audit on the school culture (school culture report) indicated staff reluctance to fully implement the MYP programme for 2024	Continue the refining of cross-curricular units throughout each programme
Action 2 Plan to deliver Years 8 and 10 units in 2024.	The development of Years 8 and 10 cross-curricula units was mixed. Year 8 units were all completed but only a minority of Year 10 subjects engaged in the process	All units were completed and trialled in Year 8. Work came to a standstill in Year 10	The external audit revealed staff reluctance to continue with the implementation of MYP and unit development was suspended.	MYP implementation has been suspended and unlikely to resume. The staff “buy in” has been minimal and the focus will now be on refining cross-curricular units
Action 3 Provide PLD planning time for teachers and faculties	PLD days were provided throughout the year focussing on MYP implementation	All staff were involved in individual PLD days as well as whole school combined days. Five staff attended the IB World Conference in Adelaide		

**Strategic Goal 2:
Positive Behaviour for Learning (PB4L) - mana tāne**

Annual Target/Goal: Tier 1 of the PB4L framework will be embedded with planning initiated for Tier 2 in 2024. We will communicate our pou (values) and kawa (expectations) and implement systems to support students and staff.

Actions	What did we achieve?	Evidence	Reasons for any differences (variances) between the target and the outcomes	Planning for next year – where to next?
Action 1. Embed our pre-determined pou and kawa	The initial pou and kawa developed in 2022 were communicated to students at all Year levels	New systems and processes were implemented and well supported by staff e.g. buddy systems, new attendance procedures, clearly defined behavioural expectations	Targets achieved	Systems evolution will continue
Action 2. Develop and implement restorative approach to behaviour management.	Given the considerable change process going on in the school, SLT considered that there was enough pressure on all staff to put this strategic action on hold	PLD provided for Deans and PB4L implementation team	Target not achieved due to work pressure overload.	To be continued in 2024
Action 3. Develop positive acknowledgement systems	Following consultation with staff and students, a trial system was developed throughout the year and launched with the Junior Students in November	Successful trial completed by the end of the year	Target achieved	To be further developed in 2024

**Strategic Goal 3:
Develop and progress school systems to support each other professionally, including implementation of PB4L systems and professional coaching**

Annual Target/Goal:

Actions	What did we achieve?	Evidence	Reasons for any differences (variances) between the target and the outcomes	Planning for next year – where to next?
Action 1. Continue the NZCER staff wellbeing survey and feed results back to Board, leadership and staff.	The initial feedback resulted in the Board commissioning a professional organisational psychologist to survey all the staff and complete a culture review (the school culture report)	Board received the school culture report and engaged external facilitators to research the report's findings in more depth. A cultural review was completed in Term 4 and a way forward chartered – "The Nelson College Way"	The findings identified in the school culture report were communicated to all staff and a working party was established to develop a cultural improvement plan	Implement "The Nelson College Way" in 2024
Action 2. Support staff to run social events.	Multiple social events for all staff were organised and proved both popular and successful	Morning teas, after school drinks, mid-winter function and end of year celebration were planned and well supported	Target achieved	Continue organised social activities in 2024 with the support of a new social committee
Action 3. Develop professional coaching to support teachers and administration staff	Given the significant impact of the school culture report and the subsequent review by external facilitators this action was not initiated	No evidence gathered	Target not achieved	SLT to be trained in professional coaching to help implementation in 2025

Evaluation and analysis of the school's students' progress and achievement

Nelson College's students continued to thrive in 2023. This is a credit to their resilience and to their teachers' dedication and commitment over a year that saw wide-scale industrial action and continued disruption.

Highlights include:

- improvement in endorsement rates at both Level 1 and Level 2
- strong endorsement rate for Māori students
- strong Level 1 literacy (86%) and numeracy (88.4%) achievement rates

Overall, our students continued to compare well against the national average (boys and girls) and comparative schools. Our academic targets for 2024 will continue to be aspirational, affirming Nelson College as a high-quality academic college, alongside providing a well-rounded education.

Pass rates

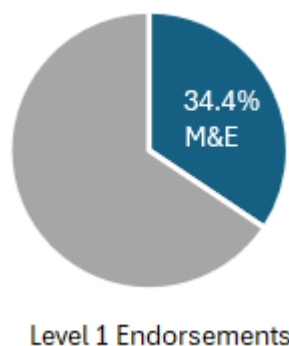
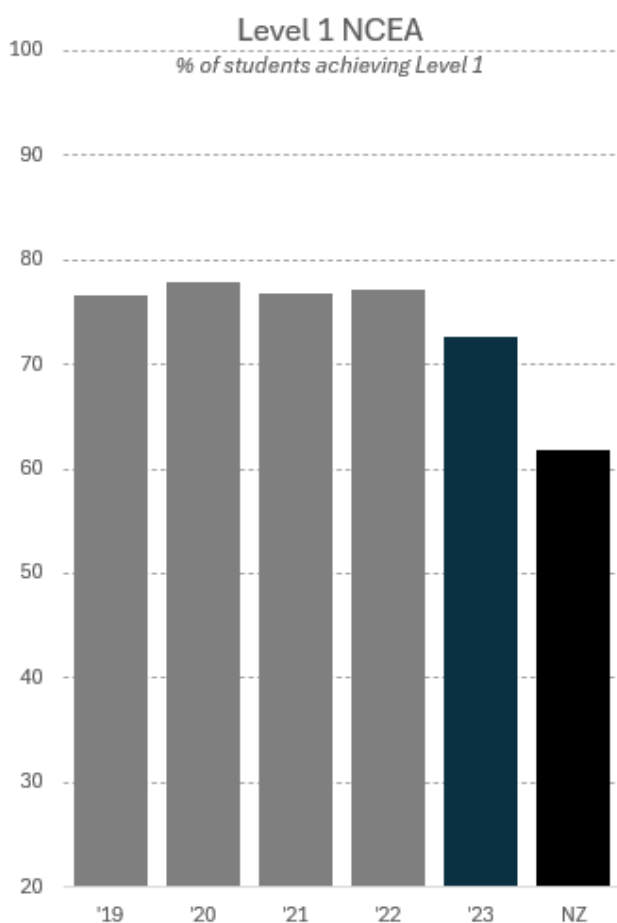
% of students achieving the appropriate level for their year group

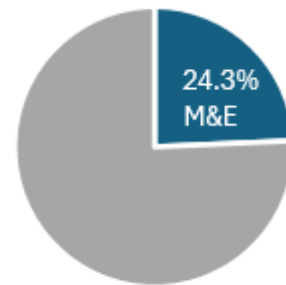
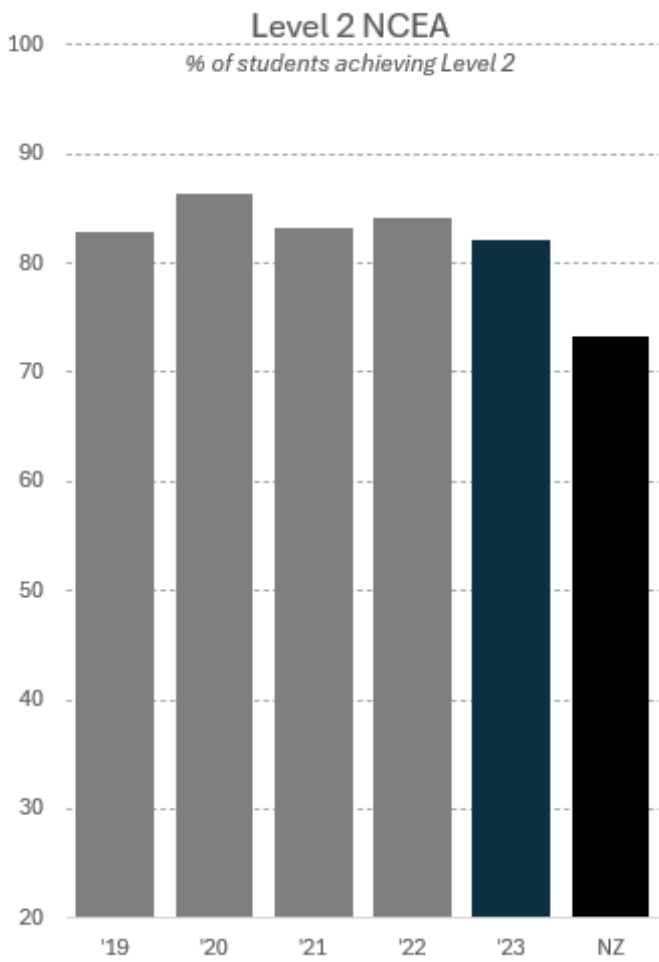
Our 2023 pass rates were strong, particularly when reflecting on the difficult year our students faced with the effect of missed school-days due to the industrial action. While all three levels dropped from 2022, this reflects the national trend across all schools.

Endorsements

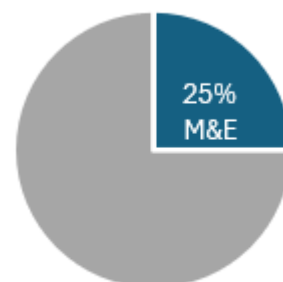
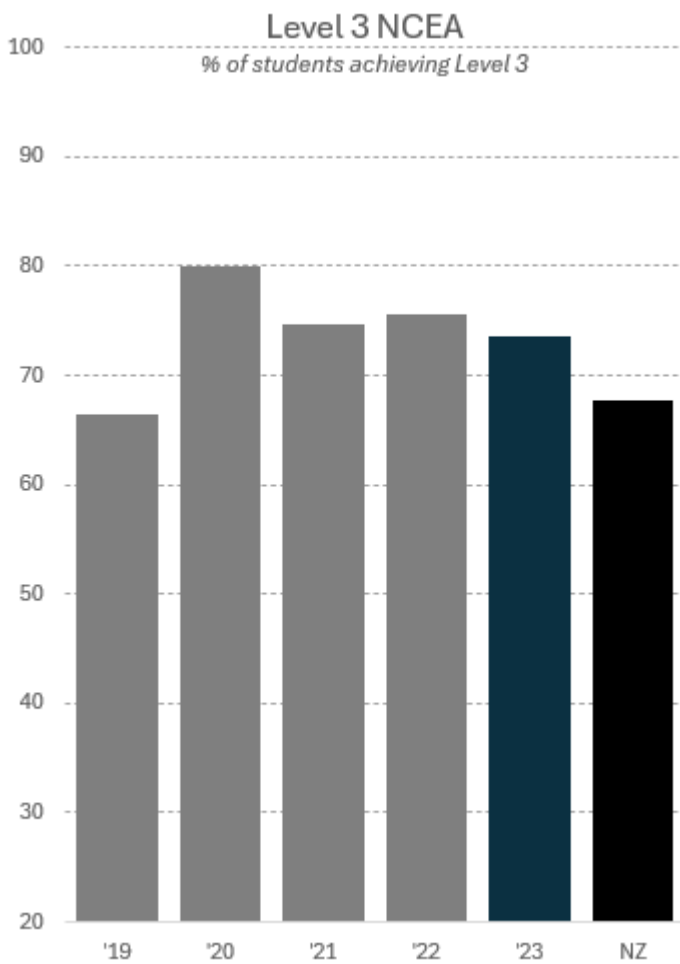
% of students gaining NCEA endorsed with Merit or Excellence

The number of students gaining NCEA with Endorsements increased at both Level 1 and 3 from previous years, which is pleasing to see. Continuing this level of achievement, along with scholarship success, remains a focus.





Level 2 Endorsements



Level 3 Endorsements

Scholarship

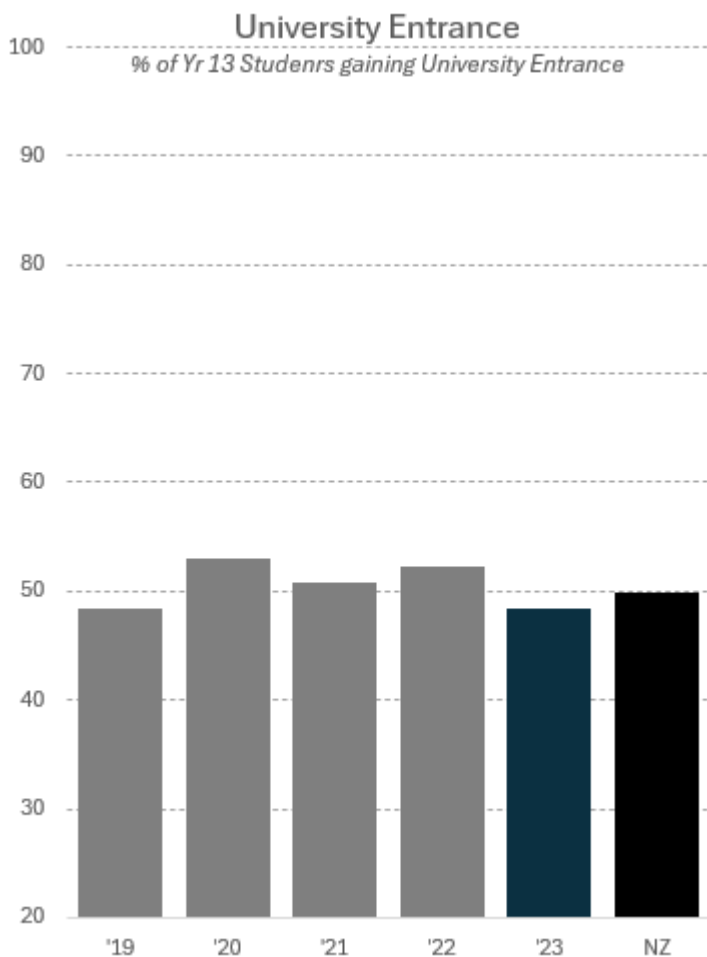
a separate exam administered by NZQA that recognises the top 2-3% of students in each subject across NZ

It was pleasing to see Darcy Lawrey gain a scholarship in English and Ian Hayes gain a scholarship in Photography. The overall result of two scholarships reflects a drop in entries and will remain a focus to support teachers and students at this level of achievement.

University Entrance

% of year 13 students meeting the required level to enter university

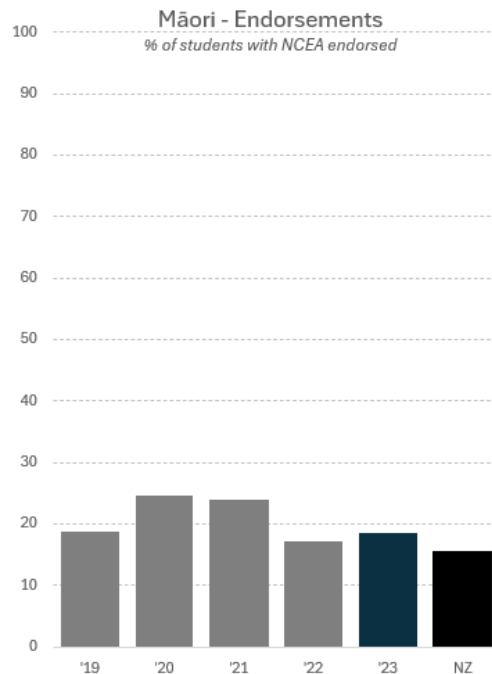
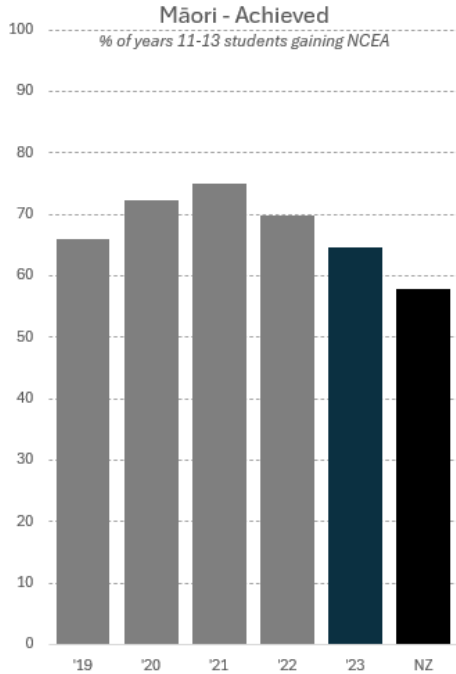
University entrance rates dropped slightly in 2023, reflecting the trend in the national average. The usefulness of this statistic is limited by students who choose vocational (non-university) courses and consequently may achieve well at Level 2 NCEA, but not achieve university entrance.



Māori

our goal is for Māori students to achieve the same as other ethnicities

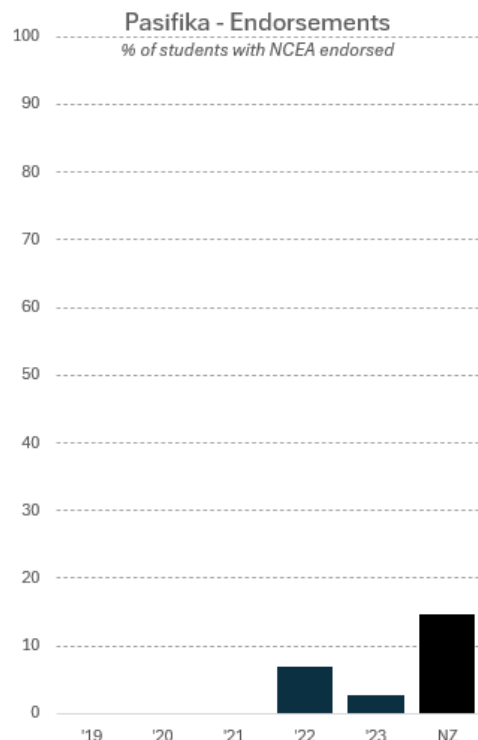
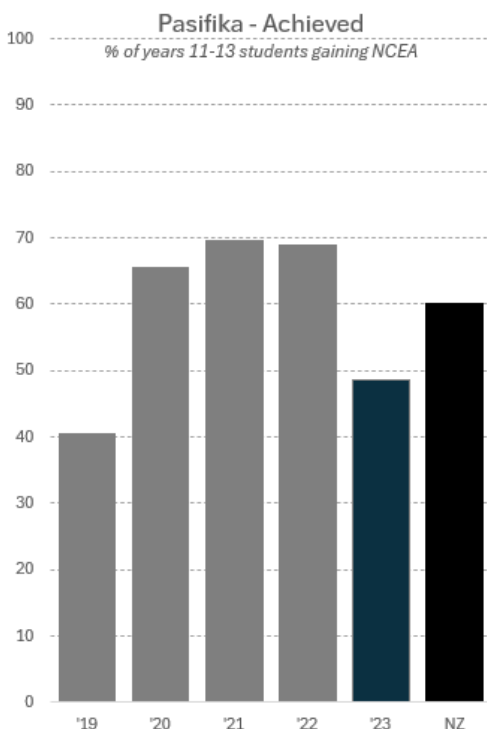
While Māori achievement rates dropped slightly this year, it was pleasing to note endorsement rates climbed. While the dip is in line with national and similar school trends, we must continue to support improved academic results by ākonga Māori. In 2024, we continue to grow and expand our Ara Māori (Māori Immersion) programme with an extra focus on the achievement and wider development of our ākonga Māori.



Pasifika

our goal is for Pasifika students to achieve the same as other ethnicities

Pasifika achievement rates dropped in 2023. While this was in line with the national average, and other similar schools experienced the same pattern, it is still of concern and requires further investigation and focus. Encouraging more students into academic (University Entrance) pathways is an area to develop.



How we have given effect to Te Tiriti o Waitangi

Te Kura Tamatāne o Whakatū | Nelson College is continuing its journey to give effect to Te Tiriti o Waitangi.

This has been done with the deliberate use of te reo Māori in school publications. The previous charter was bilingual, and the refocused school values and how they are enacted in our school are named Ngā Pou me a mātou Kawa, and are referred using their name in te reo Māori – manaaki, pono, kairangi.

Board of Trustees and Senior Leadership Team members have committed to developing their understanding of Ngā Kawatau me ngā Tumanakotanga o Te Taihū | The Aspirations and Expectations of Te Taihū in 2024.

2023 saw the first year of offering a Māori medium pathway with Te Ara Reo Māori, being offered to one class of students. This opt in programme saw up to 24 Māori and Pasifika learners conducting ako in te reo Māori. Our first model featured the students with one kaiako for the majority of their lessons. As we move into 2024 this model will grow to a Year 9 and Year 10 class who are receiving instruction in te reo Māori, tikanga-a-iwi and te ao haka. They will have instruction in other subjects by English medium teachers.

A number of support and teaching staff participated in Te Ahu o te Reo Māori courses, provided by NMIT and instructed by members of mana whenua. This was at Levels 1 to 3 but was a smaller number of staff than had previously participated. The ongoing impacts of industrial action had reduced the energy of staff to participate in such activities. However, the group that continued with their journey became cohesive. As we move into 2024 many staff have expressed an interest in taking up their language journey again; and expressions have been made by members of the Board of Trustees and Senior Leadership Teams to lead in this area of development for the school.

Results for Māori students are not yet at equitable levels, and so as part of a recalibration of using data to inform practice; Māori results will be reported on directly and actions taken to improve these through the setting of annual targets and actions to achieve those actions.

Statement of compliance with employment policy

Reporting on the principles of being a Good Employer	
How have you met your obligations to provide good and safe working conditions?	<i>Yes. We have followed the guidelines set out in the Nelson College "Personnel Procedures" manual. These procedures will be reviewed again by the end of the year</i>
What is in your equal employment opportunities programme? How have you been fulfilling this programme?	<i>Our programme is explicitly stated in our "Personnel Procedures" and followed assiduously. We appoint and develop all staff based on their ability, aptitudes, skills, and qualifications. As much as possible the school will seek a diverse workforce.</i>
How do you practise impartial selection of suitably qualified persons for appointment?	<i>We follow the guidelines set out on pages 23 and 24 of our Personnel Procedures" manual</i>
How are you recognising, <ul style="list-style-type: none"> – The aims and aspirations of Māori, – The employment requirements of Māori, and – Greater involvement of Māori in the Education service? 	<i>Our Kura has a significant investment in the professional development opportunities for staff in Te Ao Māori. Nelson College is committed to acknowledging TeTiriti in teaching programmes and offers courses in te reo Māori for all staff.</i> <i>The College holds regular discussions with our Māori community and whānau as to goals, aspirations and needs of our Māori learners.</i>
How have you enhanced the abilities of individual employees?	<i>We provide a comprehensive professional development programme for all staff.</i>
How are you recognising the employment requirements of women?	<i>We follow the guidelines set out in our "Personnel Policies" manual (p10 EEO)</i>
How are you recognising the employment requirements of persons with disabilities?	<i>We follow the guidelines set out in our "Personnel Policies" manual (p 10 EEO)</i>

Reporting on Equal Employment Opportunities (EEO) Programme/Policy	YES	NO
Do you operate an EEO programme/policy?	X	
Has this policy or programme been made available to staff?	X	
Does your EEO programme/policy include training to raise awareness of issues which may impact EEO?	X	
Has your EEO programme/policy appointed someone to coordinate compliance with its requirements?	X	
Does your EEO programme/policy provide for regular reporting on compliance with the policy and/or achievements under the policy?	X	
Does your EEO programme/policy set priorities and objectives?	X	

NELSON COLLEGE

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

School Directory

Ministry Number:	294
Principal:	Tim Oughton
School Address:	67 Waimea Road, Nelson 7010
School Postal Address:	Private Bag 16, Nelson 7040
School Phone:	(03) 548 3099
School Email:	excellence@nelson.school.nz

Nelson College

Statement of Responsibility

For the year ended 31 December 2023

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 2023 fairly reflects the financial position and operations of the group.

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

Richard Smith

Full Name of Presiding Member

Signed by:
Richard Smith
710C6C89C2A431B9

Signature of Presiding Member

31 May 2024

Date:

Timothy Oughton

Full Name of Acting Principal

Signed by:
Timothy Oughton
98EAD6F663F2703D

Signature of Principal

31 May 2024

Date:

Nelson College
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2023

	Notes	2023 Actual \$	School 2023 Budget (Unaudited) \$	2022 Actual \$	2023 Actual \$	Group 2023 Budget (Unaudited) \$	2022 Actual \$
Revenue							
Government Grants	2	11,404,281	2,752,720	10,952,780	11,404,281	2,752,720	10,952,780
Locally Raised Funds	3	3,363,632	2,220,008	2,618,128	3,349,833	2,220,008	2,618,128
Use of Proprietor's Land and Buildings		-	-	-	-	-	-
Interest		80,004	-	3,051	126,931	-	3,051
Gain on Sale of Property, Plant and Equipment		-	-	-	-	-	-
Hostel	4	1,840,493	2,128,965	1,681,948	1,840,493	2,128,965	1,681,948
Other Revenue		-	-	-	68,832	-	18,012
Total Revenue		16,688,410	7,101,693	15,255,907	16,790,370	7,101,693	15,273,919
Expense							
Locally Raised Funds	3	1,730,675	1,434,207	1,441,087	1,730,674	1,434,207	1,441,087
Hostel	4	1,919,948	2,215,541	1,654,793	1,919,948	2,215,541	1,654,793
Learning Resources	5	9,111,777	1,760,820	8,295,901	9,112,177	1,760,820	8,295,901
Administration	6	1,248,807	1,174,134	1,119,031	1,281,515	1,174,134	1,119,031
Interest		152,767	-	111,872	152,767	-	111,872
Property	7	2,302,505	781,000	2,654,885	2,302,505	781,000	2,654,885
Other Expense	8	2,000	-	11,132	2,000	-	11,132
Loss on Disposal of Property, Plant and Equipment		225,738	-	2,689	225,738	-	2,689
Total expense		16,694,217	7,365,702	15,291,390	16,727,324	7,365,702	15,291,390
Net Surplus / (Deficit) for the year		(5,807)	(264,009)	(35,483)	63,046	(264,009)	(17,471)
Other Comprehensive Revenue and Expense							
<i>Item that will not be reclassified to surplus(deficit)</i>							
Gain on equity investment revaluations		-	-	-	102,682	-	(181,867)
Total other comprehensive revenue and expense		-	-	-	102,682	-	(181,867)
Total Comprehensive Revenue and Expense for the Year		(5,807)	(264,009)	(35,483)	165,728	(264,009)	(199,338)

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.

In 2022 material balances of the consolidated entity were recorded in the 'School' financial statements. For the current year, the financial statements present Group and School accounts in separate columns. For comparability the 2022 'Group' balances reported in these financial statements align with the 2022 audited financial statements.

Nelson College

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2023

Notes	2023	School	2022	2023	Group	2022
	Actual	2023 Budget (Unaudited)	Actual	Actual	2023 Budget (Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
Equity at 1 January	11,576,571	11,795,897	11,560,337	13,207,578	11,795,897	13,355,199
Total comprehensive revenue and expense for the year	(5,807)	(264,009)	(35,483)	165,728	(264,009)	(199,338)
Contributions from/ (Distributions to) the Ministry of Education	-	-	-	-	-	-
Contribution - Furniture and Equipment Grant	85,850	-	51,717	85,850	-	51,717
Equity at 31 December	11,656,614	11,531,888	11,576,571	13,459,156	11,531,888	13,207,578
Accumulated comprehensive revenue and expense	11,656,614	11,531,888	11,576,571	13,054,550	11,531,888	12,905,654
Reserves	-	-	-	404,606	-	301,924
Equity at 31 December	11,656,614	11,531,888	11,576,571	13,459,156	11,531,888	13,207,578
Reserve Movements Analysis						
Accumulated comprehensive revenue and expense						
Balance at 1 January	11,576,571	11,795,897	11,560,337	12,905,654	11,795,897	12,871,408
Equity investment revaluation reserve transfer on disposal	-	-	-	-	-	-
Furniture & Equipment grant	85,850	-	51,717	85,850	-	51,717
Surplus/(deficit) for the year	(5,807)	(264,009)	(35,483)	63,046	(264,009)	(17,471)
Balance 31 December	11,656,614	11,531,888	11,576,571	13,054,550	11,531,888	12,905,654
Equity investment revaluation reserves						
Balance at 1 January	-	-	-	301,924	-	483,791
Net change in fair value	-	-	-	102,682	-	(181,867)
Transfer to accumulated surplus/deficit on disposal	-	-	-	-	-	-
Balance 31 December	-	-	-	404,606	-	301,924
Total equity	11,656,614	11,531,888	11,576,571	13,459,156	11,531,888	13,207,578

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.

In 2022 material balances of the consolidated entity were recorded in the 'School' financial statements. For the current year, the financial statements present Group and School accounts in separate columns. For comparability the 2022 'Group' balances reported in these financial statements align with the 2022 audited financial statements.

Nelson College

Statement of Financial Position

As at 31 December 2023

	Notes	2023 Actual \$	School 2023 Budget (Unaudited) \$	2022 Actual \$	2023 Actual \$	Group 2023 Budget (Unaudited) \$	2022 Actual \$
Current Assets							
Cash and Cash Equivalents	9	717,178	288,324	1,106,636	726,743	288,324	1,106,636
Accounts Receivable	10	582,144	895,950	618,242	582,144	895,950	618,242
GST Receivable		(2,534)	43,906	33,449	(2,534)	43,906	33,449
Prepayments		17,157	38,452	48,452	17,157	38,452	48,452
Inventories	11	54,804	48,146	43,146	54,804	48,146	43,146
Investments	12	806,011	-	-	1,219,011	-	-
Funds receivable for Capital Works Projects	19	-	-	4,901	-	-	4,901
		<u>2,174,760</u>	<u>1,314,778</u>	<u>1,854,826</u>	<u>2,597,325</u>	<u>1,314,778</u>	<u>1,854,826</u>
Current Liabilities							
GST Payable		-	-	-	-	-	-
Accounts Payable	14	997,119	271,410	824,878	1,000,619	271,410	824,878
Borrowings	15	1,296,500	-	-	1,296,500	-	-
Revenue Received in Advance	16	1,214,705	976,917	1,120,331	1,214,705	976,917	1,120,331
Provision for Cyclical Maintenance	17	16,300	48,496	208,496	16,300	48,496	208,496
Finance Lease Liability		23,399	12,420	32,420	23,399	12,420	32,420
Funds held in Trust	18	130,084	99,342	67,924	130,084	99,342	67,924
Funds held for Capital Works Projects	19	149,150	107,837	12,737	149,150	107,837	12,737
		<u>3,827,257</u>	<u>1,516,422</u>	<u>2,266,786</u>	<u>3,830,757</u>	<u>1,516,422</u>	<u>2,266,786</u>
Working Capital Surplus/(Deficit)		(1,652,497)	(201,644)	(411,961)	(1,233,432)	(201,644)	(411,961)
Non-current Assets							
Investments	12	-	-	-	1,383,479	-	1,631,006
Property, Plant and Equipment	13	16,171,447	15,505,513	15,800,513	16,171,447	15,505,513	15,800,513
		<u>16,171,447</u>	<u>15,505,513</u>	<u>15,800,513</u>	<u>17,554,926</u>	<u>15,505,513</u>	<u>17,431,519</u>
Non-current Liabilities							
Borrowings	15	2,054,750	3,257,500	3,202,500	2,054,750	3,257,500	3,202,500
Provision for Cyclical Maintenance	17	801,099	493,676	583,675	801,099	493,676	583,675
Finance Lease Liability		6,487	20,805	25,805	6,489	20,805	25,805
		<u>2,862,336</u>	<u>3,771,981</u>	<u>3,811,980</u>	<u>2,862,338</u>	<u>3,771,981</u>	<u>3,811,980</u>
Net Assets		<u>11,656,614</u>	<u>11,531,888</u>	<u>11,576,571</u>	<u>13,459,156</u>	<u>11,531,888</u>	<u>13,207,578</u>
Equity:							
Accumulated comprehensive revenue and expense		11,656,614	11,531,888	11,576,571	13,054,550	11,531,888	12,905,654
Equity investment revaluation reserves		-	-	-	404,606	-	301,924
Total equity		<u>11,656,614</u>	<u>11,531,888</u>	<u>11,576,571</u>	<u>13,459,156</u>	<u>11,531,888</u>	<u>13,207,578</u>

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

In 2022 material balances of the consolidated entity were recorded in the 'School' financial statements. For the current year, the financial statements present Group and School accounts in separate columns. For comparability the 2022 'Group' balances reported in these financial statements align with the 2022 audited financial statements.

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

	Notes	2023 Actual \$	School 2023 Budget (Unaudited) \$	2022 Actual \$	2023 Actual \$	Group 2023 Budget (Unaudited) \$	2022 Actual \$
Cash flows from Operating Activities							
Government Grants		2,776,705	2,918,262	2,971,762	2,776,705	2,918,262	2,971,762
Locally Raised Funds		2,870,666	993,576	1,950,774	2,949,502	993,576	1,950,774
Hostel		1,853,634	2,128,219	1,698,830	1,853,634	2,128,219	1,698,830
International Students		650,212	364,347	522,269	650,212	364,347	522,269
Goods and Services Tax (net)		35,983	(10,457)	(26,631)	35,983	(10,457)	(26,631)
Payments to Employees		(2,876,904)	(2,666,034)	(2,570,617)	(2,884,404)	(2,666,034)	(2,570,617)
Payments to Suppliers		(4,108,873)	(4,380,926)	(3,689,270)	(4,154,780)	(4,380,926)	(3,689,270)
Interest Paid		(4,017)	-	(111,872)	(4,017)	-	(111,872)
Interest Received		80,004	-	3,051	85,913	-	3,051
Net cash from / (to) the Operating Activities		1,277,410	(653,013)	748,296	1,308,748	(653,013)	748,296
Cash flows from Investing Activities							
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		1,400	-	-	1,400	-	-
Purchase of Property Plant & Equipment (and Intangibles)		(1,138,149)	(255,351)	(196,467)	(1,138,149)	(255,351)	(196,467)
Purchase of Investments		(806,011)	-	-	(827,784)	-	-
Proceeds from Sale of Investments		-	-	-	-	-	-
Net cash from / (to) the Investing Activities		(1,942,760)	(255,351)	(196,467)	(1,964,533)	(255,351)	(196,467)
Cash flows from Financing Activities							
Furniture and Equipment Grant		85,850	-	51,717	85,850	-	51,717
Contributions from / Distributions to Ministry of Education		-	-	-	-	-	-
Finance Lease Payments		(13,431)	(41,366)	(53,938)	(13,431)	(41,366)	(53,938)
Painting Contract payments		-	-	-	-	-	-
Loans Received		-	-	3,500,000	-	-	3,500,000
Repayment of Loans		-	-	(3,015,000)	-	-	(3,015,000)
Funds Administered on Behalf of Other Parties		203,473	131,418	30,839	203,473	131,418	30,839
Net cash from / (to) Financing Activities		275,892	90,052	513,618	275,892	90,052	513,618
Net increase/(decrease) in cash and cash equivalents		(389,458)	(818,312)	1,065,447	(379,893)	(818,312)	1,065,447
Cash and cash equivalents at the beginning of the year	9	1,106,636	1,106,636	41,189	1,106,636	1,106,636	41,189
Cash and cash equivalents at the end of the year	9	717,178	288,324	1,106,636	726,743	288,324	1,106,636

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

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

In 2022 material balances of the consolidated entity were recorded in the 'School' financial statements. For the current year, the financial statements present Group and School accounts in separate columns. For comparability the 2022 'Group' balances reported in these financial statements align with the 2022 audited financial statements.

Nelson College

Notes to the Group Financial Statements

For the year ended 31 December 2023

1. Statement of Accounting Policies

a) Reporting Entity

Nelson 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 Nelson College (the 'Group') consists of Nelson 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 2023 to 31 December 2023 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. The Group has repaid the current portion of the Ministry of Education Loan via proceeds of a property sale subsequent to year end, refer to Note 26 for details. College Management have prepared a 2024 budget that shows a breakeven operating position. All 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.

Nelson College

Notes to the Group Financial Statements

For the year ended 31 December 2023

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 17.

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 13.

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".

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 27.

Nelson College

Notes to the Group Financial Statements

For the year ended 31 December 2023

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) Operating Lease Payments

Payments made under operating leases are recognised in the Consolidated Statement of Comprehensive Revenue and Expense on a straight line basis over the term of the lease.

e) Finance Lease Payments

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

f) Cash and Cash Equivalents

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

Nelson College

Notes to the Group Financial Statements

For the year ended 31 December 2023

g) Accounts Receivable

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

h) Inventories

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

i) Investments

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is material.

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 not met the requirements of Section 154 (2)(b)(ii) of the Education and Training Act 2020 in relation to the acquisition of investment securities.

j) 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.

Nelson College

Notes to the Group Financial Statements

For the year ended 31 December 2023

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	10 – 100 years
Board Owned Buildings	10 – 100 years
Furniture and equipment	5 – 15 years
Information and communication technology	3 – 8 years
Motor vehicles	5 years
Textbooks	5 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

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

The 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.

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.

I) 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.

Nelson College

Notes to the Group Financial Statements

For the year ended 31 December 2023

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 annual leave earned, by non teaching staff, but not yet taken at balance date.

Long-term employee entitlements

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

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

n) Revenue Received in Advance

Revenue received in advance relates to fees received from international and hostel students and grants received

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

o) Funds Held in Trust

Funds are held in trust where they have been received by the 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 Comprehensive 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 Consolidated Statement of Comprehensive Revenue and Expense.

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

q) 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 Group sites 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, the School's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition.

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

Nelson College

Notes to the Group Financial Statements

For the year ended 31 December 2023

r) 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.

s) Borrowings

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

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.

Nelson College
Notes to the Group Financial Statements
For the year ended 31 December 2023

2. Government Grants

	2023 Actual \$	School 2023 Budget (Unaudited) \$	2022 Actual \$	2023 Actual \$	Group 2023 Budget (Unaudited) \$	2022 Actual \$
Government Grants - Ministry of Education	2,764,527	2,698,658	3,220,314	2,764,527	2,698,658	3,220,314
Teachers' Salaries Grants	7,048,914	-	6,500,140	7,048,914	-	6,500,140
Use of Land and Buildings Grants	1,536,778	-	1,179,711	1,536,778	-	1,179,711
Other Government Grants	54,062	54,062	52,615	54,062	54,062	52,615
	11,404,281	2,752,720	10,952,780	11,404,281	2,752,720	10,952,780

The school has opted in to the donations scheme for this year. Total amount received was \$134,855.

3. Locally Raised Funds

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

	2023 Actual \$	School 2023 Budget (Unaudited) \$	2022 Actual \$	2023 Actual \$	Group 2023 Budget (Unaudited) \$	2022 Actual \$
Revenue						
Donations and Bequests	62,856	56,928	417,067	49,057	56,928	417,067
Fundraising & Community Grants	225,246	184,250	221,359	225,246	184,250	221,359
Curriculum related activities - Purchase of goods and services	139,395	158,097	119,208	139,395	158,097	119,208
Other Revenue	958,461	155,500	330,117	958,461	155,500	330,117
Prep School Income	1,072,177	1,004,113	953,489	1,072,177	1,004,113	953,489
Fees for Extra Curricular Activities	283,685	293,240	199,675	283,685	293,240	199,675
International Student Fees	621,812	367,880	377,213	621,812	367,880	377,213
	3,363,632	2,220,008	2,618,128	3,349,833	2,220,008	2,618,128
Expenses						
Extra Curricular Activities Costs	683,706	607,161	612,610	683,706	607,161	612,610
Prep School Expenses	867,829	674,040	695,578	867,829	674,040	695,578
International Student - Student Recruitment	34,317	44,500	32,480	34,317	44,500	32,480
International Student - Employee Benefit - Salaries	22,333	26,190	2,557	22,333	26,190	2,557
International Student - Other Expenses	122,489	82,316	97,862	122,489	82,316	97,862
	1,730,674	1,434,207	1,441,087	1,730,674	1,434,207	1,441,087
	1,632,958	785,801	1,177,041	1,619,159	785,801	1,177,041

Surplus/ (Deficit) for the year Locally Raised Funds

During the year the School hosted 48 International students (2022: 26)

Locally Raised Funds includes the Prep School Revenue and Expenses:

	2023 Actual	School 2023 Budget (Unaudited)	2022 Actual	2023 Actual	Group 2023 Budget (Unaudited)	2022 Actual
Prep School Financial Performance						
Preparatory School Student Roll FTE	97	98	96	97	98	96
Revenue						
Preparatory School Student Fees	898,187	878,261	811,586	898,187	878,261	811,586
Operations Grant	93,474	84,852	89,903	93,474	84,852	89,903
Other Revenue	80,516	41,000	52,000	80,516	41,000	52,000
	1,072,177	1,004,113	953,489	1,072,177	1,004,113	953,489
Expenses						
Advertising & Marketing	3,703	5,000	5,205	3,703	5,000	5,205
Employee Benefit - Salaries	644,253	593,000	592,021	644,253	593,000	592,021
Property	100,000	-	-	100,000	-	-
Other Expenses	119,873	76,040	98,352	119,873	76,040	98,352
	867,829	674,040	695,578	867,829	674,040	695,578
	204,348	330,073	257,911	204,348	330,073	257,911

Surplus/ (Deficit) for the year Preparatory School

Nelson College
Notes to the Group Financial Statements
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4. Hostel Revenue and Expenses

Hostel Financial Performance

Hostel Full Boarders
Hostel Weekly Boarders

	2023 Actual Number	School 2023 Budget (Unaudited) Number	2022 Actual Number	2023 Actual Number	Group 2023 Budget (Unaudited) Number	2022 Actual Number
	96	98	90	96	98	90

	2023 Actual \$	School 2023 Budget (Unaudited) \$	2022 Actual \$	2023 Actual \$	Group 2023 Budget (Unaudited) \$	2022 Actual \$
Revenue						
Hostel Fees	1,354,103	1,272,000	1,185,662	1,354,103	1,272,000	1,185,662
Other Revenue	486,390	856,965	496,286	486,390	856,965	496,286
	1,840,493	2,128,965	1,681,948	1,840,493	2,128,965	1,681,948
Expenses						
Other Hostel Expenses	554,078	1,022,966	503,577	554,078	1,022,966	503,577
Administration	301,754	171,000	220,207	301,754	171,000	220,207
Property	272,150	223,750	229,462	272,150	223,750	229,462
Depreciation	199,497	210,000	200,975	199,497	210,000	200,975
Employee Benefit - Salaries	592,469	587,825	500,572	592,469	587,825	500,572
	1,919,948	2,215,541	1,654,793	1,919,948	2,215,541	1,654,793
Surplus/ (Deficit) for the year Hostel	(79,455)	(86,576)	27,155	(79,455)	(86,576)	27,155

5. Learning Resources

Curricular
Equipment Repairs
Information and Communication Technology
Library Resources
Employee Benefits - Salaries
Staff Development
Depreciation

	2023 Actual \$	School 2023 Budget (Unaudited) \$	2022 Actual \$	2023 Actual \$	Group 2023 Budget (Unaudited) \$	2022 Actual \$
	289,347	314,777	283,232	289,347	314,777	283,232
	56,205	28,803	41,733	56,205	28,803	41,733
	177,849	213,965	168,378	177,849	213,965	168,378
	(9,764)	14,350	12,398	(9,764)	14,350	12,398
	8,065,302	779,175	7,370,926	8,065,302	779,175	7,370,926
	233,683	144,750	141,647	234,082	144,750	141,647
	299,155	265,000	277,587	299,156	265,000	277,587
	9,111,777	1,760,820	8,295,901	9,112,177	1,760,820	8,295,901

International students

During the year ended December 2023, the Director of International Students and Principal travelled to Thailand, Korea, Germany and United Kingdom at a cost of \$21,228 for the purpose of recruiting new students for the school. The travel was funded from the net surplus from international student fees revenue.

6. Administration

Audit Fee
Board Fees
Board Expenses
Intervention Costs & Expenses
Communication
Consumables
Operating Lease
Legal Fees
Other
Employee Benefits - Salaries
Insurance
Service Providers, Contractors and Consultancy

	2023 Actual \$	School 2023 Budget (Unaudited) \$	2022 Actual \$	2023 Actual \$	Group 2023 Budget (Unaudited) \$	2022 Actual \$
	12,906	11,250	10,625	16,406	11,250	10,625
	3,710	4,590	3,875	3,710	4,590	3,875
	5,685	4,000	8,188	5,685	4,000	8,188
	-	-	-	-	-	-
	46,451	55,000	51,039	46,451	55,000	51,039
	8,127	10,250	6,597	8,153	10,250	6,597
	-	-	-	-	-	-
	13,690	16,000	19,019	13,690	16,000	19,019
	15,825	12,700	8,609	37,507	12,700	8,609
	1,045,704	962,844	928,740	1,053,204	962,844	928,740
	92,109	90,000	81,509	92,109	90,000	81,509
	4,600	7,500	830	4,600	7,500	830
	1,248,807	1,174,134	1,119,031	1,281,515	1,174,134	1,119,031

Nelson College
Notes to the Group Financial Statements
For the year ended 31 December 2023

7. Property

	2023 Actual \$	School 2023 Budget (Unaudited) \$	2022 Actual \$	2023 Actual \$	Group 2023 Budget (Unaudited) \$	2022 Actual \$
Caretaking and Cleaning Consumables	49,529	52,000	47,391	49,529	52,000	47,391
Consultancy and Contract Services	15,279	20,000	6,084	15,279	20,000	6,084
Cyclical Maintenance Provision	45,475	-	792,172	45,475	-	792,172
Grounds	132,593	133,000	132,677	132,593	133,000	132,677
Heat, Light and Water	136,604	142,500	124,676	136,604	142,500	124,676
Rates	-	-	-	-	-	-
Repairs and Maintenance	89,862	113,500	67,245	89,862	113,500	67,245
Use of Land and Buildings	1,536,778	-	1,179,711	1,536,778	-	1,179,711
Security	20,845	15,000	12,965	20,845	15,000	12,965
Employee Benefits - Salaries	275,540	305,000	291,964	275,540	305,000	291,964
	<u>2,302,505</u>	<u>781,000</u>	<u>2,654,885</u>	<u>2,302,505</u>	<u>781,000</u>	<u>2,654,885</u>

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

	2023 Actual \$	School 2023 Budget (Unaudited) \$	2022 Actual \$	2023 Actual \$	Group 2023 Budget (Unaudited) \$	2022 Actual \$
Loss on Uncollectable Accounts Receivable	2,000	-	11,132	2,000	-	11,132
	<u>2,000</u>	<u>-</u>	<u>11,132</u>	<u>2,000</u>	<u>-</u>	<u>11,132</u>

9. Cash and Cash Equivalents

	2023 Actual \$	School 2023 Budget (Unaudited) \$	2022 Actual \$	2023 Actual \$	Group 2023 Budget (Unaudited) \$	2022 Actual \$
Bank Accounts	413,683	288,324	305,732	423,248	288,324	305,732
Short-term Bank Deposits	303,495	-	800,904	303,495	-	800,904
Bank Overdraft	-	-	-	-	-	-
Cash equivalents and cash equivalents for Consolidated Statement of Cash Flows	<u>717,178</u>	<u>288,324</u>	<u>1,106,636</u>	<u>726,743</u>	<u>288,324</u>	<u>1,106,636</u>

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

10. Accounts Receivable

	2023 Actual \$	School 2023 Budget (Unaudited) \$	2022 Actual \$	2023 Actual \$	Group 2023 Budget (Unaudited) \$	2022 Actual \$
Receivables	41,286	895,950	88,191	41,286	895,950	88,191
Receivables from the Ministry of Education	-	-	-	-	-	-
Loss on Uncollectable Accounts Receivable	(1,892)	-	(11,089)	(1,892)	-	(11,089)
Teacher Salaries Grant Receivable	542,750	-	541,140	542,750	-	541,140
	<u>582,144</u>	<u>895,950</u>	<u>618,242</u>	<u>582,144</u>	<u>895,950</u>	<u>618,242</u>
Receivables from Exchange Transactions	39,394	895,950	77,102	39,394	895,950	77,102
Receivables from Non-Exchange Transactions	542,750	-	541,140	542,750	-	541,140
	<u>582,144</u>	<u>895,950</u>	<u>618,242</u>	<u>582,144</u>	<u>895,950</u>	<u>618,242</u>

11. Inventories

	2023 Actual \$	School 2023 Budget (Unaudited) \$	2022 Actual \$	2023 Actual \$	Group 2023 Budget (Unaudited) \$	2022 Actual \$
Canteen	659	600	496	659	-	496
Dining Room	10,056	10,000	5,763	10,056	48,146	5,763
School Uniforms	44,089	37,546	36,887	44,089	-	36,887
	<u>54,804</u>	<u>48,146</u>	<u>43,146</u>	<u>54,804</u>	<u>48,146</u>	<u>43,146</u>

Nelson College
Notes to the Group Financial Statements
For the year ended 31 December 2023

12. Investments

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

	2023 Actual \$	School 2023 Budget (Unaudited) \$	2022 Actual \$	2023 Actual \$	Group 2023 Budget (Unaudited) \$	2022 Actual \$
Current Asset						
Equity investments (expected to be realised within 12 months)	-	-	-	413,000	-	-
Short-term Bank Deposits	806,011	-	-	806,011	-	-
	<u>806,011</u>	<u>-</u>	<u>-</u>	<u>1,219,011</u>	<u>-</u>	<u>-</u>
Non-current Asset						
Long-term Bank Deposits	-	-	-	-	-	1,631,006
Equity Investments	-	-	-	1,383,479	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,383,479</u>	<u>-</u>	<u>1,631,006</u>
Total Investments	<u><u>806,011</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>2,602,490</u></u>	<u><u>-</u></u>	<u><u>1,631,006</u></u>

13. Property, Plant and Equipment

GROUP

	Opening Balance (Net Book Value) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2023						
Land	1,818,589	-	-	-	(27,534)	1,791,055
Buildings	2,924,083	-	-	-	(56,377)	2,867,706
Building Improvements	621,195	-	(7,939)	-	(15,016)	598,240
Hostel	9,904,290	877,681	(216,853)	-	(197,698)	10,367,420
Furniture and Equipment	195,876	151,204	(248)	-	(60,312)	286,520
Information and Communication Technology	184,608	36,274	(2,097)	-	(79,900)	138,885
Motor Vehicles	78,807	-	-	-	(21,952)	56,855
Textbooks	9,552	3,903	-	-	(3,831)	9,624
Leased Assets	55,633	4,410	-	-	(32,140)	27,903
Library Resources	7,880	23,251	-	-	(3,892)	27,239
Balance at 31 December 2023	<u><u>15,800,513</u></u>	<u><u>1,096,723</u></u>	<u><u>(227,137)</u></u>	<u><u>-</u></u>	<u><u>(498,652)</u></u>	<u><u>16,171,447</u></u>

GROUP

	2023 Cost or Valuation \$	2023 Accumulated Depreciation \$	2023 Net Book Value \$	2022 Cost or Valuation \$	2022 Accumulated Depreciation \$	2022 Net Book Value \$
Land	1,889,259	(98,204)	1,791,055	1,885,235	(66,646)	1,818,589
Buildings	3,957,777	(1,090,071)	2,867,706	3,957,777	(1,033,694)	2,924,083
Building Improvements	1,042,693	(444,453)	598,240	1,050,632	(429,437)	621,195
Hostel	13,122,446	(2,755,026)	10,367,420	12,616,139	(2,711,849)	9,904,290
Furniture and Equipment	738,712	(448,114)	290,598	1,796,810	(1,600,934)	195,876
Information and Communication Technology	690,890	(556,086)	134,804	2,700,813	(2,516,205)	184,608
Motor Vehicles	299,807	(242,952)	56,855	299,807	(221,000)	78,807
Textbooks	29,082	(19,458)	9,624	32,834	(23,282)	9,552
Leased Assets	95,204	(67,300)	27,904	155,335	(99,702)	55,633
Library Resources	250,627	(223,386)	27,241	227,375	(219,495)	7,880
Balance at 31 December	<u><u>22,116,497</u></u>	<u><u>(5,945,050)</u></u>	<u><u>16,171,447</u></u>	<u><u>24,722,757</u></u>	<u><u>(8,922,244)</u></u>	<u><u>15,800,513</u></u>

Nelson College
Notes to the Group Financial Statements
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SCHOOL	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2023						
Land	1,818,589	-	-	-	(27,534)	1,791,055
Buildings	2,924,083	-	-	-	(56,377)	2,867,706
Building Improvements	621,195	-	(7,939)	-	(15,016)	598,240
Hostel	9,904,290	877,681	(216,853)	-	(197,698)	10,367,420
Furniture and Equipment	195,876	151,204	(248)	-	(60,312)	286,520
Information and Communication Technology	184,608	36,274	(2,097)	-	(79,900)	138,885
Motor Vehicles	78,807	-	-	-	(21,952)	56,855
Textbooks	9,552	3,903	-	-	(3,831)	9,624
Leased Assets	55,633	4,410	-	-	(32,140)	27,903
Library Resources	7,880	23,251	-	-	(3,892)	27,239
Balance at 31 December 2023	15,800,513	1,096,723	(227,137)	-	(498,652)	16,171,447

SCHOOL	2023 Cost or Valuation \$	2023 Accumulated Depreciation \$	2023 Net Book Value \$	2022 Cost or Valuation \$	2022 Accumulated Depreciation \$	2022 Net Book Value \$
Land	1,889,259	(98,204)	1,791,055	1,885,235	(66,646)	1,818,589
Buildings	3,957,777	(1,090,071)	2,867,706	3,957,777	(1,033,694)	2,924,083
Building Improvements	1,042,693	(444,453)	598,240	1,050,632	(429,437)	621,195
Hostel	13,122,446	(2,755,026)	10,367,420	12,616,139	(2,711,849)	9,904,290
Furniture and Equipment	738,712	(448,114)	290,598	1,796,810	(1,600,934)	195,876
Information and Communication Technology	690,890	(556,086)	134,804	2,700,813	(2,516,205)	184,608
Motor Vehicles	299,807	(242,952)	56,855	299,807	(221,000)	78,807
Textbooks	29,082	(19,458)	9,624	32,834	(23,282)	9,552
Leased Assets	95,204	(67,300)	27,904	155,335	(99,702)	55,633
Library Resources	250,627	(223,386)	27,241	227,375	(219,495)	7,880
Balance at 31 December	22,116,497	(5,945,050)	16,171,447	24,722,757	(8,922,244)	15,800,513

The net carrying value of Leased Assets are held under a finance lease is \$27,241 (2022: \$7,880)

Restrictions

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

14. Accounts Payable

	2023 Actual \$	School 2023 Budget (Unaudited) \$	2022 Actual \$	2023 Actual \$	Group 2023 Budget (Unaudited) \$	2022 Actual \$
Creditors	267,378	191,561	204,721	270,878	191,561	204,721
Accruals	67,878	41,266	29,364	67,878	41,266	29,364
Banking Staffing Overuse	29,932	-	6,070	29,932	-	6,070
Employee Entitlements - Salaries	592,902	-	550,439	592,902	-	550,439
Employee Entitlements - Leave Accrual	39,029	38,583	34,284	39,029	38,583	34,284
	997,119	271,410	824,878	1,000,619	271,410	824,878
Payables for Exchange Transactions	997,119	271,410	824,878	1,000,619	271,410	824,878
	997,119	271,410	824,878	1,000,619	271,410	824,878

The carrying value of payables approximates their fair value.

Nelson College
Notes to the Group Financial Statements
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15. Borrowings

	2023 Actual \$	School 2023 Budget (Unaudited) \$	2022 Actual \$	2023 Actual \$	Group 2023 Budget (Unaudited) \$	2022 Actual \$
Loans due in one year	1,296,500	-	-	1,296,500	-	-
Loans due after one year	2,054,750	3,257,500	3,202,500	2,054,750	3,257,500	3,202,500
	<u>3,351,250</u>	<u>3,257,500</u>	<u>3,202,500</u>	<u>3,351,250</u>	<u>3,257,500</u>	<u>3,202,500</u>

The school has borrowings at 31 December 2023 of \$3,351,250 (31 December 2022 \$3,202,500). The loan is from the Ministry of Education at a 0% interest rate.

The nominal value of the loan is \$3,500,000

In determining the day-one fair value of the concessionary loan, a market effective interest rate of 4.25% was used. The loan is expected to be repaid by December 2025.

The terms of the loan require the College to identify and realise surplus land holdings.

The College's debt position is in breach of Schedule 12 of the Crown Entities (Financial Powers) Regulations 2005 which limits a Board's borrowings payments to 10% of its operating grants.

A reconciliation of the opening and closing carrying amounts of the concessionary loan is provided below:

	2023 Actual \$	School 2023 Budget (Unaudited) \$	2022 Actual \$	2023 Actual \$	Group 2023 Budget (Unaudited) \$	2022 Actual \$
Opening Balance	3,202,500	3,202,500		3,202,500	3,202,500	
Nominal Value of Loan Received	-		3,500,000	-		3,500,000
Notional Interest Unwind	148,750			148,750		
Fair Value Adjustment	-	(55,000)	(297,500)	-	(55,000)	(297,500)
Closing Balance	<u>3,351,250</u>	<u>3,147,500</u>	<u>3,202,500</u>	<u>3,351,250</u>	<u>3,147,500</u>	<u>3,202,500</u>

16. Revenue Received in Advance

	2023 Actual \$	School 2023 Budget (Unaudited) \$	2022 Actual \$	2023 Actual \$	Group 2023 Budget (Unaudited) \$	2022 Actual \$
Grants in Advance - Ministry of Education	59,128	-	99,433	59,128	-	99,433
International Student Fees in Advance	858,850	826,917	830,450	858,850	826,917	830,450
Hostel Fees in Advance	43,887	30,000	30,746	43,887	30,000	30,746
Other revenue in Advance	252,840	120,000	159,702	252,840	120,000	159,702
	<u>1,214,705</u>	<u>976,917</u>	<u>1,120,331</u>	<u>1,214,705</u>	<u>976,917</u>	<u>1,120,331</u>

17. Provision for Cyclical Maintenance

	2023 Actual \$	School and Group 2023 Budget (Unaudited) \$	2022 Actual \$
Provision at the Start of the Year	792,172	583,676	-
Increase to the Provision During the Year	45,475	-	792,172
Use of the Provision During the Year	(20,248)	-	-
Other Adjustments	-	(41,504)	-
Provision at the End of the Year	<u>817,399</u>	<u>542,172</u>	<u>792,172</u>
Cyclical Maintenance - Current	16,300	48,496	208,496
Cyclical Maintenance - Non current	801,099	493,676	583,675
	<u>817,399</u>	<u>542,172</u>	<u>792,171</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 as prepared by a MOE appointed expert.

	2023 Actual \$	School and Group 2023 Budget (Unaudited) \$	2022 Actual \$
Represented by	29,888	33,225	58,225
Finance lease liability - Current	23,399	12,420	32,420
Finance lease liability - Non-current	6,489	20,805	25,805
	<u>29,888</u>	<u>33,225</u>	<u>58,225</u>

Nelson College
Notes to the Group Financial Statements
For the year ended 31 December 2023

18. Funds held in Trust

	2023	School 2023 Budget (Unaudited)	2022	2023	Group 2023 Budget (Unaudited)	2022
	Actual		Actual	Actual		Actual
	\$	\$	\$	\$	\$	\$
Funds Held in Trust on Behalf of Third Parties - Current	130,084	99,342	67,924	130,084	99,342	67,924
Funds Held in Trust on Behalf of Third Parties - Non-current	-	-	-	-	-	-
	<u>130,084</u>	<u>99,342</u>	<u>67,924</u>	<u>130,084</u>	<u>99,342</u>	<u>67,924</u>

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

19. 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

	2023	Opening Balances	Receipts from MOE	Payments	Board Contribution	Closing Balances
		\$	\$	\$		\$
Unforeseen Roofing		12,737	514,786	(452,020)	-	75,503
Library Hot water cylinder leak		(553)	10,617	(10,064)	-	-
C Block Fire Hose Leak		(4,347)	5,027	(680)	-	-
A & X Blocks Roofs		-	80,091	(6,444)	-	73,647
Totals		<u>7,837</u>	<u>610,521</u>	<u>(469,208)</u>	<u>-</u>	<u>149,150</u>

Represented by:

Funds Held on Behalf of the Ministry of Education
Funds Receivable from the Ministry of Education

149,150
-

	2022	Opening Balances	Receipts from MOE	Payments	Board Contribution	Closing Balances
		\$	\$	\$	\$	\$
Three Quarter Turf		(10,630)	42,220	(31,590)	-	-
Learning Support Offices		8,299	3,527	(11,826)	-	-
Tech Block HVAC		(7,654)	7,654	-	-	0
Science Corridor & Drainage		1,294	22,633	(23,927)	-	0
A & X Block External Waterproofing		(26,358)	42,779	(16,421)	-	(0)
Security system Upgrade		(3,253)	11,175	(7,725)	(197)	(0)
Unforeseen Roofing		51,475	92,957	(131,695)	-	12,737
Library Hot water cylinder leak		-	-	(553)	-	(553)
C Block Fire Hose Leak		-	-	(4,347)	-	(4,347)
Totals		<u>13,173</u>	<u>222,945</u>	<u>(228,084)</u>	<u>(197)</u>	<u>7,837</u>

Represented by:

Funds Held on Behalf of the Ministry of Education
Funds Receivable from the Ministry of Education

12,737
(4,901)

Nelson College
Notes to the Group Financial Statements
For the year ended 31 December 2023

20. 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.

21. Remuneration

Key management personnel compensation (School)

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

	2023 Actual \$	2022 Actual \$
<i>Board Members</i>		
Remuneration	3,710	3,875
<i>Leadership Team</i>		
Remuneration	1,009,737	894,138
Full-time equivalent members	7	7
Total key management personnel remuneration	1,013,447	898,013

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

Principal 1

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

	2023 Actual \$000	2022 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	210 - 220	210-220
Benefits and Other Emoluments	4 - 5	4 - 5
Termination Benefits	32	-

Principal 2

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	40 - 50	-
Benefits and Other Emoluments		
Termination Benefits		

Other Employees

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

Remuneration \$000	2023 FTE Number	2022 FTE Number
100 - 110	26.00	19.00
110 - 120	15.00	1.00
120 - 130	2.00	3.00
130 - 140	1.00	-
140 - 150	1.00	-
	45.00	23.00

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

22. 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:

	2023 Actual	2022 Actual
School		
Total	\$19,000	-
Number of People	1	-

Nelson College
Notes to the Group Financial Statements
For the year ended 31 December 2023

23. Contingencies

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

Holidays Act Compliance – Schools Payroll

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

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

24. Commitments

(a) Capital Commitments

At 31 December 2023, the Board had capital commitments of \$909,048 (2022: nil) as a result of entering the following contracts:

Contract Name	Contract Amount	Spend To Date	Remaining
	\$	\$	\$
Unforeseen Roofing	632,085	378,926	253,159
Dining Room Roof	655,889	-	655,889
			-
			-
Total	1,287,974	378,926	909,048

25. Financial Instruments

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

Financial assets measured at amortised cost

	2023 Actual \$	School 2023 Budget (Unaudited) \$	2022 Actual \$	2023 Actual \$	Group 2023 Budget (Unaudited) \$	2022 Actual \$
Cash and Cash Equivalents	717,178	288,324	1,106,636	726,743	288,324	1,106,636
Receivables	582,144	895,950	618,242	582,144	895,950	618,242
Investments - Term Deposits	806,011	-	-	806,011	-	1,631,006
Total financial assets measured at amortised cost	<u>2,105,333</u>	<u>1,184,274</u>	<u>1,724,878</u>	<u>2,114,898</u>	<u>1,184,274</u>	<u>3,355,884</u>

Financial liabilities measured at amortised cost

Payables	997,119	271,410	824,878	1,000,619	271,410	824,878
Borrowings - Loans	3,351,250	3,257,500	3,202,500	3,351,250	3,257,500	3,202,500
Finance Leases	29,886	33,225	58,225	29,888	33,225	58,225
Painting Contract Liability	-	-	-	-	-	-
Total financial liabilities measured at amortised cost	<u>4,378,255</u>	<u>3,562,135</u>	<u>4,085,603</u>	<u>4,381,757</u>	<u>3,562,135</u>	<u>4,085,603</u>

Financial assets at fair value through other comprehensive revenue and expense

Equity Investments	-	-	-	1,383,479	-	1,631,006
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Fair value estimation

Equity investments held have been revalued to the quoted value at year end.

26. Events After Balance Date

The School sold two properties, Caretakers House and Westmount, on 22 February 2024 for \$1,410,000. The sale will be accounted for in the 2024 financial statements and the Group expects to realise a gains on sale of \$1,296,000. The sale proceeds have been used to repay the Ministry of Education Loan.

27. 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	
			2023	2022	2023	2022
Nelson College Trust Foundation	Raising Funds	Nelson, New Zealand	100%	100%	1,796	1,661

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.

28. Comparatives

In 2022 material balances of the consolidated entity were recorded in the 'School' financial statements. For the current year, the financial statements present Group and School accounts in separate columns. For comparability the 2022 'Group' balances reported in these financial statements align with the 2022 audited financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF THE NELSON COLLEGE GROUP CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The Auditor-General is the auditor of Nelson College (the 'College') and its controlled entities (collectively referred to as 'the Group'). The Auditor-General has appointed me, Michael Rondel, using the staff and resources of BDO Christchurch, to carry out the audit of the consolidated financial statements of the Group on his behalf.

Opinion

We have audited the consolidated financial statements of the Group on pages 17 to 36, that comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in net assets/equity and consolidated statement of cash flows for the year ended on that date, and the notes to the consolidated financial statements that include accounting policies and other explanatory information.

In our opinion the consolidated financial statements of the Group:

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

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

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the consolidated 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.

Other matter- breach of borrowing authority

Without modifying our opinion, we draw attention to Note 15 to the consolidated financial statements which discloses that the Group's debt position is in breach of Schedule 12 of the Crown Entities (Financial Powers) Regulations 2005, as the Group's borrowings, in aggregate, exceeded the limit set by regulation.

Other matter – breach of authority to hold securities

Without modifying our opinion, we draw attention to Note 1(i) to the consolidated financial statements which discloses that the Group has not met the requirements of Section 154(2) of the Education and Training Act 2020, as the Group holds securities without the approval of the Ministers of Education and Finance.

Responsibilities of the Board for the consolidated financial statements

The Board is responsible on behalf of the Group for preparing consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board is responsible on behalf of the Group for assessing the Group'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 Group, 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 consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

We did not evaluate the security and controls over the electronic publication of the consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the consolidated financial statements of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 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 consolidated financial statements.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages 1 to 16, and 40, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the consolidated 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 Group 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 Group.



Michael Rondel
BDO Christchurch
On behalf of the Auditor-General
Christchurch, New Zealand

Kiwisport funding

Kiwisport is a Government funding initiative to support students participation in organised sport.

In 2023 the School received total Kiwisport funding of \$22,280 (2022: \$22,302).

The funding contributed to coaching for Rugby, Football, Volleyball, Basketball, Cricket, and Athletics. It contributed to equipment and playing strip for all sports.