

Liston College

Annual Report for the year ended 31 December 2019

Ministry Number:	46
Principal:	Christopher Rooney
School Address:	69 Rathgar Road, Henderson, Auckland
School Postal Address:	69 Rathgar Road, Henderson, Auckland 0610
School Phone:	09 838 9350
School Email:	w.macpherson@liston.school.nz
Service Provider:	Edtech Financial Services Ltd

Liston College

Members of the Board of Trustees

For the year ended 31 December 2019

Name	Position	How Position Gained	Date Appointed	Term Expires / Expired
Ralph Elik	Board Chair	Appointed	6/6/2013	
Chris Rooney	Principal	Ex-officio	1/4/1999	
Natalie Dillon	Parent representative	Elected	14/6/2019	Sept-22
Adriano Lo Tam	Parent representative	Elected	14/6/2019	Sept-22
Rebecca Marshall	Parent representative	Elected	14/6/2019	Sept-22
Jonathon Sim	Parent representative	Elected	14/6/2019	Sept-22
John Bonneywell	Parent representative	Elected	10/10.2016	Sept-22
Lisa Tai	Bishop's representative	Appointed	10/6/2016	
Emerito Fabian	Bishop's representative	Appointed	10/6/2016	
Kevin Senio	Bishop's representative	Appointed	10/6/2016	
Terry Matheson	Staff Representative	Elected		Mar-20
TJ Panapa	Student representative	Elected		Sept-20
Deidre Bennett	Minute Secretary	Appointed	1/3/2013	

Liston College

Annual Report

For the year ended 31 December 2019

Index

Page	Statement
	Financial Statements
1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expense
3	Statement of Changes in Net Assets/Equity
4	Statement of Financial Position
5	Statement of Cash Flows
6 - 20	Notes to the Financial Statements
	Other Information
19-24	Analysis of Variance
25	Kiwisport

Liston College
Statement of Responsibility
For the year ended 31 December 2019

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2019 fairly reflects the financial position and operations of the school.

The School's 2019 financial statements are authorised for issue by the Board.

Full Name of Board Chairperson

Full Name of Principal

Signature of Board Chairperson

Signature of Principal

Date:

Date:

Liston College

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
Revenue				
Government Grants	2	6,078,051	1,429,800	6,098,215
Locally Raised Funds	3	813,192	665,430	762,782
Use of Land and Buildings Integrated		1,902,400	-	1,902,400
Interest Income		7,795	12,000	19,270
International Students	4	412,826	467,300	474,071
Other Revenue		160,214	-	-
		9,374,478	2,574,530	9,256,738
Expenses				
Locally Raised Funds	3	439,352	291,965	429,281
International Students	4	181,068	191,400	199,306
Learning Resources	5	5,758,489	1,082,770	5,823,619
Administration	6	545,014	445,000	467,981
Finance		7,674	-	3,950
Property	7	2,314,857	381,300	2,368,440
Depreciation	8	203,195	150,000	220,735
Amortisation of Equitable Lease		24,206	24,000	24,209
Loss on Disposal of Property, Plant and Equipment		2,185	-	-
		9,476,040	2,566,435	9,537,521
Net Surplus / (Deficit) for the year		(101,562)	8,095	(280,783)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		(101,562)	8,095	(280,783)

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

Liston College**Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2019

		2019	2019	2018
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Balance at 1 January		707,528	707,528	961,673
Total comprehensive revenue and expense for the year		(101,562)	8,095	(280,783)
Contribution - Furniture and Equipment Grant		72,254	-	26,638
Equity at 31 December	25	678,220	715,623	707,528
Retained Earnings		678,220	715,623	707,528
Equity at 31 December		678,220	715,623	707,528

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

Liston College

Statement of Financial Position

As at 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
Current Assets				
Cash and Cash Equivalents	9	131,844	20,000	21,069
Accounts Receivable	10	423,784	440,000	427,330
GST Receivable		33,835	-	-
Prepayments		14,267	20,000	20,442
Inventories	11	3,379	4,000	4,591
Investments	12	200,000	300,000	400,000
		<u>807,109</u>	<u>784,000</u>	<u>873,432</u>
Current Liabilities				
GST Payable		-	-	3,030
Accounts Payable	15	455,513	443,377	541,176
Revenue Received in Advance	16	200,971	170,000	197,819
Provision for Cyclical Maintenance	17	45,257	70,000	16,000
Finance Lease Liability - Current Portion	18	33,589	35,000	36,091
Funds Held in Trust	19	161,393	140,000	131,207
		<u>896,723</u>	<u>858,377</u>	<u>925,323</u>
Working Capital Deficit		(89,614)	(74,377)	(51,891)
Non-current Assets				
Property, Plant and Equipment	13	652,321	640,000	616,413
Equitable Leasehold Interest	14	230,780	230,000	254,989
		<u>883,101</u>	<u>870,000</u>	<u>871,402</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	17	63,257	30,000	76,305
Finance Lease Liability	18	52,010	50,000	35,678
		<u>115,267</u>	<u>80,000</u>	<u>111,983</u>
Net Assets		<u>678,220</u>	<u>715,623</u>	<u>707,528</u>
Equity	25	<u>678,220</u>	<u>715,623</u>	<u>707,528</u>

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

Liston College

Statement of Cash Flows

For the year ended 31 December 2019

		2019	2019 Budget	2018
	Note	Actual \$	(Unaudited) \$	Actual \$
Cash flows from Operating Activities				
Government Grants		1,449,506	1,329,800	1,589,242
Locally Raised Funds		877,447	637,356	548,416
International Students		439,549	462,996	427,940
Goods and Services Tax (net)		(36,865)	(2,041)	(62,118)
Payments to Employees		(1,040,770)	(908,997)	(960,482)
Payments to Suppliers		(1,650,200)	(1,483,410)	(1,808,949)
Cyclical Maintenance Payments in the year		(4,376)	-	-
Funds Administered on Behalf of Third Parties		30,186	8,793	(29,436)
Interest Paid		(7,674)	-	(3,950)
Interest Received		9,176	14,790	19,533
Net cash from Operating Activities		65,979	59,287	(279,804)
Cash flows from Investing Activities				
Purchase of PPE		(167,466)	(135,587)	(216,250)
Proceeds from Sale of Investments		200,000	100,000	-
Net cash from Investing Activities		32,534	(35,587)	(216,250)
Cash flows from Financing Activities				
Furniture and Equipment Grant		72,254	-	26,638
Finance Lease Payments		(59,992)	(24,769)	(6,321)
Net cash from Financing Activities		12,262	(24,769)	20,317
Net increase/(decrease) in cash and cash equivalents		110,775	(1,069)	(475,737)
Cash and cash equivalents at the beginning of the year	9	21,069	21,069	496,806
Cash and cash equivalents at the end of the year	9	131,844	20,000	21,069

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

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

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

Reporting Entity

Liston College (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2019 to 31 December 2019 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

The Education Act 1989 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The School is considered a Public Benefit Entity as it meets the criteria specified as "having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders".

Standard Early Adopted

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 28.

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

These financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

Specific Accounting Policies

The accounting policies used in the preparation of these financial statements are set out below.

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 13.

Cyclical Maintenance

A school recognises its obligation to maintain the Proprietor's buildings in a good state of repair as a provision of cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 17.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

Critical Judgements in applying accounting policies

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

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised.

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.

Revenue Recognition

Government Grants

The School receives funding from the Ministry of Education. The following are the main types of funding that the School receives;

Operational grants are recorded as revenue when the School has the rights to the funding, which is in the year that the funding is received.

Teachers salaries grants are recorded as revenue when the School has the rights to the funding in the salary period they relate to. The grants are not received in cash by the School and are paid directly to teachers by the Ministry of Education.

Other Grants

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

Grants for the use of land and buildings are also 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 Proprietor. Use of land and building grants are recorded as revenue in the period the School uses the land and buildings.

Donations, Gifts and Bequests

Donations, gifts and bequests are recorded as revenue when their receipt is formally acknowledged by the School.

Interest Revenue

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

Use of Land and Buildings Expense

The property from which the School operates is owned by the Proprietor. The expense is based on an assumed market rental yield on the land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Proprietor.

Operating Lease Payments

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

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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

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.

Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for credit losses. The school applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Prior Year Policy

Accounts Receivable represents items that the School has issued invoices for or accrued for, but has not received payment for at year end. Receivables are initially recorded at fair value and subsequently recorded at the amount the School realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the School will not be able to collect all amounts due. The amount that is uncollectable (the provision for uncollectibility) is the difference between the amount due and the present value of the amounts expected to be collected.

Inventories

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

Investments

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

Prior Year Policy

Bank term deposits for periods exceeding 90 days are classified as investments and are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. After initial recognition bank term deposits are measured at amortised cost using the effective interest method less impairment.

After initial recognition any investments categorised as available for sale are measured at their fair value without any deduction for transaction costs the School may incur on sale or other disposal.

The School has met the requirements under Schedule 6 Section 28 of the Education Act 1989 in relation to the acquisition of investment securities.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

Property, Plant and Equipment

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

Improvements to buildings owned by the Proprietor are recorded at cost, less accumulated depreciation and impairment losses.

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

Property, plant and equipment acquired with individual values under \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Buildings - School	20 years
Furniture and equipment	5-10 years
Information and communication technology	3-5 years
Motor vehicles	3 years
Textbooks	3 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value

Impairment of property, plant, and equipment

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

Non cash generating assets

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

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

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

The reversal of an impairment loss is recognised in the surplus or deficit.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

Accounts Payable

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

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, annual leave earned to but not yet taken at balance date.

Revenue Received in Advance

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

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

Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Comprehensive Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

Provision for Cyclical Maintenance

The property from which the School operates is owned by the Proprietor. The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).

Financial Assets and Liabilities

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are categorised as "loans and receivables" for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise accounts payable and finance lease liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

Goods and Services Tax (GST)

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget Figures

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

Services Received In-Kind

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

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

2 Government Grants

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Operational Grants	1,413,688	1,288,900	1,395,591
Teachers' Salaries Grants	4,528,545	-	4,508,973
Resource Teachers Learning and Behaviour Grants	152	-	457
Other MoE Grants	108,258	99,400	159,126
Other Government Grants	27,408	41,500	34,068
	6,078,051	1,429,800	6,098,215

3 Locally Raised Funds

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

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Revenue			
Donations	343,573	364,900	332,056
Trading	185,054	177,800	158,579
Fundraising	201,001	62,600	202,612
Other Revenue	83,564	60,130	69,535
	813,192	665,430	762,782
Expenses			
Activities	256,008	147,665	285,696
Trading	183,344	144,300	143,585
	439,352	291,965	429,281
	373,840	373,465	333,501

Surplus for the year Locally Raised Funds

4 International Student Revenue and Expenses

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	Number	Number	Number
International Student Roll	23	0	26
	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Revenue			
International Student Fees	412,826	467,300	474,071
Expenses			
Advertising	12,584	12,500	10,352
Commissions	43,299	48,500	46,429
International Student Levy	11,722	3,000	4,983
Employee Benefit - Salaries	36,732	33,800	34,938
Other Expenses	76,731	93,600	102,604
	181,068	191,400	199,306
	231,758	275,900	274,765

Surplus for the year International Students

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

5 Learning Resources

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Curricular	460,266	446,800	502,978
Information and Communication Technology	106,087	151,000	170,619
Employee Benefits - Salaries	5,153,118	445,270	5,120,219
Staff Development	39,018	39,700	29,803
	<u>5,758,489</u>	<u>1,082,770</u>	<u>5,823,619</u>

6 Administration

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Audit Fee	13,871	10,000	7,936
Board of Trustees Fees	7,175	5,500	5,683
Board of Trustees Expenses	14,327	10,700	11,470
Bad Debt	107,282	-	-
Communication	9,674	10,500	9,307
Consumables	4,403	5,500	5,494
Other	69,287	78,350	100,742
Employee Benefits - Salaries	303,538	310,200	314,345
Insurance	9,241	8,000	6,908
Service Providers, Contractors and Consultancy	6,216	6,250	6,096
	<u>545,014</u>	<u>445,000</u>	<u>467,981</u>

7 Property

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	13,377	12,000	12,133
Consultancy and Contract Services	79,619	77,700	83,731
Cyclical Maintenance Expense	20,585	24,000	39,000
Grounds	59,886	53,000	78,248
Heat, Light and Water	50,980	39,000	58,921
Rates	-	-	87
Repairs and Maintenance	80,316	59,500	74,046
Use of Land and Buildings	1,902,400	-	1,902,400
Security	20,337	16,000	15,618
Employee Benefits - Salaries	87,357	100,100	104,256
	<u>2,314,857</u>	<u>381,300</u>	<u>2,368,440</u>

The use of land and buildings figure represents 8% 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 nationwide revaluation exercise that is conducted every 30 June for the Ministry of Education's year end reporting purposes.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

8 Depreciation

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Buildings - School	3,263	2,000	3,263
Furniture and Equipment	51,579	37,000	47,093
Information and Communication Technology	101,861	75,000	111,834
Motor Vehicles	-	-	10,432
Textbooks	7,556	6,000	12,536
Leased Assets	33,785	26,000	29,943
Library Resources	5,151	4,000	5,634
	<u>203,195</u>	<u>150,000</u>	<u>220,735</u>

9 Cash and Cash Equivalents

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Cash on Hand	1,923	-	1,923
Bank Current Account	51,757	20,000	13,459
Bank Call Account	78,164	-	5,687
Cash and cash equivalents for Cash Flow Statement	<u>131,844</u>	<u>20,000</u>	<u>21,069</u>

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

10 Accounts Receivable

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Receivables	100,547	140,000	135,441
Interest Receivable	1,409	-	2,790
Teacher Salaries Grant Receivable	321,828	300,000	289,099
	<u>423,784</u>	<u>440,000</u>	<u>427,330</u>
Receivables from Exchange Transactions	101,956	140,000	138,231
Receivables from Non-Exchange Transactions	321,828	300,000	289,099
	<u>423,784</u>	<u>440,000</u>	<u>427,330</u>

11 Inventories

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Canteen Supplies	3,379	4,000	4,591
	<u>3,379</u>	<u>4,000</u>	<u>4,591</u>

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

12 Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	200,000	300,000	400,000
Total Investments	200,000	300,000	400,000

13 Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Buildings	48,308	-	-	-	(3,263)	45,045
Furniture and Equipment	295,958	77,287	-	-	(51,579)	321,666
Information and Communication Technology	163,080	87,055	-	-	(101,861)	148,274
Motor Vehicles	7,186	-	(7,186)	-	-	-
Textbooks	9,008	6,355	-	-	(7,556)	7,807
Leased Assets	53,438	73,822	-	-	(33,785)	93,475
Library Resources	39,435	4,073	(2,303)	-	(5,151)	36,054
Balance at 31 December 2019	616,413	248,592	(9,489)	-	(203,195)	652,321

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2019			
Buildings	65,258	(20,213)	45,045
Furniture and Equipment	1,155,682	(834,016)	321,666
Information and Communication Technology	1,283,039	(1,134,765)	148,274
Textbooks	434,776	(426,969)	7,807
Leased Assets	286,746	(193,271)	93,475
Library Resources	116,736	(80,682)	36,054
Balance at 31 December 2019	3,342,237	(2,689,916)	652,321

The net carrying value of equipment held under a finance lease is \$93,475 (2018: \$53,438).

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2018						
Buildings	51,571	-	-	-	(3,263)	48,308
Furniture and Equipment	193,747	149,304	-	-	(47,093)	295,958
Information and Communication Technology	216,515	58,399	-	-	(111,834)	163,080
Motor Vehicles	17,619	-	-	-	(10,433)	7,186
Textbooks	16,325	5,219	-	-	(12,536)	9,008
Leased Assets	38,182	45,199	-	-	(29,943)	53,438
Library Resources	41,740	3,328	-	-	(5,633)	39,435
Balance at 31 December 2018	575,699	261,449	-	-	(220,735)	616,413

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2018			
Buildings	65,259	(16,951)	48,308
Furniture and Equipment	1,076,966	(781,008)	295,958
Information and Communication Technology	1,195,982	(1,032,902)	163,080
Motor Vehicles	32,729	(25,543)	7,186
Textbooks	428,421	(419,413)	9,008
Leased Assets	311,017	(257,579)	53,438
Library Resources	119,654	(80,219)	39,435
Balance at 31 December 2018	3,230,028	(2,613,615)	616,413

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

14 Equitable Leasehold Interest

An equitable leasehold interest recognises an interest in an asset without transferring ownership or creating a charge over the asset. This equitable leasehold interest represents the Board's interest in capital works assets owned by the Proprietor but paid for in whole or part by the Board of Trustees, either from Government funding or community raised funds.

A lease between the Board and the Proprietor records the terms of the equitable leasehold interest and includes a detailed schedule of capital works assets. The equitable leasehold interest is amortised over the economic life of the capital works assets(s) involved. The interest may be realised on the sale of the capital works by the Proprietor or the closure of the school.

The major capital works assets included in the equitable leasehold interest are:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Pavilion	60,634	59,854	77,218
Science Lab Upgrade	21,017	21,017	22,418
Tech Block	23,160	23,160	24,447
Relocatable Classrooms	45,101	45,101	47,151
Prefab Upgrade	51,170	51,170	52,998
Cabling work	14,831	14,831	15,360
Fencing	14,867	14,867	15,397
	<u>230,780</u>	<u>230,000</u>	<u>254,989</u>

The amortisation charge in relation to the equitable leasehold interest during the year was \$24,206. (2018: \$24,209).

15 Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	84,260	128,377	117,002
Accruals	8,368	5,000	5,448
Banking Staffing Overuse	37,756	-	100,000
Employee Entitlements - Salaries	325,129	280,000	292,106
Employee Entitlements - Leave Accrual	-	30,000	26,620
	<u>455,513</u>	<u>443,377</u>	<u>541,176</u>
Payables for Exchange Transactions	<u>455,513</u>	<u>443,377</u>	<u>541,176</u>
	<u>455,513</u>	<u>443,377</u>	<u>541,176</u>

The carrying value of payables approximates their fair value.

16 Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
International Student Fees	151,027	120,000	124,304
Other	49,944	50,000	73,515
	<u>200,971</u>	<u>170,000</u>	<u>197,819</u>

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

17 Provision for Cyclical Maintenance

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	92,305	92,305	98,845
Increase/(decrease) to the Provision During the Year	20,585	24,000	39,000
Use of the Provision During the Year	(4,376)	(16,305)	(45,540)
Provision at the End of the Year	108,514	100,000	92,305
Cyclical Maintenance - Current	45,257	70,000	16,000
Cyclical Maintenance - Term	63,257	30,000	76,305
	108,514	100,000	92,305

18 Finance Lease Liability

The school has entered into a number of finance lease agreements for computer equipment.
Minimum lease payments payable (includes interest portion):

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
No Later than One Year	38,562	-	38,947
Later than One Year and no Later than Five Years	59,339	-	22,144
	97,901	-	61,091

19 Funds held in Trust

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Funds Held in Trust on Behalf of Third Parties - Current	161,393	140,000	131,207
	161,393	140,000	131,207

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

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

20 Related Party Transactions

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

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

The Proprietor of the School (The Catholic Diocese of Auckland) is a related party of the Board because the proprietor appoints representatives to the Board, giving the proprietor significant influence over the Board. Any services or contributions between the Board and Proprietor have been disclosed appropriately, if the proprietor collects funds on behalf of the school (or vice versa) the amounts are disclosed.

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

Under an agency agreement, the School collects funds on behalf of the Proprietor. These include attendance dues, building levy and special character donations payable to the Proprietor. The amounts collected in total were \$691,520 (2018: \$719,172). These do not represent revenue in the financial statement of the school. Any balance not transferred at the year end is treated as a liability. The total funds held by the school on behalf of the proprietor are \$0 (2018: \$0)

21 Remuneration

Key management personnel compensation

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	7,175	5,683
Full-time equivalent members	0.14	0.14
<i>Leadership Team</i>		
Remuneration	669,797	654,881
Full-time equivalent members	6.00	6.00
Total key management personnel remuneration	676,972	660,564
Total full-time equivalent personnel	6.14	6.14

The full time equivalent for Board members has been determined based on attendance at Board meetings, Committee meetings and for other obligations of the Board, such as stand downs and suspensions, plus the estimated time for Board members to prepare for meetings.

Principal

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

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	150-160	150-160
Benefits and Other Emoluments	0-5	0-5
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
100-110	4	2
	4	2

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

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

22 Compensation and Other Benefits Upon Leaving

There were no compensation or other benefits paid or payable to persons upon leaving.

23 Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2019.

(Contingent liabilities and assets as at 31 December 2018: nil)

Holidays Act Compliance – schools payroll

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

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance. The Ministry has recognised an estimated provision based on the analysis of sample data, which may not be wholly representative of the total dataset for Teacher and Support Staff Entitlements. A more accurate estimate will be possible after further analysis of non-compliance has been completed, and this work is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2019, a contingent liability for the school may exist.

24 Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has entered into no contract agreements for capital works.

(Capital commitments as at 31 December 2018: nil)

25 Managing Capital

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

26 Financial Instruments

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

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Financial assets measured at amortised cost (2018: Loans and receivables)			
Cash and Cash Equivalents	131,844	20,000	21,069
Receivables	423,784	440,000	427,330
Investments - Term Deposits	200,000	300,000	400,000
Total Financial assets measured at amortised cost	755,628	760,000	848,399
Financial liabilities measured at amortised cost			
Payables	455,513	443,377	541,176
Finance Leases	85,599	85,000	71,769
Total Financial Liabilities Measured at Amortised Cost	541,112	528,377	612,945

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

27 Events After Balance Date

A planned maintenance contract has been signed in March 2020 with Carus Group Ltd.

28 COVID-19 Pandemic Impact and Implications

On March 11, 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26 March, New Zealand increased its COVID-19 alert level to level 4 and a nationwide lockdown commenced. As part of this lockdown all schools were closed. Subsequently all schools and kura reopened on the 18th of May 2020.

During 2021 the country moved between alert levels. During February and March 2021 Auckland was placed into alert levels 3 and 2 and other parts of the country moved into alert level 2. Towards the end of August 2021, the entire country moved to alert level 4, with a move to alert level 3 and 2 for everyone outside the Auckland region three weeks later. Auckland then remained in alert level 3 for a prolonged period of time.

Impact on operations

Schools have been required to continue adapting to remote and online learning practices when physical attendance is unable to occur in alert level 4 and 3. Schools continue to receive funding from the Te Tāhuhu o te Mātauranga | Ministry to Education, even while closed. The ongoing interruptions resulting from the moves in alert levels have impacted schools in various ways which have negatively affected the operations and services of the school. We describe below the effects on the school that we have identified, resulting from the ongoing impacts of the COVID-19 alert level changes.

Reduction in locally raised funds

Under alert levels 4,3, and 2 the school's ability to undertake fund raising events in the community and/ or collect donations or other contributions from parents, may have been compromised. Costs already incurred arranging future events may not be recoverable.

Increased remote learning additional costs

Under alert levels 4 and 3 ensuring that students have the ability to undertake remote or distance learning often incurs additional costs in the supply of materials and devices to students to enable alternative methods of curriculum delivery.

Reduction in International students

Under alert levels 4, 3, 2, and 1 International travel is heavily restricted. The school has been unable to welcome and enrol prospective international students which has resulted in a reduction in revenue from student fees & charges from International students.

29 Going Concern

The school is experiencing financial difficulties. At balance date the school has a working capital deficit of \$89,614 and net assets of \$678,220. The financial difficulties have arisen mainly because the school has incurred several deficits compounding over recent years, in part due to Covid-19. This has resulted in a reduction in local and international student income.

The school has recently appointed a new Principal and established a Board Finance Committee, with particular financial expertise and acumen to ensure the school returns to surplus. The Board and new Principal have undertaken a number of initiatives to restore the situation. They have identified a robust strategic pathway to restore the school to surplus in the short term, and to build working Capital in the medium term.

Budgets have been reviewed realistically. Budgets are not based on uncertain income sources such as locally raised funds and international students which have been adversely affected by Covid 19.

The Principal and Board have undertaken an external review of financial monitoring and reporting systems. Ongoing reporting and monitoring of expenditure is now rigorously scrutinised by the Principal and Committee, aided by improved transparency through the review of School Financial Management systems and the timeliness and regularity of reporting, and the upcoming adoption of 'Xero', a cloud-based system which will allow more transparency. This will enable tight financial controls to ensure budgets are adhered to and achieved.

The Principal and Board are committed to working with external partners to provide assurance as the school returns to robust financial health.

These financial statements are prepared on a going concern basis. The going concern assumption is dependent on the continuing support from the Ministry of Education. The Ministry of Education has confirmed it will continue to provide the School with resources, so it may meet its obligations as they fall due.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

30 Adoption of PBE IFRS 9 Financial Instruments

In accordance with the transitional provisions of PBE IFRS 9, the school has elected not to restate the information for previous years to comply with PBE IFRS 9. Adjustments arising from the adoption of PBE IFRS 9 are recognised in opening equity at 1 January 2019. Accounting policies have been updated to comply with PBE IFRS 9. The main updates are:

- Note 10 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.
- Note 12 Investments: Term deposits: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

Upon transition to PBE IFRS9 there were no material adjustments to these financial statements

31 Breach of Law - Failure to meet Statutory Reporting Deadline

The Board of Trustees did not comply with Section 87A(1) of the Education Act 1989 in that it did not submit its annual financial statements for audit by the 31 March 2020.

32 Breach of Law - Failure to comply with Section 87 of the Education Act 1989

The Board of Trustees did not comply with Section 87C of the Education Act 1989 in that the Board of Trustees did not report by the 31 May 2020, the date fixed by the Ministry of Education, by which schools were required to have sent their annual report to the Ministry of Education.