

Liston College

Annual Report for the year ended 31 December 2020

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 2020

Name	Position	How Position Gained	Date Appointed	Term Expires / Expired
Chris Rooney	Principal	Ex-officio	1/4/1999	
Ralph Erika	Bishop's representative	Appointed	6/6/2013	
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	
Willie Swann	Staff Representative	Elected	6/3/2020	Sept-22
Ronak Sharma	Student representative	Elected	22/9/2020	Sept-22
Terry Matheson	Staff Representative	Elected		Mar-20
TJ Panapa	Student representative	Elected		Sept-20

Liston College

Annual Report

For the year ended 31 December 2020

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Liston College
Statement of Responsibility
For the year ended 31 December 2020

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 2020 fairly reflects the financial position and operations of the school.

The School's 2020 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 2020

		2020	2020	2019
	Notes	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
Revenue				
Government Grants	2	6,705,989	1,546,900	6,078,051
Locally Raised Funds	3	571,373	674,500	813,192
Use of Proprietor's Land and Buildings		2,030,400	-	1,902,400
Interest Income		3,698	12,000	7,795
International Students	4	166,695	399,500	412,826
Other Revenue		36,710	321,000	160,214
		<hr/>	<hr/>	<hr/>
		9,514,865	2,953,900	9,374,478
Expenses				
Locally Raised Funds	3	334,654	321,235	439,352
International Students	4	125,149	175,500	181,068
Learning Resources	5	5,946,066	1,324,400	5,758,489
Administration	6	456,024	460,700	545,014
Finance		8,639	3,400	7,674
Property	7	2,515,699	441,200	2,314,857
Depreciation	8	207,294	200,000	203,195
Amortisation of Equitable Lease		24,209	24,000	24,206
Loss on Disposal of Property, Plant and Equipment		3,621	-	2,185
		<hr/>	<hr/>	<hr/>
		9,621,355	2,950,435	9,476,040
Net Surplus / (Deficit) for the year		(106,490)	3,465	(101,562)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<hr/>	<hr/>	<hr/>
		(106,490)	3,465	(101,562)

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 2020

		2020	2020	2019
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Balance at 1 January		678,220	781,783	707,528
Total comprehensive revenue and expense for the year		(106,490)	3,465	(101,562)
Contribution - Furniture and Equipment Grant		33,764	-	72,254
Equity at 31 December	26	605,494	785,248	678,220
Retained Earnings		605,494	785,248	678,220
Equity at 31 December		605,494	785,248	678,220

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 2020

		2020	2020	2019
	Notes	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
Current Assets				
Cash and Cash Equivalents	9	52,047	118,468	131,844
Accounts Receivable	10	537,810	560,000	423,784
GST Receivable		47,052	40,000	33,835
Prepayments		17,343	15,000	14,267
Inventories	11	8,797	5,000	3,379
Investments	12	-	-	200,000
		663,049	738,468	807,109
Current Liabilities				
Accounts Payable	15	512,112	420,000	455,513
Revenue Received in Advance	16	135,961	140,000	200,971
Provision for Cyclical Maintenance	17	65,143	90,000	45,257
Painting Contract Liability - Current Portion	18	43,747	-	-
Finance Lease Liability - Current Portion	19	41,245	20,000	33,589
Funds Held in Trust	20	79,006	100,000	161,393
		877,214	770,000	896,723
Working Capital Surplus/(Deficit)		(214,165)	(31,532)	(89,614)
Non-current Assets				
Property, Plant and Equipment	13	708,469	670,000	652,321
Equitable Leasehold Interest	14	206,571	206,780	230,780
		915,040	876,780	883,101
Non-current Liabilities				
Provision for Cyclical Maintenance	17	11,214	20,000	63,257
Finance Lease Liability	19	84,167	40,000	52,010
		95,381	60,000	115,267
Net Assets		605,494	785,248	678,220
Equity	26	605,494	785,248	678,220

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 2020

		2020	2020 Budget	2019
	Note	Actual \$	(Unaudited) \$	Actual \$
Cash flows from Operating Activities				
Government Grants		1,695,608	1,509,144	1,449,506
Locally Raised Funds		577,077	876,103	877,447
International Students		82,197	348,473	439,549
Goods and Services Tax (net)		(13,217)	(6,165)	(36,865)
Funds Administered on Behalf of Third Parties		(82,387)	(61,393)	30,186
Payments to Employees		(980,203)	(1,133,801)	(1,040,770)
Payments to Suppliers		(1,314,887)	(1,616,031)	(1,650,200)
Cyclical Maintenance Payments in the year		-	-	(4,376)
Interest Paid		(8,639)	(3,400)	(7,674)
Interest Received		5,107	13,409	9,176
Net cash from/(to) Operating Activities		(39,344)	(73,661)	65,979
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment		(186,702)	(164,425)	(167,466)
Proceeds from Sale of Investments		200,000	200,000	200,000
Net cash from/(to) Investing Activities		13,298	35,575	32,534
Cash flows from Financing Activities				
Furniture and Equipment Grant		33,764	-	72,254
Finance Lease Payments		(40,548)	(78,853)	(59,992)
Painting Contract Payments		(46,967)	-	-
Net cash from/(to) Financing Activities		(53,751)	(78,853)	12,262
Net increase/(decrease) in cash and cash equivalents		(79,797)	(116,939)	110,775
Cash and cash equivalents at the beginning of the year	9	131,844	235,407	21,069
Cash and cash equivalents at the end of the year	9	52,047	118,468	131,844

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 Statement of Cash Flows 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 2020

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 and Training Act 2020. 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 2020 to 31 December 2020 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 and Training Act 2020 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The School is considered a Public Benefit Entity as it meets the criteria specified as "having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders".

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical maintenance

A school recognises its obligation to maintain the 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.

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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

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 income in the period the school uses the land and building.

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 2020

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 (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.

Inventories

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

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.

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.

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	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

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

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.

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, and also annual leave earned, by non teaching staff, 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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

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 Instruments

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

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.

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.

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 2020

2 Government Grants

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	1,472,380	1,405,000	1,413,688
Teachers' Salaries Grants	4,972,625	-	4,528,545
Resource Teachers Learning and Behaviour Grants	304	-	152
Other MoE Grants	209,083	102,700	108,258
Other Government Grants	51,597	39,200	27,408
	6,705,989	1,546,900	6,078,051

Other MOE Grants total includes additional COVID-19 funding totalling \$58,048 for the year ended 31 December 2020.

3 Locally Raised Funds

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

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations	306,112	337,900	343,573
Activities	68,677	-	149,862
Trading	142,672	186,000	185,054
Fundraising	4,279	58,300	51,139
Other Revenue	49,633	92,300	83,564
	571,373	674,500	813,192
Expenses			
Activities	194,867	146,200	256,008
Trading	139,787	175,035	183,344
	334,654	321,235	439,352
<i>Surplus for the year Locally Raised Funds</i>	236,719	353,265	373,840

4 International Student Revenue and Expenses

	2020	2020	2019
	Actual	Budget	Actual
	Number	(Unaudited)	Number
International Student Roll	10	0	23
	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
International Student Fees	166,695	399,500	412,826
Expenses			
Advertising	5,598	12,500	12,584
Commissions	29,231	48,500	43,299
International Student Levy	9,202	-	11,722
Employee Benefit - Salaries	37,205	36,700	36,732
Other Expenses	43,913	77,800	76,731
	125,149	175,500	181,068
<i>Surplus for the year International Students</i>	41,546	224,000	231,758

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

5 Learning Resources

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Curricular	283,384	467,900	460,266
Information and Communication Technology	133,452	168,400	106,087
Employee Benefits - Salaries	5,515,669	644,100	5,153,118
Staff Development	13,561	44,000	39,018
	<u>5,946,066</u>	<u>1,324,400</u>	<u>5,758,489</u>

6 Administration

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Audit Fee	11,058	10,000	13,871
Board of Trustees Fees	6,181	6,000	7,175
Board of Trustees Expenses	10,789	9,700	14,327
Bad Debt	-	-	107,282
Communication	7,791	10,500	9,674
Consumables	3,705	4,500	4,403
Other	62,866	76,000	69,287
Employee Benefits - Salaries	335,292	329,100	303,538
Insurance	12,006	8,500	9,241
Service Providers, Contractors and Consultancy	6,336	6,400	6,216
	<u>456,024</u>	<u>460,700</u>	<u>545,014</u>

7 Property

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	14,714	12,500	13,377
Consultancy and Contract Services	79,634	86,400	79,619
Cyclical Maintenance Expense	11,590	24,000	20,585
Grounds	68,373	59,000	59,886
Heat, Light and Water	53,149	55,500	50,980
Repairs and Maintenance	136,861	87,200	80,316
Use of Land and Buildings	2,030,400	-	1,902,400
Security	16,437	16,000	20,337
Employee Benefits - Salaries	104,541	100,600	87,357
	<u>2,515,699</u>	<u>441,200</u>	<u>2,314,857</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 2020

8 Depreciation

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Buildings - School	3,263	4,000	3,263
Furniture and Equipment	60,292	63,000	51,579
Information and Communication Technology	84,728	75,000	101,861
Motor Vehicles	6,444	-	-
Textbooks	7,384	9,000	7,556
Leased Assets	40,591	43,000	33,785
Library Resources	4,592	6,000	5,151
	<u>207,294</u>	<u>200,000</u>	<u>203,195</u>

9 Cash and Cash Equivalents

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Cash on Hand	1,923	-	1,923
Bank Current Account	25,639	68,468	51,757
Bank Call Account	24,485	50,000	78,164
Cash and cash equivalents for Statement of Cash Flows	<u>52,047</u>	<u>118,468</u>	<u>131,844</u>

10 Accounts Receivable

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Receivables	151,041	210,000	100,547
Interest Receivable	-	-	1,409
Teacher Salaries Grant Receivable	386,769	350,000	321,828
	<u>537,810</u>	<u>560,000</u>	<u>423,784</u>
Receivables from Exchange Transactions	151,041	210,000	101,956
Receivables from Non-Exchange Transactions	386,769	350,000	321,828
	<u>537,810</u>	<u>560,000</u>	<u>423,784</u>

11 Inventories

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
School Uniforms	8,434	-	-
Canteen supplies	363	5,000	3,379
	<u>8,797</u>	<u>5,000</u>	<u>3,379</u>

12 Investments

The School's investment activities are classified as follows:

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Current Asset	-	-	200,000
Short-term Bank Deposits	-	-	-
Total Investments	<u>-</u>	<u>-</u>	<u>200,000</u>

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

13 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2020	\$	\$	\$	\$	\$	\$
Buildings	45,045	-	-	-	(3,263)	41,782
Furniture and Equipment	321,666	51,752	-	-	(60,292)	313,126
Information and Communication Technology	148,274	82,527	-	-	(84,728)	146,073
Motor Vehicles	-	43,029	-	-	(6,444)	36,585
Textbooks	7,807	5,093	-	-	(7,384)	5,516
Leased Assets	93,475	80,361	-	-	(40,591)	133,245
Library Resources	36,054	4,301	(3,621)	-	(4,592)	32,142
Balance at 31 December 2020	652,321	267,063	(3,621)	-	(207,294)	708,469

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2020	\$	\$	\$
Buildings	65,259	(23,477)	41,782
Furniture and Equipment	1,206,004	(892,878)	313,126
Information and Communication Technology	1,365,565	(1,219,492)	146,073
Motor Vehicles	44,458	(7,873)	36,585
Textbooks	439,868	(434,352)	5,516
Leased Assets	367,107	(233,862)	133,245
Library Resources	109,312	(77,170)	32,142
Balance at 31 December 2020	3,597,573	(2,889,104)	708,469

The net carrying value of equipment held under a finance lease is \$133,245 (2019: \$93,475).

	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
Motor Vehicles	-	-	-
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

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

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:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Pavilion	44,050	44,259	60,634
Science Lab Upgrade	19,616	19,616	21,017
Tech Block	21,873	21,873	23,160
Relocatable Classrooms	43,051	43,051	45,101
Prefab Upgrade	49,342	49,342	51,170
Cabling work	14,302	14,302	14,831
Fencing	14,337	14,337	14,867
	<u>206,571</u>	<u>206,780</u>	<u>230,780</u>

The amortisation charge in relation to the equitable leasehold interest during the year was \$24,209. (2019: \$24,209).

15 Accounts Payable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operating Creditors	62,733	80,000	84,260
Accruals	19,430	10,000	8,368
Banking Staffing Overuse	14,368	-	37,756
Employee Entitlements - Salaries	389,407	330,000	325,129
Employee Entitlements - Leave Accrual	26,174	-	-
	<u>512,112</u>	<u>420,000</u>	<u>455,513</u>

Payables for Exchange Transactions	<u>512,112</u>	<u>420,000</u>	<u>455,513</u>
	<u>512,112</u>	<u>420,000</u>	<u>455,513</u>

The carrying value of payables approximates their fair value.

16 Revenue Received in Advance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
International Student Fees	66,529	100,000	151,027
Other	69,432	40,000	49,944
	<u>135,961</u>	<u>140,000</u>	<u>200,971</u>

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

17 Provision for Cyclical Maintenance

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	108,514	108,514	92,305
Increase/(decrease) to the Provision During the Year	20,643	24,000	20,585
Use of the Provision During the Year	(52,800)	(22,514)	(4,376)
Provision at the End of the Year	76,357	110,000	108,514
Cyclical Maintenance - Current	65,143	90,000	45,257
Cyclical Maintenance - Term	11,214	20,000	63,257
	76,357	110,000	108,514

18 Painting Contract Liability

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Liability	43,747	-	-
Non Current Liability	-	-	-
	43,747	-	-

In 2020 the Board signed an agreement with Carus Group (the contractor) for an agreed programme of work covering a seven year period. The programme provides for an exterior repaint of the Proprietor owned buildings, with regular maintenance in subsequent years. The agreement has an annual commitment of \$46,967. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

19 Finance Lease Liability

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

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
No Later than One Year	49,646	-	38,562
Later than One Year and no Later than Five Years	93,744	-	59,339
	143,389	-	97,901

20 Funds held in Trust

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Funds Held in Trust on Behalf of Third Parties - Current	79,006	100,000	161,393
	79,006	100,000	161,393

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 2020

21 Related Party Transactions

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

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

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 \$719,550 (2019: \$691,520). 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 (2019: \$0)

22 Remuneration

Key management personnel compensation

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

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	6,181	7,175
Full-time equivalent members	0.12	0.14
<i>Leadership Team</i>		
Remuneration	733,770	669,797
Full-time equivalent members	6.00	6.00
Total key management personnel remuneration	739,951	676,972
Total full-time equivalent personnel	6.12	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:

	2020 Actual \$000	2019 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	160-170	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	2020 FTE Number	2019 FTE Number
110-120	6	-
100-110	5	4
	11	4

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

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

23 Compensation and Other Benefits Upon Leaving

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

24 Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2020.

(Contingent liabilities and assets as at 31 December 2019: nil)

Holidays Act Compliance – schools payroll

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

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

To the extent that any obligation cannot reasonably be quantified at 31 December 2020, a contingent liability for the school may exist.

25 Commitments

(a) Capital Commitments

As at 31 December 2020 the Board has entered into no contract agreements for capital works.

(Capital commitments as at 31 December 2019: nil)

(b) Operating Commitments

As at 31 December 2020 the Board has entered into the following contracts:

- painting contract

	2020 Actual \$	2019 Actual \$
No later than One Year	3,220	-
Later than One Year and No Later than Five Years	187,868	-
Later than Five Years	46,967	-
	<u>238,055</u>	<u>-</u>

26 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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

27 Financial Instruments

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

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Financial assets measured at amortised cost			
Cash and Cash Equivalents	52,047	118,468	131,844
Receivables	537,810	560,000	423,784
Investments - Term Deposits	-	-	200,000
Total Financial assets measured at amortised cost	589,857	678,468	755,628
Financial liabilities measured at amortised cost			
Payables	512,112	420,000	455,513
Finance Leases	125,412	60,000	85,599
Painting Contract Liability	43,747	-	-
Total Financial Liabilities Measured at Amortised Cost	681,271	480,000	541,112

28 Events After Balance Date

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

29 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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

30 Going Concern

The school is experiencing financial difficulties. At balance date the school has a working capital deficit of \$214,165 and net assets of \$605,494. 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.

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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.

31 Comparatives

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

32 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 2021.

33 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 2021, the date fixed by the Ministry of Education, by which schools were required to have sent their annual report to the Ministry of Education.