

Liston College

Annual Report for the year ended 31 December 2021

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**

For the year ending 31 December 2021

Name	Position	How Position on Board Gained	Occupation	Term Expired or Expires
Jonathan Sim	Presiding Member - Parent Rep		Accountant	Sept-22
Christopher Rooney	Principal		Principal	Dec-21
Ralph Erika	Bishop's Representative	Appointed	Company Director / Solicitor	Sept-22
Natalie Dillon	Parent Representative	Elected	Social Worker	Sept-22
Adriano Lo Tam	Parent Representative	Elected	Builder	Sept-22
Rebecca Marshall	Parent Representative	Elected	Teacher	Sept-22
John Bonneywell	Parent Representative	Elected	Teacher	Sept-22
Lisa Tai	Bishop's Representative	Appointed	Forensic Analyst	Sept-22
Duane Smith	Bishop's Representative	Appointed	Roofer	Sept-22
Donald Holder	Bishop's Representative	Appointed	Business Development Manager	Sept-22
Willie Swann	Staff Representative	Elected	Teacher	Sept-22
Ronak Sharma	Student Representative	Elected	Student	Sept-22

Liston College

Annual Report

For the year ended 31 December 2021

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Liston College
Statement of Responsibility
For the year ended 31 December 2021

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2021 fairly reflects the financial position and operations of the school.

The School's 2021 financial statements are authorised for issue by the Board.

Full Name of Presiding Member

Full Name of Principal

Signature of Presiding Member

Signature of Principal

Date:

Date:

Liston College

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

		2021	2021	2020
	Notes	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
Revenue				
Government Grants	2	6,910,346	1,654,075	6,705,989
Locally Raised Funds	3	656,659	617,500	571,373
Use of Proprietor's Land and Buildings		1,269,000	-	2,030,400
Interest Income		634	1,000	3,698
International Students	4	73,237	90,160	166,695
Other Revenue		37,240	100,000	36,710
		8,947,116	2,462,735	9,514,865
Expenses				
Locally Raised Funds	3	402,146	310,700	334,654
International Students	4	55,060	50,160	125,149
Learning Resources	5	6,097,970	1,097,444	5,946,066
Administration	6	451,379	466,000	456,024
Finance		12,460	-	8,639
Property	7	1,723,813	453,400	2,515,699
Depreciation	11	246,950	120,000	207,294
Amortisation of Equitable Lease		(4,483)	24,000	24,209
Loss on Disposal of Property, Plant and Equipment		2,403	-	3,621
		8,987,698	2,521,704	9,621,355
Net Surplus / (Deficit) for the year		(40,582)	(58,969)	(106,490)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		(40,582)	(58,969)	(106,490)

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 2021

	2021	2021	2020
	Actual	Budget	Actual
Notes	\$	(Unaudited)	\$
		\$	
Balance at 1 January	605,494	605,494	678,220
Total comprehensive revenue and expense for the year	(40,582)	(58,969)	(106,490)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	31,520	-	33,764
Equity at 31 December	596,432	546,525	605,494
Retained Earnings	596,432	546,525	605,494
Equity at 31 December	596,432	546,525	605,494

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 2021

		2021	2021	2020
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	8	32,645	26,000	52,047
Accounts Receivable	9	497,970	440,000	537,810
GST Receivable		-	40,000	47,052
Prepayments		18,670	15,000	17,343
Inventories	10	14,490	9,500	8,797
		<u>563,775</u>	<u>530,500</u>	<u>663,049</u>
Current Liabilities				
GST Payable		17,740	-	-
Accounts Payable	13	546,358	535,015	512,112
Revenue Received in Advance	14	136,434	110,000	135,961
Provision for Cyclical Maintenance	15	13,457	15,000	65,143
Painting Contract Liability	16	46,967	40,000	43,747
Finance Lease Liability	17	49,912	50,000	41,245
Funds Held in Trust	18	30,569	50,000	79,006
		<u>841,437</u>	<u>800,015</u>	<u>877,214</u>
Working Capital Surplus/(Deficit)		(277,662)	(269,515)	(214,165)
Non-current Assets				
Property, Plant and Equipment	11	779,224	708,469	708,469
Equitable Leasehold Interest	12	211,054	182,571	206,571
		<u>990,278</u>	<u>891,040</u>	<u>915,040</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	7,544	10,000	11,214
Painting Contract Liability	16	43,221	-	-
Finance Lease Liability	17	65,419	65,000	84,167
		<u>116,184</u>	<u>75,000</u>	<u>95,381</u>
Net Assets		<u>596,432</u>	<u>546,525</u>	<u>605,494</u>
Equity		<u>596,432</u>	<u>546,525</u>	<u>605,494</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 2021

		2021	2021	2020
	Note	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		1,604,807	1,639,707	1,695,608
Locally Raised Funds		868,750	819,109	577,077
International Students		31,056	63,631	82,197
Goods and Services Tax (net)		64,792	7,052	(13,217)
Funds Administered on Behalf of Third Parties		(48,437)	(29,006)	(82,387)
Payments to Employees		(965,600)	(1,081,366)	(980,203)
Payments to Suppliers		(1,217,308)	(1,312,015)	(1,314,887)
Interest Paid		(12,460)	-	(8,639)
Interest Received		634	1,000	5,107
Net cash from/(to) Operating Activities		326,234	108,112	(39,344)
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment		(279,760)	(120,000)	(186,702)
Proceeds from Sale of Investments		-	-	200,000
Net cash from/(to) Investing Activities		(279,760)	(120,000)	13,298
Cash flows from Financing Activities				
Furniture and Equipment Grant		31,520	-	33,764
Finance Lease Payments		(50,429)	(10,412)	(40,548)
Painting Contract Payments		(46,967)	(3,747)	(46,967)
Net cash from/(to) Financing Activities		(65,876)	(14,159)	(53,751)
Net decrease in cash and cash equivalents		(19,402)	(26,047)	(79,797)
Cash and cash equivalents at the beginning of the year	8	52,047	52,047	131,844
Cash and cash equivalents at the end of the year	8	32,645	26,000	52,047

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 2021

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 (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 2021 to 31 December 2021 and in accordance with the requirements of the Education and Training Act 2020.

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical maintenance

A school recognises its obligation to maintain the 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 15.

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the significant accounting policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 11.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

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.

The property from which the School operates is owned by the Proprietor. Grants for the use of land and buildings are also not received in cash by the school however they equate to the deemed expense for using the land and buildings. This expense is based on an assumed market rental yield on the land and buildings as used for rating purposes.

This is a non-cash revenue that is offset by a non-cash expense. The use of land and buildings grants and associated expenditure are recorded in the period the School uses the land and buildings.

Other Grants

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

Donations, Gifts and Bequests

Donations, gifts and bequests are 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.

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 2021

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:

Board owned 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	Term of lease
Library resources	12.5% Diminishing value

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

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 international students and other revenue 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 2021

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 is a reasonable estimate, based on an up to date 10 Year Property Plan (10YPP) or another appropriate source of evidence.

Financial Instruments

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

The School's financial liabilities comprise accounts payable, finance lease liability and painting contract 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 2021

2 Government Grants

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	1,556,601	1,461,675	1,472,380
Teachers' Salaries Grants	5,204,471	-	4,972,625
Resource Teachers Learning and Behaviour Grants	1,000	-	304
Other MoE Grants	120,995	162,700	209,083
Other Government Grants	27,279	29,700	51,597
	6,910,346	1,654,075	6,705,989

3 Locally Raised Funds

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

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations & Bequests	335,187	312,900	306,112
Curriculum Related Activities - purchase of goods & services	55,915	88,300	49,633
Fees for Extra Curricular Activities	145,867	30,300	68,677
Trading	119,690	186,000	142,672
Fundraising & Community Grants	-	-	4,279
	656,659	617,500	571,373
Expenses			
Extra Curricular Activities Costs	278,484	130,100	194,867
Trading	123,662	180,600	139,787
	402,146	310,700	334,654
<i>Surplus for the year Locally Raised Funds</i>	254,513	306,800	236,719

4 International Student Revenue and Expenses

	2021	2021	2020
	Actual	Budget	Actual
	Number	(Unaudited)	Number
International Student Roll	7	0	10
	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
International Student Fees	73,237	90,160	166,695
Expenses			
Advertising	2,946	-	5,598
Commissions	9,398	11,550	29,231
International Student Levy	3,684	-	9,202
Employee Benefit - Salaries	34,346	28,610	37,205
Other Expenses	4,686	10,000	43,913
	55,060	50,160	125,149
<i>Surplus for the year International Students</i>	18,177	40,000	41,546

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

5 Learning Resources

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Curricular	241,472	267,800	283,384
Information and Communication Technology	146,380	194,400	133,452
Employee Benefits - Salaries	5,697,279	611,244	5,515,669
Staff Development	12,839	24,000	13,561
	<u>6,097,970</u>	<u>1,097,444</u>	<u>5,946,066</u>

6 Administration

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Audit Fee	13,270	10,000	11,058
Board Fees	5,350	6,000	6,181
Board Expenses	23,219	7,200	10,789
Communication	6,778	9,000	7,791
Consumables	4,058	3,000	3,705
Other	45,816	75,700	62,866
Employee Benefits - Salaries	334,650	338,500	335,292
Insurance	11,770	10,000	12,006
Service Providers, Contractors and Consultancy	6,468	6,600	6,336
	<u>451,379</u>	<u>466,000</u>	<u>456,024</u>

7 Property

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	11,648	12,500	14,714
Consultancy and Contract Services	80,795	79,000	79,634
Cyclical Maintenance Expense	38,052	24,000	11,590
Grounds	69,865	74,000	68,373
Heat, Light and Water	57,039	60,500	53,149
Repairs and Maintenance	76,786	86,800	136,861
Use of Land and Buildings	1,269,000	-	2,030,400
Security	19,780	17,400	16,437
Employee Benefits - Salaries	100,848	99,200	104,541
	<u>1,723,813</u>	<u>453,400</u>	<u>2,515,699</u>

In 2021, the Ministry of Education revised the notional rent rate from 8% to 5% to align it with the Government Capital Charge rate. This is considered to be a reasonable proxy for the market rental yield on the value of land and buildings used by schools. Accordingly in 2021, the use of land and buildings figure represents 5% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes

8 Cash and Cash Equivalents

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Bank Accounts	32,645	26,000	52,047
Cash and cash equivalents for Statement of Cash Flows	<u>32,645</u>	<u>26,000</u>	<u>52,047</u>

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

9 Accounts Receivable

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	18,844	50,000	151,041
Bank Staffing Underuse	86,700	-	-
Teacher Salaries Grant Receivable	392,426	390,000	386,769
	<u>497,970</u>	<u>440,000</u>	<u>537,810</u>
Receivables from Exchange Transactions	18,844	50,000	151,041
Receivables from Non-Exchange Transactions	479,126	390,000	386,769
	<u>497,970</u>	<u>440,000</u>	<u>537,810</u>

10 Inventories

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
School Uniforms	12,565	9,000	8,434
Canteen	1,925	500	363
	<u>14,490</u>	<u>9,500</u>	<u>8,797</u>

11 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2021	\$	\$	\$	\$	\$	\$
Buildings	41,782	-	-	-	(3,262)	38,520
Furniture and Equipment	313,126	224,965	-	-	(79,087)	459,004
Information and Communication Technology	146,073	44,101	-	-	(75,603)	114,571
Motor Vehicles	36,585	-	-	-	(14,324)	22,261
Textbooks	5,516	-	-	-	(3,817)	1,699
Leased Assets	133,245	40,348	-	-	(65,803)	107,790
Library Resources	32,142	10,694	(2,403)	-	(5,054)	35,379
Balance at 31 December 2021	<u>708,469</u>	<u>320,108</u>	<u>(2,403)</u>	<u>-</u>	<u>(246,950)</u>	<u>779,224</u>
	2021	2021	2021	2020	2020	2020
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Buildings	65,259	(26,739)	38,520	65,259	(23,477)	41,782
Furniture and Equipment	1,430,979	(971,975)	459,004	1,206,004	(892,878)	313,126
Information and Communication Technology	1,409,666	(1,295,095)	114,571	1,365,565	(1,219,492)	146,073
Motor Vehicles	44,459	(22,198)	22,261	44,458	(7,873)	36,585
Textbooks	439,868	(438,169)	1,699	439,868	(434,352)	5,516
Leased Assets	407,455	(299,665)	107,790	367,107	(233,862)	133,245
Library Resources	111,834	(76,455)	35,379	109,312	(77,170)	32,142
Balance at 31 December	<u>3,909,520</u>	<u>(3,130,296)</u>	<u>779,224</u>	<u>3,597,573</u>	<u>(2,889,104)</u>	<u>708,469</u>

The net carrying value of equipment held under a finance lease is \$107,790 (2020: \$133,245).

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

12 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 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:

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Pavilion	56,158	27,675	44,050
Science Lab Upgrade	18,215	18,215	19,616
Tech Block	20,586	20,586	21,873
Relocatable Classrooms	41,001	41,001	43,051
Prefab Upgrade	47,514	47,514	49,342
Cabling work	13,773	13,773	14,302
Fencing	13,807	13,807	14,337
	<u>211,054</u>	<u>182,571</u>	<u>206,571</u>

The amortisation charge in relation to the equitable leasehold interest during the year was \$(4,483).
(2020: \$24,209).

13 Accounts Payable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Creditors	115,248	100,015	62,733
Accruals	12,820	20,000	19,430
Banking Staffing Overuse	-	-	14,368
Employee Entitlements - Salaries	395,794	390,000	389,407
Employee Entitlements - Leave Accrual	22,496	25,000	26,174
	<u>546,358</u>	<u>535,015</u>	<u>512,112</u>

Payables for Exchange Transactions	546,358	535,015	512,112
	<u>546,358</u>	<u>535,015</u>	<u>512,112</u>

The carrying value of payables approximates their fair value.

14 Revenue Received in Advance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
International Student Fees in Advance	24,348	40,000	66,529
Other Revenue in Advance	112,086	70,000	69,432
	<u>136,434</u>	<u>110,000</u>	<u>135,961</u>

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

15 Provision for Cyclical Maintenance

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	76,357	76,357	108,514
Increase/(decrease) to the Provision During the Year	38,052	24,000	20,643
Use of the Provision During the Year	(93,408)	(75,357)	(52,800)
Provision at the End of the Year	21,001	25,000	76,357
Cyclical Maintenance - Current	13,457	15,000	65,143
Cyclical Maintenance - Term	7,544	10,000	11,214
	21,001	25,000	76,357

16 Painting Contract Liability

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Due within one year	46,967	40,000	43,747
Due after one year	43,221	-	-
	90,188	40,000	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.

17 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):

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
No Later than One Year	57,873	50,000	49,646
Later than One Year and no Later than Five Years	69,586	65,000	93,744
Future Finance Charges	(12,900)	-	(17,978)
	114,559	115,000	125,412
Represented by			
Finance lease liability - Current	49,301	50,000	41,245
Finance lease liability - Term	65,258	65,000	84,167
	114,559	115,000	125,412

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

18 Funds held in Trust

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Funds Held in Trust on Behalf of Third Parties - Current	30,569	50,000	79,006
	30,569	50,000	79,006

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.

19 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 \$732,218 (2020: \$719,550). These do not represent revenue in the financial statements 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 (2020: \$0).

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

20 Remuneration

Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	5,350	6,181
<i>Leadership Team</i>		
Remuneration	832,219	733,770
Full-time equivalent members	7.00	6.00
Total key management personnel remuneration	837,569	739,951

There are eleven members of the Board excluding the Principal. The Board had held nine full meetings of the Board in the year. The Board also has 5 Property members that meet monthly. As well as these regular meetings, including preparation time, the Chair and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal

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

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	150-160	160-170
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	2021 FTE Number	2020 FTE Number
120-130	1	-
110-120	4	6
100-110	13	5
	18	11

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

21 Compensation and Other Benefits Upon Leaving

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

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

22 Contingencies

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

(Contingent liabilities and assets as at 31 December 2020: 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. 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 2021, a contingent liability for the school may exist.

23 Commitments

(a) Capital Commitments

As at 31 December 2021 the Board has entered into no contract agreements for capital works.

(Capital commitments as at 31 December 2020: nil)

(b) Operating Commitments

As at 31 December 2021 the Board has entered into the following contracts:

- painting contract

	2021 Actual \$	2020 Actual \$
No later than One Year	-	3,220
Later than One Year and No Later than Five Years	144,647	187,868
Later than Five Years	-	46,967
	<u>144,647</u>	<u>238,055</u>

24 Financial Instruments

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Financial assets measured at amortised cost			
Cash and Cash Equivalents	32,645	26,000	52,047
Receivables	497,970	440,000	537,810
Total Financial assets measured at amortised cost	<u>530,615</u>	<u>466,000</u>	<u>589,857</u>
Financial liabilities measured at amortised cost			
Payables	546,358	535,015	512,112
Finance Leases	115,331	115,000	125,412
Painting Contract Liability	90,188	40,000	43,747
Total Financial Liabilities Measured at Amortised Cost	<u>751,877</u>	<u>690,015</u>	<u>681,271</u>

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

25 Events After Balance Date

There were no significant events after the balance date (not reported separately) that impact these financial statements.

26 COVID 19 Pandemic on going implications

Impact of Covid-19

During 2021 the country moved between alert levels. During February and March 2021 Auckland was placed into alert levels 3 and then 2. Towards the end of August 2021, the entire country moved to alert level 4. Following this, Auckland 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 of 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.

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 and/or Board operated boarding facilities.

27 Going Concern

The school is experiencing financial difficulties. At balance date the school has a working capital deficit of \$277,662 and net assets of \$596,432. 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.