

Lynfield College

Annual Financial Report for the year ended 31 December 2020

Ministry Number:	75
Principal:	Cath Knell
School Address:	191 White Swan Road, Mt Roskill, Auckland
School Postal Address:	191 White Swan Road, Mt Roskill, Auckland, 1041
School Phone:	09-6270600
School Email:	ngovind@lynfield.school.nz
Service Provider:	Edtech Financial Services Ltd

Lynfield College

Members of the Board of Trustees

For the year ended 31 December 2020

Name	Position	How position on Board gained	Occupation	Term expired/expires
Post Election				
Mark Hewett	Chairperson	Elected 7 June 2019	Secretary	Jun 2022
Cath Knell	Principal	Appointed Principal (2017)	Principal	
David Barrett	Elected Trustee	Elected 7 June 2019	Design Manager	Jun 2022
Jonathan Subritzky	Elected Trustee	Elected 7 June 2019	Law Student	Jun 2022
Bella Tahu	Elected Trustee	Elected 7 June 2019	Lab Technician	Jun 2022
Kristelle Varney	Elected Trustee	Elected 7 June 2019	Teacher	Jun 2022
Tess Morrison	Staff Trustee	Elected 7 June 2019	Teacher	Jun 2022
Simote Funganitao	Student Trustee	Elected 24 September 2019	Student	Sept 2020
Sophie Yang	Student Trustee	Elected 21 October 2020	Student	Oct 2021

Lynfield College

Annual Financial Report

For the year ended 31 December 2020

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Lynfield 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.

MARK HEWETT
Full Name of Board Chairperson

Mark Hewett
Signature of Board Chairperson

18/10/2021
Date:

Cath Kneen
Full Name of Principal

Cath Kneen
Signature of Principal

18.10.21
Date:

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue				
Government Grants	2	17,870,582	16,710,884	16,625,554
Locally Raised Funds	3	857,740	1,187,323	1,522,769
Interest Income		38,206	75,000	78,941
Gain on Sale of Property, Plant and Equipment		2,151	-	-
International Students	4	905,832	1,308,000	1,333,189
		<u>19,674,511</u>	<u>19,281,207</u>	<u>19,560,453</u>
Expenses				
Locally Raised Funds	3	270,548	315,470	599,564
International Students	4	673,584	757,687	807,153
Learning Resources	5	12,859,711	12,103,779	12,394,841
Administration	6	561,511	598,080	608,339
Finance		5,483	9,000	8,750
Property	7	4,689,985	5,076,195	4,852,249
Depreciation	8	617,931	644,469	623,108
Loss on Disposal of Property, Plant and Equipment		-	-	2,353
		<u>19,678,753</u>	<u>19,504,680</u>	<u>19,896,357</u>
Net Surplus / (Deficit) for the year		(4,242)	(223,473)	(335,904)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		(4,242)	(223,473)	(335,904)

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



Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Balance at 1 January		9,230,631	9,230,631	9,455,700
Total comprehensive revenue and expense for the year		(4,242)	(223,473)	(335,904)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		-	-	110,835
Equity at 31 December	25	9,226,389	9,007,158	9,230,631
Retained Earnings		9,226,389	9,007,158	9,230,631
Equity at 31 December		9,226,389	9,007,158	9,230,631

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.



Statement of Financial Position

As at 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Assets				
Cash and Cash Equivalents	9	2,822,789	547,730	898,318
Accounts Receivable	10	967,021	1,080,000	1,417,778
GST Receivable		-	15,000	-
Prepayments		42,377	80,000	102,732
Inventories	11	187,419	200,000	207,138
Investments	12	1,560	1,350,000	1,509,752
		<u>4,021,166</u>	<u>3,272,730</u>	<u>4,135,718</u>
Current Liabilities				
GST Payable		41,099	-	47,900
Accounts Payable	14	1,310,071	1,030,000	1,215,362
Revenue Received in Advance	15	570,952	600,000	722,786
Provision for Cyclical Maintenance	16	92,872	137,626	100,563
Finance Lease Liability - Current Portion	17	37,770	45,000	42,844
Funds Held in Trust	18	393,026	500,000	513,091
Funds Held for Capital Works Projects	19	349,463	-	530,198
		<u>2,795,253</u>	<u>2,312,626</u>	<u>3,172,744</u>
Working Capital Surplus/(Deficit)		1,225,913	960,104	962,974
Non-current Assets				
Property, Plant and Equipment	13	8,230,994	8,231,153	8,461,521
		<u>8,230,994</u>	<u>8,231,153</u>	<u>8,461,521</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	16	188,001	174,600	168,690
Finance Lease Liability	17	42,517	9,499	25,174
		<u>230,518</u>	<u>184,099</u>	<u>193,864</u>
Net Assets		<u><u>9,226,389</u></u>	<u><u>9,007,158</u></u>	<u><u>9,230,631</u></u>
Equity	25	<u><u>9,226,389</u></u>	<u><u>9,007,158</u></u>	<u><u>9,230,631</u></u>

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



Lynfield College

Statement of Cash Flows

For the year ended 31 December 2020

	Note	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash flows from Operating Activities				
Government Grants		4,113,808	3,753,200	3,673,060
Locally Raised Funds		1,511,898	1,458,530	832,732
International Students		709,899	1,266,136	1,326,008
Goods and Services Tax (net)		(6,801)	(62,900)	62,990
Funds Administered on Behalf of Third Parties		(120,065)	(13,091)	(252,070)
Payments to Employees		(2,339,623)	(2,336,171)	(2,410,716)
Payments to Suppliers		(2,918,322)	(3,686,331)	(3,768,837)
Cyclical Maintenance Payments in the year		(54,531)	-	(14,725)
Interest Paid		(5,483)	(9,000)	(8,750)
Interest Received		45,972	77,105	82,156
Net cash from/(to) Operating Activities		936,752	447,478	(478,152)
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		13,372	(995)	-
Purchase of Property Plant & Equipment (and Intangibles)		(339,326)	(373,695)	(440,468)
Purchase of Investments		-	-	(111,284)
Proceeds from Sale of Investments		1,508,192	159,752	-
Net cash from/(to) Investing Activities		1,182,238	(214,938)	(551,752)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	110,835
Finance Lease Payments		(13,784)	(52,930)	(47,784)
Funds Held for Capital Works Projects		(180,735)	(530,198)	512,039
Net cash from/(to) Financing Activities		(194,519)	(583,128)	575,090
Net increase/(decrease) in cash and cash equivalents		1,924,471	(350,588)	(454,814)
Cash and cash equivalents at the beginning of the year	9	898,318	898,318	1,353,132
Cash and cash equivalents at the end of the year	9	2,822,789	547,730	898,318

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

Lynfield 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 Ministry'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 16.

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.

Use of land and buildings grants are recorded as revenue in the period the School uses the land and buildings. These are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown.

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.

Use of Land and Buildings Expense

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Ministry.

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 stationery and school uniforms. They are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is the estimated selling price in the ordinary course of activities less the estimated costs necessary to make the sale. Any write down from cost to net realisable value is recorded as an expense in the 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 Crown are excluded from these financial statements. The Board's use of the land and buildings as 'occupant' is based on a property occupancy document.

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

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

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Buildings - School	50 years
Building Improvements - Crown	10 years
Furniture and equipment	5-10 years
Information and communication technology	4-10 years
Motor vehicles	5 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.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

Revenue Received in Advance

Revenue received in advance relates to fees received from international students and 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.



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 Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision 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	3,308,301	3,209,112	3,115,381
Teachers' Salaries Grants	10,227,785	9,135,167	9,421,863
Use of Land and Buildings Grants	3,495,743	3,822,517	3,529,277
Resource Teachers Learning and Behaviour Grants	23,011	23,010	23,298
Other MoE Grants	626,793	397,900	438,830
Other Government Grants	188,949	123,178	96,905
	<u>17,870,582</u>	<u>16,710,884</u>	<u>16,625,554</u>

Other MOE Grants total includes additional COVID-19 funding totalling \$191,354 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	149,512	173,200	189,522
Activities	457,495	742,723	1,061,569
Trading	250,733	271,400	271,678
	<u>857,740</u>	<u>1,187,323</u>	<u>1,522,769</u>
Expenses			
Activities	30,539	62,500	345,130
Trading	240,009	252,970	254,434
	<u>270,548</u>	<u>315,470</u>	<u>599,564</u>
Surplus/ (Deficit) for the year Locally Raised Funds	<u>587,192</u>	<u>871,853</u>	<u>923,205</u>

During the year ended 31 December 2019:

Staff China Trip - This trip was to develop the relationship between Lynfield College and schools in China. This trip was attended by 32 people which are a mix of staff, partners and friends of staff with \$190,017 worth of revenue and \$181,817 worth of expenditure. It was noted that this trip was funded by the people who attended the trip, no additional fundraising was conducted by the school in relation to the trip, noting the remaining \$8,200 has been refunded to the attendees of the trip.

Germany Exchange Trip - 22 students, 3 staff. Total expenses incurred for this trip was fully funded by attendees and no fundraising was conducted. The total revenue for the trip was \$92,400 and expenses of \$87,043.

Overseas Trips were conducted in the current year to Australia, Vietnam, Thailand and Germany by the International Student Director for marketing purposes to recruit overseas students. Total expenditure incurred was \$53,000 with this being fully funded by net surplus from international student fees revenue.



Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

4 International Student Revenue and Expenses

	2020	2020	2019
	Actual	Budget	Actual
	Number	(Unaudited)	Number
	Number	Number	Number
International Student Roll	48	91	84
	2020	2020	2019
	Actual	Budget	Actual
		(Unaudited)	
<i>Revenue</i>	\$	\$	\$
International Student Fees	905,832	1,308,000	1,333,189
<i>Expenses</i>			
Advertising	7,089	55,000	53,072
Commissions	131,591	156,000	156,957
International Student Levy	26,538	40,000	35,551
Employee Benefit - Salaries	473,026	467,687	525,559
Other Expenses	35,340	39,000	36,014
	673,584	757,687	807,153
<i>Surplus/ (Deficit) for the year International Students</i>	232,248	550,313	526,036

5 Learning Resources

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Curricular	763,934	994,187	920,222
Information and Communication Technology	299,634	323,719	286,597
Extra-Curricular Activities	186,606	259,639	311,677
Library Resources	5,161	7,900	7,507
Employee Benefits - Salaries	11,566,623	10,440,734	10,796,411
Staff Development	37,753	77,600	72,427
	12,859,711	12,103,779	12,394,841

6 Administration

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Audit Fee	10,647	10,837	10,837
Board of Trustees Fees	4,140	5,500	5,280
Board of Trustees Expenses	21,102	21,250	29,646
Communication	13,632	13,800	13,110
Consumables	25,621	33,500	32,817
Other	69,968	103,420	86,180
Employee Benefits - Salaries	351,496	342,437	366,098
Insurance	48,333	50,764	48,111
Service Providers, Contractors and Consultancy	16,572	16,572	16,260
	561,511	598,080	608,339



Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

7 Property

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	27,023	30,000	28,948
Consultancy and Contract Services	195,457	193,461	181,163
Cyclical Maintenance Expense	66,151	24,000	54,836
Grounds	183,630	192,000	193,074
Heat, Light and Water	152,924	210,000	208,149
Rates	245	217	217
Repairs and Maintenance	373,576	424,000	456,312
Use of Land and Buildings	3,495,743	3,822,517	3,529,277
Security	12,614	20,000	18,108
Employee Benefits - Salaries	182,622	160,000	182,165
	<u>4,689,985</u>	<u>5,076,195</u>	<u>4,852,249</u>

The use of land and buildings figure represents 8% of the school's total property value. 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.

8 Depreciation

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Buildings - School	130,321	136,556	123,597
Building Improvements - Crown	139,959	146,656	139,916
Furniture and Equipment	109,937	115,197	102,220
Information and Communication Technology	170,531	178,690	185,210
Motor Vehicles	13,295	13,931	13,057
Leased Assets	43,165	42,203	48,278
Library Resources	10,723	11,236	10,830
	<u>617,931</u>	<u>644,469</u>	<u>623,108</u>

9 Cash and Cash Equivalents

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Cash on Hand	526	1,250	1,249
Bank Current Account	1,787,667	46,480	397,069
Short-term Bank Deposits	1,034,596	500,000	500,000
Cash and cash equivalents for Statement of Cash Flows	<u>2,822,789</u>	<u>547,730</u>	<u>898,318</u>

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

Of the \$2,822,789 Cash and Cash Equivalents, \$349,463 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2021 on Crown owned school buildings under the School's Five Year Property Plan.



Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

10 Accounts Receivable

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	92,070	350,000	702,129
Interest Receivable	4,339	10,000	12,105
Teacher Salaries Grant Receivable	870,612	720,000	703,544
	<u>967,021</u>	<u>1,080,000</u>	<u>1,417,778</u>
Receivables from Exchange Transactions	96,409	360,000	714,234
Receivables from Non-Exchange Transactions	870,612	720,000	703,544
	<u>967,021</u>	<u>1,080,000</u>	<u>1,417,778</u>

11 Inventories

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
School Uniforms	187,419	200,000	207,138
	<u>187,419</u>	<u>200,000</u>	<u>207,138</u>

12 Investments

The School's investment activities are classified as follows:

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	1,560	1,350,000	1,509,752
Total Investments	<u>1,560</u>	<u>1,350,000</u>	<u>1,509,752</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	1,112,095	-	-	-	(130,321)	981,774
Building Improvements	5,294,431	5,094	-	-	(139,959)	5,159,566
Furniture and Equipment	986,762	146,004	-	-	(109,937)	1,022,829
Information and Communication Technology	822,145	164,549	(8,415)	-	(170,531)	807,748
Motor Vehicles	55,797	10,904	-	-	(13,295)	53,406
Leased Assets	114,479	59,299	-	-	(43,165)	130,613
Library Resources	75,812	12,775	(2,806)	-	(10,723)	75,058
Balance at 31 December 2020	8,461,521	398,625	(11,221)	-	(617,931)	8,230,994

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2020			
Buildings	1,850,197	(868,423)	981,774
Building Improvements	7,000,882	(1,841,316)	5,159,566
Furniture and Equipment	2,714,003	(1,691,174)	1,022,829
Information and Communication Technology	3,235,226	(2,427,478)	807,748
Motor Vehicles	163,765	(110,359)	53,406
Leased Assets	329,888	(199,275)	130,613
Library Resources	251,893	(176,835)	75,058
Balance at 31 December 2020	15,545,854	(7,314,860)	8,230,994

The net carrying value of equipment held under a finance lease is \$130,613 (2019: \$114,479).

The net carrying value of motor vehicles held under a finance lease is \$53,406 (2019: \$55,797).

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2019						
Buildings	967,601	268,091	-	-	(123,597)	1,112,095
Building Improvements	5,434,347	-	-	-	(139,916)	5,294,431
Furniture and Equipment	871,036	217,946	-	-	(102,220)	986,762
Information and Communication Technology	858,993	148,362	-	-	(185,210)	822,145
Motor Vehicles	59,357	9,497	-	-	(13,057)	55,797
Leased Assets	132,877	29,880	-	-	(48,278)	114,479
Library Resources	76,276	12,719	(2,353)	-	(10,830)	75,812
Balance at 31 December 2019	8,400,487	686,495	(2,353)	-	(623,108)	8,461,521

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2019			
Buildings	1,850,197	(738,102)	1,112,095
Building Improvements	6,995,788	(1,701,357)	5,294,431
Furniture and Equipment	2,567,998	(1,581,236)	986,762
Information and Communication Technology	3,084,048	(2,261,903)	822,145
Motor Vehicles	152,861	(97,064)	55,797
Leased Assets	270,589	(156,110)	114,479
Library Resources	248,308	(172,496)	75,812
Balance at 31 December 2019	15,169,789	(6,708,268)	8,461,521

The net carrying value of equipment held under a finance lease is \$114,479 (2018: \$132,877).

The net carrying value of motor vehicles held under a finance lease is \$55,797 (2018: \$59,357).



Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

14 Accounts Payable

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Operating Creditors	261,457	200,000	340,501
Accruals	11,163	10,000	10,837
Capital Accruals for PPE Items	-	-	-
Banking Staffing Overuse	-	-	-
Employee Entitlements - Salaries	911,550	720,000	746,207
Employee Entitlements - Leave Accrual	125,901	100,000	117,817
	<u>1,310,071</u>	<u>1,030,000</u>	<u>1,215,362</u>
Payables for Exchange Transactions	1,310,071	1,030,000	1,215,362
	<u>1,310,071</u>	<u>1,030,000</u>	<u>1,215,362</u>

The carrying value of payables approximates their fair value.

15 Revenue Received in Advance

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
International Student Fees	445,931	600,000	641,864
Other	125,021	-	80,922
	<u>570,952</u>	<u>600,000</u>	<u>722,786</u>

16 Provision for Cyclical Maintenance

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Provision at the Start of the Year	269,253	269,253	229,142
Increase/(decrease) to the Provision During the Year	66,151	24,000	54,836
Use of the Provision During the Year	(54,531)	18,973	(14,725)
Provision at the End of the Year	<u>280,873</u>	<u>312,226</u>	<u>269,253</u>
Cyclical Maintenance - Current	92,872	137,626	100,563
Cyclical Maintenance - Term	188,001	174,600	168,690
	<u>280,873</u>	<u>312,226</u>	<u>269,253</u>



Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

17 Finance Lease Liability

The school has entered into a number of finance lease agreements for computer equipment.

Minimum lease payments payable (includes interest portion):

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
No Later than One Year	43,178	45,000	47,156
Later than One Year and no Later than Five Years	45,991	9,499	26,622
	<u>89,169</u>	<u>54,499</u>	<u>73,778</u>

18 Funds held in Trust

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Funds Held in Trust on Behalf of Third Parties - Current	393,026	500,000	513,091
	<u>393,026</u>	<u>500,000</u>	<u>513,091</u>

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



Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

19 Funds Held for Capital Works Projects

During the year the school received and applied funding from the Ministry of Education for the following capital works projects:

	2020	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$	\$	\$
A Block Refurb	<i>Completed</i>	(121)	43,446	13,577	-	29,748
Lower Gym Internal Refurb	<i>Completed</i>	(150)	-	-	(150)	-
Gate 2	<i>Completed</i>	2,755	-	-	2,755	-
D Block	<i>in progress</i>	132,821	-	421,469	-	(288,648)
K Block windows	<i>Completed</i>	10,561	-	-	10,561	-
G Block Doors	<i>Completed</i>	11,095	-	-	11,095	-
Library Carpet	<i>Completed</i>	1,972	-	-	1,972	-
Library lighting	<i>Completed</i>	1,565	-	-	1,565	-
K Block Bench	<i>Completed</i>	(60)	-	-	(60)	-
Tennis Court resurfacing	<i>in progress</i>	369,760	-	336,018	-	33,742
Astro Turf Fencing	<i>in progress</i>	-	74,250	28,883	-	45,367
Astro Turf Courts	<i>in progress</i>	-	78,750	49,632	-	29,118
F Block Refurb	<i>in progress</i>	-	630,000	193,954	-	436,046
L Block Shades	<i>in progress</i>	-	63,000	43,877	-	19,123
Library Mezzanine	<i>in progress</i>	-	-	15,625	-	(15,625)
Lower Gym Curtain	<i>in progress</i>	-	45,000	42,143	-	2,857
Main Gate Digital Sign	<i>in progress</i>	-	54,000	21,400	-	32,600
Security Gates	<i>in progress</i>	-	54,000	2,885	-	51,115
G Block Ventilation	<i>in progress</i>	-	-	780	-	(780)
F Block Ceiling & Lights	<i>in progress</i>	-	-	25,200	-	(25,200)
Totals		530,198	1,042,446	1,195,443	27,738	349,463

Represented by:

Funds Held on Behalf of the Ministry of Education

Funds Due from the Ministry of Education

679,716

(330,253)

349,463

	2019	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$	\$	\$
Toilet upgrades	<i>Completed</i>	18,159	106,533	124,692	-	-
A Block Refurb	<i>In progress</i>	-	-	121	-	(121)
Lower Gym Internal Refurb	<i>In progress</i>	-	-	150	-	(150)
Gate 2	<i>In progress</i>	-	2,755	-	-	2,755
D Block	<i>In progress</i>	-	160,117	27,296	-	132,821
K Block windows	<i>In progress</i>	-	46,795	36,234	-	10,561
G Block Doors	<i>In progress</i>	-	25,164	14,069	-	11,095
Library Carpet	<i>In progress</i>	-	44,808	42,836	-	1,972
Library lighting	<i>In progress</i>	-	27,000	25,435	-	1,565
K Block Bench	<i>In progress</i>	-	-	60	-	(60)
Tennis Court resurfacing	<i>In progress</i>	-	370,000	240	-	369,760
Totals		18,159	783,172	271,133	-	530,198



Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

20 Related Party Transactions

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

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

21 Remuneration

Key management personnel compensation

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

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	4,140	5,280
Full-time equivalent members	0.60	0.49
<i>Leadership Team</i>		
Remuneration	952,273	791,529
Full-time equivalent members	7.00	6.00
Total key management personnel remuneration	956,413	796,809
Total full-time equivalent personnel	7.60	6.49

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	210-220	185-195
Benefits and Other Emoluments	5-10	1-5
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
120-130	-	1
110-120	2	2
100-110	15	2
	17	5

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

22 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 2020

23 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.

24 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)

25 Managing Capital

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

26 Financial Instruments

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

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Financial assets measured at amortised cost			
Cash and Cash Equivalents	2,822,789	547,730	898,318
Receivables	967,021	1,080,000	1,417,778
Investments - Term Deposits	1,560	1,350,000	1,509,752
Total Financial assets measured at amortised cost	3,791,370	2,977,730	3,825,848
Financial liabilities measured at amortised cost			
Payables	1,310,071	1,030,000	1,215,362
Finance Leases	80,287	54,499	68,018
Total Financial Liabilities Measured at Amortised Cost	1,390,358	1,084,499	1,283,380

27 Events After Balance Date

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





INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF LYNFIELD COLLEGE'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The Auditor-General is the auditor of Lynfield College (the School). The Auditor-General has appointed me, Melissa Youngson, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 20 that comprise the statement of financial position as at 31 December 2020, the statement of comprehensive revenue and expense statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2020; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 18 October 2021. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board of Trustees for the financial statements

The Board of Trustees is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.



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

The Board of Trustees' responsibilities, in terms of the requirements of the Education and Training Act 2020, arise from section 87 of the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

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

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

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the information including List of Board of Trustees, Statement of Responsibility, Analysis of Variance Report and KiwiSport Report, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

Independence

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

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



Melissa Youngson

Partner

for Deloitte Limited

On behalf of the Auditor-General

Hamilton, New Zealand