

# **Lynfield College**

## **Annual Report for the year ended 31 December 2021**

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

Lynfield College

## Members of the Board

For the year ended 31 December 2021

Name	Position	How position on Board gained	Occupation	Term expired/expires
Mark Hewett	Presiding Member	Elected 7 June 2019	Director	Sep 2022
Cath Knell	Principal	Appointed Principal (2017)	Principal	Ongoing
David Barrett	Elected Trustee	Elected 7 June 2019	Design Manager	Sep 2022
Jonathan Subritzky	Elected Trustee	Elected 7 June 2019	Law Student	Resigned July 2021
Bella Tahu	Elected Trustee	Elected 7 June 2019	Administration Manager	Sep 2022
Kristelle Varney	Elected Trustee	Elected 7 June 2019	Teacher	Sep 2022
Tess Morrison	Staff Trustee	Elected 7 June 2019	Teacher	Sep 2022
Sophie Yang	Student Trustee	Elected 21 October 2020	Student	TBA (Covid)

# **Lynfield College**

## **Annual Report**

For the year ended 31 December 2021

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**Lynfield 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.

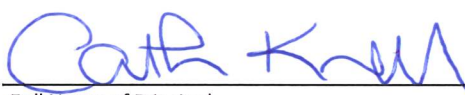
The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

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



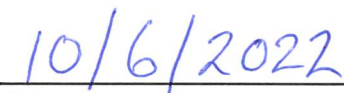
Full Name of Principal




Signature of Presiding Member



Signature of Principal



Date:



Date:

# Lynfield College

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

		2021	2021	2020
	Notes	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
<b>Revenue</b>				
Government Grants	2	17,500,777	17,137,747	17,870,582
Locally Raised Funds	3	736,755	774,665	857,740
Interest Income		13,338	18,000	38,206
Gain on Sale of Property, Plant and Equipment		-	-	2,151
International Students	4	511,828	531,863	905,832
		<u>18,762,698</u>	<u>18,462,275</u>	<u>19,674,511</u>
<b>Expenses</b>				
Locally Raised Funds	3	338,262	299,620	270,548
International Students	4	415,942	444,928	673,584
Learning Resources	5	13,123,368	11,913,901	12,859,711
Administration	6	577,283	598,989	561,511
Finance		8,971	9,000	5,483
Property	7	3,864,866	5,063,856	4,689,985
Depreciation	12	636,018	650,933	617,931
Loss on Disposal of Property, Plant and Equipment		1,602	-	-
		<u>18,966,312</u>	<u>18,981,227</u>	<u>19,678,753</u>
<b>Net Surplus / (Deficit) for the year</b>		(203,614)	(518,952)	(4,242)
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>(203,614)</u>	<u>(518,952)</u>	<u>(4,242)</u>

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 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Balance at 1 January</b>		9,226,389	9,259,899	9,230,631
Total comprehensive revenue and expense for the year		(203,614)	(518,952)	(4,242)
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		86,563	-	-
<b>Equity at 31 December</b>		9,109,338	8,740,947	9,226,389
Retained Earnings		9,109,338	8,740,947	9,226,389
<b>Equity at 31 December</b>		9,109,338	8,740,947	9,226,389

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.

# Lynfield College

## Statement of Financial Position

As at 31 December 2021

		2021	2021	2020
	Notes	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	373,070	1,514,251	2,822,789
Accounts Receivable	9	961,268	995,000	967,021
GST Receivable		48,791	-	-
Prepayments		79,411	40,000	42,377
Inventories	10	204,043	190,000	187,419
Investments	11	2,040,589	-	1,560
		<u>3,707,172</u>	<u>2,739,251</u>	<u>4,021,166</u>
<b>Current Liabilities</b>				
GST Payable		-	15,000	41,099
Accounts Payable	13	1,572,086	1,135,000	1,310,071
Revenue Received in Advance	14	343,130	500,000	570,952
Provision for Cyclical Maintenance	15	121,678	134,815	92,872
Finance Lease Liability	16	48,403	23,543	37,770
Funds Held in Trust	17	171,742	-	393,026
Funds Held for Capital Works Projects	18	153,601	-	349,463
		<u>2,410,640</u>	<u>1,808,358</u>	<u>2,795,253</u>
<b>Working Capital Surplus/(Deficit)</b>		1,296,532	930,893	1,225,913
<b>Non-current Assets</b>				
Property, Plant and Equipment	12	8,023,994	7,984,770	8,230,994
		<u>8,023,994</u>	<u>7,984,770</u>	<u>8,230,994</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	15	161,198	155,743	188,001
Finance Lease Liability	16	49,990	18,973	42,517
		<u>211,188</u>	<u>174,716</u>	<u>230,518</u>
<b>Net Assets</b>		<u>9,109,338</u>	<u>8,740,947</u>	<u>9,226,389</u>
<b>Equity</b>		<u>9,109,338</u>	<u>8,740,947</u>	<u>9,226,389</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 2021

		2021	2021 Budget	2020
	Note	Actual	(Unaudited)	Actual
		\$	\$	\$
<b>Cash flows from Operating Activities</b>				
Government Grants		4,460,128	4,180,063	4,113,808
Locally Raised Funds		757,637	851,714	1,511,898
International Students		322,850	385,932	709,899
Goods and Services Tax (net)		(89,890)	(26,099)	(6,801)
Funds Administered on Behalf of Third Parties		(221,284)	(393,026)	(120,065)
Payments to Employees		(2,258,153)	(3,171,289)	(2,339,623)
Payments to Suppliers		(2,861,598)	(2,387,299)	(2,972,853)
Interest Paid		(8,971)	(9,000)	(5,483)
Interest Received		10,404	17,339	45,972
Net cash from/(to) Operating Activities		111,123	(551,665)	936,752
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of Property Plant & Equipment		(1,602)	(110,359)	13,372
Purchase of Property Plant & Equipment		(359,670)	(624,238)	(339,326)
Purchase of Investments		(2,039,029)	-	-
Proceeds from Sale of Investments		-	1,560	1,508,192
Net cash from/(to) Investing Activities		(2,400,301)	(733,037)	1,182,238
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		86,563	-	-
Finance Lease Payments		(51,242)	292,117	(13,784)
FundsHeld for Capital Works		(195,862)	(349,463)	(180,735)
Net cash from/(to) Financing Activities		(160,541)	(57,346)	(194,519)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(2,449,719)</b>	<b>(1,342,048)</b>	<b>1,924,471</b>
Cash and cash equivalents at the beginning of the year	8	2,822,789	2,856,299	898,318
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>373,070</b>	<b>1,514,251</b>	<b>2,822,789</b>

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

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 (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 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 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 12.

## 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 Crown and managed by the Ministry of Education on behalf of the Crown. These are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes.

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

#### ***Other Grants***

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 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:

Board owned buildings	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	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.

#### *Long-term employee entitlements*

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

The calculations are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows.

### **Revenue Received in Advance**

Revenue received in advance relates to international student fees and other revenue where there are unfulfilled obligations for the School to provide services in the future. The funds 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 2021

### 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 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, 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 2021

### 2 Government Grants

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Operational Grants	3,719,056	3,588,884	3,308,301
Teachers' Salaries Grants	10,493,125	9,135,167	10,227,785
Use of Land and Buildings Grants	2,547,524	3,822,517	3,495,743
Resource Teachers Learning and Behaviour Grants	23,115	23,000	23,011
Other MoE Grants	582,628	427,824	626,793
Other Government Grants	135,329	140,355	188,949
	<u>17,500,777</u>	<u>17,137,747</u>	<u>17,870,582</u>

The School has opted in to the donations scheme for this year. Total amount received was \$246,150.

### 3 Locally Raised Funds

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

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
<b>Revenue</b>			
Donations & Bequests	39,288	36,300	149,512
Fees for Extra Curricular Activities	399,053	477,605	441,370
Trading	284,677	252,000	250,733
Other Revenue	13,737	8,760	16,125
	<u>736,755</u>	<u>774,665</u>	<u>857,740</u>
<b>Expenses</b>			
Extra Curricular Activities Costs	74,450	62,620	30,539
Trading	263,812	237,000	240,009
	<u>338,262</u>	<u>299,620</u>	<u>270,548</u>
<i>Surplus/ (Deficit) for the year Locally Raised Funds</i>	<u>398,493</u>	<u>475,045</u>	<u>587,192</u>

# Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

## 4 International Student Revenue and Expenses

	2021	2021	2020
	Actual	Budget	Actual
	Number	(Unaudited)	Number
International Student Roll	35	35	48
	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Revenue</b>			
International Student Fees	511,828	531,863	905,832
<b>Expenses</b>			
Advertising	10,697	36,100	7,089
Commissions	53,857	81,375	131,591
International Student Levy	15,878	13,720	26,538
Employee Benefit - Salaries	319,245	279,500	473,026
Other Expenses	16,265	34,233	35,340
	415,942	444,928	673,584
<i>Surplus/ (Deficit) for the year International Students</i>	95,886	86,935	232,248

## 5 Learning Resources

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	636,977	859,069	763,934
Information and Communication Technology	313,638	327,563	299,634
Extra-Curricular Activities	220,721	237,701	186,606
Library Resources	2,658	4,210	5,161
Employee Benefits - Salaries	11,902,088	10,415,258	11,566,623
Staff Development	47,286	70,100	37,753
	13,123,368	11,913,901	12,859,711

## 6 Administration

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	12,226	10,837	10,647
Board Fees	3,480	5,500	4,140
Board Expenses	18,111	26,300	21,102
Communication	12,816	14,000	13,632
Consumables	15,454	28,000	25,621
Other	65,738	88,264	69,968
Employee Benefits - Salaries	378,162	356,204	351,496
Insurance	54,406	53,000	48,333
Service Providers, Contractors and Consultancy	16,890	16,884	16,572
	577,283	598,989	561,511

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

## 7 Property

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	26,174	30,000	27,023
Consultancy and Contract Services	213,912	207,339	195,457
Cyclical Maintenance Expense	99,654	48,000	66,151
Grounds	191,921	211,000	183,630
Heat, Light and Water	154,628	213,000	152,924
Rates	261	245	245
Repairs and Maintenance	396,779	326,100	373,576
Use of Land and Buildings	2,547,524	3,822,517	3,495,743
Security	25,665	17,000	12,614
Employee Benefits - Salaries	208,348	188,655	182,622
	<u>3,864,866</u>	<u>5,063,856</u>	<u>4,689,985</u>

The use of land and buildings figure represents 5% 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 Cash and Cash Equivalents

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Bank Accounts	373,070	312,691	1,788,193
Short-term Bank Deposits	-	1,201,560	1,034,596
Cash and cash equivalents for Statement of Cash Flows	<u>373,070</u>	<u>1,514,251</u>	<u>2,822,789</u>

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

Of the \$373,070 Cash and Cash Equivalents, \$275,077 is held by the School on behalf of the Ministry of Education. These funds have been provided for the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school buildings. The funds are required to be spent in 2022 on Crown owned school buildings.

## 9 Accounts Receivable

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Receivables	32,395	90,000	92,070
Interest Receivable	7,273	5,000	4,339
Teacher Salaries Grant Receivable	921,600	900,000	870,612
	<u>961,268</u>	<u>995,000</u>	<u>967,021</u>
Receivables from Exchange Transactions	39,668	95,000	96,409
Receivables from Non-Exchange Transactions	921,600	900,000	870,612
	<u>961,268</u>	<u>995,000</u>	<u>967,021</u>



# Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

## 10 Inventories

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	21,916	20,000	-
School Uniforms	182,127	170,000	187,419
	<u>204,043</u>	<u>190,000</u>	<u>187,419</u>

## 11 Investments

The School's investment activities are classified as follows:

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	2,040,589	-	1,560
	<u>2,040,589</u>	<u>-</u>	<u>1,560</u>

## 12 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2021	\$	\$	\$	\$	\$	\$
Buildings	981,774	-	-	-	(140,018)	841,756
Building Improvements	5,159,566	120,909	-	-	(138,435)	5,142,040
Furniture and Equipment	1,022,829	93,177	-	-	(111,496)	1,004,510
Information and Communication Technology	807,748	128,691	-	-	(165,803)	770,636
Motor Vehicles	53,406	6,435	-	-	(11,753)	48,088
Leased Assets	130,613	69,348	-	-	(57,823)	142,138
Library Resources	75,058	12,060	(1,602)	-	(10,690)	74,826
<b>Balance at 31 December 2021</b>	<u>8,230,994</u>	<u>430,620</u>	<u>(1,602)</u>	<u>-</u>	<u>(636,018)</u>	<u>8,023,994</u>

	2021	2021	2021	2020	2020	2020
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Buildings	1,848,613	(1,006,857)	841,756	1,850,197	(868,423)	981,774
Building Improvements	7,123,374	(1,981,334)	5,142,040	7,000,882	(1,841,316)	5,159,566
Furniture and Equipment	2,807,179	(1,802,669)	1,004,510	2,714,003	(1,691,174)	1,022,829
Information and Communication Technology	3,363,917	(2,593,281)	770,636	3,235,226	(2,427,478)	807,748
Motor Vehicles	170,200	(122,112)	48,088	163,765	(110,359)	53,406
Leased Assets	399,236	(257,098)	142,138	329,888	(199,275)	130,613
Library Resources	258,577	(183,751)	74,826	251,893	(176,835)	75,058
<b>Balance at 31 December</b>	<u>15,971,096</u>	<u>(7,947,102)</u>	<u>8,023,994</u>	<u>15,545,854</u>	<u>(7,314,860)</u>	<u>8,230,994</u>

The net carrying value of equipment held under a finance lease is \$142,138 (2020: \$130,613).

The net carrying value of motor vehicles held under a finance lease is \$48,088 (2020: \$53,406).

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

## 13 Accounts Payable

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Creditors	414,324	100,000	261,457
Accruals	12,758	1,035,000	11,163
Employee Entitlements - Salaries	981,653	-	911,550
Employee Entitlements - Leave Accrual	163,351	-	125,901
	<u>1,572,086</u>	<u>1,135,000</u>	<u>1,310,071</u>
Payables for Exchange Transactions	1,572,086	1,135,000	1,310,071
	<u>1,572,086</u>	<u>1,135,000</u>	<u>1,310,071</u>

The carrying value of payables approximates their fair value.

## 14 Revenue Received in Advance

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
International Student Fees in Advance	256,953	300,000	445,931
Other Revenue in Advance	86,177	200,000	125,021
	<u>343,130</u>	<u>500,000</u>	<u>570,952</u>

## 15 Provision for Cyclical Maintenance

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Provision at the Start of the Year	280,873	280,873	269,253
Increase/(decrease) to the Provision During the Year	99,654	48,000	66,151
Use of the Provision During the Year	(97,651)	(38,315)	(54,531)
Provision at the End of the Year	<u>282,876</u>	<u>290,558</u>	<u>280,873</u>
Cyclical Maintenance - Current	121,678	134,815	92,872
Cyclical Maintenance - Term	161,198	155,743	188,001
	<u>282,876</u>	<u>290,558</u>	<u>280,873</u>

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

### 16 Finance Lease Liability

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

Minimum lease payments payable (includes interest portion):

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
No Later than One Year	54,950	23,543	43,178
Later than One Year and no Later than Five Years	53,116	18,973	45,991
Future Finance Charges	(9,673)		(8,882)
	<u>98,393</u>	<u>42,516</u>	<u>80,287</u>
<b>Represented by</b>			
Finance lease liability - Current	48,403	23,543	37,770
Finance lease liability - Term	49,990	18,973	42,517
	<u>98,393</u>	<u>42,516</u>	<u>80,287</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.

### 17 Funds held in Trust

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	171,742	-	393,026
	<u>171,742</u>	<u>-</u>	<u>393,026</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 2021

## 18 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:

		Opening	Receipts		BOT Contribution/ (Write-off to	Closing
	2021	Balances	from MoE	Payments	R&M)	Balances
		\$	\$	\$		\$
A Block Refurb	Completed	29,748	500,000	254,671	-	275,077
D & J Block Re-roofing	Completed	(288,648)	262,308	1,410	(27,750)	(0)
Tennis Court resurfacing	in progress	33,742	-	33,742	-	-
Astro Turf Fencing	in progress	45,367	8,107	53,474	-	-
Astro Turf Courts	in progress	29,118	-	52,042	-	(22,924)
F Block Refurb	in progress	436,046	-	507,573	-	(71,527)
L Block Shades	in progress	19,123	8,977	28,100	-	-
Library Mezzanine	in progress	(15,625)	171,000	169,836	-	(14,461)
Lower Gym Curtain	in progress	2,857	-	2,857	-	-
Main Gate Digital Sign	in progress	32,600	6,349	38,949	-	-
Security Gates	in progress	51,115	4,453	55,568	-	-
G Block Ventilation	in progress	(780)	90,000	89,220	-	-
F Block Ceiling & Lights	in progress	(25,200)	-	-	(25,200)	-
Fibre Optic Cabling	in progress	-	-	12,564	-	(12,564)
Totals		349,463	1,051,194	1,300,006	(52,950)	153,601

## Represented by:

Funds Held on Behalf of the Ministry of Education

Funds Due from the Ministry of Education

275,077

(121,476)

153,601

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

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

### 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.

### 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	3,480	4,140
<i>Leadership Team</i>		
Remuneration	992,012	952,273
Full-time equivalent members	7.00	7.00
Total key management personnel remuneration	995,492	956,413

There are seven members of the Board excluding the Principal. The Board had held seven full meetings of the Board in the year. 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	210 - 220	210-220
Benefits and Other Emoluments	5 - 10	5-10
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
130 - 140	3	2
120-130	2	3
110-120	10	2
100-110	21	16
	36	23

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 not entered into new contracts.

### 24 Financial Instruments

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

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
<b>Financial assets measured at amortised cost</b>			
Cash and Cash Equivalents	373,070	1,514,251	2,822,789
Receivables	961,268	995,000	967,021
Investments - Term Deposits	2,040,589	-	1,560
<b>Total Financial assets measured at amortised cost</b>	<b>3,374,927</b>	<b>2,509,251</b>	<b>3,791,370</b>
<b>Financial liabilities measured at amortised cost</b>			
Payables	1,572,086	1,135,000	1,310,071
Borrowings - Loans	-	-	-
Finance Leases	98,393	42,516	80,287
Painting Contract Liability	-	-	-
<b>Total Financial Liabilities Measured at Amortised Cost</b>	<b>1,670,479</b>	<b>1,177,516</b>	<b>1,390,358</b>

### 25 Events After Balance Date

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

### 26 Comparatives

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

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

### 27 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 and 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 to Education, even while closed. The ongoing interruptions resulting from the moves in alert levels have impacted schools in various ways which have negatively affected the operations and services of the school.

#### 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.



## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF LYNFIELD COLLEGE'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Auditor-General is the auditor of Lynfield College (the School). The Auditor-General has appointed me, Matt Laing, 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 2021, 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 2021 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 10 June 2022. This is the date at which our opinion is expressed.

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

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

The Board's 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.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 school payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arise from the Public Audit Act 2001.

### Other information

The Board 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.

A handwritten signature in black ink, appearing to read "M. Laing".

### Matt Laing

Partner

for Deloitte Limited

On behalf of the Auditor-General

Hamilton, New Zealand