

Lynfield College

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Lynfield College

Members of the Board

For the year ended 31 December 2022

Name	Position	How position on Board gained	Term expired/expires
Mark Hewett	Presiding Member	Elected 7 June 2019	September 2022
David Barrett	Deputy Presiding Member	Elected 7 June 2019	September 2022
Jonathan Subritzky	Parent Representative	Elected 7 June 2019	Resigned July 2021
Bella Tahu	Parent Representative	Elected 7 June 2019	September 2022
Kristelle Varney	Parent Representative	Re-elected September 2022	Ongoing
Tess Morrison	Staff Representative	Elected 7 June 2019	Resigned May 2022
Steve James	Co-opted Representative	Co-opted 23 May 2022	September 2022
Ravi Nyayapati	Co-opted Representative	Co-opted 27 June 2022	September 2022
Sophie Yang	Student Representative	Elected 21 October 2020	April 2022
Jessie Chen	Student Representative	Elected 14 April 2022	October 2022
Cath Knell	Principal	Appointed Principal 2017	Ongoing
Luke Jackson	Parent Representative (Presiding Member)	Elected September 2022	September 2025
Ravi Nyayapati	Parent Representative (Deputy Chair)	Elected September 2022	September 2025
Geetika Aulakh	Parent Representative	Elected September 2022	September 2025
John Maka	Parent Representative	Elected September 2022	September 2025
Richard Winn	Staff Representative	Elected September 2022	September 2025
Neel Kumar	Student Representative	Elected September 2022	September 2025

LYNFIELD COLLEGE

Annual Report - For the year ended 31 December 2022

Index

Page	Statement
------	-----------

	Financial Statements
--	-----------------------------

1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expense
3	Statement of Changes in Net Assets/Equity
4	Statement of Financial Position
5	Statement of Cash Flows
6 - 22	Notes to the Financial Statements

	Other Information
--	--------------------------

	Analysis of Variance
--	----------------------

	Kiwisport
--	-----------

	Statement of Compliance with Employment Policy
--	--

Lynfield College

Statement of Responsibility

For the year ended 31 December 2022

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 2022 fairly reflects the financial position and operations of the school.

The School's 2022 financial statements are authorised for issue by the Board.

Luke Jackson

Full Name of Presiding Member

[Signature]

Signature of Presiding Member

21/9/23

Date:

CATH KNELL

Full Name of Principal

[Signature]

Signature of Principal

21/9/23

Date:

Lynfield College

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual (Restated) \$
Revenue				
Government Grants	2	18,163,056	17,339,374	17,500,777
Locally Raised Funds	3	1,034,548	1,007,865	1,248,583
Interest Income		51,705	22,000	13,338
Gain on Sale of Property, Plant and Equipment		-		
Total Revenue		19,249,309	18,369,239	18,762,698
Expenses				
Locally Raised Funds	3	664,396	628,739	754,204
Learning Resources	4	14,271,565	12,481,241	13,862,320
Administration	5	676,364	606,865	577,280
Finance		8,031	9,000	8,971
Property	6	4,128,965	5,105,988	3,864,866
Loss on Disposal of Property, Plant and Equipment		2,407	-	1,602
		19,751,728	18,831,833	19,069,243
Net Surplus / (Deficit) for the year		(502,419)	(462,594)	(306,545)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(502,419)</u>	<u>(462,594)</u>	<u>(306,545)</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.



Lynfield College

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual (Restated) \$
Equity at 1 January		8,440,560	9,109,338	9,109,338
Effect of restatement	25			(448,796)
Equity at 1 January - As restated		8,440,560	9,109,338	8,660,542
Total comprehensive revenue and expense for the year		(502,419)	(462,594)	(306,545)
Contributions from the Ministry of Education		123,664	86,563	86,563
Contribution - Furniture and Equipment Grant				
Equity at 31 December		8,061,805	8,733,307	8,440,560

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 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual (Restated) \$
Current Assets				
Cash and Cash Equivalents	7	642,098	441,795	373,070
Accounts Receivable	8	1,096,205	995,668	961,268
GST Receivable		561	-	48,791
Prepayments		94,793	70,000	79,412
Inventories	9	276,695	204,043	204,043
Investments	10	1,564,347	1,540,000	2,040,589
Funds Receivable for Capital Works Projects	17	67,213	-	121,475
		3,741,912	3,251,506	3,828,648
Current Liabilities				
Accounts Payable	12	1,590,478	1,176,461	1,572,086
Revenue Received in Advance	13	507,786	520,000	343,181
Provision for Cyclical Maintenance	14	141,399	181,000	121,678
Finance Lease Liability	15	40,680	50,000	48,403
Funds held in Trust	16	385,672	171,742	171,742
Funds held for Capital Works Projects	17	869	140,000	275,076
		2,666,884	2,239,203	2,532,166
Working Capital Surplus/(Deficit)		1,075,028	1,012,303	1,296,482
Non-current Assets				
Property, Plant and Equipment	11	7,157,685	7,928,004	7,355,266
		7,157,685	7,928,004	7,355,266
Non-current Liabilities				
Provision for Cyclical Maintenance	14	153,974	157,000	161,198
Finance Lease Liability	15	16,934	50,000	49,990
		170,908	207,000	211,188
Net Assets		8,061,805	8,733,307	8,440,560
Equity		8,061,805	8,733,307	8,440,560

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 2022

	Note	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Cash flows from Operating Activities				
Government Grants		4,838,399	4,381,690	4,460,128
Locally Raised Funds		576,895	(81,485)	757,637
International Students		498,841	302,896	322,850
Goods and Services Tax (net)		48,230	48,791	(89,890)
Payments to Employees		(2,615,776)	(1,584,159)	(2,258,153)
Payments to Suppliers		(3,177,837)	(3,109,956)	(2,861,604)
Interest Paid		(12,257)	(9,000)	(8,971)
Interest Received		50,561	29,273	10,404
Net cash from/(to) Operating Activities		207,056	(21,950)	332,401
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		(2,407)	(136,852)	(1,602)
Purchase of Property Plant & Equipment (and Intangibles)		(477,814)	(336,712)	(359,670)
Purchase of Investments		-	-	(2,039,029)
Proceeds from Sale of Investments		476,242	500,589	-
Net cash from/(to) Investing Activities		(3,979)	27,025	(2,400,301)
Cash flows from Financing Activities				
Furniture and Equipment Grant		123,664	86,563	86,569
Finance Lease Payments		(51,699)	(9,313)	(51,242)
Funds Administered on Behalf of Third Parties		(6,014)	(13,600)	(417,146)
Net cash from/(to) Financing Activities		65,951	63,650	(381,819)
Net increase/(decrease) in cash and cash equivalents		269,028	68,725	(2,449,719)
Cash and cash equivalents at the beginning of the year	7	373,070	373,070	2,822,789
Cash and cash equivalents at the end of the year	7	642,098	441,795	373,070

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.



Lynfield College

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

a) 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 is of the view that the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

Reporting Period

The financial statements have been prepared for the period 1 January 2022 to 31 December 2022 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 expense 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 for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition. During the year, the Board assesses the reasonableness of its painting maintenance plan on which the provision is based. Cyclical maintenance is disclosed at note 14.

Useful lives of property, plant and equipment

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



Lynfield College

Notes to the Financial Statements

For the year ended 31 December 2022

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. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. 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. Finance lease liability disclosures are contained in note 15. Future operating lease commitments are disclosed in note 22b.

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.

c) Revenue Recognition

Government Grants

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

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

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

Other Ministry Grants for directly funded programs are recorded as revenue when the School has the rights to the funding in the period they relate to. The grants are not received in cash by the School and are paid directly 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. Grants for the use of land and buildings 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 where conditions exist

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 recognised as an asset and revenue when the right to receive funding or the asset has been established unless there is an obligation to return funds if conditions are not met. If conditions are not met funding is recognised as revenue in advance and recognised as revenue when conditions are satisfied.

Interest Revenue

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

d) 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.

e) 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.



Lynfield College

Notes to the Financial Statements

For the year ended 31 December 2022

f) Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for expected 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.

g) Inventories

Inventories are consumable items held for sale and comprised 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.

h) 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.

i) 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 (funded by the Board) to buildings owned by the Crown or directly by the board 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:

Building improvements	10 years
Board Owned Buildings	50 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



Lynfield College

Notes to the Financial Statements

For the year ended 31 December 2022

j) 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. If such indication exists, the School estimates the asset's recoverable service amount. 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.

In determining fair value less costs to sell the school engages an independent valuer to assess market value based on the best available 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. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognised.

k) 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.

l) Employee Entitlements

Short-term employee entitlements

Employee entitlements that are expected to be settled within 12 months after the end of the reporting period in which the employees provide the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned, 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 12 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. Remeasurements are recognised in surplus or deficit in the period in which they arise.

m) Revenue Received in Advance

Revenue received in advance relates to fees received from international students and other revenue received 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 international students, should the School be unable to provide the services to which they relate.

n) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense.

The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.



Lynfield College

Notes to the Financial Statements

For the year ended 31 December 2022

o) Funds held for Capital Works

The school directly receives funding from the Ministry of Education for capital works projects that are included in the School five year capital works agreement. These funds are held on behalf and for a specified purpose as such these transactions are not recorded in the Statement of Revenue and Expense.

The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

p) 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 the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition.

The School carries out painting maintenance of the whole school over a 7 to 10 year period, the economic outflow of this is dependent on the plan established by the school to meet this obligation and is detailed in the notes and disclosures of these accounts.

q) Financial Instruments

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

The School's financial liabilities comprise accounts payable and finance lease liability. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in surplus or deficit.

r) 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 statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

s) Budget Figures

The budget figures are extracted from the School budget that was approved by the Board.

u) 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.



Lynfield College

Notes to the Financial Statements

For the year ended 31 December 2022

2. Government Grants

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Government Grants - Ministry of Education	4,698,855	4,246,337	4,324,799
Teachers' Salaries Grants	10,609,424	9,135,167	10,493,125
Use of Land and Buildings Grants	2,715,233	3,822,517	2,547,524
Other Government Grants	139,544	135,353	135,329
	<u>18,163,056</u>	<u>17,339,374</u>	<u>17,500,777</u>

The school has opted in to the donations scheme for this year. Total amount received was \$244,500.

3. Locally Raised Funds

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

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
Revenue	\$	\$	\$
Donations & Bequests	30,685	25,880	39,288
Fees for Extra Curricular Activities	395,805	387,030	399,053
Trading	249,869	282,000	284,677
Other Revenue	13,656	8,106	13,737
International Student Fees	344,533	304,849	511,828
	<u>1,034,548</u>	<u>1,007,865</u>	<u>1,248,583</u>
Expenses			
Extra Curricular Activities Costs	74,131	64,500	74,450
Trading	245,761	261,300	263,812
International Student - Employee Benefit - Salaries	270,430	238,310	319,245
International Student - Other Expenses	74,074	64,629	96,697
	<u>664,396</u>	<u>628,739</u>	<u>754,204</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>370,152</u>	<u>379,126</u>	<u>494,379</u>

During the year the School hosted 37 International students (2021:35)

The marketing director made two international marketing trips. The purpose of these trips was to network with recruitment agencies and students.

a) The ICEF Asia Pacific which cost \$5.8k. This event provided network opportunities with overseas student recruitment agencies.

b) Attendance at the Bangkok Agent Seminar and Fair, and Vietnam Agent Seminar. Total cost of this trip was \$9.3k



Lynfield College

Notes to the Financial Statements

For the year ended 31 December 2022

4. Learning Resources

	2022 Actual	2022 Budget (Unaudited)	2021 Actual (Restated)
	\$	\$	\$
Curricular	878,098	961,077	758,659
Information and Communication Technology	333,694	333,039	313,638
Library Resources	4,454	5,409	2,658
Employee Benefits - Salaries	12,312,187	10,531,242	12,001,127
Staff Development	52,553	70,000	47,286
Depreciation	690,579	580,474	738,952
	<u>14,271,565</u>	<u>12,481,241</u>	<u>13,862,320</u>

There has been a \$99k reclassification between Curricular and Employee Benefits in 2021.

There was one overseas trip to the Vex Robotics Worlds 2022 competition, for which four students qualified. One teacher and four students attended. They did not place in the competition but students benefited from the international competition experience. The team gained recognition for Lynfield College nationally. Lynfield College is known for having a strong Robotics programme. The total cost of the trip was \$23,610, which was fully funded by donations, sponsorship and student contributions.

5. Administration

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Audit Fee	12,593	12,593	12,223
Board Fees	3,790	4,600	3,480
Board Expenses	37,194	32,063	18,111
Communication	14,641	16,000	12,816
Consumables	18,671	20,500	15,454
Other	60,483	83,265	65,738
Employee Benefits - Salaries	444,430	352,000	378,162
Insurance	68,706	70,000	54,406
Service Providers, Contractors and Consultancy	15,856	15,844	16,890
	<u>676,364</u>	<u>606,865</u>	<u>577,280</u>



Lynfield College

Notes to the Financial Statements

For the year ended 31 December 2022

6. Property

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	35,250	30,000	26,174
Consultancy and Contract Services	223,671	217,395	213,912
Cyclical Maintenance Provision	92,678	60,000	99,654
Grounds	218,300	220,000	191,921
Heat, Light and Water	214,033	182,000	154,628
Rates	272	245	261
Repairs and Maintenance	404,972	361,000	396,779
Use of Land and Buildings	2,715,233	3,822,517	2,547,524
Security	16,882	20,000	25,665
Employee Benefits - Salaries	207,674	192,831	208,348
	<u>4,128,965</u>	<u>5,105,988</u>	<u>3,864,866</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 nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

7. Cash and Cash Equivalents

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Bank Accounts	642,098	441,795	373,070
Cash and cash equivalents for Statement of Cash Flows	<u>642,098</u>	<u>441,795</u>	<u>373,070</u>

Of the \$642,098 Cash and Cash Equivalents, \$869 is held by the School on behalf of the Ministry of Education. These funds have been provided by the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2023 on Crown owned school buildings.

8. Accounts Receivable

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Receivables	155,812	995,668	32,395
Interest Receivable	8,417	-	7,273
Teacher Salaries Grant Receivable	931,976	-	921,600
	<u>1,096,205</u>	<u>995,668</u>	<u>961,268</u>
Receivables from Exchange Transactions	164,229	995,668	39,668
Receivables from Non-Exchange Transactions	931,976	-	921,600
	<u>1,096,205</u>	<u>995,668</u>	<u>961,268</u>



Lynfield College

Notes to the Financial Statements

For the year ended 31 December 2022

9. Inventories

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Stationery	27,460	21,916	21,916
School Uniforms	249,235	182,127	182,127
	<u>276,695</u>	<u>204,043</u>	<u>204,043</u>

10. Investments

The School's investment activities are classified as follows:

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	1,564,347	1,540,000	2,040,589
	<u>1,564,347</u>	<u>1,540,000</u>	<u>2,040,589</u>



Lynfield College

Notes to the Financial Statements

For the year ended 31 December 2022

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment/ Transfer	Depreciation	Total (NBV)
2022	\$	\$	\$	\$	\$	\$
Buildings	5,019,548		-		(140,018)	4,879,530
Building Improvements	964,248	113,596	-		(148,005)	929,839
Furniture and Equipment	672,768	178,418	-	-	(133,322)	717,864
Information and Communication Technology	490,989	174,063	-	-	(196,314)	468,738
Motor Vehicles	33,348	7,391	(2,444)	(397)	(13,135)	24,763
Leased Assets	99,537	10,921	-	-	(49,000)	61,458
Library Resources	74,828	11,450	-	-	(10,785)	75,493
Balance at 31 December 2022	7,355,266	495,839	(2,444)	(397)	(690,579)	7,157,685

The net carrying value of furniture and equipment held under a finance lease is \$61,458 (2021: \$99,537)

Restrictions

There are no restrictions over the title of the school's property, plant and equipment, nor are any property, plant and equipment pledged as security for liabilities.

	2022	2022	2022	2021	2021	2021
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation (Restated)	Net Book Value (Restated)
	\$	\$	\$	\$	\$	\$
Buildings	7,000,882	(2,121,352)	4,879,530	7,000,882	(1,981,334)	5,019,548
Building Improvements	2,084,701	(1,154,862)	929,839	1,971,105	(1,006,857)	964,248
Furniture and Equipment	2,985,598	(2,267,734)	717,864	2,807,180	(2,134,412)	672,768
Information and Communication Technology	3,537,980	(3,069,242)	468,738	3,363,917	(2,872,928)	490,989
Motor Vehicles	170,486	(145,723)	24,763	170,200	(136,852)	33,348
Leased Assets	410,156	(348,698)	61,458	399,236	(299,699)	99,537
Library Resources	270,027	(194,534)	75,493	258,577	(183,749)	74,828
Balance at 31 December	16,459,830	(9,302,145)	7,157,685	15,971,097	(8,615,831)	7,355,266

Please refer to note 25 for the details of the restatement made to the 2021 financial period



Lynfield College

Notes to the Financial Statements

For the year ended 31 December 2022

12. Accounts Payable

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Creditors	234,944	158,000	414,324
Accruals	190,633	200,000	12,758
Employee Entitlements - Salaries	982,250	818,461	981,653
Employee Entitlements - Leave Accrual	182,651	-	163,351
	<u>1,590,478</u>	<u>1,176,461</u>	<u>1,572,086</u>
Payables for Exchange Transactions	1,590,478	1,176,461	1,572,086
	<u>1,590,478</u>	<u>1,176,461</u>	<u>1,572,086</u>

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
International Student Fees in Advance	411,261	255,000	256,953
Other revenue in Advance	96,525	265,000	86,228
	<u>507,786</u>	<u>520,000</u>	<u>343,181</u>

14. Provision for Cyclical Maintenance

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Provision at the Start of the Year	282,876	282,876	280,873
Increase to the Provision During the Year	63,998	60,000	99,654
Use of the Provision During the Year	(51,501)	-	(97,651)
Provision at the End of the Year	<u>295,373</u>	<u>342,876</u>	<u>282,876</u>
Cyclical Maintenance - Current	141,399	181,000	121,678
Cyclical Maintenance - Non current	153,974	157,000	161,198
	<u>295,373</u>	<u>338,000</u>	<u>282,876</u>

The schools cyclical maintenance schedule details annual painting to be undertaken, the costs associated to this annual work will vary dependent on the requirements during the year. This plan is based on the schools 10 Year Property plan



Lynfield College

Notes to the Financial Statements

For the year ended 31 December 2022

15. Finance Lease Liability

The School has entered into a number of finance lease agreements for computers and other ICT equipment. Minimum lease payments payable:

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
No Later than One Year	44,116	55,000	54,950
Later than One Year and no Later than Five Years	17,983	55,000	53,116
Future Finance Charges	(4,485)	(10,000)	(9,673)
	<u>57,614</u>	<u>100,000</u>	<u>98,393</u>
Represented by			
Finance lease liability - Current	40,680	50,000	48,403
Finance lease liability - Non current	16,934	50,000	49,990
	<u>57,614</u>	<u>100,000</u>	<u>98,393</u>

16. Funds held in Trust

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Funds Held in Trust on Behalf of Third Parties - Current	385,672	171,742	171,742
	<u>385,672</u>	<u>171,742</u>	<u>171,742</u>

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



Lynfield College

Notes to the Financial Statements

For the year ended 31 December 2022

17. 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. The amount of cash held on behalf of the Ministry for capital works project is included under cash and cash equivalents in note 7.

2022	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
A Block Internal Refurb	275,077	72,571	(372,406)	-	(24,758)
Astro Turf on Asphalt Courts	(22,924)	22,924	-	-	-
F Block Refurb	(71,527)	81,544	(10,017)	-	-
Fibre Optic Cabling E&B Block	(12,564)	-	(7,253)	-	(19,817)
Library Mezzanine Reading Room	(14,461)	17,010	(2,549)	-	-
Lower Gym Internal Refurbishment	-	-	411	-	411
Security Gates (Gate 1&2)	-	-	308	-	308
HVAC G Block Science	-	45,000	(44,850)	-	150
School Project - Staffroom to Hall Canopy	-	88,110	(110,748)	-	(22,638)
Gym Weathertightness	-	37,127	(37,127)	-	-
Totals	153,601	364,286	(584,231)	-	(66,344)

Represented by:

Funds Held on Behalf of the Ministry of Education

869

Funds Receivable from the Ministry of Education

(67,213)

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

Represented by:

Funds Held on Behalf of the Ministry of Education

275,076

Funds Receivable from the Ministry of Education

(121,475)



Lynfield College

Notes to the Financial Statements

For the year ended 31 December 2022

18. 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.



Lynfield College

Notes to the Financial Statements

For the year ended 31 December 2022

19. Remuneration

Key management personnel compensation

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

	2022 Actual \$	2021 Actual \$
<i>Board Members</i>		
Remuneration	3,790	3,480
<i>Leadership Team</i>		
Remuneration	1,018,235	992,012
Full-time equivalent members	7	7
Total key management personnel remuneration	1,022,025	995,492

There are 7 members of the Board excluding the Principal. The Board had held 9 full meetings of the Board in the year. As well as these regular meetings, including preparation time, the Presiding member 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:

	2022 Actual \$000	2021 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	220 - 230	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	2022 FTE Number	2021 FTE Number
130 - 140	4.00	3.00
120 - 130	2.00	2.00
110 - 120	11.00	10.00
100 - 110	18.00	21.00
	35.00	36.00

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

20. Compensation and Other Benefits Upon Leaving

There was no compensation or other benefits paid or payable to any persons who ceased to be board members, committee members, or employees during the financial year in relation to that cessation.



Lynfield College

Notes to the Financial Statements

For the year ended 31 December 2022

21. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at **31 December 2022** (Contingent liabilities and assets at **31 December 2021**: nil).

Holidays Act Compliance – Schools Payroll

The Ministry of Education performs payroll processing and payments on behalf of boards, 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 2022, a contingent liability for the school may exist.

22. Commitments

(a) Capital Commitments

As at 31 December 2022 the Board has not entered into contract agreements for capital works.

(Capital commitments at 31 December 2021: \$Nil)

(b) Operating Commitments

As at 31 December 2022 the Board has not entered into any contracts.



Lynfield College

Notes to the Financial Statements

For the year ended 31 December 2022

23. Financial Instruments

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

Financial assets measured at amortised cost

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Cash and Cash Equivalents	642,098	441,795	373,070
Receivables	1,096,205	995,668	961,268
Investments - Term Deposits	1,564,347	1,540,000	2,040,589
Total Financial assets measured at amortised cost	<u>3,302,650</u>	<u>2,977,463</u>	<u>3,374,927</u>

Financial liabilities measured at amortised cost

Payables	1,590,478	1,176,461	1,572,086
Finance Leases	57,614	100,000	98,393
Total Financial Liabilities Measured at Amortised Cost	<u>1,648,092</u>	<u>1,276,461</u>	<u>1,670,479</u>

24. Events After Balance Date

Subsequent events – extreme weather events

During February 2023 the North Island of New Zealand was struck by several extreme weather events which resulted in widespread flooding, road closures, slips, and prolonged power and water outages for many communities in the Northland, Auckland, Coromandel, Bay of Plenty, Gisborne, and Hawkes Bay/Tairāwhiti regions.

While many schools were able to reopen soon after the extreme weather events, some schools have remained closed for a prolonged period.

The damage caused by extreme weather events in the Auckland region was not significant to the school. The school continued to receive funding from the Ministry of Education, even while closed.

25. Prior Period Restatement

The prior period comparatives have been restated to reflect a correction in the treatment of depreciation on property plant and equipment. There has been an error in the calculation of depreciation whereby this was being calculated on net book value rather than cost.

The adjustment has had the following impact on the comparative values:

- Decrease in the net book value of assets by \$668.7k
- Increase in depreciation expense by \$102.9k
- Decrease in the net deficit by \$102.9k to \$306.5k
- The opening retained earnings has been restated by \$448.8k





INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF LYNFIELD COLLEGE'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 22, that comprise the statement of financial position as at 31 December 2022, 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 2022 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 21 September 2023. 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, Statement of Compliance with Employment Policy 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", written over a horizontal line.

Matt Laing

Partner

for Deloitte Limited

On behalf of the Auditor-General

Hamilton, New Zealand