

LYNFIELD COLLEGE

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

School Directory

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

Members of the Board:

Name	Position	How Position Gained	Term Expired/Expires
Luke Jackson	Chairperson	Elected Oct 22	Sep 2025
Cath Knell	Principal	ex-Officio	
Ravi Nyayapati	Elected Member	Elected Oct 2022	Sep 2025
Geetika Aulakh	Elected Member	Elected Oct 2022	Sep 2025
John Maka	Elected Member	Elected Oct 2022	Sep 2025
Kristelle Varney	Elected Member	Elected Oct 2022	Sep 2025
Richard Winn	Staff Representative	Elected Oct 2022	Sep 2025
Neel Kumar	Student Representative	Elected Sep 2022	Sep 2023
Rishitt Walavalkar	Student Representative	Elected Sep 2023	Sep 2024

Accountant / Service Provider:

Edtech Financial Services Ltd

LYNFIELD COLLEGE

Annual Financial Statements - For the year ended 31 December 2023

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Lynfield College

Statement of Responsibility

For the year ended 31 December 2023

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 2023 fairly reflects the financial position and operations of the school.

The School's 2023 financial statements are authorised for issue by the Board.

Luke Jackson

Full Name of Chairperson



Signature of Chairperson

24 June 2024

Date:

Catherine Mary Knell

Full Name of Principal



Signature of Principal

24 June 2024

Date:

Lynfield College

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Revenue				
Government Grants	2	20,989,668	17,604,845	18,163,056
Locally Raised Funds	3	1,626,251	1,369,692	1,034,548
Interest		115,975	70,000	51,705
Gain on Sale of Property, Plant and Equipment		500	-	-
Total Revenue		22,732,394	19,044,537	19,249,309
Expense				
Locally Raised Funds	3	1,048,749	1,014,060	664,396
Learning Resources	4	16,150,202	12,344,073	14,271,565
Administration	5	925,730	764,540	676,364
Interest		6,138	9,000	8,031
Property	6	4,982,827	5,173,664	4,128,965
Loss on Disposal of Property, Plant and Equipment		9,452	-	2,407
Total Expense		23,123,098	19,305,337	19,751,728
Net Surplus / (Deficit) for the year		(390,704)	(260,800)	(502,419)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		(390,704)	(260,800)	(502,419)

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 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Equity at 1 January		8,061,805	8,313,632	8,440,560
Total comprehensive revenue and expense for the year		(390,704)	(260,800)	(502,419)
Contribution - Furniture and Equipment Grant		174,023	-	123,664
Equity at 31 December		7,845,124	8,052,832	8,061,805
Accumulated comprehensive revenue and expense		7,845,124	8,052,832	8,061,805
Reserves		-	-	-
Equity at 31 December		7,845,124	8,052,832	8,061,805

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 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Current Assets				
Cash and Cash Equivalents	7	1,239,144	780,012	642,098
Accounts Receivable	8	1,577,208	1,270,000	1,096,205
GST Receivable		3,658	-	561
Prepayments		162,218	95,000	94,793
Inventories	9	335,264	270,000	276,695
Investments	10	1,113,435	1,500,000	1,564,347
Funds Receivable for Capital Works Projects	17	-	-	67,213
		<u>4,430,927</u>	<u>3,915,012</u>	<u>3,741,912</u>
Current Liabilities				
GST Payable		-	12,000	-
Accounts Payable	12	2,176,732	1,664,500	1,590,478
Revenue Received in Advance	13	554,722	490,000	507,786
Provision for Cyclical Maintenance	14	81,443	130,177	141,399
Finance Lease Liability	15	41,913	45,000	40,680
Funds held in Trust	16	447,044	386,000	385,672
Funds held for Capital Works Projects	17	59,662	50,000	869
		<u>3,361,516</u>	<u>2,777,677</u>	<u>2,666,884</u>
Working Capital Surplus/(Deficit)		1,069,411	1,137,335	1,075,028
Non-current Assets				
Property, Plant and Equipment	11	6,991,868	7,165,695	7,157,685
		<u>6,991,868</u>	<u>7,165,695</u>	<u>7,157,685</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	166,559	233,198	153,974
Finance Lease Liability	15	49,596	17,000	16,934
		<u>216,155</u>	<u>250,198</u>	<u>170,908</u>
Net Assets		<u>7,845,124</u>	<u>8,052,832</u>	<u>8,061,805</u>
Equity		<u>7,845,124</u>	<u>8,052,832</u>	<u>8,061,805</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 2023

	Note	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Cash flows from Operating Activities				
Government Grants		5,390,183	4,898,988	4,838,399
Locally Raised Funds		631,227	326,593	576,895
International Students		793,587	851,125	498,841
Goods and Services Tax (net)		(3,096)	12,561	48,230
Payments to Employees		(2,988,095)	(2,414,932)	(2,615,776)
Payments to Suppliers		(3,614,425)	(3,002,012)	(3,177,837)
Interest Paid		(6,138)	(9,000)	(12,257)
Interest Received		103,413	68,417	50,561
Net cash from/(to) Operating Activities		306,656	731,740	207,056
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		(8,951)	(6,627)	(2,407)
Purchase of Property Plant & Equipment (and Intangibles)		(456,498)	(759,612)	(477,814)
Proceeds from Sale of Investments		450,912	64,347	476,242
Net cash from/(to) Investing Activities		(14,537)	(701,892)	(3,979)
Cash flows from Financing Activities				
Furniture and Equipment Grant		174,023	-	123,664
Finance Lease Payments		(56,474)	(8,606)	(51,699)
Funds Administered on Behalf of Other Parties		187,378	116,672	(6,014)
Net cash from/(to) Financing Activities		304,927	108,066	65,951
Net increase/(decrease) in cash and cash equivalents		597,046	137,914	269,028
Cash and cash equivalents at the beginning of the year	7	642,098	642,098	373,070
Cash and cash equivalents at the end of the year	7	1,239,144	780,012	642,098

The Statement of Cash Flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries, use of land and buildings grant and expense and other notional items 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 2023

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 2023 to 31 December 2023 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.

Lynfield College

Notes to the Financial Statements

For the year ended 31 December 2023

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.

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.

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.

Lynfield College

Notes to the Financial Statements

For the year ended 31 December 2023

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.

Teacher 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 2023

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 are 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 material.

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.

Lynfield College

Notes to the Financial Statements

For the year ended 31 December 2023

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	1-10 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

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 surplus or deficit.

The reversal of an impairment loss is recognised in 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.

Lynfield College

Notes to the Financial Statements

For the year ended 31 December 2023

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 and annual leave earned, by non teaching staff, 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, grants and other revenue received where there are unfulfilled obligations for the School to provide services in the future. The fees or grants are recorded as revenue as the obligations are fulfilled and the fees or grants are 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 Comprehensive Revenue and Expense.

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

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 Comprehensive 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 2023

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.

t) 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 2023

2. Government Grants

	2023	2023	2022
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Government Grants - Ministry of Education	5,217,169	4,608,099	4,698,855
Teachers' Salaries Grants	12,308,688	9,135,167	10,609,424
Use of Land and Buildings Grants	3,366,505	3,822,517	2,715,233
Other Government Grants	97,306	39,062	139,544
	<u>20,989,668</u>	<u>17,604,845</u>	<u>18,163,056</u>

The school has opted in to the donations scheme for this year. Total amount received was \$243,509.

3. Locally Raised Funds

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

	2023	2023	2022
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Revenue			
Donations & Bequests	24,187	22,500	30,685
Fees for Extra Curricular Activities	490,610	150,000	395,805
Trading	331,297	336,000	249,869
Other Revenue	12,385	8,806	13,656
International Student Fees	767,772	852,386	344,533
	<u>1,626,251</u>	<u>1,369,692</u>	<u>1,034,548</u>
Expense			
Extra Curricular Activities Costs	89,212	150,000	74,131
Trading	318,663	254,650	245,761
International Student - Student Recruitment	92,814	118,525	45,763
International Student - Employee Benefits - Salaries	476,928	403,355	270,430
International Student - Other Expenses	71,132	87,530	28,311
	<u>1,048,749</u>	<u>1,014,060</u>	<u>664,396</u>
<i>Surplus/ (Deficit) for the year Locally Raised Funds</i>	<u>577,502</u>	<u>355,632</u>	<u>370,152</u>

Lynfield College

Notes to the Financial Statements

For the year ended 31 December 2023

4. Learning Resources

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Curricular	1,061,716	620,741	878,098
Information and Communication Technology	361,589	329,729	333,694
Library Resources	4,125	4,815	4,454
Employee Benefits - Salaries	13,969,003	10,550,567	12,312,187
Staff Development	41,085	67,000	52,553
Depreciation	712,684	771,221	690,579
	<u>16,150,202</u>	<u>12,344,073</u>	<u>14,271,565</u>

5. Administration

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Audit Fees	12,439	12,971	12,593
Board Fees	3,310	4,600	3,790
Board Expenses	20,398	24,300	37,194
Communication	12,098	17,000	14,641
Consumables	15,886	28,000	18,671
Other	90,570	174,400	60,483
Employee Benefits - Salaries	671,436	403,000	444,430
Insurance	83,314	84,000	68,706
Service Providers, Contractors and Consultancy	16,279	16,269	15,856
	<u>925,730</u>	<u>764,540</u>	<u>676,364</u>

6. Property

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	41,657	30,000	35,250
Consultancy and Contract Services	238,823	240,640	223,671
Cyclical Maintenance	9,419	72,000	92,678
Grounds	255,724	220,000	218,300
Heat, Light and Water	191,154	213,000	214,033
Rates	-	245	272
Repairs and Maintenance	598,295	360,510	404,972
Use of Land and Buildings	3,366,505	3,822,517	2,715,233
Security	40,483	20,000	16,882
Employee Benefits - Salaries	240,767	194,752	207,674
	<u>4,982,827</u>	<u>5,173,664</u>	<u>4,128,965</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.



Lynfield College

Notes to the Financial Statements

For the year ended 31 December 2023

7. Cash and Cash Equivalents

	2023	2023	2022
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Bank Accounts	739,144	780,012	642,098
Short-term Bank Deposits	500,000	-	-
Cash and cash equivalents for Statement of Cash Flows	<u>1,239,144</u>	<u>780,012</u>	<u>642,098</u>

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

Of the \$1,239,144 Cash and Cash Equivalents, \$59,662 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 2024 on Crown owned school buildings.

8. Accounts Receivable

	2023	2023	2022
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Receivables	328,477	330,000	155,812
Interest Receivable	20,978	10,000	8,417
Teacher Salaries Grant Receivable	1,227,753	930,000	931,976
	<u>1,577,208</u>	<u>1,270,000</u>	<u>1,096,205</u>
Receivables from Exchange Transactions	349,455	340,000	164,229
Receivables from Non-Exchange Transactions	1,227,753	930,000	931,976
	<u>1,577,208</u>	<u>1,270,000</u>	<u>1,096,205</u>

9. Inventories

	2023	2023	2022
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Stationery	39,708	25,000	27,460
School Uniforms	295,556	245,000	249,235
	<u>335,264</u>	<u>270,000</u>	<u>276,695</u>

Lynfield College

Notes to the Financial Statements

For the year ended 31 December 2023

10. Investments

The School's investment activities are classified as follows:

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
Current Asset	\$	\$	\$
Short-term Bank Deposits	1,113,435	1,500,000	1,564,347
Total Investments	1,113,435	1,500,000	1,564,347

11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2023						
Buildings	4,879,530	-	-	-	(140,016)	4,739,514
Building Improvements	929,839	64,499	-	-	(158,311)	836,027
Furniture and Equipment	717,864	168,477	-	-	(132,787)	753,554
Information and Communication Technology	468,738	219,157	-	-	(201,396)	486,499
Motor Vehicles	24,763	-	-	-	(12,207)	12,556
Leased Assets	61,458	90,369	-	-	(57,985)	93,842
Library Resources	75,493	13,816	(9,451)	-	(9,982)	69,876
Balance at 31 December 2023	7,157,685	556,318	(9,451)	-	(712,684)	6,991,868

The net carrying value of furniture and equipment held under a finance lease is \$93,842 (2022: \$61,458)

Restrictions

With the exception of the contractual restrictions related to the above noted finance leases, 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.

	2023 Cost or Valuation \$	2023 Accumulated Depreciation \$	2023 Net Book Value \$	2022 Cost or Valuation \$	2022 Accumulated Depreciation \$	2022 Net Book Value \$
Buildings	7,000,882	(2,261,368)	4,739,514	7,000,882	(2,121,352)	4,879,530
Building Improvements	2,149,200	(1,313,173)	836,027	2,084,701	(1,154,862)	929,839
Furniture and Equipment	3,154,075	(2,400,521)	753,554	2,985,598	(2,267,734)	717,864
Information and Communication Technology	3,757,137	(3,270,638)	486,499	3,537,980	(3,069,242)	468,738
Motor Vehicles	170,486	(157,930)	12,556	170,486	(145,723)	24,763
Leased Assets	500,525	(406,683)	93,842	410,156	(348,698)	61,458
Library Resources	250,037	(180,161)	69,876	270,027	(194,534)	75,493
Balance at 31 December	16,982,342	(9,990,474)	6,991,868	16,459,830	(9,302,145)	7,157,685



Lynfield College

Notes to the Financial Statements

For the year ended 31 December 2023

12. Accounts Payable

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Creditors	522,828	240,000	234,944
Accruals	131,875	260,000	190,633
Employee Entitlements - Salaries	1,271,274	982,000	982,250
Employee Entitlements - Leave Accrual	250,755	182,500	182,651
	<u>2,176,732</u>	<u>1,664,500</u>	<u>1,590,478</u>
Payables for Exchange Transactions	<u>2,176,732</u>	<u>1,664,500</u>	<u>1,590,478</u>
	<u>2,176,732</u>	<u>1,664,500</u>	<u>1,590,478</u>

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Grants in Advance - Ministry of Education	75,708	-	-
International Student Fees in Advance	437,076	410,000	411,261
Other revenue in Advance	41,938	80,000	96,525
	<u>554,722</u>	<u>490,000</u>	<u>507,786</u>

14. Provision for Cyclical Maintenance

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Provision at the Start of the Year	295,373	295,373	282,876
Increase to the Provision During the Year	9,419	72,000	63,998
Other Adjustments	(56,790)	-	(51,501)
Provision at the End of the Year	<u>248,002</u>	<u>367,373</u>	<u>295,373</u>
Cyclical Maintenance - Current	81,443	130,177	141,399
Cyclical Maintenance - Non current	166,559	233,198	153,974
	<u>248,002</u>	<u>363,375</u>	<u>295,373</u>

Per the cyclical maintenance schedule, the school is next expected to undertake painting works during 2024. This plan is based on the schools 10 Year Property plan.

Lynfield College

Notes to the Financial Statements

For the year ended 31 December 2023

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:

	2023	2023	2022
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
No Later than One Year	48,005	54,000	44,116
Later than One Year and no Later than Five Years	53,502	17,000	17,983
Future Finance Charges	(9,998)	(9,000)	(4,485)
	<u>91,509</u>	<u>62,000</u>	<u>57,614</u>
Represented by			
Finance lease liability - Current	41,913	45,000	40,680
Finance lease liability - Non current	49,596	17,000	16,934
	<u>91,509</u>	<u>62,000</u>	<u>57,614</u>

16. Funds held in Trust

	2023	2023	2022
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Funds Held in Trust on Behalf of Third Parties - Current	447,044	386,000	385,672
	<u>447,044</u>	<u>386,000</u>	<u>385,672</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 2023

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.

2023	Opening Balances	Receipts from MOE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
A Block Internal Refurb	(24,758)	28,547	(520)	-	3,269
Fibre Optic Cabling E&B Block	(19,817)	-	-	19,817	-
Lower Gym Internal Refurbishment	411	-	-	-	411
Security Gates (Gate 1&2)	308	-	-	-	308
HVAC G Block Science	150	-	-	-	150
School Project - Staffroom to Hall Canopy	(22,638)	22,674	-	-	36
B & L Block Flooding	-	87,130	(31,642)	-	55,488
Drainage 53a Kimber Hall Ave	-	44,545	(44,545)	-	-
Field Drainage 7, 7a Kimber Hall Ave	-	86,987	(86,987)	-	-
Totals	(66,344)	269,883	(163,694)	19,817	59,662

Represented by:

Funds Held on Behalf of the Ministry of Education	59,662
Funds Receivable from the Ministry of Education	-

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)

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 2023

19. Remuneration

Key management personnel compensation

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

	2023	2022
	Actual	Actual
	\$	\$
<i>Board Members</i>		
Remuneration	3,310	3,790
 <i>Leadership Team</i>		
Remuneration	1,125,987	1,018,235
Full-time equivalent members	7	7
 Total key management personnel remuneration	1,129,297	1,022,025

There are 7 members of the Board excluding the Principal. The Board has held 10 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:

	2023	2022
	Actual	Actual
	\$000	\$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	240-250	220-230
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	2023	2022
\$000	FTE Number	FTE Number
150-160	2.00	0.00
140-150	3.00	0.00
130-140	1.00	4.00
120-130	18.00	2.00
110-120	16.00	11.00
100-110	25.00	18.00
	65.00	35.00

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

Lynfield College

Notes to the Financial Statements

For the year ended 31 December 2023

20. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2023 (Contingent liabilities and assets at 31 December 2022: 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 continues to review the Schools Sector Payroll to ensure compliance with the Holidays Act 2003. An initial remediation payment has been made to some current school employees. The Ministry is continuing to perform detailed analysis to finalise calculations and the potential impacts of specific individuals, as such, this is expected to resolve the liability for school boards.

Pay Equity Settlement Wash-up Amounts

The Ministry of Education provided additional funding for non-teaching collective and pay equity agreements. The school is yet to receive a final wash-up that adjusts the estimated quarterly instalments for the actual eligible staff members employed. The Ministry is in the process of determining wash-up payments or receipts. However, as at the reporting date, this amount had not been calculated and therefore is not recorded in these financial statements.

21. Commitments

(a) Capital Commitments

At 31 December 2023, the Board had not entered into any contract agreements for capital works (2022:\$Nil).

(b) Operating Commitments

As at 31 December 2023, the Board had not entered into any new contracts.

Lynfield College

Notes to the Financial Statements

For the year ended 31 December 2023

22. 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

	2023	2023	2022
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Cash and Cash Equivalents	1,239,144	780,012	642,098
Receivables	1,577,208	1,270,000	1,096,205
Investments - Term Deposits	1,113,435	1,500,000	1,564,347
Total financial assets measured at amortised cost	<u>3,929,787</u>	<u>3,550,012</u>	<u>3,302,650</u>

Financial liabilities measured at amortised cost

Payables	2,176,732	1,664,500	1,590,478
Finance Leases	91,509	62,000	57,614
Total financial liabilities measured at amortised cost	<u>2,268,241</u>	<u>1,726,500</u>	<u>1,648,092</u>

23. Events After Balance Date

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



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF LYNFIELD COLLEGE'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The Auditor-General is the auditor of Lynfield College (the College). The Auditor-General has appointed me, Bruno Dente, 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 2023, 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 2023 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 24 June 2024. 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 arise from section 134 of the Education and Training Act 2020.

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 arises from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information including List of Board of Trustees, Statement of Responsibility, Statement of Variance, Statement of student progress, KiwiSport Report and Statement of Compliance with Employment Policy, 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 (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

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



Bruno Dente

Partner

for Deloitte Limited

On behalf of the Auditor-General

Hamilton, New Zealand