ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

LINDISFARNE COLLEGE

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

School Directory

Ministry Number: 230

Principal: Mr Stuart Hakeney

School Address: 600 Pakowhai Road, Hastings

School Postal Address: PO Box 2341, Hastings 4153

School Phone: 06 873 1136

School Email: reception@lindisfarne.school.nz

Members of the Board:

Name	Position	How Position Gained	Term Expired/ Expires
Mrs Sharon Wards	Presiding Member	Proprietor	2025
Mr Stuart Hakeney	Principal ex Officio		
Mr Karl Goodchild	Parent Representative	Elected	2026
Mrs Dianna Kirkland	Parent Representative	Elected	2026
Mrs Sharlene Taylor	Parent Representative	Elected	2025
Mr Shayne Walker	Parent Representative	Elected	2025
Mrs Karen Holder	Parent Representative	Elected	2025
Mrs Joanne Dowley	Parent Representative	Elected	2023
Dr John Wakeman	Proprietors Representative	Proprietor	2025
Mr Jim Syme	Proprietors Representative	Proprietor	2025
Mrs Adele Kenny	Staff Representative	Elected	2025
Mr Heremia McGarvey	Student Representative	Elected	2023
Mr Fergus Morunga	Student Representative	Elected	2024

Accountant/Service Provider: Barry Law

LINDISFARNE COLLEGE

Annual Financial Statements - For the year ended 31 December 2023

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Lindisfarne 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.

Sharlene Taylor	STUART DAVID HACKNEY
Full Name of Presiding Member	Full Name of Rector
Signature of Presiding Member	Signature of Rector
31 May 2024	31 May 2024
Date:	Date:

Lindisfarne 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	5,652,742	5,398,653	5,255,621
Locally Raised Funds	3	2,981,524	3,139,900	2,725,426
Use of Proprietor's Land and Buildings		832,500	621,800	621,800
Interest		30,594	1,000	4,667
Other Revenue		-	-	45,913
Total Revenue		9,497,360	9,161,353	8,653,427
Locally Raised Funds	3	284,185	331,000	200,964
Learning Resources	4	7,139,286	6,976,380	6,645,334
Administration	5	451,773	459,500	457,903
Interest		9,596	8,000	8,017
Property	6	1,663,723	1,382,300	1,359,202
Loss on Disposal of Property, Plant and Equipment		4,676	3,000	1,967
Total Expense		9,553,239	9,160,180	8,673,387
Net Surplus / (Deficit) for the year		(55,879)	1,173	(19,960)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		(55,879)	1,173	(19,960)

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

Lindisfarne 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		638,795	638,795	636,180
Total comprehensive revenue and expense for the year		(55,879)	1,173	(19,960)
Contribution - Furniture and Equipment Grant		112,422	25,000	22,575
Equity at 31 December		695,338	664,968	638,795
Equity at 31 December		695,338	664,968	638,795

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.

Lindisfarne 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	764,186	675,000	600,643
Accounts Receivable	8	453,419	717,000	847,778
GST Receivable		18,264	15,000	37,019
Prepayments		3,647	4,581	4,187
Investments	9	513,931	-	-
		1,753,447	1,411,581	1,489,627
Current Liabilities				
Accounts Payable	11	875,423	730,000	793,600
Revenue Received in Advance	12	174,395	100,000	132,529
Provision for Cyclical Maintenance	13	182,549	150,000	135,219
Finance Lease Liability	14	37,412	35,000	35,778
Funds held in Trust	15	43,372	-	-
		1,313,151	1,015,000	1,097,126
Working Capital Surplus/(Deficit)		440,296	396,581	392,501
Non-current Assets				
Property, Plant and Equipment	10	693,061	677,387	679,605
Intangible Assets		-	-	-
		693,061	677,387	679,605
Non-current Liabilities				
Provision for Cyclical Maintenance	13	379,277	350,000	358,153
Finance Lease Liability	14	58,841	59,000	75,128
		438,118	409,000	433,281
Net Assets		695,239	664,968	638,795
Equity		695,338	664,968	638,795

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

Lindisfarne 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		1,415,290	1,320,448	1,431,791
Locally Raised Funds		4,109,395	2,931,200	2,890,476
International Students		210,471	308,700	
Goods and Services Tax (net)		13,846	(15,000)	(37,019)
Payments to Employees		(2,754,485)	(2,169,000)	(2,493,801)
Payments to Suppliers		(2,228,821)	(1,426,978)	(1,954,232)
Interest Paid		(9,596)	(8,000)	(8,017)
Interest Received		29,402	1,000	4,667
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		(4,676)	(1,000)	
Purchase of Property Plant & Equipment (and Intangibles)		(148,859)	(873,387)	(157,327)
Purchase of Investments		(513,931)	-	
Proceeds from Sale of Investments		-	-	
Net cash from/(to) Investing Activities		(667,466)	(874,387)	(157,327)
Cash flows from Financing Activities				
Furniture and Equipment Grant		89,847	25,000	3,742
Finance Lease Payments		(87,712)	(18,626)	(26,846)
Funds Administered on Behalf of Other Parties		43,372	-	
Net cash from/(to) Financing Activities		45,507	6,374	(23,104)
Net increase/(decrease) in cash and cash equivalents		163,543	74,357	(346,566)
Cash and cash equivalents at the beginning of the year	7	600,643	600,643	947,209
Cash and cash equivalents at the end of the year	7	764,186	675,000	600,643

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.

Lindisfarne College
Notes to the Financial Statements
For the year ended 31 December 2023

1. Statement of Accounting Policies

Lindisfarne 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

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 Proprietors 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 13.

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 10.

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 14. Future operating lease commitments are disclosed in note 19.

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 Proprietor. Donations for the use of land and buildings are received in cash by the school as they equate to the expense for using the land and buildings. This expense is based on 5% of the land and buildings as used for rating purposes.

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) Operating Lease Payments
Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight line basis over the term of the lease.

e) 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.

f) 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.

g) 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.

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 Proprietor are excluded from these financial statements. The Board's use of the land and buildings as 'occupant' is based on a property occupancy document.

Improvements (funded by the Board) to buildings owned by the Proprietor 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	10–75 years
Board Owned Buildings	10–75 years
Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

j) Intangible Assets
Software costs
Computer software acquired by the School are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance and research expenditure are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

k) Impairment of property, plant, and equipment and intangible assets
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 and intangible assets 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. The valuation is based on [details of the valuer's approach to determining market value (i.e. what valuation techniques have been employed, comparison to recent market transaction etc.)].

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.

l) 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.

m) 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.

n) Revenue Received in Advance
Revenue received in advance relates to fees received from international students 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.

o) 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.

p) Provision for Cyclical Maintenance
The property from which the School operates is owned by the Proprietor The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision is a reasonable estimate, based on 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, except for investments that are shares, are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

Investments that are shares are categorised as 'financial assets at fair value through other comprehensive revenue and expense' for accounting purposes in accordance with financial reporting standards. On initial recognition of an equity investment that is not held for trading, the School may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive revenue and expense. This election has been made for investments that are shares. Subsequent to initial recognition, these assets are measured at fair value. Dividends are recognised as income in surplus or deficit unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive revenue and expense and are never reclassified to surplus or deficit.

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract 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) Borrowings
Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the school has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

s) 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.

t) 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.

2. Government Grants

	2023 Actual $	2023 Budget (Unaudited) $	2022 Actual $
Government Grants - Ministry of Education	1,217,122	1,243,653	1,258,395
Teachers' Salaries Grants	4,219,790	4,000,000	3,823,830
Other Government Grants	215,830	155,000	173,396
	5,652,742	5,398,653	5,255,621

3. Locally Raised Funds

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

	2023 Actual	2023 Budget	2022 Actual
Donations & Bequests	2,660,000	2,800,000	2,571,750
Curriculum related Activities - Purchase of goods and services	36,675	30,000	6,116
Donations Other	50	20,000	3,078
Other Revenue	101,798	81,200	3,612
International Student Fees	183,001	208,700	140,870
	2,981,524	3,139,900	2,725,426
Expense			
Extra Curricular Activities Costs	38,361	35,000	13,195
International Student - Student Recruitment	10,605	20,000	16,149
International Student -Employee Benefits - Salaries	194,232	230,000	147,095
International Student - Other Expenses	40,987	46,000	24,525
	284,185	331,000	200,964
Surplus/ (Deficit) for the year Locally Raised Funds	2,697,339	2,808,900	2,524,462

Donations include $2,660,000 from Lindisfarne Proprietors Trust Board.

During the year, the School hosted 13 International students (2022:14)

4. Learning Resources

	2023 Actual $	2023 Budget (Unaudited) $	2022 Actual $
Curricular	513,499	564,155	451,079
Information and Communication Technology	55,917	57,225	51,503
Library Resources	12,113	12,000	12,186
Employee Benefits - Salaries	6,321,744	6,109,000	5,916,008
Staff Development	27,581	40,000	29,699
Depreciation	208,432	194,000	184,859
	7,139,286	6,976,380	6,645,334

5. Administration

	2023 Actual $	2023 Budget (Unaudited) $	2022 Actual $
Audit Fees	11,921	10,500	10,312
Board Fees	3,646	4,500	4,270
Board Expenses	3,995	3,000	2,123
Communication	48,369	44,000	32,852
Consumables	17,084	12,000	12,445
Legal Fees	1,730	2,000	-
Other	32,039	40,000	51,815
Employee Benefits - Salaries	298,699	300,000	310,816
Insurance	23,081	23,500	24,065
Conference Expenses	11,209	20,000	9,205
	451,773	459,500	457,903

6. Property

	2023 Actual $	2023 Budget (Unaudited) $	2022 Actual $
Caretaking and Cleaning Consumables	-	-	27,667
Consultancy and Contract Services	90,000	90,000	84,000
Cyclical Maintenance	113,033	75,000	72,307
Grounds	36,920	40,000	89,601
Heat, Light and Water	128,039	127,000	130,028
Rates	4,081	4,500	3,818
Repairs and Maintenance	232,504	204,000	128,383
Use of Land and Buildings	832,500	621,800	621,800
Employee Benefits - Salaries	226,646	220,000	201,598
	1,663,723	1,382,300	1,359,202

The use of land and buildings figure represents 5% of the school’s total property value. Property values are established by HDC for rating purposes.

7. Cash and Cash Equivalents

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	$	$	$
Bank Accounts	764,186	675,000	600,643
Cash and cash equivalents for Statement of Cash Flows	764,186	675,000	600,643

Of the $764,186 Cash and Cash Equivalents, $160,000 is held by the School on behalf of International Students tuition fees paid in advance.

Of the $764,186 Cash and Cash Equivalents, $82,067 is Funds held in Trust.

8. Accounts Receivable

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	$	$	$
Receivables	15,380	-	-
Receivables from the Ministry of Education	36,867	717,000	-
Interest Receivable	1,192	-	-
Teacher Salaries Grant Receivable	399,980	-	847,778
	453,419	717,000	847,778
Receivables from Exchange Transactions	16,572	-	-
Receivables from Non-Exchange Transactions	436,847	717,000	847,778
	453,419	717,000	847,778

9. Investments

The School's investment activities are classified as follows:

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
Current Asset	$	$	$
Short-term Bank Deposits	513,931	-	-
Total Investments	513,931	-	-

10. Property, Plant and Equipment

2023	Opening Balance (NBV) $	Additions $	Disposals $	Impairment $	Depreciation $	**Total (NBV)** $
Furniture and Equipment	511,046	142,646	(142)		(141,606)	**511,944**
Information and Communication Technology	73,755	73,059	(1,164)		(52,321)	**93,329**
Motor Vehicles	15,359				(3,477)	**11,882**
Library Resources	79,445	10,859	(3,370)		(11,028)	**75,906**
Balance at 31 December 2023	679,605	226,564	(4,676)	-	(208,432)	**693,061**

	2023	2023	2023	2022	2022	2022
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	$	$	$	$	$	$
Furniture and Equipment	1,670,370	(1,158,425)	**511,945**	1,520,086	(1,009,040)	**511,046**
Information and Communication Technology	352,137	(258,808)	**93,329**	301,965	(228,210)	**73,755**
Motor Vehicles	17,387	(5,505)	**11,882**	17,387	(2,028)	**15,359**
Library Resources	166,682	(90,776)	**75,906**	182,993	(103,548)	**79,445**
Balance at 31 December 2023	2,206,576	(1,513,514)	**693,061**	2,022,431	(1,342,826)	**679,605**

11. Accounts Payable

	2023	2023	2022
	Actual	Budget (Unaudited)	Actual
	$	$	$
Creditors	36,656	30,000	14,680
Accruals	42,558	10,000	9,293
Sundry Accounts Payable	155,157	200,000	213,370
Employee Entitlements - Salaries	536,279	400,000	468,585
Employee Entitlements - Leave Accrual	104,774	90,000	87,672
	875,424	730,000	793,600
Payables for Exchange Transactions	875,424	730,000	793,600
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)			
Payables for Non-exchange Transactions - Other			
	875,424	730,000	793,600

The carrying value of payables approximates their fair value.

12. Revenue Received in Advance

	2023	2023	2022
	Actual	Budget (Unaudited)	Actual
	$	$	$
International Student Fees in Advance	160,000	100,000	56,304
Other revenue in Advance	14,395	-	76,225
	174,395	100,000	132,529

13. Provision for Cyclical Maintenance

	2023	2023	2022
	Actual	Budget (Unaudited)	Actual
	$	$	$
Provision at the Start of the Year	493,372	493,372	478,096
Increase to the Provision During the Year	113,033	75,000	72,307
Use of the Provision During the Year	(44,579)	(68,372)	(57,031)
Provision at the End of the Year	561,826	500,000	493,372
Cyclical Maintenance - Current	182,549	150,000	135,219
Cyclical Maintenance - Non current	379,277	350,000	358,153
	561,826	500,000	493,372

The schools cyclical maintenance schedule details annual painting to be undertaken. The costs associated with this annual work will vary depending on the requirements during the year. This plan is based on the schools 10 Year Property plan with an inflation factor of 3% added.

14. 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 Actual $	2023 Budget (Unaudited) $	2022 Actual $
No Later than One Year	45,209	40,000	35,778
Later than One Year and no Later than Five Years	70,196	70,000	90,883
Later than Five Years	-		-
Future Finance Charges	(19,151)	(17,500)	(15,755)
	96,254	92,500	110,906
Represented by			
Finance lease liability - Current	37,413	38,000	35,778
Finance lease liability - Non current	58,841	54,500	75,128
	96,254	92,500	110,906

15. Funds held in Trust

	2023 Actual $	2023 Budget (Unaudited) $	2022 Actual $
Funds Held in Trust on Behalf of Third Parties - Current	43,372	-	-
Funds Held in Trust on Behalf of Third Parties - Non-current	-	-	-
	43,372	-	-

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.

16. Related Party Transactions

The College is a controlled entity of the Crown, and the Crown provides the major source of revenue to the college. The college 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 college would have adopted if dealing with that entity at arm’s length.

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

The Proprietor of the School, Lindisfarne Proprietors Trust, is a related party of the School Board because the proprietor appoints representatives to the School Board, giving the proprietor significant influence over the School Board. Any services or contributions between the School Board and Proprietor have been disclosed appropriately. If the proprietor collects fund on behalf of the school (or vice versa), the amounts are disclosed.

The Proprietor provides land and buildings for use by the School Board as noted in Note 1(c). The estimated value of this use during the current period is included in the Statement of Comprehensive Revenue and Expense as 'Use of Land and Buildings'. The 2023 value was $832,500 (2022 $621,800) and the Proprietor donated this amount to cover the cost. The Proprietor akso donated a further $2,660,00 (2022 $2,571,750) to the Board.
Under an agency agreement, the School collects funds on behalf of the Proprietor $Nil (2022 $Nil). These do not represent revenue in the financial statements of the school. Any balance not transferred at the year end is treated as a liability. The total funds held by the school on behalf of the proprietor are $Nil (2022: $Nil).Boarding bursaries totalling $209,710 (2022 $170,750 were received from the Ministry of Education and paid to the Proprietor who then credits the individual students with the amount of their bursary.

In addition the school has entered into a Service Level Agreement with the Proprietor for the provision of services, including property, P&D and Electrical $64,314 (2022 $36,931), cleaning $90,000 (2022 84,000) and Reader Writers $51,681 (2022 $41,166). The provision of religious instruction to pupils of the College is provided free of charge in accordance with the Private Schools Conditional Integration Act 1975. The Proprietor collects tuition fees from international students on behalf of the BOT of $183,000 (2022 $140,870). The Proprietor collects Sports Levy from students on behalf of the BOT of $47,768 (2022 $29,532). The Proprietor provides hostel services that are used by some of the school's students in accordance with a contract between the Board and Proprietor.

17. Remuneration

Key management personnel compensation

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

	2023 Actual $	2022 Actual $
Board Members		
Remuneration	3,995	4,270
Leadership Team		
Remuneration	954,125	759,260
Full-time equivalent members	7	7
Total key management personnel remuneration	958,120	763,530

There are **eleven** members of the Board excluding the Principal. The Board has held **six** full meetings of the Board in the year. The Board also has a Finance and Property committe with **seven members that meets** quarterly. 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 1

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

Salaries and Other Short-term Employee Benefits:	2023 Actual $000	2022 Actual $000
Salary and Other Payments	160-170	150-160
Benefits and Other Emoluments	0-5	0-5
Termination Benefits	-	-

Other Employees

The number of other employees with remuneration greater than $100,000 was in the following bands:

Remuneration $000	2023 FTE Number	2022 FTE Number
100-110	20	12
110-120	12	4
120-130	2	2
130-140	3	2
140-150	1	0
	38	20

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

19. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be board members, committee members, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

	2023 Actual	2022 Actual
Total	$0	$0
Number of People	0	0

18. Contingencies

There are no contingent liabilities 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.

In 2023 the Ministry of Education provided additional funding for non-teaching collective and pay equity agreements. The college is yet to receive a final wash-up that adjusts the estimated quarterly instalments for the actual eligible staff members employed in 2023. The Ministry is in the process of determining wash-up payments or receipts for the year ended 31 December 2023. However, as at the reporting date, this amount had not been calculated and therefore is not recorded in these financial statements.

19. Commitments

(a) Capital Commitments

At 31 December 2023, the Board had no capital commitments.

(b) Operating Commitments

As at 31 December 2023, the Board has no operating commitments

	2023 Actual $	2022 Actual $
No later than One Year	-	-
Later than One Year and No Later than Five Years	-	-
Later than Five Years	-	-
	-	-

The total lease payments incurred during the period were $0 (2022: $0).

20. 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 Actual $	2023 Budget (Unaudited) $	2022 Actual $
Cash and Cash Equivalents	764,186	675,000	600,643
Receivables	453,419	717,000	847,778
Investments - Term Deposits	513,931	-	-
Total financial assets measured at amortised cost	1,731,536	1,392,000	1,448,421

Financial liabilities measured at amortised cost

	2023 Actual $	2023 Budget (Unaudited) $	2022 Actual $
Payables	875,424	730,000	791,446
Borrowings - Loans	-	-	-
Finance Leases	96,253	94,000	110,936
Painting Contract Liability	-	-	-
Total financial liabilities measured at amortised cost	971,677	824,000	902,382

21. Events After Balance Date

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

Report on Special Funding

Kiwisport

Kiwisport is a Government funding initative to support students' participation in organised sport.
In 2023 the College received $12,691 (2022 $12,159) of Kiwisport funding.
The funding was spent on sporting equipment.
The number of students participating in organised sport was 100% of the College roll.

Statement of Compliance with Employment Policies

Lindisfarne College Board of Trustees, as employer, has complided with all employment policies and current legislation.

Statement on how the Board has given effect to to Tiriti o Waitangi

Kaitiakitanga involves preserving and honoring Māori culture and heritage. We include incorporating Māori language, traditions, and values into the curriculum. Here at Lindisfarne we offer programmes/events that celebrate Māori culture, such as kapa haka, learning about traditional Māori art forms, inviting local iwi (tribes) to share their knowledge with students, the staff wānanga group. The College also funded the staff to travel to the Waimarama Marae for a day of professional development.

Baker Tilly Staples Rodway Audit Limited
205 Hastings Street South, Hastings 4122
PO Box 46, Hastings 4156
New Zealand

T: +64 6 878 7004
F: +64 6 876 0078
E: hawkesbay@bakertillysr.nz
W: www.bakertillysr.nz

bakertilly
STAPLES RODWAY

INDEPENDENT AUDITOR'S REPORT

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

The Auditor-General is the auditor of Lindisfarne College (the School). The Auditor-General has appointed me, Philip Pinckney, using the staff and resources of Baker Tilly Staples Rodway 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 18, 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 31 May 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 obtained at the date of our report is the Statement of Variance, the Kiwisport statement, Statement of Compliance with Employment Policy and Statement of Responsibility, the Evaluation Statement of the School's Students' Progress and Achievement, the Statement of Effect to Te Tiriti o Waitangi, 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.

Philip Pinckney
Baker Tilly Staples Rodway Audit Limited
On behalf of the Auditor-General
Hastings, New Zealand