

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF LYNMORE SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Auditor-General is the auditor of Lynmore School (the School). The Auditor-General has appointed me, Stephen Graham, using the staff and resources of BDO Rotorua 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 21, that comprise the statement of financial position as at 31 December 2021, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2021; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity (PBE) Standards Reduced Reporting Regime.

Our audit was completed on 17 May 2022. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements

The Board is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

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

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

Our responsibilities 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 Board of Trustee Listing, Analysis of Variance and Kiwisport Report, but does not include the financial statements, and our auditor's report thereon.

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

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

Independence

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

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



*Stephen Graham
BDO Rotorua Limited
On behalf of the Auditor-General
Rotorua, New Zealand*

LYNMORE SCHOOL
ANNUAL REPORT
 FOR THE YEAR ENDED 31 DECEMBER 2021

SCHOOL DIRECTORY

Ministry Number: 1791
 Principal Hinel Taute
 School Address: Iles Road, Lynmore, Rotorua 3010
 School Postal Address: Iles Road, Lynmore, Rotorua 3010
 School Phone: (07) 3459850
 School Fax: (07) 3456982
 Accountant Kusabs Laslke Limited

Members of the Board of Trustees

Name	Position	How Position Gained	Term Expired/Expires
Lorraine Taylor	Principal	ex officio	Resigned April 2021
Hinel Taute	Principal	ex officio	
Hancine Samvelyan	Parent Rep	Elected	Sep-2022
	Presiding Member		
Karen Belt	Staff Rep	Elected	Sep-2022
Chloe Deaker	Parent Rep	Elected Oct 2021	Sep-2022
Craig Kilmister	Parent Rep	Elected	Resigned July 2021
Falth McGregor	Parent Rep	Elected Oct 2021	Sep-2022
Simon Papps	Parent Rep	Elected	Sep-2022
Paraone Pirika	Parent Rep	Co-Opted	Sep-2022
Kendall Russ	Parent Rep	Elected	Resigned June 2021
Liza Santos	Parent Rep	Elected	Sep-2022

LYNMORE SCHOOL

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LYNMORE SCHOOL

Statement of Responsibility

FOR THE YEAR ENDED 31 DECEMBER 2021

The Board of Trustees accepts responsibility for the preparation of the annual financial statements and the judgements used in these financial statements.

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

It is the opinion of the Board and management, the annual financial statements for the financial year ended 31 December 2021 fairly reflects the financial position and operations of the school.

The School's 2021 financial statements are authorised for issue by the Board.

HANCIWE SAMVELYAN

Full name of Chairperson

Hinei Taute

Full name of Principal



Signature of Chairperson



Signature of Principal

16/05/2022

Date

16/5/2022.

Date

LYNMORE SCHOOL

STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE

FOR THE YEAR ENDED 31 DECEMBER, 2021

	Note	Actual 2021 \$	Budget (Unaudited) 2021 \$	Actual 2020 \$
Income				
Government Grants	2	4,404,235	4,210,888	4,353,451
Locally Raised Funds	3	235,363	150,550	153,435
International Students	4	13,043	10,000	9,704
Interest Earned		2,519	3,500	3,151
		4,655,160	4,374,938	4,519,741
Expenditure				
Locally Raised Funds	3	112,696	650	42,004
International Students	4	518	-	1,390
Learning Resources	5	3,427,529	3,266,750	3,355,270
Administration	6	231,527	234,450	230,301
Property	7	612,199	860,150	896,590
Depreciation	8	107,922	75,000	108,798
Finance Costs		5,463	-	6,782
Loss on Disposal of Property, Plant & Equipment		10,118	-	6,175
		4,507,972	4,437,000	4,647,310
Net Surplus/(Deficit)		147,188	(62,062)	(127,569)
Other Comprehensive Revenue & Expenses		-	-	-
Total Comprehensive Revenue & Expenses for the Year		147,188	(62,062)	(127,569)

This Statement is to be read in conjunction with the attached Accounting Policies, Notes to the Financial Statements and the Audit report which form part of these financial statements.

LYNMORE SCHOOL

STATEMENT OF CHANGES IN NET ASSETS/EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Equity at start of the year		1,191,690	1,191,690	1,305,312
Total Comprehensive Revenue & Expense for the Year		147,188	(62,062)	(127,569)
Capital Contribution from MOE - Furniture & Equipment Grant		51,019	-	13,947
Total Recognised Income & Expenses		<u>198,207</u>	<u>(62,062)</u>	<u>(113,622)</u>
Equity at end of year		<u><u>1,389,897</u></u>	<u><u>1,129,628</u></u>	<u><u>1,191,690</u></u>
Retained Earnings		1,389,897	1,129,628	1,191,690
Reserves		-	-	-
Equity at end of year		<u><u>1,389,897</u></u>	<u><u>1,129,628</u></u>	<u><u>1,191,690</u></u>

This Statement is to be read in conjunction with the attached Accounting Policies, Notes to the Financial Statements and the Audit report which form part of these financial statements.

LYNMORE SCHOOL

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Equity		1,389,897	1,129,628	1,191,690
TOTAL EQUITY		1,389,897	1,129,628	1,191,690
Represented by				
CURRENT ASSETS				
Cash and Cash Equivalents	9	347,996	297,451	436,963
Accounts Receivable	11	237,337	199,052	199,052
Prepayments		11,833	13,989	13,989
Investments	10	201,063	-	-
Stock on Hand	12	4,273	5,447	5,447
GST Holding Account		20,582	8,939	8,939
MOE Capital Works Owing	17	11,130	-	-
<u>Total Current Assets</u>		834,214	524,878	664,390
CURRENT LIABILITIES				
Accounts Payable	13	340,615	290,930	290,930
Finance Leases	14	25,009	23,397	23,397
Cyclical Maintenance Provision	15	-	24,144	101,400
Revenue In Advance	16	1,983	10,435	10,435
Funds held for Capital Works Projects	17	18,149	-	62,551
<u>Total Current Liabilities</u>		385,756	348,906	488,713
WORKING CAPITAL SURPLUS		448,458	175,972	175,677
NON-CURRENT ASSETS				
Property, Plant & Equipment	18	1,031,657	1,006,752	1,081,753
<u>Total Non-Current Assets</u>		1,031,657	1,006,752	1,081,753
NON-CURRENT LIABILITIES				
Finance Leases	14	24,218	29,221	37,721
Cyclical Maintenance Provision	15	66,000	23,875	28,019
<u>Total Non-Current Liabilities</u>		90,218	53,096	65,740
<u>Net Assets</u>		1,389,897	1,129,628	1,191,690

This Statement is to be read in conjunction with the attached Accounting Policies, Notes to the Financial Statements and the Audit Report which form part of these financial statements.

LYNMORE SCHOOL

Cash Flow Statement **For the year ended 31 December 2021**

	2021	2021 Budget	2020
Note	Actual	(Unaudited)	Actual
	\$	\$	\$
Cash flows from Operating Activities			
Government Grants	1,034,764	810,888	1,081,216
Locally Raised Funds	229,830	149,900	161,034
International Students	2,608	10,000	17,139
Goods and Services Tax (net)	(5,623)	-	(802)
Payments to Employees	(668,911)	(599,300)	(851,806)
Payments to Suppliers	(366,615)	(443,449)	(444,572)
Interest Received	2,384	3,500	4,119
Interest Paid	(5,463)	-	(6,782)
Net cash from / (to) the Operating Activities	222,974	(68,461)	(40,454)
Cash flows from Investing Activities			
Purchase of PPE (and Intangibles)	(54,358)	-	(50,307)
Proceeds from Sale of Investments	-	-	459,410
Purchase of Investments	(201,063)	-	-
Net cash from / (to) the Investing Activities	(255,421)	-	409,103
Cash flows from Financing Activities			
Furniture and Equipment Grant	51,019	-	13,947
Finance Lease Payments	(18,455)	(8,500)	(14,179)
Funds held for Capital Works Projects	(89,084)	-	69,412
Funds Administered on Behalf of Third Parties	-	(62,551)	-
Net cash from / (to) Financing Activities	(56,520)	(71,051)	69,180
Net increase/(decrease) in cash and cash equivalents	(88,967)	(139,512)	437,829
Cash and cash equivalents at the beginning of the year	9 436,963	436,963	(866)
Cash and cash equivalents at the end of the year	9 347,996	297,451	436,963

The statement of cash flows records only those cash flows directly within the control of the School.

This means centrally funded teachers' salaries and the use of land and buildings grant and expense have been omitted

LYNMORE SCHOOL

Notes to the Financial Statements For the year ended 31 December 2021

1. Statement of Significant Accounting Policies

a) Reporting Entity

Lynmore School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. The Board of Trustees (the Board) is of the view the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2021 to 31 December 2021 and in accordance with the requirements of the Education and Training Act 2020.

Basis of Preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been consistently applied throughout the period.

Financial Reporting Standards Applied

The Education and Training Act 2020 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as "having a primary objective to provide goods and/or services for the community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders".

PBE Accounting Standards Reduced Disclosure Regime

The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the expenditure threshold of \$30 million per year. All relevant disclosure concessions have been taken.

Measurement base

The financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

Presentation currency

These financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

Specific accounting policies

The accounting policies used in the preparation of these financial statements are set out below.

Critical Accounting Estimates and Assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

LYNMORE SCHOOL

Notes to the Financial Statements For the year ended 31 December 2021

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 long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical Maintenance is discussed at note 15.

Useful lives of property, plant and equipment

The school reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 18.

Critical Judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments.

Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised.

Recognition of grants

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carry forward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

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 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 but are paid directly to teachers by the Ministry of Education (the Ministry).

The property from which the School operates is owned by the Crown and managed by the Ministry on behalf of the Crown. These are not received in cash by the School as they equate to the deemed expenses 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.

LYNMORE SCHOOL

Notes to the Financial Statements For the year ended 31 December 2021

The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes.

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

Other Grants

Other grants are recorded as revenue when the School has the rights to the funding, unless there are unfulfilled conditions attached to the grant, in which case the amount relating to the unfilled conditions is recognised as a liability and released to revenue as the conditions are fulfilled.

Donations, Gifts and Bequests

Donations, gifts and bequests are recorded as revenue when their receipt is formally acknowledged by the School.

Interest Revenue

Interest Revenue earned on cash and cash equivalents and investments is recorded as income 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 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. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

h) Inventories

Inventories are consumable items held for sale, for example 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. The 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.

i) Investments

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

LYNMORE SCHOOL

Notes to the Financial Statements For the year ended 31 December 2021

j) Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Buildings	10-40 years
Furniture, fittings & Equipment	5-18 years
Information and communication technology	5 years
Motor Vehicles	5 years
Leased Assets held under a Finance Lease	3- 5 years
Library Books	12.5% Diminishing value

k) Impairment of property, plant and equipment

The School does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

Non cash generating assets

Property, plant and equipment held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

LYNMORE SCHOOL

Notes to the Financial Statements For the year ended 31 December 2021

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

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 benefits that are expected to be settled within 12 months after the end of the reporting period in which the employees provide the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned, by non teaching staff, to but not yet taken at balance date.

Long-term employee entitlements

Employee benefits that are not expected to be wholly settled before 12 months after the end of the reporting period in which the employee provides the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

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

n) Revenue Received in Advance

Revenue received in advance relates to fees received from international students and grants received where there are unfulfilled obligations for the School to provide services in the future. The fees are recorded as revenue as the obligations are fulfilled and the fees earned.

The School holds sufficient funds to enable the refund of unearned fees in relation to international students, should the School be unable to provide the services to which they relate.

o) Provision for Cyclical Maintenance

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

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision is a reasonable estimate, based on an up to date 10 Year Property Plan (10YP) or another appropriate source of evidence.

LYNMORE SCHOOL

Notes to the Financial Statements For the year ended 31 December 2021

p) Financial Instruments

The School's financial assets comprise cash and cash equivalents, accounts receivable and investments. All of these financial assets are categorised as "financial assets measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise accounts payable and finance lease liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

q) 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.

r) Budget figures

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

s) 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 Expenses.

LYNMORE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2021

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
NOTE 2 Government Grants			
Income			
Operational Grants	916,028	776,839	821,433
Teachers Salaries Grants	2,911,765	2,800,000	2,638,728
Use of Land & Buildings Grant	435,641	600,000	612,754
Other MOE Grants	135,866	14,049	238,333
Other Government Grants	4,935	20,000	42,203
	<u>4,404,235</u>	<u>4,210,888</u>	<u>4,353,450</u>

NOTE 3 Locally Raised Funds

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

Revenue			
Voluntary Donations	66,334	72,000	53,866
Grants	23,500	22,000	20,000
Fundraising & Community Grants	22,867	6,250	10,384
Fees for extra curricular Activities	73,313	6,300	30,488
Trading	49,348	44,000	38,698
	<u>235,363</u>	<u>150,550</u>	<u>153,435</u>
Expenditure			
Fundraising & Community Grant Costs	19,368	-	9,859
Fees for extra curricular Activities	89,955	650	26,418
Trading	3,373	-	5,727
	<u>112,696</u>	<u>650</u>	<u>42,004</u>
Surplus/(Deficit) for the year locally raised funds	<u>122,667</u>	<u>149,900</u>	<u>111,432</u>

NOTE 4 International Students

International Student Roll Numbers	1	1	2
Revenue			
International Student Fees	13,043	10,000	9,704
Expenditure			
MOE Student Levy	518	-	1,390
Surplus for the year International Students	<u>12,525</u>	<u>10,000</u>	<u>8,314</u>

LYNMORE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2021 (continued)

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
NOTE 5 Learning Resources			
Curricular	55,945	61,200	51,180
Repairs & Maintenance	-	600	763
Library	43	800	1,081
Employee Benefits - Salaries	3,349,192	3,180,000	3,249,137
Staff Development	22,350	24,150	53,109
	<u>3,427,529</u>	<u>3,266,750</u>	<u>3,355,270</u>

NOTE 6 Administration

Audit Fees	6,656	5,500	5,750
Board of Trustee Fees	3,370	4,500	4,555
Board of Trustees Expenses	8,007	3,700	4,561
Communication	5,086	6,500	7,092
Consumables	13,194	27,500	13,601
Operating Leases	524	-	551
Postage & Freight	122	300	238
Other	13,524	12,150	14,437
Employee Benefits - Salaries	148,102	135,300	137,359
Insurance	13,814	11,000	13,269
Service Providers, Contractors & Consultancy	19,128	28,000	28,888
	<u>231,527</u>	<u>234,450</u>	<u>230,301</u>

NOTE 7 Property

Caretaking & Cleaning Consumables	75,891	71,450	70,274
Cyclical Maintenance Provision	(63,419)	20,000	24,144
Grounds	916	300	5,368
Heat, Light & Water	25,153	41,300	41,260
Rates	17,589	16,000	12,782
Repairs & Maintenance	26,707	27,100	41,813
Use of Land & Buildings	435,641	600,000	612,754
Employee Benefits - Salaries	93,722	84,000	88,195
	<u>612,200</u>	<u>860,150</u>	<u>896,590</u>

In 2021, the Ministry of Education revised the notional rent rate from 8% to 5% to align it with the Government Capital Charge rate. This is considered to be a reasonable proxy for the market rental yield on the value of land and buildings used by schools. Accordingly in 2021, 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.

LYNMORE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2021 (continued)

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
NOTE 8 Depreciation			
Buildings	33,440	30,000	31,914
Furniture, Fittings & Equipment	22,206	20,000	20,153
Motor Vehicles	1,043	-	1,043
Info-Tech Assets	20,548	1,000	22,143
Library Resources	4,976	5,000	7,026
Leased Assets	25,709	19,000	26,519
	107,922	75,000	108,798

NOTE 9 Cash and Cash Equivalents

Westpac	47,306	35,000	36,183
BNZ - 00 Account	-	100	102
Westpac Credit Card	(473)	-	420
Westpac Business Saver	100,423	262,351	400,259
Short Term Deposits Shorter than 90 days	200,740	-	-
Cash & Cash Equivalents for Statement of Cash Flows	347,996	297,451	436,963

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

Of the \$347,996 Cash & Cash Equivalents \$18,149 is held by the school on behalf of the Ministry of Education. These funds are required to be spent in 2022 on Crown owned school buildings under the School's five year property plan.

NOTE 10 Investments

The Schools investment activities are classified as follows:
Short Term Bank Deposit with maturities between 3 months and one year

	201,063	-	-
	201,063	-	-

NOTE 11 Accounts Receivable

Interest Accrual	135	-	-
Teachers Salaries Grant Receivable	225,999	199,052	199,052
Receivables	11,203	-	-
	237,337	199,052	199,052
Receivables from Exchange Transactions	11,338	-	-
Receivables from Non-Exchange Transactions	225,999	199,052	199,052
	237,337	199,052	199,052

LYNMORE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2021 (continued)

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
NOTE 12 Stock on Hand			
Stationery on Hand	1,505	2,420	2,421
Uniforms on Hand	2,769	3,027	3,026
	4,273	5,447	5,447

NOTE 13 Accounts Payable

Accruals	6,656	5,000	5,000
Creditors	100,964	43,710	43,711
Employee Benefits - Salaries Accrual	225,999	199,052	199,052
Employee Benefits - Leave Accrual	6,997	6,318	6,318
Staff Banking Overspent	-	36,850	36,850
	340,615	290,930	290,930
Payables from Exchange Transactions	340,615	290,930	290,930
	340,615	290,930	290,930

The carrying value of payables approximates their value.

NOTE 14 Finance Leases

The school has entered into a number of finance lease agreements for laptops for teachers and photocopiers.

Minimum Lease payments payable:

Not later than one year	25,009	23,397	23,397
Later than 1 year but not more than 5 years	24,218	29,221	37,721
	49,227	52,618	61,117

NOTE 15 Cyclical Maintenance Provision

Provision at Start of Year	129,419	105,275	105,275
(Decrease)/Increase in Provision during the Year	(63,419)	44,144	57,979
Use of Provision	-	(101,400)	(33,835)
Provision at the end of the Year	66,000	48,019	129,419
Current Liability	-	24,144	101,400
Non Current Liability	66,000	23,875	28,019
	66,000	48,019	129,419

LYNMORE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2021 (continued)

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
NOTE 16 Revenue Received in Advance			
General Funding in Advance	1,983	-	-
International Students	-	10,435	10,435
	1,983	10,435	10,435
	1,983	10,435	10,435

NOTE 17 Funds Held for Capital Work Projects

During the year the school received and applied funding from the Ministry of Education for the following Capital Works Projects.

	Opening Balance	MOE Funds Received	Payments	BOT Contribution Asset/W/O	Closing
	\$	\$	\$	\$	\$
2021					
LSC Project number 219074	18,326	125,240	(154,696)	-	(11,130)
Astro Turf & Fencing Project number 225408	1,056	10,194	(44,800)	33,550	-
Rms 22-18,Swimming Pool Project number 225403	43,169	-	(25,022)	-	18,147
	62,551	135,434	(224,518)	33,550	7,017
Represented by:					
Funds held on behalf of the M.O.E.					18,147
Funds due from Ministry of Education					(11,130)
					7,017
					7,017
2020					
10year Plan	(1,803)	-	-	1,803	-
LSC Project number 219074	-	23,260	(4,934)	-	18,326
Astro Turf & Fencing Project number 225408	-	91,744	(90,688)	-	1,056
Rms 22-18,Swimming Pool Project number 225403	(6,860)	64,034	(14,004)	-	43,169
	(8,663)	179,038	(109,626)	1,803	62,551
	(8,663)	179,038	(109,626)	1,803	62,551

LYNMORE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2021 (continued)

NOTE 18 Property, Plant & Equipment

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$		
	31 Dec 2021				
Buildings	1,202,283	(441,510)	760,773		
Furniture, Fittings & Equipment	275,698	(121,526)	154,172		
Motor Vehicles	33,662	(31,316)	2,345		
Info-Tech Assets	173,098	(136,432)	36,666		
Leased Assets	93,907	(51,034)	42,873		
Library Resources	136,994	(102,166)	34,828		
	<u>1,915,641</u>	<u>(883,984)</u>	<u>1,031,657</u>		
	Op/Balance (NBV) \$	Additions \$	Disposals \$	Depreciation \$	Total (NBV) \$
Buildings	758,059	36,798	(643)	(33,440)	760,773
Furniture, Fittings & Equip	158,909	17,560	(92)	(22,206)	154,172
Motor Vehicles	3,388	-	-	(1,043)	2,345
Info-Tech Assets	57,214	-	-	(20,548)	36,666
Leased Assets	54,997	13,587	(2)	(25,709)	42,873
Library Books	49,185	-	(9,381)	(4,976)	34,828
	<u>1,081,752</u>	<u>67,945</u>	<u>(10,118)</u>	<u>(107,922)</u>	<u>1,031,657</u>

The Net carrying value of Equipment held under a finance lease is \$42,873 (2020: \$54,997).

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$		
	31 Dec 2020				
Buildings	1,232,926	(474,867)	758,059		
Furniture, Fittings & Equipment	288,327	(129,418)	158,909		
Motor Vehicles	33,662	(30,273)	3,388		
Info-Tech Assets	173,098	(115,884)	57,214		
Leased Assets	98,550	(43,553)	54,997		
Library Resources	169,280	(120,096)	49,185		
	<u>1,995,843</u>	<u>(914,091)</u>	<u>1,081,752</u>		
	Op/Balance (NBV) \$	Additions \$	Disposals \$	Depreciation \$	Total (NBV) \$
Buildings	792,393	-	(1,363)	(31,914)	758,059
Furniture, Fittings & Equipment	159,420	21,814	(2,172)	(20,153)	158,909
Motor Vehicles	4,431	-	-	(1,043)	3,388
Info-Tech Assets	67,575	11,782	-	(22,143)	57,214
Leased Assets	58,213	23,303	-	(26,519)	54,997
Library Resources	51,482	7,369	(2,640)	(7,026)	49,185
	<u>1,132,458</u>	<u>64,268</u>	<u>(6,175)</u>	<u>(108,798)</u>	<u>1,081,752</u>

The Net carrying value of Equipment held under finance lease is \$54,997 (2019: \$58,213).

LYNMORE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2021 (continued)

NOTE 19 Related Party Transactions

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

Related party disclosures have not been made for transactions with related parties that are within normal supplier or client/recipient relationship on terms and conditions 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.

No related party debts or transactions have been written off or forgiven during the year.

LYNMORE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2021 (continued)

NOTE 20 Remuneration

Key management personnel compensation.

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

	2021 Actual	2020 Actual
<i>Board Members</i>		
Remuneration	\$ 3,370	\$ 4,555
<i>Leadership Team</i>		
Remuneration	895,043	1,039,649
Full-time Equivalent members	9.20	10.00
Total key management personnel remuneration	<u>898,413</u>	<u>1,044,204</u>

There are 6 members of the Board excluding the Principal. The Board held 9 full meetings of the Board in the year. The Board also had 2 Finance and Property meetings.

As well as these regular meetings, including preparation time, the Chair and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs suspensions and other disciplinary matters.

Principal 1

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

	2021 Actual \$000	2020 Actual \$000
<i>Salaries and Other Short-term Employee Benefits:</i>		
Salary and other payments	40-50	180-190
Benefits and other emoluments	1 - 2	4 - 5
Termination benefits	-	-

Principal 2

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

	2021 Actual \$000	2020 Actual \$000
<i>Salaries and Other Short-term Employee Benefits:</i>		
Salary and other payments	40-50	-
Benefits and other emoluments	1 - 2	-
Termination benefits	-	-

Other Employees

Number of other employee who received remuneration of over \$100,000 was in the following bands:

Remuneration \$000	2021 FTE Number	2020 FTE Number
100 - 110	-	1
110 - 120	1	-
120 - 130	1	1

The disclosure for "other employees" does not include remuneration of the Principal.

LYNMORE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2021 (continued)

NOTE 21 Compensations and Other Benefits upon leaving Remuneration

The total value of compensation or other benefits paid or payable to persons who ceased to be trustees, 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 as follows:

	2021		2020	
Number of persons	-		-	
Total Value	-		-	

NOTE 22 Contingencies

A contingent liability is to be disclosed as follows:

During the 2013 year the Gym was identified as a leaky building. This building is partly owned by the school and the balance by Ministry of Education. At audit date a decision had not yet been made as to whether the building will be rebuilt or repaired. The Ministry of Education has listed the gym for work in the 2019/2020 year. If the building is repaired the school will incur 26% of the costs which are unable to be quantified at this time. If the building is rebuilt there will be no cost to the school, but there will be an impairment to the Schools recorded Property, Plant & Equipment which records the book value of the gym at \$136,627 (Last Year \$142,793).

(Contingent Liabilities at 31 December 2020: As per above with regards to the Gym).

Holidays Act Compliance - schools payroll

The Ministry of Education performs payroll processing and payments on behalf of school boards of Trustees, through payroll service provider Education Payroll Limited.

The Ministry's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis and solutions have been completed.

To the extent that any obligation cannot be quantified at 31 December 2021, a contingent liability for the school may exist.

NOTE 23 Commitments

(a) Capital Commitments

As at balance date the Board had entered into contract agreements for purchase of equipment \$2512. (2020 \$Nil.)

(b) Operating Commitments

As at balance date, the Board had no operating lease commitments (2020 \$Nil).

LYNMORE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2021 (continued)

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
NOTE 24 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			
Cash and Cash Equivalents	347,996	297,451	436,963
Investments	201,063	-	-
Receivables	237,337	199,052	199,052
Total Financial Assets Measured at Amortised Cost	786,396	496,503	636,015
Financial Liabilities Measured at Amortised Cost			
Payables	340,615	290,930	290,930
Finance Leases	49,227	52,618	61,117
Total Financial Liabilities Measured at Amortised Cost	389,842	343,548	352,047

NOTE 25 Events after Balance Date

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



Lynmore School (1791)

Kiwisport Report 2021

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2021, the school received total Kiwisport funding of \$8,954 (excluding GST).

The funding was spent on sports travel to events including cross country, athletics, rippa and swimming and once again a substantial amount was dedicated to as part of our engagement/priority student programme.

The total expenditure for the school under kiwisport was \$5864.25 & the balance was spent in Pastoral Care to support students to engage in sporting events, without this they would not be able to afford to attend.

We hired a synthetic icerink for the week in Term 3, 2021 and each student was taught to ice skate

The number of students participating in organised weekend and weekday sport is around 55% of the school roll post Covid.

Hinei Taute
Principal
Lynmore School
February 2022