

# BARADENE COLLEGE OF THE SACRED HEART

## GROUP ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### School Directory

Ministry Number: 61

Principal: Sandy Pasley

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School Postal Address: Private Bag 28906 Remuera Auckland 1541

School Phone: 09 524 6019

School Email: [admin@baradene.school.nz](mailto:admin@baradene.school.nz)

#### Members of the Board of Trustees:

Position	Name	How Position Gained	Term Expiry
Presiding Member	Ms Gillian Chappell	Elected June 2019	Sep-22
Principal ex Officio	Ms Sandy Pasley	ex Officio	
Parent Representative	Mr Robert McDonnell	Elected June 2019	Sep-22
Parent Representative	Mrs Liz O'Neil	Elected June 2019	Sep-22
Parent Representative	Mr Michael Stowers	Elected June 2019	Sep-22
Parent Representative	Mrs Eva Cornforth	Elected June 2019	Sep-22
Baradene College limited Rep	Sr Elizabeth Snedden	Appointed April 2010	
Baradene College limited Rep	Mr Richard James	Appointed April 2010	
Baradene College limited Rep	Mrs Catherine Ryan	Appointed May 2012	
Staff Representative	Ms Gabrielle Smyth	Elected March 2020	Sep-21
Student Rep	Miss Sofia Olan	Elected Nov 2021	Sep-22

Accountant / Service Provider: In House

# BARADENE COLLEGE OF THE SACRED HEART

Group Annual Report - For the year ended 31 December 2021

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Baradene College Of The Sacred Heart

Statement of Responsibility

For the year ended 31 December 2021

The Board accepts responsibility for the preparation of the annual consolidated financial statements and the judgements used in these consolidated 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 group's financial reporting.

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

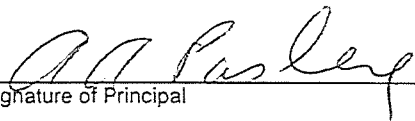
The Group's 2021 consolidated financial statements are authorised for issue by the Board.

GILLIAN CHAPPEL  
Full Name of Board Chairperson

  
Signature of Board Chairperson

13/12/23  
Date:

Alexandra Anne Pasley  
Full Name of Principal

  
Signature of Principal

13/12/23  
Date:

**Baradene College Of The Sacred Heart**  
**Statement of Comprehensive Revenue and Expense**  
For the year ended 31 December 2021

	Notes	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
<b>Revenue</b>							
Government Grants	2	10,169,851	10,119,207	9,479,838	10,169,851	10,119,207	9,579,838
Locally Raised Funds	3	4,747,714	5,025,183	4,965,175	4,757,698	5,025,183	4,994,071
Use of Proprietor's Land and Buildings Integrated		9,072,072	6,318,000	6,318,000	9,072,072	6,318,000	6,318,000
Interest Earned		25,377	20,000	52,424	28,827	20,000	57,621
Gain on Sale of Property, Plant and Equipment		41,171	-	-	41,171	-	-
<b>Total revenue</b>		<b>24,056,185</b>	<b>21,482,390</b>	<b>20,815,437</b>	<b>24,069,619</b>	<b>21,482,390</b>	<b>20,949,530</b>
<b>Expenses</b>							
Locally Raised Funds	3	1,111,447	1,228,050	1,247,137	1,111,447	1,228,050	1,247,137
Learning Resources	4	11,825,982	12,205,372	11,172,357	11,825,982	12,205,372	11,172,357
Administration	5	795,290	811,449	885,476	827,684	811,449	911,644
Finance		5,635	5,635	5,928	5,635	5,635	5,928
Property	6	10,012,791	7,264,801	7,239,305	10,012,791	7,264,801	7,239,305
<b>Total expenses</b>		<b>23,751,145</b>	<b>21,515,307</b>	<b>20,550,203</b>	<b>23,783,539</b>	<b>21,515,307</b>	<b>20,576,371</b>
<b>Net Surplus / (Deficit) for the year</b>		<b>305,040</b>	<b>(32,917)</b>	<b>265,234</b>	<b>286,080</b>	<b>(32,917)</b>	<b>373,159</b>
<b>Other Comprehensive Revenue and Expenses</b>							
<i>Item that will not be reclassified to surplus(deficit)</i>							
Gain on equity investment revaluations		-	-	-	-	-	-
<b>Total other comprehensive revenue and expense</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b>305,040</b>	<b>(32,917)</b>	<b>265,234</b>	<b>286,080</b>	<b>(32,917)</b>	<b>373,159</b>

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

Baradene College Of The Sacred Heart  
**Statement of Changes in Net Assets/Equity**  
For the year ended 31 December 2021

Notes	2021	School	2020	2021	Group	2020
	Actual	2021 Budget (Unaudited)	Actual	Actual	2021 Budget (Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
Equity at 1 January	3,407,778	3,096,921	3,097,522	3,853,031	3,096,921	3,434,850
Total comprehensive revenue and expense for the year	305,040	(32,917)	265,234	286,080	(32,917)	373,159
Contributions from the Ministry of Education						
Contribution - Furniture and Equipment Grant	47,280	49,000	45,021	47,280	49,000	45,021
<b>Equity at 31 December</b>	<b>3,760,098</b>	<b>3,113,004</b>	<b>3,407,777</b>	<b>4,186,391</b>	<b>3,113,004</b>	<b>3,853,030</b>
Accumulated comprehensive revenue and expense	3,760,098	3,113,004	3,407,777	4,186,391	3,113,004	3,853,030
<b>Equity at 31 December</b>	<b>3,760,098</b>	<b>3,113,004</b>	<b>3,407,777</b>	<b>4,186,391</b>	<b>3,113,004</b>	<b>3,853,030</b>
<b>Reserve Movements Analysis</b>						
<b>Accumulated comprehensive revenue and expense</b>						
Balance at 1 January	3,407,778	3,096,921	3,097,522	3,853,031	3,096,921	3,434,850
Furniture & Equipment grant	47,280	49,000	45,021	47,280	49,000	45,021
Surplus/(deficit) for the year	305,040	(32,917)	265,234	286,080	(32,917)	373,159
<b>Balance 31 December</b>	<b>3,760,098</b>	<b>3,113,004</b>	<b>3,407,777</b>	<b>4,186,391</b>	<b>3,113,004</b>	<b>3,853,030</b>
<b>Total equity</b>	<b>3,760,098</b>	<b>3,113,004</b>	<b>3,407,777</b>	<b>4,186,391</b>	<b>3,113,004</b>	<b>3,853,030</b>

The above Consolidated Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes which form part of these financial statements.

**Baradene College Of The Sacred Heart**  
**Statement of Financial Position**

As at 31 December 2021

	Notes	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
<b>Current Assets</b>							
Cash and Cash Equivalents	7	953,486	2,053,796	1,231,338	1,061,026	2,053,796	1,361,038
Accounts Receivable	8	620,598	621,494	588,521	620,598	621,494	588,521
GST Receivable		34,418	35,000	35,768	34,418	35,000	35,768
Inventories	9	239,106	250,000	241,321	239,106	250,000	241,321
Investments	10	2,300,035	705,482	2,013,786	2,618,788	705,482	2,329,339
		4,147,643	3,665,772	4,110,734	4,573,936	3,665,772	4,555,987
<b>Current Liabilities</b>							
Accounts Payable	12	1,265,275	1,381,494	1,298,842	1,265,275	1,381,494	1,298,842
Revenue Received in Advance	13	567,018	590,000	941,719	567,018	590,000	941,719
Provision for Cyclical Maintenance	14	75,000	200,000	244,685	75,000	200,000	244,685
Finance Lease Liability	15	54,907	60,000	59,612	54,907	60,000	59,612
Funds held in Trust	16	138,541	140,000	234,871	138,541	140,000	234,871
		2,100,741	2,371,494	2,779,729	2,100,741	2,371,494	2,779,729
<b>Working Capital Surplus/(Deficit)</b>		2,046,902	1,294,278	1,331,005	2,473,195	1,294,278	1,776,258
<b>Non-current Assets</b>							
Property, Plant and Equipment	11	2,293,704	2,250,000	2,448,472	2,293,704	2,250,000	2,448,472
		2,293,704	2,250,000	2,448,472	2,293,704	2,250,000	2,448,472
<b>Non-current Liabilities</b>							
Provision for Cyclical Maintenance	14	524,394	380,274	317,515	524,394	380,274	317,515
Finance Lease Liability	15	45,531	40,000	43,602	45,531	40,000	43,602
Funds held in Trust	16	10,583	11,000	10,583	10,583	11,000	10,583
		580,508	431,274	371,700	580,508	431,274	371,700
<b>Net Assets</b>		3,760,098	3,113,004	3,407,777	4,186,391	3,113,004	3,853,030
<b>Equity:</b>							
Accumulated comprehensive revenue and expense		3,760,098	3,113,004	3,407,777	4,186,391	3,113,004	3,853,030
<b>Total equity</b>		3,760,098	3,113,004	3,407,777	4,186,391	3,113,004	3,853,030

**Baradene College Of The Sacred Heart**  
**Statement of Cash Flows**  
For the year ended 31 December 2021

	Notes	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
<b>Cash flows from Operating Activities</b>							
Government Grants		2,178,848	5,048,223	2,362,055	2,178,848	5,048,223	2,491,755
Locally Raised Funds		3,688,212	4,069,795	3,668,916	3,698,196	4,069,795	3,668,916
International Students		682,735	1,532,388	1,141,856	682,735	1,532,388	1,141,856
Goods and Services Tax (net)		1,350	(35,000)	(81,990)	1,350	(35,000)	(81,990)
Payments to Employees		(2,495,992)	(2,562,384)	(2,442,858)	(2,495,992)	(2,562,384)	(2,442,858)
Payments to Suppliers		(3,627,550)	(3,485,174)	(3,959,826)	(3,659,944)	(3,485,174)	(3,959,826)
Interest Paid		(5,635)	(5,635)	(5,928)	(5,635)	(5,635)	(5,928)
Interest Received		27,173	13,000	63,094	30,623	13,000	63,094
Funds Administered on Behalf of Third Parties				(102,963)			(102,963)
<b>Net cash from / (to) the Operating Activities</b>		<b>449,141</b>	<b>4,575,213</b>	<b>642,356</b>	<b>430,181</b>	<b>4,575,213</b>	<b>772,056</b>
<b>Cash flows from Investing Activities</b>							
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		41,171	-	7,257	41,171	-	7,257
Purchase of Property Plant & Equipment (and Intangibles)		(367,388)	(2,411,194)	(674,733)	(367,388)	(2,411,194)	(674,733)
Purchase of Investments		(286,249)	(567,938)	(1,247,563)	(289,449)	(567,938)	(1,247,563)
Proceeds from Sale of Investments		-	60,000	-	-	60,000	-
<b>Net cash from / (to) the Investing Activities</b>		<b>(612,466)</b>	<b>(2,919,132)</b>	<b>(1,915,039)</b>	<b>(615,666)</b>	<b>(2,919,132)</b>	<b>(1,915,039)</b>
<b>Cash flows from Financing Activities</b>							
Furniture and Equipment Grant		2,259	49,000	45,021	2,259	49,000	45,021
Finance Lease Payments		(20,456)	(1,000)	(59,612)	(20,456)	(1,000)	(59,612)
Painting contract payments		-	(61,000)	-	-	(61,000)	-
Funds Administered on Behalf of Third Parties		(96,330)	151,000		(96,330)	151,000	-
<b>Net cash from / (to) Financing Activities</b>		<b>(114,527)</b>	<b>138,000</b>	<b>(14,591)</b>	<b>(114,527)</b>	<b>138,000</b>	<b>(14,591)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(277,852)</b>	<b>1,794,081</b>	<b>(1,287,274)</b>	<b>(300,012)</b>	<b>1,794,081</b>	<b>(1,157,574)</b>
Cash and cash equivalents at the beginning of the year	7	1,231,338	259,715	2,518,612	1,361,038	259,715	2,518,612
<b>Cash and cash equivalents at the end of the year</b>	<b>7</b>	<b>953,486</b>	<b>2,053,796</b>	<b>1,231,338</b>	<b>1,061,026</b>	<b>2,053,796</b>	<b>1,361,038</b>

The Consolidated 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.

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

# **Baradene College Of The Sacred Heart**

## **Notes to the Group Financial Statements**

### **For the year ended 31 December 2021**

#### **1. Statement of Accounting Policies**

##### **a) Reporting Entity**

Baradene College Of The Sacred Heart 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 Baradene College Of The Sacred Heart (the 'Group') consists of Baradene College Of The Sacred Heart and its subsidiary trust. The subsidiary is a School Trust ('Trust') which supports the school by raising funds and making donations for the school.

The School's subsidiary is incorporated and domiciled in New Zealand.

##### **b) Basis of Preparation**

###### ***Reporting Period***

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

###### ***Basis of Consolidation***

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses, and cash flows of entities in the group on a line-by-line basis. All intra-group balances, transactions, revenue, and expenses are eliminated on consolidation.

###### ***Subsidiaries***

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed, or has rights, to variable benefits from its involvement with the other entity and has the ability to affect the nature or amount of those benefits through its power over the other entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in surplus or deficit. Any interest retained in the former subsidiary is measured at fair value when control is lost.

###### ***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 consolidated 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 Group 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 Group qualifies for Tier 2 as the group is not publicly accountable and is not considered large as it falls below the expenditure threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

### ***Measurement Base***

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

### ***Presentation Currency***

These consolidated 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 consolidated financial statements are set out below.

### ***Critical Accounting Estimates And Assumptions***

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

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

#### ***Cyclical maintenance***

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition. During the year, the Board assesses the reasonableness of its painting maintenance plan on which the provision is based. Cyclical maintenance is disclosed at note 14.

#### ***Useful lives of property, plant and equipment***

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

### ***Critical Judgements in applying accounting policies***

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

#### ***Classification of leases***

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised. Finance lease liability disclosures are contained in note 15. Future operating lease commitments are disclosed in note 21b.

#### ***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.

#### ***Consolidation of entities***

The Group consolidates entities based on whether the School has established control of the subsidiary. The subsidiaries which are controlled are disclosed at Note 24.

### c) Revenue Recognition

#### **Government Grants**

The Group 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 Group 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 Group has the rights to the funding in the salary period they relate to. The grants are not received in cash by the Group 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.

#### **For Non-integrated schools only:**

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

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

#### **For Integrated Groups this note should also include the following:**

The property from which the School operates is owned by the Proprietor. Grants for the use of land and buildings are also not received in cash by the school however they equate to the deemed expense for using the land and buildings. This expense is based on an assumed market rental yield on the land and buildings as used for rating purposes.

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

#### **Other Grants where conditions exist**

Other grants are recorded as revenue when the Group 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. Interest revenue is accrued using the effective interest method.

### c) Operating Lease Payments

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

### d) Finance Lease Payments

Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

### e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of 90 days or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

**f) Accounts Receivable**

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (uncollectable debts). The schools receivables are largely made up of funding from the Ministry of Education, therefore the level of uncollectable debts is not considered to be material. However, short-term receivables are written off when there is no reasonable expectation of recovery.

**g) Inventories**

Inventories are consumable items held for sale and comprised of stationery and school uniforms. They are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is the estimated selling price in the ordinary course of activities less the estimated costs necessary to make the sale. Any write down from cost to net realisable value is recorded as an expense in the Consolidated Statement of Comprehensive Revenue and Expense in the period of the write down.

**h) Investments**

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

Equity investments are designated at initial recognition at fair value through other comprehensive revenue and expense because they are investments that the group intends to hold for long term strategic purposes. They are initially measured at fair value plus transaction costs. They are subsequently measured at their fair value with gains and losses recognised in other comprehensive revenue and expense. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred within equity to accumulated surplus/(deficit).

The Group has met the requirements of Section 154 (2)(b)(ii) of the Education and Training Act 2020 in relation to the acquisition of investment securities.

**i) Property, Plant and Equipment**

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

Improvements (funded by the Board) to buildings owned by the Crown 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 Consolidated 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 Consolidated Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

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 Group 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 Consolidated 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 Consolidated Statement of Comprehensive Revenue and Expense.

### **l) Impairment of property, plant, and equipment and intangible assets**

The Group 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 Group 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 group 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 the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognised.

**l) Accounts Payable**

Accounts Payable represents liabilities for goods and services provided to the Group 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 due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, and also annual leave earned, by non teaching staff, to but not yet taken at balance date.

*Long-term employee entitlements*

Employee benefits that are not expected to be settled wholly before 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, hostel students and grants received] (delete as appropriate) where there are unfulfilled obligations for the Group to provide services in the future. The fees are recorded as revenue as the obligations are fulfilled and the fees earned.

**o) Funds Held in Trust**

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

**p) Funds held for Capital works**

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

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

**q) Shared Funds**

Shared Funds are held on behalf of participating schools as agreed with the Ministry of Education. In instances where funds are outside of the Group's control, these amounts are not recorded in the Statement of Revenue and Expense. In instances where the school is determined to be the principal for providing the service related to the Shared Funds (such as the RTLB programme), all income and expenditure related to the provision of the service is recorded in the Statement of Revenue and Expense. The Group holds sufficient funds to enable the funds to be used for their intended purpose.

**r) Provision for Cyclical Maintenance**

The property from which the Group operates is owned by the proprietor.

Cyclical maintenance, which involves painting the interior and exterior of the Group, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision is a reasonable estimate, the groups 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 group 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.

**s) Financial Instruments**

The Group'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 group 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 Group'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.

**t) 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.

**u) Goods and Services Tax (GST)**

The consolidated 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 consolidated statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

**v) Budget Figures**

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

**w) Services received in-kind**

From time to time the Group receives services in-kind, including the time of volunteers. The Group has elected not to recognise services received in kind in the Consolidated Statement of Comprehensive Revenue and Expense.

## 2. Government Grants

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Government Grants - Ministry of Education	2,141,139	2,075,596	2,071,039	2,141,139	2,075,596	2,071,039
Teachers' Salaries Grants	7,747,905	7,747,905	7,117,783	7,747,905	7,747,905	7,117,783
Other Government Grants	280,807	295,706	291,016	280,807	295,706	391,016
	10,169,851	10,119,207	9,479,838	10,169,851	10,119,207	9,579,838

The school has not opted in to the donations scheme for this year.

## 3. Locally Raised Funds

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

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
<b>Revenue</b>						
Donations and Bequests	1,990,917	1,997,675	2,004,453	2,000,901	1,997,675	2,033,349
Curriculum related activities - Purchase of goods and services	944,264	1,151,368	880,141	944,264	1,151,368	880,141
Other Revenue	22,366	25,250	22,507	22,366	25,250	22,507
Trading	732,731	908,502	750,418	732,731	908,502	750,418
International Student Fees	1,057,436	942,388	1,307,656	1,057,436	942,388	1,307,656
	4,747,714	5,025,183	4,965,175	4,757,698	5,025,183	4,994,071
<b>Expenses</b>						
Trading	653,560	749,178	658,617	653,560	749,178	658,617
International Student - Student Recruitment	449,770	468,871	569,046	449,770	468,871	569,046
International Student - Other Expenses	8,117	10,001	19,474	8,117	10,001	19,474
	1,111,447	1,228,050	1,247,137	1,111,447	1,228,050	1,247,137
<b>Surplus for the year Locally raised funds</b>	<b>3,636,267</b>	<b>3,797,133</b>	<b>3,718,038</b>	<b>3,646,251</b>	<b>3,797,133</b>	<b>3,746,934</b>

During the year the School hosted 56 International students (2020:63)

## 4. Learning Resources

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Curricular	1,157,955	1,471,067	1,074,664	1,157,955	1,471,067	1,074,664
Information and Communication Technology	245,280	265,150	242,389	245,280	265,150	242,389
Library Resources	22,908	26,270	25,307	22,908	26,270	25,307
Employee Benefits - Salaries	9,780,322	9,786,691	9,169,276	9,780,322	9,786,691	9,169,276
Staff Development	79,681	100,000	26,267	79,681	100,000	26,267
Depreciation	539,836	556,194	634,454	539,836	556,194	634,454
	11,825,982	12,205,372	11,172,357	11,825,982	12,205,372	11,172,357

## 5. Administration

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Audit Fee	10,104	10,104	10,008	10,104	10,104	10,008
Board Fees	-	2,060	1,070	-	2,060	1,070
Board Expenses	36,603	51,308	51,960	36,603	51,308	51,960
Communication	22,861	35,151	48,424	22,861	35,151	48,424
Consumables	32,015	(6,500)	35,573	32,015	(6,500)	35,573
Other	154,410	167,453	145,120	186,804	167,453	171,288
Employee Benefits - Salaries	511,567	510,580	553,752	511,567	510,580	553,752
Insurance	27,730	41,293	39,569	27,730	41,293	39,569
	795,290	811,449	885,476	827,684	811,449	911,644

## 6. Property

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Caretaking and Cleaning Consumables	286,724	316,665	297,486	286,724	316,665	297,486
Consultancy and Contract Services	-	-	-	-	-	-
Cyclical Maintenance Provision	93,072	93,074	92,148	93,072	93,074	92,148
Grounds	117,251	107,544	112,123	117,251	107,544	112,123
Heat, Light and Water	136,222	166,535	139,851	136,222	166,535	139,851
Repairs and Maintenance	161,231	133,614	162,286	161,231	133,614	162,286
Use of Land and Buildings	9,072,072	6,318,000	6,318,000	9,072,072	6,318,000	6,318,000
Security	13,225	12,610	10,134	13,225	12,610	10,134
Employee Benefits - Salaries	132,994	116,759	107,277	132,994	116,759	107,277
	10,012,791	7,264,801	7,239,305	10,012,791	7,264,801	7,239,305

## 7. Cash and Cash Equivalents

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Bank Accounts	953,486	903,796	1,231,338	1,061,026	903,796	1,361,038
Short-term Bank Deposits	-	1,150,000	-	-	1,150,000	-
Cash equivalents and bank overdraft for Consolidated	953,486	2,053,796	1,231,338	1,061,026	2,053,796	1,361,038

## 8. Accounts Receivable

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Receivables	14,541	15,000	12,475	14,541	15,000	12,475
Interest Receivable	6,563	7,000	8,359	6,563	7,000	8,359
Teacher Salaries Grant Receivable	599,494	599,494	567,687	599,494	599,494	567,687
	620,598	621,494	588,521	620,598	621,494	588,521
Receivables from Exchange Transactions	21,104	22,000	20,834	21,104	22,000	20,834
Receivables from Non-Exchange Transactions	599,494	599,494	567,687	599,494	599,494	567,687
	620,598	621,494	588,521	620,598	621,494	588,521



## 9. Inventories

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
School Uniforms	239,106	250,000	241,321	239,106	250,000	241,321
	239,106	250,000	241,321	239,106	250,000	241,321

## 10. Investments

The Group and School's investments are classified as follows:

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Current Asset						
Short-term Bank Deposits	2,300,035	705,482	2,013,786	2,618,788	705,482	2,329,339
	2,300,035	705,482	2,013,786	2,618,788	705,482	2,329,339
Non-current Asset						
Long-term Bank Deposits	-	-	-	-	-	-
Equity Investments	-	-	-	-	-	-
	-	-	-	-	-	-
Total Investments	2,300,035	705,482	2,013,786	2,618,788	705,482	2,329,339

## 11. Property, Plant and Equipment

### GROUP

	Opening Balance (Net Book Value) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2021						
Furniture and Equipment	1,911,341	255,040	(4,045)		(318,044)	1,844,292
Information and Communication Technology	302,204	45,096		-	(149,345)	197,955
Textbooks	16,737	8,248			(6,987)	17,998
Leased Assets	82,798	64,268			(46,588)	100,478
Library Resources	135,392	16,462			(18,872)	132,982
Balance at 31 December 2021	2,448,472	389,114	(4,045)	-	(539,836)	2,293,705

### GROUP

	2021 Cost or Valuation \$	2021 Accumulated Depreciation \$	2021 Net Book Value \$	2020 Cost or Valuation \$	2020 Accumulated Depreciation \$	2020 Net Book Value \$
Furniture and Equipment	1,844,292	-	1,844,292	1,911,341	-	1,911,341
Information and Communication Technology	197,955	-	197,955	302,204	-	302,204
Textbooks	17,998	-	17,998	16,737	-	16,737
Leased Assets	100,478	-	100,478	82,798	-	82,798
Library Resources	132,981	-	132,981	135,392	-	135,392
Balance at 31 December	2,293,704	-	2,293,704	2,448,472	-	2,448,472

### SCHOOL

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2021						
Furniture and Equipment	1,911,341	255,040	(4,045)		(318,044)	1,844,292
Information and Communication Technology	302,204	45,096		-	(149,345)	197,955
Textbooks	16,737	8,248			(6,987)	17,998
Leased Assets	82,798	64,268			(46,588)	100,478
Library Resources	135,392	16,462			(18,872)	132,982
Balance at 31 December 2021	2,448,472	389,114	(4,045)	-	(539,836)	2,293,705

# 11. Property, Plant and Equipment (Continued)

## SCHOOL

	2021 Cost or Valuation \$	2021 Accumulated Depreciation \$	2021 Net Book Value \$	2020 Cost or Valuation \$	2020 Accumulated Depreciation \$	2020 Net Book Value \$
Furniture and Equipment	1,844,292	-	1,844,292	1,911,341	-	1,911,341
Information and Communication Technology	197,955	-	197,955	302,204	-	302,204
Textbooks	17,998	-	17,998	16,737	-	16,737
Leased Assets	100,478	-	100,478	82,798	-	82,798
Library Resources	132,981	-	132,981	135,392	-	135,392
Balance at 31 December	2,293,704	-	2,293,704	2,448,472	-	2,448,472

## 12. Accounts Payable

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Creditors	287,276	500,000	237,642	287,276	500,000	237,642
Accruals	165,941	-	218,837	165,941	-	218,837
Banking Staffing Overuse	178,042	250,000	243,098	178,042	250,000	243,098
Employee Entitlements - Salaries	599,494	599,494	567,687	599,494	599,494	567,687
Employee Entitlements - Leave Accrual	34,522	32,000	31,578	34,522	32,000	31,578
	1,265,275	1,381,494	1,298,842	1,265,275	1,381,494	1,298,842
Payables for Exchange Transactions	1,265,275	1,381,494	1,298,842	1,265,275	1,381,494	1,298,842
	1,265,275	1,381,494	1,298,842	1,265,275	1,381,494	1,298,842

The carrying value of payables approximates their fair value.

## 13. Revenue Received in Advance

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
International Student Fees in Advance	567,018	590,000	941,719	567,018	590,000	941,719
	567,018	590,000	941,719	567,018	590,000	941,719

## 14. Provision for Cyclical Maintenance

	2021 Actual \$	School and Group 2021 Budget (Unaudited) \$	2020 Actual \$
Provision at the Start of the Year	409,663	562,200	
Increase to the Provision During the Year	93,072		92,148
Use of the Provision During the Year			317,515
Provision at the End of the Year	502,735	562,200	409,663
Cyclical Maintenance - Current	75,000	200,000	244,685
Cyclical Maintenance - Non current	524,394	380,274	317,515
	599,394	580,274	562,200

## 15. Finance Lease Liability

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

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
No Later than One Year	54,907	60,000	59,612	54,907	60,000	59,612
Later than One Year and no Later than Five Years	45,531	40,000	43,602	45,531	40,000	43,602
Later than Five Years						
Future Finance Charges						
	100,438	100,000	103,214	100,438	100,000	103,214
<b>Represented by</b>						
Finance lease liability - Current	54,907	60,000	59,612	54,907	60,000	59,612
Finance lease liability - Non-current	45,531	40,000	43,602	45,531	40,000	43,602
	100,438	100,000	103,214	100,438	100,000	103,214

## 16. Funds held in Trust

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	138,541	140,000	234,871	138,541	140,000	234,871
Funds Held in Trust on Behalf of Third Parties - Non-curr	10,583	11,000	10,583	10,583	11,000	10,583
	149,124	151,000	245,454	149,124	151,000	245,454

These funds relate to arrangements where the school is acting as agent and therefore these are not included in the Consolidated Statement of Comprehensive Revenue and Expense.

## 17. Related Party Transactions

The Group is a controlled entity of the Crown, and the Crown provides the major source of revenue to the Group. The Group 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 Group 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 Group 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, (Baradene College Limited) is a related party of the Board because the proprietor appoints representatives to the Board, giving the proprietor significant influence over the Board. Any services or contributions between the 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 free of charge for use by the 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 Proprietor provides hostel services that are used by some of the school's students in accordance with a contract between the Board and Proprietor.

## 18. Remuneration

### Key management personnel compensation (School and Group)

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

	2021 Actual \$	2020 Actual \$
Board Members - School Remuneration	-	1,070
Leadership Team Remuneration	509,947	493,185
Full-time equivalent members	4	4
Total key management personnel remuneration	509,947	494,255

There are 11 members of the Board excluding the Principal. The Board had held 8 full meetings of the Board in the year. The Board also has Finance committee of 3 members and Property committee of 2 members that meet 8 times a year, and 4 times for the Property committee. 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,

### Principal 1

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

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	210-220	210-220
Benefits and Other Emoluments	5	5
Termination Benefits	-	-

### Other Employees

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

Remuneration \$000	2021 FTE Number	2020 FTE Number
100 - 110	13.00	10.00
110-120	4.00	1.00
	17.00	11.00

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

## 20. Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2021 (Contingent liabilities and assets at 31 December 2020: nil).

### Holidays Act Compliance – schools payroll

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

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

To the extent that any obligation cannot reasonably be quantified at 31 December 2022, a contingent liability for the school may exist.

## 21. Commitments

### (a) Capital Commitments

As at 31 December 2021 the Board has entered into contract agreements for capital works as follows:

(Capital commitments at 31 December 2021 Nil

(Capital commitments at 31 December 2020 Nil

### (b) Operating Commitments School and GROUP

As at 31 December 2021 the Board has entered into the

	2021 Actual \$	2020 Actual \$
No later than One Year		
Later than One Year and No Later than Five Years		
Later than Five Years		

## 22. Financial Instruments

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

### Financial assets measured at amortised cost

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Cash and Cash Equivalents	953,486	2,053,796	1,231,338	1,061,026	2,053,796	1,361,038
Receivables	620,598	621,494	588,521	620,598	621,494	588,521
Investments - Term Deposits	2,300,035	705,482	2,013,786	2,618,788	705,482	2,329,339
<b>Total Financial Assets Measured at Amortised Cost</b>	<b>3,874,119</b>	<b>3,380,772</b>	<b>3,833,645</b>	<b>4,300,412</b>	<b>3,380,772</b>	<b>4,278,898</b>

### Financial liabilities measured at amortised cost

Payables	1,265,275	1,381,494	1,298,842	1,265,275	1,381,494	1,298,842
Borrowings - Loans	-	-	-	-	-	-
Finance Leases	100,438	100,000	103,214	100,438	100,000	103,214
Painting Contract Liability	-	-	-	-	-	-
<b>Total Financial Liabilities Measured at Amortised Cost</b>	<b>1,365,713</b>	<b>1,481,494</b>	<b>1,402,056</b>	<b>1,365,713</b>	<b>1,481,494</b>	<b>1,402,056</b>

## 23. Events After Balance Date

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

## 24. Investment in Subsidiaries

Details of the Group's material subsidiaries at the end of the reporting period are as follows.

Name of Subsidiary	Principal Activity	Place of incorporation and	Proportion of ownership interest and voting power held by the		Value of investment \$000	
			2021	2020	2021	2020
Growing Heart Foundation	Raising Funds	Auckland New Zealand	100%	100%	-	-

All subsidiaries have 31 December balance dates, are 100% owned by the School, and are incorporated and domiciled in New Zealand.

The School controls the Trust for financial reporting purposes because, in substance, the school predetermined the objectives of the Trust at establishment and benefits from the Trust's complementary activities.

The Trust is a registered charity. Under its constitution, the company is prohibited from paying dividends (or similar distributions) to the School.

## 25. Comparatives

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

## **26.COVID 19 Pandemic on going implications**

### **Impact of Covid-19**

During 2021 the country moved between alert levels. During February and March 2021 Auckland was placed into alert levels 3 and 2 and other parts of the country moved into alert level 2.

Towards the end of June 2021, the Wellington region was placed into alert level 2 for one week.

Towards the end of August 2021, the entire country moved to alert level 4, with a move to alert level 3 and 2 for everyone outside the Auckland region three weeks later. While Auckland has remained in alert level 3 for a prolonged period of time the Northland and Waikato regions have also returned to alert level 3 restrictions during this period.

### **Impact on operations**

Schools have been required to continue adapting to remote and online learning practices when physical attendance is unable to occur in alert level 4 and 3. Schools continue to receive funding from the Te Tāhuhu o te Mātauranga | Ministry to Education, even while closed.

However, the ongoing interruptions resulting from the moves in alert levels have impacted schools in various ways which potentially will negatively affect the operations and services of the school. We describe below the possible effects on the school that we have identified, resulting from the ongoing impacts of the COVID-19 alert level changes.

### **Reduction in locally raised funds**

Under alert levels 4,3, and 2 the school's ability to undertake fund raising events in the community and/ or collect donations or other contributions from parents, may have been compromised. Costs already incurred arranging future events may not be recoverable.

### **Increased Remote learning additional costs**

Under alert levels 4 and 3 ensuring that students have the ability to undertake remote or distance learning often incurs additional costs in the supply of materials and devices to students to enable alternative methods of curriculum delivery.

### **Reduction in International students**

Under alert levels 4, 3, 2, and 1 International travel is heavily restricted. The school has been unable to welcome and enrol prospective international students which has resulted in a reduction in revenue from student fees & charges from International students and/or Board of Trustee operated boarding facilities.

Any other impacts affecting your school.

## NOTE 27

### Kiwisport

Kiwi sport is a government funding initiative to support students' participation in organised sport. In 2021 the school received total Kiwi sport funding of \$28,532 (Excluding GST). The funding was spent on Coaching Development Programmes, equipment and uniforms and operational costs – team entries, tournament entries and levies. In 2021 we had a 67% participation level. A drop of 2% was expected, due to the effect Covid-19 had on sport at Years 9 – 13, up 2% on 2018.

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## INDEPENDENT AUDITOR'S REPORT

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

The Auditor-General is the auditor of Baradene College of the Sacred Heart (the School). The Auditor-General has appointed me, Sungesh Singh using the staff and resources of UHY Haines Norton (Auckland) Limited, to carry out the audit of the consolidated financial statements of the school, which includes the foundation, on his behalf.

#### Opinion

We have audited the consolidated financial statements of the school on pages 2 to 20, that comprise the statement of financial position as at 31 December 2021, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the consolidated financial statements that include accounting policies and other explanatory information.

In our opinion the consolidated financial statements of the School:

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

Our audit was completed on *20 December 2023*. This is the date at which our opinion is expressed.

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

#### Emphasis of matter – Failure to meet statutory reporting deadline

Without modifying our opinion, we draw attention to the fact that the Board did not comply with section 137(1) of the Education and Training Act 2020, which requires the Board to provide its audited financial statements to the Ministry of Education by 31 May 2022.

#### 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

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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 consolidated financial statements**

The Board is responsible on behalf of the school for preparing the consolidated 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 consolidated 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 consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

For the budget information reported in the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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 EdPay 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 consolidated financial statements.

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

Our responsibilities arise from the Public Audit Act 2001.

#### **Other information**

The Board are responsible for the other information. The other information comprises of the Statement of Responsibility, the Kiwisport Report, Analysis of Variance and the Members of the Board, but does not include the consolidated financial statements, and our auditor's report thereon.

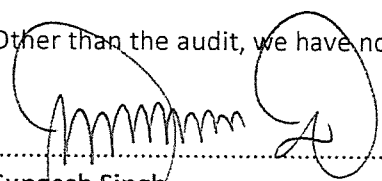
Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the consolidated 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 (Revised): *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.



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**Sungesh Singh**  
**UHY Haines Norton (Auckland) Limited**  
**On behalf of the Auditor-General**  
**Auckland, New Zealand**