

ELIM CHRISTIAN COLLEGE

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Ministry Number: 1190
Principal: Roger Murray Burton
School Address: 159 Botany Road, Auckland 2010
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Members of the Board of Trustees

Name	Position	How Position Gained	Term Expired/ Expires
Hayden Briscoe	Presiding Member	Appointed February 2021	August 2022
Lehan Stemmet	Presiding Member	Appointed September 2022	N/A
Richard King	Deputy Presiding Member	Elected June 2019	N/A
Roger Murray Burton	Principal	ex Officio	N/A
Lloyd Ratnaraja	Parent Trustee	Appointed January 2021	N/A
Joanna Lee	Parent Trustee	Elected June 2019	N/A
Richard Wagener	Parent Trustee	Elected June 2019	August 2022
Caroline Wood	Parent Trustee	Elected September 2022	N/A
Jule Lotu-linga	Parent Trustee	Elected September 2022	N/A
Hanneke Ais	Parent Trustee	Elected September 2022	N/A
Bill Kathagen	Proprietor Trustee	Appointed May 2013	June 2022
Colin Marshall	Proprietor Trustee	Appointed March 2018	August 2022
Adrian Daniel	Proprietor Trustee	Appointed September 2022	N/A
Stuart Oxford	Proprietor Trustee	Appointed September 2022	N/A
Stephen Briscoe	Staff Trustee	Elected June 2019	August 2022
Zen Han	Staff Trustee	Elected September 2022	N/A
Tabitha Boswell	Student Trustee	Elected May 2022	September 2022
Shalom Kim	Student Trustee	Elected September 2022	N/A

Accountant / Service Provider: Elim Christian Centre - Financial Service

UHY HAINES NORTON (AUCKLAND) LIMITED
For identification purposes only

ELIM CHRISTIAN COLLEGE

Annual Report - For the year ended 31 December 2022

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Elim Christian College

Statement of Responsibility

For the year ended 31 December 2022

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 that the annual financial statements for the financial year ended 31 December 2022 fairly reflects the financial position and operations of the school.

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

Lehan Stemmet

Full Name of Presiding Member



Signature of Presiding Member

18/10/2023

Date:

Roger Murray Burton

Full Name of Principal



Signature of Principal

18/10/2023

Date:

Elim Christian College
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget \$	2021 Actual \$
Revenue				
Government Grants	2	10,808,493	9,468,875	10,102,748
Locally Raised Funds	3	941,988	929,822	1,021,298
Use of Proprietor's Land and Buildings		2,770,000	4,631,520	2,770,000
Interest Earned		21,152	1,185	12,807
Gain on Sale of Property, Plant and Equipment		-	-	6,083
Other Revenue		1,515	1,818	1,515
Total Revenue		14,543,148	15,033,220	13,914,451
Expenses				
Locally Raised Funds	3	418,436	346,791	278,564
Learning Resources	5	9,730,214	8,712,098	10,175,133
Administration	6	840,851	788,319	886,044
Finance		9,328	6,093	4,075
Property	7	3,524,512	5,420,786	3,437,720
Other Expenses	8	600	-	600
Loss on Disposal of Property, Plant and Equipment	12	8,736	-	1,207
		14,532,677	15,274,087	14,783,343
Net Surplus / (Deficit) for the year		10,471	(240,867)	(868,892)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		10,471	(240,867)	(868,892)

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

Elim Christian College

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2022

	Actual 2022 \$	Budget 2022 \$	Actual 2021 \$
Balance at 1 January 2022	1,570,802	2,427,405	2,396,858
Total comprehensive revenue and expense for the year	10,471	(240,867)	(868,892)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	52,740	37,050	42,836
	1,634,013	2,223,589	1,570,802
Accumulated comprehensive revenue and expense Reserves	1,634,013 -	2,223,589 -	1,570,802 -
Equity at 31 December 2022	1,634,013	2,223,589	1,570,802

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

Elim Christian College
Statement of Financial Position
As at 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Current Assets				
Cash and Cash Equivalents	9	711,527	1,009,622	476,750
Accounts Receivable	10	1,039,619	566,375	656,396
GST Receivable		-	10,000	515
Prepayments		56,808	40,000	38,053
Investments	11	400,000	800,000	400,000
		<u>2,207,954</u>	<u>2,425,997</u>	<u>1,571,714</u>
Current Liabilities				
GST Payable		17,600	-	-
Accounts Payable	14	981,708	744,600	887,110
Revenue Received in Advance	15	225,408	533,500	131,834
Provision for Cyclical Maintenance	16	143,507	232,693	82,650
Finance Lease Liability	17	40,517	16,000	26,863
Funds held in Trust	18	329,846	303,358	117,360
		<u>1,738,589</u>	<u>1,830,151</u>	<u>1,245,817</u>
Working Capital Surplus/(Deficit)		<u>469,365</u>	<u>595,846</u>	<u>325,897</u>
Non-current Assets				
Property, Plant and Equipment	12	1,559,148	1,842,920	1,627,708
Intangible Assets	13	3,050	3,700	3,650
		<u>1,562,198</u>	<u>1,846,620</u>	<u>1,631,358</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	16	365,940	208,877	365,370
Finance Lease Liability	17	31,611	10,000	21,079
		<u>397,551</u>	<u>218,877</u>	<u>386,449</u>
Net Assets		<u>1,634,013</u>	<u>2,223,589</u>	<u>1,570,806</u>
Equity		<u>1,634,013</u>	<u>2,223,589</u>	<u>1,570,806</u>

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

Elim Christian College
Statement of Cash Flows
For the year ended 31 December 2022

		2022	2022	2021
	Note	Actual \$	Budget (Unaudited) \$	Actual \$
Cash flows from Operating Activities				
Government Grants		2,999,050	2,686,810	2,658,607
Locally Raised Funds		463,077	745,488	579,427
International Students		267,128	604,461	94,844
Goods and Services Tax (net)		18,117	(9,484)	4,406
Payments to Employees		(1,930,226)	(1,885,606)	(2,672,727)
Payments to Suppliers		(1,548,600)	(1,613,518)	(1,502,514)
Cyclical Maintenance Payments in the year		(51,850)	(197,450)	(8,890)
Interest Paid		(9,328)	(4,500)	(4,075)
Interest Received		17,096	29,366	18,289
Net cash from / (to) the Operating Activities		224,464	355,567	(832,633)
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	8,596	6,999
Purchase of PPE (and Intangibles)		(246,174)	300,000	(311,482)
Purchase of investments		(400,000)	(650,000)	(400,000)
Proceeds from Sale of Investments		400,000	600,000	1,000,000
Net cash from / (to) the Investing Activities		(246,174)	258,596	295,517
Cash flows from Financing Activities				
Furniture and Equipment Grant		52,740	44,000	42,836
Finance Lease Payments		(8,738)	(291)	26,897
Funds Administered on Behalf of Third Parties		212,486	(125,000)	(205,378)
Net cash from Financing Activities		256,488	(81,291)	(135,645)
Net increase/(decrease) in cash and cash equivalents		234,778	532,872	(672,761)
Cash and cash equivalents at the beginning of the year	9	476,750	476,750	1,149,511
Cash and cash equivalents at the end of the year	9	711,528	1,009,622	476,750

The statement of cash flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries and the use of land and buildings grant and expense have been excluded.

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

Elim Christian College

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2022 to 31 December 2022 and in accordance with the requirements of the Education and Trading 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 Trading Act 2020 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as "having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders".

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

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 16.

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 12.

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. Finance leases are disclosed at note 17.

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

The property from which the School operates is owned by the Proprietor (Elim Proprietors Trust). 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 School has the rights to the funding, unless there are unfulfilled conditions attached to the grant, in which case the amount relating to the unfulfilled conditions is recognised as a liability and released to revenue as the conditions are fulfilled.

Grants for the use of land and buildings are also 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 Proprietor. Use of land and building grants are recorded as income in the period the school uses the land and building.

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Operating Lease Payments

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

e) Finance Lease Payments

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

f) Cash and Cash Equivalents

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

g) Accounts Receivable

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

h) Inventories

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

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.

j) Property, Plant and Equipment

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

Improvements (funded by the Board) to buildings owned by the Crown or directly by the board are recorded at cost, less accumulated depreciation and impairment losses.

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

Property, plant and equipment acquired with individual values under \$500 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 are depreciated over their estimated useful lives on a straight line basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Building improvements	10 – 75 years
Board Owned Buildings	10 – 75 years
Furniture and equipment	3 - 15 years
Information and communication technology	4 – 5 years
Motor vehicles	5 years
Textbooks	3 years
Library resources	10 - 15 years
Leased assets - Proprietor	4 - 15 years
Leasehold Improvements - Playground	10 - 15 years
Leased assets held under a Finance Lease	Term of Lease

k) Intangible Assets

Software costs

Computer software acquired by the School are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software licences with individual values under \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software that the school receives from the Ministry of Education is normally acquired through a non-exchange transaction and is not of a material amount. It's fair value can be assessed at time of acquisition if no other methods lead to a fair value determination. Computer software purchased directly from suppliers at market rates are considered exchange transactions and the fair value is the amount paid for the software.

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

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

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

Non cash generating assets

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

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

In determining fair value less costs to sell the school engages an independent valuer to assess market value based on the best available information. The valuation is based on [details of the valuer's approach to determining market value (i.e. what valuation techniques have been employed, comparison to recent market transaction etc.)].

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

m) 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 - 50 days of recognition.

n) 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, annual leave earned to but not yet taken at balance date.

o) 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.

p) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

q) Provision for Cyclical Maintenance

The property from which the school operates is owned by the Proprietor. The Board is responsible for maintaining the land, building and other facilities on the School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision is a reasonable estimate, based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition.

The schools 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.

r) Financial Instruments

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

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

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

s) 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.

t) 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.

u) Budget Figures

The budget figures are extracted from the School budget that was approved by the Board at the start of the year.

v) Services received in-kind

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

2. Government Grants

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Government Grants - Ministry of Education	2,880,533	2,548,668	2,526,188
Teachers' salaries grants	7,750,555	6,780,000	7,437,262
Resource teachers learning and behaviour grants	29,175	19,177	19,274
Secondary tertiary alignment resource funding grant	71,167	72,856	67,663
Gateway - TEC	42,882	46,225	46,225
Other government grants	34,181	1,949	6,136
	<u>10,808,493</u>	<u>9,468,875</u>	<u>10,102,748</u>

3. Locally Raised Funds

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

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Donations	39,050	62,700	39,514
Activities	363,486	289,423	222,465
Trading	25,664	15,618	13,307
Fundraising	20,047	219	5,449
Other Revenue	320,444	359,841	314,735
International student fees	173,297	202,022	425,829
	<u>941,988</u>	<u>929,822</u>	<u>1,021,299</u>
Expenses			
Activities	309,089	294,124	189,634
Trading	102	169	141
Fundraising costs	10,694	981	1,903
Other Expenses	17,567	6,329	14,090
International Students - Commissions	21,975	8,500	25,889
International Students - Recruitment	32,220	209	1,731
International Students - International student levy	7,365	12,500	10,091
International Students - Employee Benefit - Salaries	16,275	10,191	21,514
International Students - Other Expenses	3,149	13,788	13,571
	<u>418,436</u>	<u>346,791</u>	<u>278,564</u>
	<u>523,552</u>	<u>583,031</u>	<u>742,735</u>

Surplus/ (Deficit) for the year Locally raised funds

During the year the School hosted 22 International students (2021:37)

5. Learning Resources

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Curricular	207,199	169,368	179,855
Equipment repairs	13,193	20,151	11,555
Information and communication technology	34,938	27,403	25,019
Library resources	1,017	1,677	1,759
Employee benefits - salaries	9,081,184	8,110,806	9,570,954
Staff development	53,764	35,728	52,992
Depreciation	338,919	346,965	332,999
	<u>9,730,214</u>	<u>8,712,098</u>	<u>10,175,133</u>

6. Administration

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Audit Fee	8,662	7,560	7,531
Board of Trustees Fees	4,485	7,000	3,035
Board of Trustees Expenses	13,257	9,053	5,988
Communication	37,445	40,124	40,923
Consumables	7,676	7,900	6,111
Operating Lease	1,408	1,260	1,434
Legal Fees	19,500	18,000	23,000
Postage	402	600	182
Other	13,133	17,814	29,815
Staff Expenses	21,090	33,680	25,333
Subscriptions & Licences	10,395	10,001	7,361
Employee Benefits - Salaries	544,772	466,777	589,840
Insurance	16,477	18,475	18,011
Service Providers, Contractors and Consultancy	142,149	150,075	127,480
	840,851	788,319	886,044

7. Property

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Caretaking and Cleaning Consumables	22,493	69,500	10,475
Consultancy and Contract Services	396,274	425,994	406,417
Cyclical Maintenance Expense	113,277	76,200	73,210
Grounds	16,606	16,590	16,366
Heat, Light and Water	119,929	113,000	90,609
Repairs and Maintenance	41,063	49,035	30,967
Use of Proprietor's Land and Buildings	2,770,000	4,631,520	2,770,000
Security	44,870	38,947	39,677
Employee Benefits - Salaries	-	-	-
	3,524,512	5,420,786	3,437,721

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.

8. Other Expenses

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Loss on Uncollectable Accounts Receivable	-	-	-
Amortisation of Intangible Assets	600	-	600
Impairment of Property, Plant and Equipment	-	-	-
Transport	-	-	-
	600	-	600

9. Cash and Cash Equivalents

	2022	2022 Budget (Unaudited)	2021
	Actual \$	\$	Actual \$
Cash on Hand	400	400	400
Bank Current Account	128,236	109,695	94,359
Bank Call Account	382,891	699,527	181,991
Short-term Bank Deposits	200,000	200,000	200,000
Cash and cash equivalents for Cash Flow Statement	711,527	1,009,622	476,750

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

Of the \$711,527 Cash and Cash Equivalents, \$4,080 (2021 \$1,000) of unspent grant funding is held by the School. This funding is subject to restrictions which specify how the grant is required to be spent in providing specified deliverables of the grant arrangement.

Of the \$711,527 Cash and Cash Equivalents, \$329,846 (2021 \$117,360) of funds held in trust on behalf of third parties. The school will transfer this funding to revenues at appropriate intervals during the period of enrolment for each student. If these requirements are not met, the funds will need to be returned.

10. Accounts Receivable

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Receivables	328,998	5,000	21,869
Receivables from the Ministry of Education	30,540	3,375	3,375
Interest Receivable	7,257	6,400	3,201
Teacher Salaries Grant Receivable	672,824	551,600	627,951
	1,039,619	566,375	656,396
Receivables from Exchange Transactions	336,255	11,400	25,070
Receivables from Non-Exchange Transactions	703,365	554,975	631,326
	1,039,619	566,375	656,396

11. Investments

The School's investment activities are classified as follows:

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Current Asset			
Short-term Bank Deposits	400,000	800,000	400,000
Total Investments	400,000	800,000	400,000

12. Property, Plant and Equipment

	Opening Bal	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2022						
Furniture and Equipment	428,605	175,281	(8,736)	-	(112,012)	483,138
Information and Communication Technology	53,714	3,392	-	-	(31,528)	25,578
Motor Vehicles	62,072	-	-	-	(15,565)	46,507
Textbooks	38,623	958	-	-	(14,174)	25,407
Library Resources	7,306	-	-	-	(1,378)	5,928
Leased Assets	185,775	19,647	-	-	(26,899)	178,523
Leasehold Imp - Playground	805,560	-	-	-	(80,551)	725,009
Leased Teacher Laptops	46,051	79,821	-	-	(56,812)	69,060
Balance at 31 December 2022	1,627,706	279,099	(8,736)	-	(338,919)	1,559,150

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2022			
Furniture and Equipment	1,484,468	(1,001,330)	483,138
Information and Communication Technology	450,327	(424,747)	25,579
Motor Vehicles	172,922	(126,416)	46,506
Textbooks	102,179	(76,772)	25,407
Library Resources	28,631	(22,703)	5,928
Leased Assets	357,372	(178,849)	178,523
Leasehold Imp - Playground	1,183,231	(458,222)	725,009
Leased Teacher Laptops	135,497	(66,439)	69,058
Balance at 31 December 2022	3,914,626	(2,355,478)	1,559,148

	Opening Bal (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2021						
Furniture and Equipment	418,406	108,925	(1,998)	-	(96,727)	428,605
Information and Communication Technology	76,439	41,417	(125)	-	(64,015)	53,715
Motor Vehicles	80,227	-	-	-	(18,156)	62,072
Textbooks	17,163	34,909	-	-	(13,449)	38,623
Library Resources	8,744	-	-	-	(1,438)	7,306
Leased Assets	147,544	62,853	-	-	(24,621)	185,775
Leasehold Imp - Playground	884,506	1,409	-	-	(80,355)	805,560
Leased Teacher Laptops	51,566	28,722	-	-	(34,239)	46,050
Balance at 31 December 2021	1,684,596	278,234	(2,123)	-	(333,001)	1,627,704

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2021			
Furniture and Equipment	1,324,899	(896,294)	428,605
Information and Communication Technology	446,935	(393,219)	53,716
Motor Vehicles	172,922	(110,850)	62,072
Textbooks	101,222	(62,598)	38,624
Library Resources	28,631	(21,325)	7,306
Leased Assets	337,725	(151,950)	185,775
Leasehold Imp - Playground	1,183,231	(377,671)	805,560
Leased Teacher Laptops	102,572	(56,522)	46,050
Balance at 31 December 2021	3,698,137	(2,070,429)	1,627,708

13. Intangible Assets

The School's Intangible Assets are made up of acquired computer software.

	Acquired software	Internally generated software	Total \$
Cost			
Balance at 1 January 2021	6,000	-	6,000
Additions	-	-	-
Disposals	-	-	-
Balance at 31 December 2021/ 1 January 2022	6,000	-	6,000
Additions	-	-	-
Disposals	-	-	-
Balance at 31 December 2022	6,000	-	6,000
Accumulated Amortisation and impairment losses			
Balance at 1 January 2021	1,750	-	1,750
Amortisation expense	600	-	600
Disposals	-	-	-
Impairment losses	-	-	-
Balance at 31 December 2021 / 1 January 2022	2,350	-	2,350
Amortisation expense	600	-	600
Disposals	-	-	-
Impairment losses	-	-	-
Balance at 31 December 2022	2,950	-	2,950
Carrying amounts			
At 1 January 2021	4,250	-	4,250
At 31 December 2021 / 1 January 2022	3,650	-	3,650
At 31 December 2022	3,050	-	3,050

There are no restrictions over the title of the school's intangible assets, nor are any intangible assets pledged as security for liabilities.

Capital commitments

The amount of contractual commitments for the acquisition of intangible assets is \$nil (2021 \$nil)

14. Accounts Payable

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Operating creditors	181,469	82,000	48,515
Accruals	36,308	30,000	49,519
Banking staffing overuse	(48,366)	1,000	2,292
Employee Entitlements - salaries	812,297	601,600	785,665
Employee Entitlements - leave accrual	-	30,000	1,118
	<u>981,708</u>	<u>744,600</u>	<u>887,110</u>
Payables for Exchange Transactions	359,054	221,000	287,512
Payables for Non-exchange Transactions - Other	622,654	523,600	599,598
	<u>981,708</u>	<u>744,600</u>	<u>887,110</u>

The carrying value of payables approximates their fair value.

15. Revenue Received in Advance

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Grants in Advance - Ministry of Education	516	-	(227)
International Student Fees	224,892	533,500	131,061
Other	-	-	1,000
	<u>225,408</u>	<u>533,500</u>	<u>131,834</u>

16. Provision for Cyclical Maintenance

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Provision at the Start of the Year	448,020	448,020	383,700
Increase to the Provision During the Year	113,277	76,200	76,199
Use of the Provision During the Year	(51,850)	(82,650)	(11,879)
Other Adjustments	-	-	-
Provision at the End of the Year	<u>509,447</u>	<u>441,570</u>	<u>448,020</u>
Cyclical Maintenance - Current	143,507	232,693	82,650
Cyclical Maintenance - Non current	365,940	208,877	365,370
	<u>509,447</u>	<u>441,570</u>	<u>448,020</u>

17. Finance Lease Liability

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

	2022 Actual \$	2022 Budget \$	2021 Actual \$
No Later than One Year	40,517	16,000	26,863
Later than One Year and no Later than Five Years	31,611	10,000	21,079
Later than Five Years	-	-	-
Future Finance Charges			
	72,128	26,000	47,942
Represented by			
Finance lease liability - Current	13,918	14,000	14,000
Finance lease liability - Non current	42,523	24,000	24,000
	56,441	38,000	38,000

18. Funds held in Trust

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	329,846	303,358	117,360
Funds Held in Trust on Behalf of Third Parties - Non-current	-	-	-
	329,846	303,358	117,360

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

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

The Proprietor of the School (Elim Proprietors Trust) 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 funds 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".

Under an agency agreement, the School collects funds on behalf of the Proprietor. These include attendance dues and levies payable to the Proprietor. The amounts collected in total were \$3,387,588 (2021: \$43,515). These do not represent revenue in the financial statements of the school. Any balance not transferred at the year end is treated as a liability. The total funds held by the school on behalf of the proprietor are \$147,865 (2021: \$20,470).

Auckland East City Elim Trust (operating as Elim Christian Centre and Elim Campus Services) is a related party as there are common members of its Board (Oversight) and the Proprietor's Board, and it provides oversight to promote the Elim faith central to the special character of the school.

The school has entered into a Service Level Agreement with Auckland East City Elim Trust for the provision of property management services, school property cleaning services and accounting service. Amounts paid during the year amounted to \$117,353 (2021 \$117,353) for property management services, \$278,921 (2021 \$284,641) for property cleaning services, \$106,600 (2021 \$67,600) for accounting services, and \$6,666 (2021 NIL) for payroll processing. In addition Auckland East City Elim Trust charged for the reimbursement of property maintenance work undertaken on behalf of the school.

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.

	2022 Actual \$	2021 Actual \$
<i>Board Members</i>		
Remuneration	4,485	3,035
<i>Leadership Team</i>		
Remuneration	1,438,351	1,390,365
Full-time equivalent members	12.00	12.00
Total key management personnel remuneration	1,442,836	1,393,400
Total full-time equivalent personnel	12.00	12.00

There are 13 members of the Board excluding the Principal. The Board had held 9 full meetings of the Board in the year. The Board also has Finance (1 member) and Property (4 members) that meet monthly and quarterly respectively. 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

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

	2022 Actual \$000	2021 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	190 - 200	180 - 190
Benefits and Other Emoluments	5 - 10	5 - 10
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2022 FTE Number	2021 FTE Number
100 - 110	13.00	5.00
110 - 120	4.00	2.00
120 - 130	4.00	1.00
130 - 140	1.00	1.00
	22.00	9.00

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

21. Compensation and Other Benefits Upon Leaving

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

	2022 Actual	2021 Actual
Total	-	\$77,000
Number of People	-	3

22. Contingencies

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

Holidays Act Compliance – schools payroll

The Ministry of Education performs payroll processing and payments on behalf of 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 reasonably be quantified at 31 December 2022, a contingent liability for the school may exist.

23. Commitments

(a) Capital Commitments

As at 31 December 2022 the Board has entered into contract agreements for capital works as follows:

There is no capital commitment for 2022.

(Capital commitments at 31 December 2021: \$21,327)

(b) Operating Commitments

As at 31 December 2022 the Board has entered into the following contracts:

- (a) Fuji Xerox - Managed Copier Service
- (b) Norrcom - ICT - 30 days notice
- (c) Elim Property Hub - Management Contract
- (d) Elim Property Hub - Cleaning Contract
- (e) Elim Finance Hub - Accounting Services
- (f) Vistab - Visitor Management System - 30 days notice
- (g) Elim Finance Hub - Payroll Processing
- (g) Eftpos - MAC - 30 days notice

	2022 Actual \$	2021 Actual \$
No later than One Year	582,773	508,757
Later than One Year and No Later than Five Years	173,515	-
Later than Five Years		-
	<u>756,288</u>	<u>508,757</u>

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 (2022: Loans and receivables)

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and Cash Equivalents	711,527	1,009,622	476,750
Receivables	1,039,619	566,375	656,396
Investments - Term Deposits	400,000	800,000	400,000
Total Loans and Receivables	<u>2,151,146</u>	<u>2,375,997</u>	<u>1,533,146</u>

Financial liabilities measured at amortised cost

Payables	981,708	744,600	887,109
Finance Leases	72,128	26,000	47,941
Total Financial Liabilities Measured at Amortised Cost	<u>1,053,837</u>	<u>770,600</u>	<u>935,050</u>

25. Events After Balance Date

The Ministry of Education has approved the establishment and integration of the Mt Albert Campus as a separate state-integrated school, to be named Elim Christian College (Mt Albert). The effective date of integration is 1 March 2023 and the Minister has advised that the new school can commence instruction from the beginning of Term 1, 2024.

Overall, the financial impact for Elim Christian College is anticipated to be positive. The Board of Trustees will continue to assess the impact of this event on the financial position and performance of the college and will report any significant changes in future financial reports.