Fairfield College

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2023

	Notes	2023 Actual $	2023 Budget (Unaudited) $	2022 Actual $
Revenue				
Government Grants	2	11,832,772	9,325,568	10,393,108
Locally Raised Funds	3	351,110	159,114	353,063
Interest		44,081	2,725	12,030
Gain on Sale of Property, Plant and Equipment		3,913	-	-
Total Revenue		12,231,876	9,487,407	10,758,201
Expense				
Locally Raised Funds	3	159,956	2,494	108,206
Learning Resources	4	7,808,663	6,620,518	6,837,284
Administration	5	1,616,818	663,231	1,573,453
Interest		6,636	12,618	13,533
Property	6	2,386,051	2,189,701	2,241,081
Total Expense		11,978,124	9,488,562	10,773,557
Net Surplus / (Deficit) for the year		253,752	(1,155)	(15,356)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		253,752	(1,155)	(15,356)

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

Fairfield College

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2023

	Notes	2023 Actual $	2023 Budget (Unaudited) $	2022 Actual $
Equity at 1 January		1,051,205	1,057,671	1,066,561
Total comprehensive revenue and expense for the year		253,752	(1,155)	(15,356)
Contribution - Furniture and Equipment Grant		44,711	-	-
Historical Adjustment*		31,663		
Equity at 31 December		1,381,331	1,056,516	1,051,205
Accumulated comprehensive revenue and expense		1,381,331	1,056,516	1,051,205
Equity at 31 December		1,381,331	1,056,516	1,051,205

* This is relating to an error noted in the opening balance of funds held in trust due to double counted expenses in the financial year 2022

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.

Fairfield College
Statement of Financial Position
As at 31 December 2023

	Notes	2023 Actual $	2023 Budget (Unaudited) $	2022 Actual $
Current Assets				
Cash and Cash Equivalents	7	780,630	501,625	409,403
Accounts Receivable	8	553,383	622,805	491,175
GST Receivable		81,358	-	40,198
Prepayments		5,838	5,489	10,502
Investments	9	250,000	-	550,000
Funds Receivable for Capital Works Projects	16	15,656	-	19,329
		1,686,865	1,129,919	1,520,607
Current Liabilities				
GST Payable		-	9,470	-
Accounts Payable	11	679,185	518,321	569,192
Revenue Received in Advance	12	157,934	52,518	185,819
Provision for Cyclical Maintenance	13	104,229	351,740	395,124
Finance Lease Liability	14	52,246	82,928	75,533
Funds held in Trust	15	196,337	53,803	160,143
Funds held for Capital Works Projects	16	12,036	-	82,883
Funds held on behalf of Alternative Education Cluster	17	115,052	-	-
		1,317,019	1,068,780	1,468,694
Working Capital Surplus/(Deficit)		369,846	61,139	51,913
Non-current Assets				
Property, Plant and Equipment	10	1,154,323	1,189,775	1,238,799
		1,154,323	1,189,775	1,238,799
Non-current Liabilities				
Provision for Cyclical Maintenance	13	123,842	99,582	160,560
Finance Lease Liability	14	11,996	87,816	71,947
Tennie Memorial		7,000	7,000	7,000
		142,838	194,398	239,507
Net Assets		1,381,331	1,056,516	1,051,205
Equity		1,381,331	1,056,516	1,051,205

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

Fairfield College
Statement of Cash Flows
For the year ended 31 December 2023

	Note	2023 Actual $	2023 Budget (Unaudited) $	2022 Actual $
Cash flows from Operating Activities				
Government Grants		3,555,537	3,057,658	2,695,653
Locally Raised Funds		397,040	281,100	740,948
International Students		1,480	-	-
Goods and Services Tax (net)		(41,160)	-	(49,668)
Payments to Employees		(1,968,271)	(1,818,692)	(1,781,464)
Payments to Suppliers		(1,864,901)	(1,503,027)	(1,164,580)
Interest Paid		(6,636)	2,725	(13,533)
Interest Received		44,501	-	4,300
Net cash from/(to) Operating Activities		117,590	19,764	431,656
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(137,507)	(167,266)	(139,065)
Purchase of Investments		-	-	(550,000)
Proceeds from Sale of Investments		300,000	-	-
Net cash from/(to) Investing Activities		162,493	(167,266)	(689,065)
Cash flows from Financing Activities				
Furniture and Equipment Grant		44,711	-	-
Finance Lease Payments		(64,160)	(90,832)	(26,066)
Funds Administered on Behalf of Other Parties		110,593	(12,618)	(59,699)
Net cash from/(to) Financing Activities		91,144	(103,450)	(85,765)
Net increase/(decrease) in cash and cash equivalents		371,227	(250,952)	(343,174)
Cash and cash equivalents at the beginning of the year	7	409,403	752,577	752,577
Cash and cash equivalents at the end of the year	7	780,630	501,625	409,403

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 and other notional items have been excluded.

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

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

1. Statement of Accounting Policies

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

b) Basis of Preparation
Reporting Period
The financial statements have been prepared for the period 1 January 2023 to 31 December 2023 and in accordance with the requirements of the Education and Training Act 2020.

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

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

PBE Accounting Standards Reduced Disclosure Regime
The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the expense threshold of $30 million per year. All relevant reduced disclosure concessions have been taken.

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

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

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

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 13.

Useful lives of property, plant and equipment
The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the significant accounting policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 10.

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

Classification of leases
Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee.

Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised. Finance lease liability disclosures are contained in note 14. Future operating lease commitments are disclosed in note 22b.

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

c) Revenue Recognition

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

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

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

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

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

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

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

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

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

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

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

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

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

h) Inventories
Inventories are consumable items held for sale and comprised of Stationery and Hireage. 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 material.

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

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

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

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

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

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

The estimated useful lives of the assets are:

Building Improvements	40 years
Furniture and Equipment	2-10 years
Information and Communication Technology	3-5 years
Motor Vehicles	5 years
Textbooks	4 years
Library Resources	8 years DV
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 and research expenditure are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

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

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 a comparison to recent market transactions.

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 days of recognition.

n) Employee Entitlements

Short-term employee entitlements

Employee entitlements that are expected to be settled within 12 months after the end of the reporting period in which the employees provide the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, 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.

o) Revenue Received in Advance

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

The School holds sufficient funds to enable the refund of unearned fees in relation to 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 Comprehensive Revenue and Expense.

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

q) Funds held for Capital works

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

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

r) Shared Funds

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. In instances where funds are outside of the School's control, these amounts are not recorded in the Statement of Comprehensive Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

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

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

The School carries out painting maintenance of the whole school over a 7 to 10 year period. The economic outflow of this is dependent on the plan established by the school to meet this obligation and is detailed in the notes and disclosures of these accounts.

t) 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.

u) 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.

v) 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.

w) Budget Figures
The budget figures are extracted from the School budget that was approved by the Board.

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

2. Government Grants

	2023 Actual $	2023 Budget (Unaudited) $	2022 Actual $
Government Grants - Ministry of Education	4,301,201	2,928,681	3,583,143
Teachers' Salaries Grants	5,505,142	4,734,586	5,023,352
Use of Land and Buildings Grants	1,759,635	1,517,525	1,645,467
Other Government Grants	266,794	144,776	141,146
	11,832,772	9,325,568	10,393,108

The school has opted in to the donations scheme for this year. Total amount received was $115,436.

3. Locally Raised Funds

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

	2023 Actual $	2023 Budget (Unaudited) $	2022 Actual $
Revenue			
Donations & Bequests	36,952	20,262	56,647
Fees for Extra Curricular Activities	93,346	(29,080)	47,643
Trading	47,260	24,143	29,015
Fundraising & Community Grants	90,274	49,725	67,487
Other Revenue	81,798	94,064	152,271
International Students	1,480	-	-
	351,110	159,114	353,063
Expense			
Extra Curricular Activities Costs	107,565	-	68,367
Trading	6,781	2,494	5,991
Fundraising & Community Grant Costs	45,610	-	33,848
	159,956	2,494	108,206
Surplus for the year Locally raised funds	191,154	156,620	244,857

Fundraising includes a $22,609 receipt from Hamilton City Council for the purpose of pool partnership programme.

During the year the School hosted 0 International students (2022:0)

4. Learning Resources

	2023 Actual $	2023 Budget (Unaudited) $	2022 Actual $
Curricular	457,760	383,680	350,552
Employee Benefits - Salaries	7,091,004	5,974,872	6,233,191
Staff Development	25,018	26,500	18,112
Depreciation	213,093	215,700	216,945
Information & Communication Technology	20,154	17,479	16,402
Extra Curricular Activities	1,634	2,287	2,082
	7,808,663	6,620,518	6,837,284

5. Administration

	2023 Actual $	2023 Budget (Unaudited) $	2022 Actual $
Audit Fees	11,137	11,064	12,265
Board Fees	4,930	4,105	4,860
Board Expenses	1,950	451	5,657
Communication	17,891	16,692	18,070
Consumables	128,980	54,990	59,363
Other	187,573	92,581	75,911
Employee Benefits - Salaries	374,850	456,360	473,919
Insurance	22,036	20,988	23,645
Service Providers, Contractors and Consultancy	5,000	6,000	4,500
Healthy School Lunch Programme	862,471	-	895,263
	1,616,818	663,231	1,573,453

6. Property

	2023 Actual $	2023 Budget (Unaudited) $	2022 Actual $
Caretaking and Cleaning Consumables	18,681	10,955	12,760
Consultancy and Contract Services	123,854	121,223	130,573
Cyclical Maintenance Provision	14,176	66,562	37,224
Grounds	61,484	65,595	60,884
Heat, Light and Water	130,065	143,790	150,510
Rates	22,114	23,356	19,774
Repairs and Maintenance	84,949	100,424	54,100
Use of Land and Buildings	1,759,635	1,517,525	1,645,467
Security	24,217	18,225	18,695
Employee Benefits - Salaries	146,876	122,046	111,094
	2,386,051	2,189,701	2,241,081

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.

7. Cash and Cash Equivalents

	2023 Actual $	2023 Budget (Unaudited) $	2022 Actual $
Bank Accounts	780,630	501,625	409,403
Cash and cash equivalents for Statement of Cash Flows	780,630	501,625	409,403

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

Of the $780,630 Cash and Cash Equivalents $12,036 is held by the School on behalf of the Ministry of Education. These funds have been provided by the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2024 on Crown owned school buildings.

Of the $780,630 Cash and Cash Equivalents, $115,052 is held by the School on behalf of the Alternative Education Service. See note 17 for details of how the funding received for the cluster has been spent in the year.

Other restrictions on cash that may require disclosure include funds held in trust and revenue in advance as disclosed in note 12 and note 15.

8. Accounts Receivable

	2023 Actual $	2023 Budget (Unaudited) $	2022 Actual $
Receivables	37,352	217,296	50,958
Receivables from the Ministry of Education	43,586	-	-
Interest Receivable	7,310	-	7,730
Teacher Salaries Grant Receivable	465,135	405,509	432,487
	553,383	622,805	491,175
Receivables from Exchange Transactions	44,662	217,296	58,688
Receivables from Non-Exchange Transactions	508,721	405,509	432,487
	553,383	622,805	491,175

9. Investments

The School's investment activities are classified as follows:

	2023 Actual $	2023 Budget (Unaudited) $	2022 Actual $
Current Asset			
Short-term Bank Deposits	250,000	-	550,000
Total Investments	250,000	-	550,000

10. Property, Plant and Equipment

2023	Opening Balance (NBV) $	Additions $	Disposals $	Impairment $	Depreciation $	Total (NBV) $
Building Improvements	753,618	-	-	-	(43,082)	**710,536**
Furniture and Equipment	171,239	75,894	-	-	(44,214)	**202,919**
Information and Communication Technology	116,429	38,854	-	-	(34,015)	**121,268**
Motor Vehicles	34,905	8,261	-	-	(10,907)	**32,260**
Textbooks	5,739	1,815	-	-	(2,835)	**4,718**
Leased Assets	134,045	-	-	-	(74,720)	**59,325**
Library Resources	22,824	3,793	-	-	(3,320)	**23,297**
Balance at 31 December 2023	1,238,799	128,617	-	-	(213,093)	**1,154,323**

The net carrying value of equipment held under a finance lease is $59,325 (2022: $134,045)

Restrictions
With the exception of the contractual restrictions related to the above noted finance leases, there are no restrictions over the title of the school's property, plant and equipment, nor are any property, plant and equipment pledged as security for liabilities.

	2023 Cost or Valuation $	2023 Accumulated Depreciation $	2023 Net Book Value $	2022 Cost or Valuation $	2022 Accumulated Depreciation $	2022 Net Book Value $
Building Improvements	1,723,280	(1,012,744)	**710,536**	1,723,280	(969,662)	**753,618**
Furniture and Equipment	525,276	(322,357)	**202,919**	460,654	(289,415)	**171,239**
Information and Communication Technology	508,106	(386,838)	**121,268**	491,079	(374,650)	**116,429**
Motor Vehicles	56,997	(24,737)	**32,260**	53,236	(18,331)	**34,905**
Textbooks	21,746	(17,028)	**4,718**	19,931	(14,192)	**5,739**
Leased Assets	343,699	(284,374)	**59,325**	343,699	(209,654)	**134,045**
Library Resources	128,247	(104,950)	**23,297**	124,455	(101,631)	**22,824**
Balance at 31 December	3,307,351	(2,153,028)	**1,154,323**	3,216,334	(1,977,535)	**1,238,799**

11. Accounts Payable

	2023 Actual $	2023 Budget (Unaudited) $	2022 Actual $
Creditors	115,727	54,006	66,759
Accruals	51,916	10,962	8,739
Employee Entitlements - Salaries	465,135	405,509	432,487
Employee Entitlements - Leave Accrual	46,407	47,844	61,207
	679,185	518,321	569,192
Payables for Exchange Transactions	679,185	518,321	569,192
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	679,185	518,321	569,192

The carrying value of payables approximates their fair value.

12. Revenue Received in Advance

	2023 Actual $	2023 Budget (Unaudited) $	2022 Actual $
Revenue Received in Advance	72,975	52,518	124,347
Other Revenue Received In Advance	64,286	-	-
Grant in Advance - MoE	20,673		61,472
	157,934	52,518	185,819

13. Provision for Cyclical Maintenance

	2023 Actual $	2023 Budget (Unaudited) $	2022 Actual $
Provision at the Start of the Year	555,684	384,760	519,960
Increase to the Provision During the Year	78,699	66,562	74,805
Use of the Provision During the Year	(341,789)	-	-
Other Adjustments	(64,523)	-	(39,081)
Provision at the End of the Year	228,071	451,322	555,684
Cyclical Maintenance - Current	104,229	351,740	395,124
Cyclical Maintenance - Non current	123,842	99,582	160,560
	228,071	451,322	555,684

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

14. Finance Lease Liability

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

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	$	$	$
No Later than One Year	60,427	82,928	88,081
Later than One Year and no Later than Five Years	12,765	87,816	80,927
Future Finance Charges	(8,950)	-	(21,528)
	64,242	170,744	147,480
Represented by			
Finance lease liability - Current	52,246	82,928	75,533
Finance lease liability - Non current	11,996	87,816	71,947
	64,242	170,744	147,480

15. Funds held in Trust

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	$	$	$
Funds Held in Trust on Behalf of Third Parties - Current	196,337	53,803	160,143
Funds Held in Trust on Behalf of Third Parties - Non-current	-	-	-
	196,337	53,803	160,143

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.

16. Funds Held for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects. The amount of cash held on behalf of the Ministry for capital works projects is included under cash and cash equivalents in note 7.

2023	Project No.	Opening Balances $	Receipts from MoE $	Payments $	Board Contributions	Closing Balances $
D/M: Roof Repair, Internal Refurb	208875	70,847	-	(70,847)	-	-
5YA: Toilets Refurbishing	230899	(5,141)	-	-	5,141	-
E: Reroof of Rooms 4&5	225862	16	-	-	-	16
SIP Central Courts & Paved Areas	230901	12,020	-	-	-	12,020
5YA Roofing	230900	(9,080)	56,060	(57,865)	-	(10,885)
5YA LSC Offices	218609	(5,108)	22,760	(20,592)	-	(2,940)
Caretaker's House	241883	-	25,700	(27,531)	-	(1,831)
Totals		63,554	104,520	(176,835)	5,141	(3,620)

Represented by:

Funds Held on Behalf of the Ministry of Education	12,036
Funds Receivable from the Ministry of Education	(15,656)

2022	Project No.	Opening Balances $	Receipts from MoE $	Payments $	Board Contributions	Closing Balances $
D/M: Roof Repair, Internal Refurb	208875	70,847	-	-	-	70,847
A: Low Level Roof Replacement	225863	(1,254)	1,254	-	-	-
SIP: Astroturf	224104	(26,483)	26,483	-	-	-
5YA: Toilets Refurbishing	230899	(5,141)	-	-	-	(5,141)
E: Reroof of Rooms 4&5	225862	16	-	-	-	16
AMS: LED Lighting	230897	(4,582)	4,582	-	-	-
AMS: D/E: Heat Pump Installation	230903	79,808	-	(79,808)	-	-
5YA LSC Offices	218609	(5,108)	-	-	-	(5,108)
SIP Central Courts & Paved Areas	230901	121,490	-	(109,470)	-	12,020
5YA Roofing		-	-	(9,080)	-	(9,080)
Totals		229,593	32,319	(198,358)	-	63,554

Represented by:

Funds Held on Behalf of the Ministry of Education	82,883
Funds Receivable from the Ministry of Education	(19,329)

17. Funds held on behalf of Alternative Education Cluster

Fairfield College is the lead school and holds funds on behalf of the cluster, a group of schools funded by the Ministry of Education.

	2023 Actual $	2023 Budget $	2022 Actual $
Funds Held at Beginning of the Year	-	-	-
Funds Received from Cluster Members	14,509	-	-
Funds Received from MoE	873,211		
Total funds received	887,720	-	-
Funds Spent on Behalf of the Cluster	772,668	-	-
Funds remaining	115,052	-	-
Funds Held at Year End	115,052	-	-

18. Related Party Transactions

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

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

19. Remuneration

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

	2023 Actual $	2022 Actual $
Board Members		
Remuneration	4,930	4,860
Leadership Team		
Remuneration	1,646,197	584,670
Full-time equivalent members	13.00	4.00
Total key management personnel remuneration	1,651,127	589,530

There are 11 members of the Board excluding the Principal. The Board has held 11 full meetings of the Board in the year. As well as these regular meetings, including preparation time, the Presiding Member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

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

	2023 Actual $000	2022 Actual $000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	210 - 220	200 - 210
Benefits and Other Emoluments	6 - 7	6 - 7
Termination Benefits	-	-

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

Remuneration $000	2023 FTE Number	2022 FTE Number
100 - 110	10.00	13.00
110 - 120	8.00	1.00
120 - 130	4.00	4.00
130 - 140	2.00	0.00
140 - 150	1.00	0.00
	25.00	18.00

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

20. Compensation and Other Benefits Upon Leaving

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

	2023 Actual	2022 Actual
Total	-	-
Number of People	-	-

21. Contingencies

There are no contingent liabilities and no contingent assets (except as noted below) as at 31 December 2023 (Contingent liabilities and assets at 31 December 2022: the same).

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

Holidays Act Compliance – schools payroll

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

The Ministry continues to review the Schools Sector Payroll to ensure compliance with the Holidays Act 2003. An initial remediation payment has been made to some current school employees. The Ministry is continuing to perform detailed analysis to finalise calculations and the potential impacts of specific individuals. As such, this is expected to resolve the liability for school boards.

22. Commitments

(a) Capital Commitments

As at 31 December 2023, the Board had capital commitments of $610,023 (2022: $-634,662) as a result of entering the following contracts:

Contract Name	Contract Amount	Spend To Date	Remaining Capital Commitment
	$	$	$
5YA Roofing	527,088	57,865	469,223
5YA LSC Offices 2023	165,000	25,700	139,300
Caretaker's House	29,031	27,531	1,500
Total	**721,119**	**111,096**	**610,023**

(b) Operating Commitments

There are no operating commitments as at 31 December 2023 (Operating commitments at 31 December 2022: nil).

23. Financial Instruments

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

Financial assets measured at amortised cost

	2023 Actual $	2023 Budget (Unaudited) $	2022 Actual $
Cash and Cash Equivalents	780,630	501,625	409,403
Receivables	553,383	622,805	491,175
Investments - Term Deposits	250,000	-	550,000
Total financial assets measured at amortised cost	1,584,013	1,124,430	1,450,578

Financial liabilities measured at amortised cost

Payables	679,185	518,321	569,192
Finance Leases	64,242	170,744	147,480
Total financial liabilities measured at amortised cost	743,427	689,065	716,672

24. Events After Balance Date

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

25. Comparatives

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

26. Breach of Legislation

The School breached Section 135 of the Education and Training Act 2020 which requires the school to provide its draft financial statements to their auditor by 31 March 2023

INDEPENDENT AUDITOR'S REPORT

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

The Auditor-General is the auditor of Fairfield College (the School). The Auditor-General has appointed me, Johann van Loggerenberg, using the staff and resources of PKF Hamilton Audit Ltd, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 22, that comprise the statement of financial position as at 31 December 2023, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
    - its financial position as at 31 December 2023; and
    - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector – Public Benefit Entity Standards Reduced Disclosure Regime.

Our audit was completed on 31 May 2024. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements

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

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

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

The Board's responsibilities arise from section 134 of the Education and Training Act 2020.

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages 1, 26 to 36, but does not include the financial statements, and our auditor's report thereon.

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

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

Independence

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

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

Johann van Loggerenberg
PKF Hamilton Audit Ltd
On behalf of the Auditor-General
Hamilton, New Zealand