



# AUCKLAND COMMON FUND LIMITED

2020 ANNUAL REPORT

Mō tā tou, ā, mō ngā uri ā muri ake  
For us, and our children after us.

# CONTENTS

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INTRODUCTION FROM THE CHAIR ..... 2

REPORT FROM MANAGEMENT ..... 3

COMPANY DATA ..... 4

ADMINISTRATION..... 5

ATTENDANCE DUES ..... 6

DEBT LEVEL ..... 8

FINANCIAL RESULTS ..... 9

SCHOOLS ..... 11

NOTES ..... 13

# INTRODUCTION FROM THE CHAIR

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On behalf of the Board of Auckland Common Fund Ltd (ACFL), I am pleased to present this annual report to valued stakeholders of Catholic schools from Tai Tokerau to the Firth of Thames. ACFL is responsible for the collection of Attendance Dues to service all proprietors' Common Fund debts and it is our aim to use this report to provide an overview of this company for the year ending 31 December 2020.

I would like to thank all the parents and caregivers who choose a Catholic school to assist them with the education and formation of their child. We know that meeting the costs of Attendance Dues is a sacrifice for many families in our Diocese and this is at the forefront of our minds when making decisions about the use of these dues. Catholic education is a gift worth giving. I am delighted to see this in my own children, who receive so much from the wonderful staff and community at our Catholic school. On that note, I want to express the Board's sincere thanks to all the dedicated staff and volunteers in our schools and diocesan office and on proprietor boards.

The proprietors within ACFL, along with participating Catholic school proprietors from other regions, are members of a national Attendance Dues scheme. The national scheme was the subject of intense review throughout 2019 and 2020, which has resulted in some changes that will be developed in 2021 to further enhance the effectiveness of the scheme. We look forward to working with the New Zealand Catholic Education Office (NZCEO) to implement these changes.

I would like to conclude by expressing our sincere thanks to James Hill and Linda McQuade, who retired at the end of 2020 after serving on this board for many years. Their wisdom and expertise have been deeply appreciated by us all.

James van Schie  
Chair



*Pictured: James van Schie, Chair of ACFL, visiting Te Kura o Hato Hōhepa te Kāmura in Waitaruke, Northland, with Principal Mereana Anderson.*

# REPORT FROM MANAGEMENT

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## Co-operation and Purpose

As a co-operative of proprietors, the company operates to balance need and equity. The Board applies this philosophy to ensure that we make the best efforts to achieve quality infrastructure for Catholic education.

## Results

The company reported an operating surplus of \$1.127 million after a substantial \$948,000 write-back of a provision for doubtful debts. The operating result for the prior year had been a deficit of \$416,000. Attendance Dues income in 2020 was \$336,000 up on the previous year. For the 2019 year, a big increase in the provision doubtful debts was made in view of the major uncertainty which might arise from COVID-19. We are pleased that while we are not back to something like normal conditions, the level of Attendance Dues collections in the 2020 year was excellent and the doubtful debts provision has been significantly reduced. The company has sufficient reserves to fund our commitments to NZCEO Finance, even if there were circumstances that caused shortfalls in Attendance Dues collections.

## Major Projects

NZCEO approved debt service funding for Stages 1 and 2 of the St Ignatius Loyola Secondary School in Drury.

Draw-downs totalling \$5.4 million for ongoing school projects in the Auckland region were made in the year.

## Attendance Dues

The cash collection rate for the 2020 year was a very pleasing 96% of the current year's ACFL invoicing. This has been achieved in an extremely

uncertain year of COVID-19 and represents a significant amount of hard work by schools, proprietors and the ACFL Collections team.

The Board has continued the policy of applying inflationary increases to the Attendance Dues. For the 2021 year, the Board agreed an increase of 1.5% with the NZCEO portion having a nil increase. This translated into an increase of \$4 per student at Primary Schools and \$6 per student at Secondary Schools.

The Board has several schemes established to support families experiencing genuine financial difficulties. These schemes continue to be promoted to ensure that Catholic children have access to Catholic schools. Amounts accepted for relief under the Financial Assistance Scheme and CDA Scholarships totalled \$233,000 in the 2020 year.

## Catholic Character

The Catholic Education Services Board (CESB) has responsibility for monitoring this very important aspect. The Board of ACFL meets with the CESB Board annually.

## Attendance Dues Workshops

During the year, an updated Attendance Dues Administration Guide was issued. Two workshops for principals, administrators and proprietors were conducted with 82 people attending. An additional workshop was held in Whangarei at the beginning of 2021.

My thanks go to the many school administration staff, principals, boards, proprietors and the ACFL Collections team for their efforts to ensure Catholic children have access to Catholic schools.

Tony Larsen  
Manager



# COMPANY DATA

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## Incorporation

The Auckland Common Fund Ltd (ACFL) was incorporated under the Companies Act 1993 on 12 November 2002.

## Shareholders

Roman Catholic Bishop of the Diocese of Auckland – four shares

Carmel College Auckland Ltd and St Mary's College Auckland Ltd – one share

Marcellin College Ltd, Sacred Heart College Ltd and St Paul's College Auckland Ltd – one share

Baradene College Ltd – one share

## Directors

The Constitution provides that the number of Directors shall not be fewer than three, nor more than six, provided that there must always be not less than two Directors appointed by the Roman Catholic Bishop of the Diocese of Auckland. The Directors, during the period of report, were:

James Hill (Chair)  
Mary Anne Shanahan  
Stephen Grey  
Terry Carter  
Bruce Macdonald  
Linda McQuade

James Hill and Linda McQuade retired as at 31 December 2020 and were replaced by Catherine Ryan and James van Schie with effect from 1 January 2021.

## Taxation Status

The activities of the company are carried out exclusively for religious, charitable and educational purposes, and not for the private pecuniary gain of any person. On 22 November

2002 the Inland Revenue Department confirmed the company's taxation exemption. The company is registered as a charitable entity under the Charities Act 2005.

## Company Financial Year

The Company's financial year is January to December and its balance date 31 December.

## Meetings

The Board of Directors met six times throughout 2020 on the following dates:

19 February  
22 April  
20 May  
17 June  
19 August  
20 November

## Audit Committee

James Hill and Terry Carter, Directors, comprised the Audit Committee.

## Auditors

William Buck Christmas Gouwland Ltd  
PO Box 106 090  
Auckland 1143

## Proprietors

The proprietors of Catholic integrated schools in the Diocese of Auckland are:

Roman Catholic Bishop of Auckland  
Baradene College Ltd  
Carmel College Auckland Ltd  
St Mary's College Auckland Ltd  
Marcellin College Ltd  
St Paul's College Auckland Ltd  
Sacred Heart College Ltd

# ADMINISTRATION

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The Diocese of Auckland provides staff and resources to support the operation of the company funded through an agreed annual Service Level Agreement.

The services provided include the following and the scope and fee are reviewed annually:

- Finance Department ledger processing
- Reporting and lodging reports with regulatory bodies
- Budgeting
- Human Resources
- Audit
- Collections Team and Manager
- IT systems and support
- Office rental
- Administration



*Pictured: St Paul's College, Ponsonby*

# ATTENDANCE DUES

Attendance dues are statutory based. Each proprietor is authorised under the Education and Training Act 2020 to charge parents/caregivers for their children to attend a Catholic integrated school.

## Annual Attendance Dues (including GST) (\$ per student per annum)

	2016	2017	2018	2019	2020
Primary	412	420	430	440	448
Secondary	808	824	845	860	880

The schools invoice and collect Attendance Dues on behalf of the proprietors and remit them to the ACFL.

Attendance Dues collected are directed in majority towards servicing and repaying loans raised to develop new footprint projects in proprietors' schools. The remaining component of Attendance Dues collected is applied to meet the costs of buildings insurance, building compliance, collection and administration.

## Attendance Dues Collection Rate

2016	2017	2018	2019	2020
93.0%	94.3%	91.4%	94.8%	96.3%

*Note: The calculation is based on 'current' year receipts only as a percentage of current year invoicing.*

## Summary of Proprietor Collection Rates

	2017	2018	2019	2020
Roman Catholic Bishop of Auckland	93.8%	90.5%	93.9%	95.9%
Baradene College Ltd	100.0%	100.0%	100.0%	100.0%
Carmel College Auckland Ltd	95.7%	97.6%	95.9%	92.1%
St Mary's College Auckland Ltd	96.4%	96.1%	96.4%	97.8%
Marcellin College Ltd	85.4%	73.1%	85.9%	82.9%
St Paul's College Auckland Ltd	86.9%	83.8%	95.6%	98.6%
Sacred Heart College Ltd	96.6%	99.0%	100.1%	99.1%
Total collection rate	94.3%	91.4%	94.8%	96.3%

*Note: The calculation is based on 'current' year receipts only as a percentage of current invoicing.*



*Pictured: St Josephs, Pukekohe*



# DEBT LEVEL

The current level of all proprietors' debt requiring servicing at 31 December 2020 throughout the Auckland Diocese is \$81.0 million.

## Debt

2016	2017	2018	2019	2020
\$77.0m	\$85.8m	\$83.0m	\$79.4m	\$81.0m



*Pictured: St Joseph's Pukekohe*

# FINANCIAL RESULTS

The Financial Statements for the year ended 31 December 2020 have been audited by William Buck Christmas Gouwland Ltd, Auditors, who have provided an unqualified opinion confirming the adequacy of the financial reporting.

## Income Statement Summary

	2020	2019
	\$	\$
Total revenue <sup>(1)</sup>	13,435,000	13,104,000
Expenses		
Property-related costs <sup>(2)</sup>	1,551,000	1,497,000
Grants and sponsorship	233,000	283,000
National levies <sup>(3)</sup>	10,447,000	10,474,000
Other expenses <sup>(4)</sup>	77,000	1,266,000
	12,308,000	13,520,000
Surplus/(Deficit):	\$ 1,126,000	\$ (416,000)

Notes: (1) Total revenue include Attendance Dues \$13,363,000, interest income \$72,000; (2) Property-related costs include insurance for school buildings \$1,252,000; (3) National Levies include an NZCEO student levy \$129,000, NZCEO national attendance levy for debt servicing \$10,319,000; (4) Other costs include Auckland Diocese services fee \$364,000, Collection costs \$64,000 paid to Debtworks NZ Limited and a net reduction of doubtful debts -\$443,000, bad debts \$56,000, an audit fee \$9,000 and other general costs \$27,000.

Income has increased \$0.3 million for the year ended 31 December 2020, primarily from increased net Attendance Dues income in the year.

The overall surplus/(deficit) position for the company has moved from a net deficit of \$416,000 in 2019 to a net surplus of \$961,000 in 2020. The primary reason for this result is the reduction in the provision for doubtful debts for a much higher provision in 2019.

# FINANCIAL RESULTS (CONTINUED)

## Balance Sheet Summary

	2020	2019
	\$	\$
Total assets	6,185,000	5,769,000
Total liabilities	1,708,000	2,419,000
<b>Net assets</b>	<b>\$4,477,000</b>	<b>\$3,350,000</b>

The single largest assets, at any time, are the value of currently unpaid Attendance Dues and term investments.

The Board operates a cash reserving policy as part of its overall risk management policies. The ACFL has significant debt service payment obligations to the national Attendance Dues pool and accordingly the Board requires prudent levels of cash reserves to be held in term investments. The Board formally reviews its reserving policy each year, assessing all the critical risk factors under the current economic environment.

The table below provides a history of the company's net assets balance (equity) over the past four years.

## Net Assets

	2017 (\$'000)	2018 (\$'000)	2019 (\$'000)	2020 (\$'000)
Opening equity	2,891	3,176	3,767	3,350
Net surplus/(deficit)	285	591	(417)	1,127
Closing equity	3,176	3,767	3,350	4,477

A full set of audited financial statements is available from the company's office upon request.

# SCHOOLS

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The Catholic integrated schools owned by the participating proprietors comprise:

## Primary

**Christ the King** Ōwairaka

**Good Shepherd** Balmoral

**Holy Cross** Henderson

**Holy Cross** Papatoetoe

**Holy Trinity** Takanini

**Marist** Herne Bay

**Marist** Mt Albert

**Monte Cecilia** Hillsborough

**Mt Carmel** Meadowbank

**Our Lady of the Sacred Heart** Epsom

**Our Lady Star of the Sea** Howick

**Pompallier** Kaitāia

**Sancta Maria Primary** Flat Bush

**St Anne's** Manurewa

**St Dominic's** Blockhouse Bay

**St Francis Xavier** Whangārei

**St Francis** Pt Chevalier

**St Francis** Thames

**St Ignatius** St Heliers

**St John the Evangelist** Ōtara

**St John's** Mairangi Bay

**St Joseph's** Dargaville

**St Joseph's** Grey Lynn

**St Joseph's** Onehunga

**St Joseph's** Ōrākei

**St Joseph's** Ōtāhuhu

**St Joseph's** Pukekohe

**St Joseph's** Takapuna

**St Leo's** Devonport

**St Mark's** Pakuranga

**St Mary's** Avondale

**St Mary's** Ellerslie

**St Mary's** Northcote

**St Mary's** Papakura

**St Mary MacKillop** Māngere

**St Michael's** Remuera

**St Patrick's** Panmure

**St Paul's** Massey

**St Pius X** Glen Innes

**St Therese** Three Kings

**Stella Maris** Silverdale

**Te Kura o Hato Hōhepa Te Kāmura** Waitaruke



# SCHOOLS

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## Secondary

**Baradene College**

**Carmel College**

**De La Salle College**

**Liston College**

**McAuley High School**

**Marcellin College**

**Marist College**

**Pompallier College**

**Rosmini College**

**Sacred Heart College**

**Sancta Maria College**

**St Dominic's College**

**St Mary's College**

**St Paul's College**

**St Peter's College**



*Pictured: Mt Carmel School Meadowbank*

# NOTES

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