



Pictured: St Ignatius of Loyola Catholic College, Drury

AUCKLAND COMMON FUND LIMITED

2023 ANNUAL REPORT

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

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INTRODUCTION FROM THE CHAIR

On behalf of the Board of Auckland Common Fund Ltd (“ACFL”), I am pleased to present this annual report to shareholders, Catholic schools, and all other valued stakeholders in the Catholic Diocese of Auckland. ACFL is responsible for the collection of attendance dues and to service proprietors’ Common Fund debts and associated costs. It is our aim to use this report to provide you with an overview of the company for the year ending 31 December 2023.

I’d like to thank our dedicated boards, principals, administrators, teaching and support staff for your hard work and prudent stewardship in 2023. The quality Catholic education you provide requires a sincere vocation and we are blessed to have so many committed people working in this cause.

Flooding, storms and a cyclone presented a challenging start to the year and parish and school communities played a critical role in response and recovery. This instinct toward solidarity is in the Catholic ‘DNA’ and was evident in so many ways in the wake of the storms. From a property perspective, our network of schools performed very well, and insurance helped us respond to any incidents. The cost of insurance continues to be a challenge to the Company with sharp increases ranging from 16%-33% across our proprietors in the 2023/2024 insurance year.

On 1 January, a new national debt servicing scheme came into effect and while not all proprietors are members of this national scheme – all Auckland Catholic proprietors

remain committed to our regional cooperatives represented by ACFL and Catholic Education Services. This unity is a real gift in the Catholic Diocese of Auckland and strengthens the common good.

Key changes we’ve implemented:

- From 2024, the Reuben O’Neil Bursary has been launched to provide a proactive financial support for promising students to receive a bursary named after one of our long serving volunteers for Catholic education.
- Surplus funds generated by ACFL after all agreed costs are met and all obligations satisfied can form a grant to assist proprietors with projects that meet the lawful purposes of attendance dues. A grant of \$2.3m was provided to the four proprietors of ACFL in 2023 to give much needed assistance for their school projects.
- Proprietors agreed that ACFL is the standards setting body for attendance dues within the region.

INTRODUCTION (CONTINUED)

For the year ended 31 December 2023, ACFL had a deficit of (\$792k) after the grant paid to proprietors and this reduced our overall equity. ACFL continues to apply a strict reserves policy with the objective to hold a minimum of 6 months cash reserves based on a risk factor of 35% and calculated on a rolling basis. This prudent reserving allocation takes a cautious approach to our uncertain local and international economic outlook.

Collection rates for 2023 remained strong at 98%. We paid \$142k in financial assistance to 539 students and \$165k to schools to assist in collection costs. The strong performance is yet

again an outcome of clear communication with families and competent administration in our schools, supported by the expert team at ACFL.

Thank you again to all involved.

James van Schie
Chair



Pictured: De La Salle College, construction of the new 19 classroom block including speciality Food Tech and Music rooms and a health and welfare centre. The building will be open for the 2025 academic year.

COMPANY DATA

Incorporation

The Auckland Common Fund Ltd was incorporated under the Companies Act 1993 on 12 November 2002.2.

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 less than 3, nor more than 6, provided that there must always be not less than 2 Directors appointed by the Roman Catholic Bishop of the Diocese of Auckland. The Directors, during the period of report, were:

James van Schie (Chair)
Mary Anne Shanahan
Stephen Grey
Terry Carter
Bruce Macdonald
Catherine Ryan

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 Dept 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 five times throughout 2023 on the following dates:

February 20th
March 14th Extraordinary Meeting
May 8th Combined with CESB
June 26th
August 30th
November 29th

Audit Committee

Terry Carter, Bruce Macdonald and Stephen Grey 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 Limited
Carmel College Auckland Limited
St Mary's College Auckland Limited
Marcellin College Limited
St Paul's College Auckland Limited
Sacred Heart College Limited

ADMINISTRATION

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 is 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 Ignatius of Loyola Catholic College, Drury

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)

	2019	2020	2021	2022	2023
Primary	440	448	452	468	488
Secondary	860	880	888	916	956

Schools invoice and collect Attendance Dues on behalf of the proprietors and remit them to Auckland Common Fund Ltd.

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

2019	2020	2021	2022	2023
94.8%	96.3%	98%	99%	98%

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

Summary of Proprietor Collection Rates

	2019	2020	2021	2022	2023
Roman Catholic Bishop of Auckland	93.9%	95.9%	98%	99%	98%
Baradene College Ltd	100%	100%	100%	100%	100%
Carmel College Auckland Ltd	95.9%	92.1%	96%	100%	100%
St Mary's College Auckland Ltd	96.4%	97.8%	98%	97%	97%
Marcellin College Ltd	85.9%	82.9%	90%	90%	90%
St Paul's College Auckland Ltd	95.6%	98.6%	88%	96%	95%
Sacred Heart College Ltd	100%	99.1%	100%	99%	100%
Total collection rate	94.8%	96.3%	98%	99%	98%

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

DEBT LEVEL

The current level of all proprietors' debt requiring servicing at 31 December 2023 throughout the Auckland Diocese is \$99.57m.

Debt

2019	2020	2021	2022	2023*
\$79.4m	\$81.0m	\$78.8m	\$78.2m	\$99.57m

**2023 debt only includes the debt of the participating proprietors in Te Puna Waihangā.*



Pictured: Mt Carmel School, Meadowbank

FINANCIAL RESULTS

The Financial Statements for the year ended 31 December 2023 have been audited by William Buck Audit (NZ) Limited, Auditors, who have provided an unqualified opinion confirming the adequacy of the financial reporting.

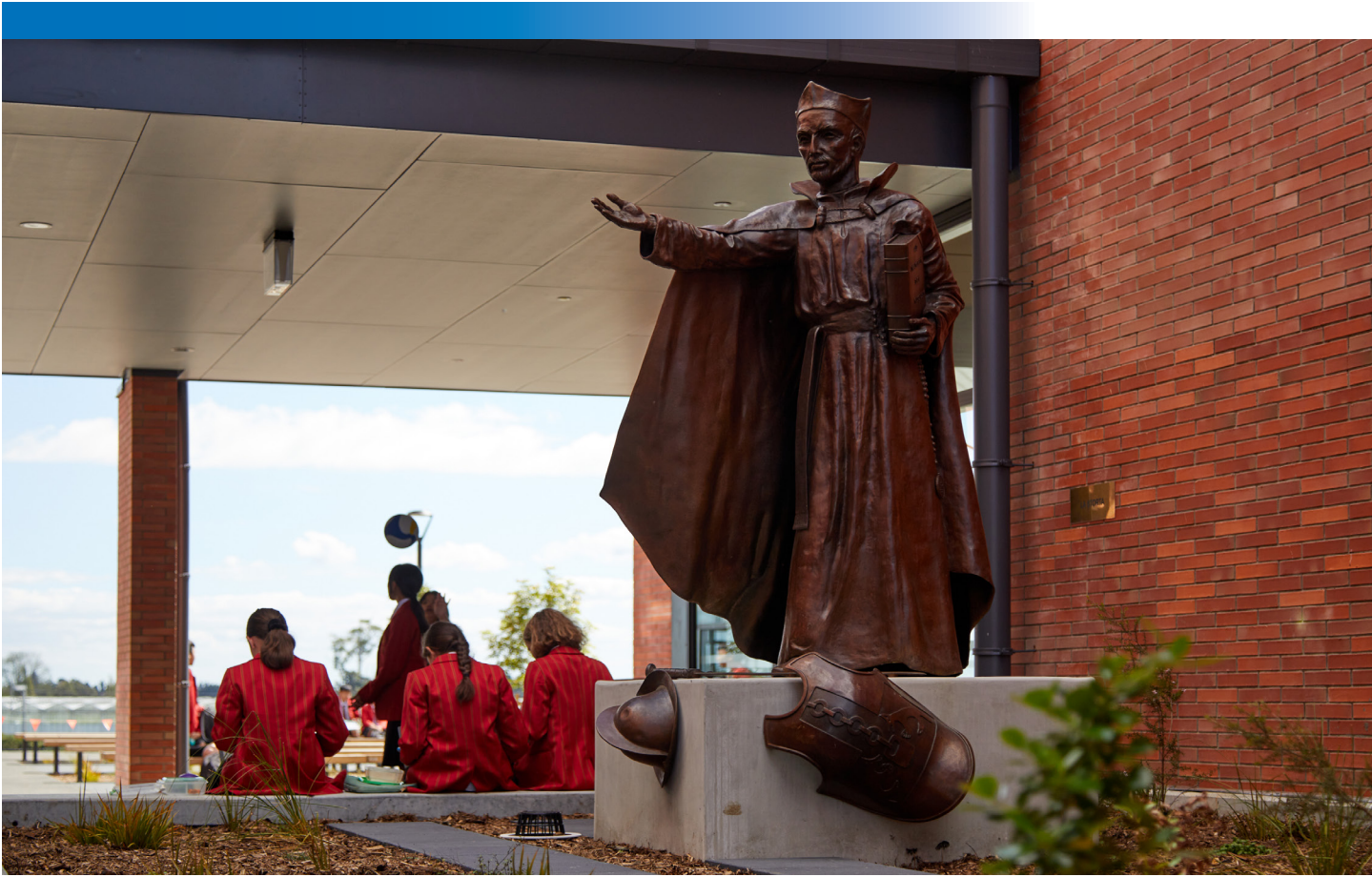
Income Statement Summary

	2023	2022
	\$	\$
Total revenue ⁽¹⁾	15,441,000	13,839,000
Expenses		
Property-related costs ⁽²⁾	2,003,000	1,720,000
Grants and sponsorship	169,000	167,000
National & regional levies ⁽³⁾	12,700,000	10,218,000
Other expenses ⁽⁴⁾	1,361,000	748,000
	16,233,000	12,853,000
Surplus:	(\$792,000)	\$986,000

Notes: (1) Total revenue includes attendance dues \$15,088,000, interest income \$353,000; (2) Property related costs include insurance for integrated school buildings \$1,672,000; (3) National Levies include an NZCEO student levy \$242,000, TPW national attendance levy for debt servicing \$8,463,000, Other Proprietors national attendance dues levy \$1,695,000, Proprietors regional attendance dues levy \$2,300,000 (4) Other costs include Auckland Diocese services fee \$444,000, Collection costs \$268,000 paid to Debtworks NZ Limited and to schools and a net increase in doubtful debts \$489,000, bad debts \$116,000, an audit fee \$10,000 and other general costs \$34,000

The total revenue for 2023 was 11.6% higher than the prior year. This increase was primarily due to additional billings made during the year to reconcile various school balances with ACFL books, along with a small increase in the annual attendance dues charged to students and higher interest received from term deposits.

The overall deficit for the company during the year was (\$792,000), compared to the surplus of \$986,000 last year. This deficit is due to payments of proprietors' regional attendance dues levies, which amounted to \$2,300,000, and an increase of 16.5% in property-related costs, including building insurance and compliance costs.



Pictured: St Ignatius of Loyola Catholic College, Drury



Pictured: Pompallier Catholic School, Kaitia

FINANCIAL RESULTS (CONTINUED)

Balance Sheet Summary

	2023	2022
	\$	\$
Total assets	5,916,000	6,949,000
Total liabilities	557,000	798,000
Net assets	\$5,359,000	\$6,151,000

The single largest assets, at any time, are the value of currently unpaid Attendance Dues net of provision (\$4,382,000 less provision of \$2,613,000) and term investments (\$2,000,000).

The Board operates a cash reserving policy as part of its overall risk management policies. The Auckland Common Fund Ltd 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 last five years.

Net Assets

	2019 (\$'000)	2020 (\$'000)	2021 (\$'000)	2022 (\$'000)	2023 (\$'000)
Opening equity	3,767	3,350	4,477	5,165	6,151
Net surplus/(deficit)	(417)	1,127	688	986	(792)
Closing equity	3,350	4,477	5,165	6,151	5,359

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

Pictured: St Mary's Catholic School, Avondale



SCHOOLS

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 Kaitiāia

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

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 Ignatius of Loyola College (opened 2024)

St Mary's College

St Paul's College

St Peter's College



Pictured: Pompallier Catholic College, Whangarei

NOTES



Pictured: St Dominic's Catholic College, Henderson