

Performance Report

Peria Christian Education Incorporated (Consolidated)
For the year ended 31 December 2020

Prepared by CATAS Limited

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Compilation Report

Peria Christian Education Incorporated (Consolidated) For the year ended 31 December 2020

Compilation Report to the The Trustees of Peria Christian Education Incorporated (Consolidated).

Scope

On the basis of information provided and in accordance with Service Engagement Standard 2 Compilation of Financial Information, we have compiled the Performance Report of Peria Christian Education Incorporated (Consolidated) for the year ended 31 December 2020.

This report has been prepared in accordance with the accounting policies described in the Notes to this Performance Report.

Responsibilities

The Trustees are solely responsible for the information contained in this financial report and have determined that the accounting policies used are appropriate to meet your needs and for the purpose that the Performance Report was prepared.

The Performance Report was prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the Performance Report.

No Audit or Review Engagement Undertaken by CATAS

Our procedures use accounting expertise to undertake the compilation of the Performance Report from information you provided. Our procedures do not include verification or validation procedures. No audit or review engagement has been performed by Church and Trust Accounting Services Limited (CATAS) and accordingly no assurance is expressed.

Independence

We have no involvement with Peria Christian Education Incorporated (Consolidated) other than for the preparation of the Performance Report and management reports and offering advice based on the financial information provided.

Disclaimer

We do not accept any responsibility for the reliability, accuracy or completeness of the compiled financial information contained in the Performance Report. Nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on this Performance Report.

CATAS Limited

PO Box 21145, Edgware, Christchurch 8143

Dated: 31 May 2021

Auditor's Report

Peria Christian Education Incorporated (Consolidated)
For the year ended 31 December 2020

1. Auditor's Report

Entity Information

Peria Christian Education Incorporated (Consolidated) For the year ended 31 December 2020

'Who are we?', 'Why do we exist?'

Legal Name of Entity

Peria Christian Education Incorporated, consolidated with Matamata Christian Early Learning Centres Ltd

Entity Type and Legal Basis

Peria Christian Education Incorporated is an Incorporated Society and Registered Charity. Matamata Christian Early Learning Centres Limited is a Registered Charity and Limited Liability Company.

Registration Number

Peria Christian Education Incorporated CC53891
Matamata Christian Early Learning Centres Ltd CC54200
Company Number: 6113768 - NZBN 9429043338498

Entity's Purpose or Mission

To establish, conduct and maintain learning centres which will provide an education to children, in the light of God's word, and in which students are encouraged to develop Christian character and the abilities which God has given them as fully possible. To establish, conduct and maintain learning centres to educate children and adults in subjects normally taught in public and/or private schools in New Zealand.

We are committed to building foundations of Christian Faith and high quality learning so our children will grow up as competent, confident learners and communicators who will be healthy in mind, body and spirit, secure in their sense of belonging and in the knowledge that they will make a valued contribution to society.

Entity Structure

Membership of Peria Christian Education Incorporated is by application, with applications being considered for approval by the Governing Board of Trustees (Proprietor Board). Our Constitution states that we must have a Governing Board of between eight to ten Trustees which are elected by and from among the members of Peria Christian Education Incorporated and from which are appointed our Chairman, Secretary and Treasurer.

Matamata Christian Early Learning Centres Ltd are governed by a Board of up to five Directors appointed by Peria Christian Education Incorporated. The Board of Directors are responsible for the appointment of a Head Teacher/Manager and other suitable full time and part time staff to ensure the effective delivery of services.

Main Sources of Entity's Cash and Resources

Government Grants and attendance fees

Main Methods Used by Entity to Raise Funds

Peria Christian Education Incorporated does not actively fundraise, however, the Childcare Centre mainly fundraises through selling donated goods, galas and a car park sale.

Entity's Reliance on Volunteers and Donated Goods or Services

The governing body is made up of volunteers and our activities are also run by volunteers. The Preschool relies on volunteers and donated goods and services for the funding and development of the continued expansion of facilities and services.

Physical & Postal Address

91A Smith Street, Matamata, Matamata, New Zealand, 3400

Statement of Service Performance

Peria Christian Education Incorporated (Consolidated) For the year ended 31 December 2020

'What did we do?', 'When did we do it?'

Description of Entity's Outcomes

Peria Christian Education Incorporated exists to partner with, help and support parents in the education of their children, encouraging and equipping them to become well educated, highly motivated, lifelong disciples of Jesus Christ.

The Preschool's outcomes are to prepare children for school, life and eternity by developing them Spiritually, Physically, Emotionally, Socially and Academically, through Christ centred Bible based education and care. With guidance and discipline, children will be given freedom to develop their individuality, as well as their tremendous imaginations creativity, talents and capabilities, so that they may grow to exercise their God given stewardly authority to shape culture in a truth-filled, God honouring way.

	2020 SOCIETY	2020 GROUP	2019 SOCIETY	2019 GROUP
Description and Quantification of the Entity's Outputs				
Number of members of the Society	114	114	86	86
Annual Vision Night Attendees - Adults	30	30	90	90
Chuck Missler Online Course Attendees	7	7	6	6
Number of children attending Matamata Christian School	80	80	70	70
Average number of children attending morning session (Preschool)	-	24	-	24
Average number of children attending afternoon session (Preschool)	-	19	-	18

Additional Information

Our children developed a strong work ethic which has stayed with them, a sound balanced knowledge of the Bible and love for learning that we could never have imagined. For us, Matamata Christian School has been a blessing many times over". - Parent of a past two students.

Statement of Financial Performance

Peria Christian Education Incorporated (Consolidated) For the year ended 31 December 2020

'How was it funded?' and 'What did it cost?'

	NOTES	2020 SOCIETY	2020 GROUP	2019 SOCIETY	2019 GROUP
Revenue					
Donations, fundraising and other similar revenue	1	-	2,840	-	3,526
Fees, subscriptions and other revenue from members	1	5,052	17,652	2,777	2,803
Revenue from providing goods or services	1	187,574	498,928	181,707	478,377
Interest, dividends and other investment revenue	1	311	376	552	677
Total Revenue		192,938	519,796	185,035	485,382
Expenses					
Expenses related to public fundraising	2	-	1,063	-	1,168
Volunteer and employee related costs	2	-	340,465	-	263,393
Costs related to providing goods or service	2	28,166	87,820	29,165	77,511
Grants and donations made	2	-	-	-	11
Other expenses	2	15,453	22,382	16,057	22,137
Total Expenses		43,619	451,731	45,222	364,219
Surplus/(Deficit) for the Year		149,318	68,066	139,813	121,163

This Performance Report should be read in conjunction with the Auditor's Report, the Notes to Performance Report and the Compilation Report.

Statement of Financial Position

Peria Christian Education Incorporated (Consolidated) As at 31 December 2020

'What the entity owns?' and 'What the entity owes?'

	NOTES	31 DEC 2020 SOCIETY	31 DEC 2020 GROUP	31 DEC 2019 SOCIETY	31 DEC 2019 GROUP
Assets					
Current Assets					
Bank accounts and cash	3	128,472	192,432	88,510	195,520
Debtors and prepayments	3	2,454	22,363	3,143	25,796
Total Current Assets		130,926	214,795	91,653	221,316
Non-Current Assets					
Property, Plant and Equipment	5	538,700	657,621	538,386	660,570
Total Non-Current Assets		538,700	657,621	538,386	660,570
Total Assets		669,627	872,416	630,039	881,886
Liabilities					
Current Liabilities					
Creditors and accrued expenses	4	3,986	47,897	1,908	33,453
Employee costs payable	4	-	22,759	-	2,930
Other current liabilities	4	12,845	12,845	11,683	11,683
Total Current Liabilities		16,831	83,502	13,591	48,066
Non-Current Liabilities					
Loans	4	26,238	26,238	39,610	39,610
Total Non-Current Liabilities		26,238	26,238	39,610	39,610
Total Liabilities		43,070	109,740	53,201	87,676
Total Assets less Total Liabilities (Net Assets)		626,557	762,676	576,838	794,210
Accumulated Funds					
General Accumulated Funds	6	626,557	762,676	576,838	794,210
Total Accumulated Funds		626,557	762,676	576,838	794,210

Approval:

This performance report has been approved by the Trustees, for and on behalf of Peria Christian Education Incorporated (Consolidated) for year ended 31 December 2020.

Name: Kobus Engelbrecht

Position: Chairman

Date:

Name: Spence Reichardt

Position: Treasurer

Date:

This statement has been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

Statement of Cash Flows

Peria Christian Education Incorporated (Consolidated) For the year ended 31 December 2020

'How the entity has received and used cash'

Account	2020	2020 Group	2019	2019 Group
Cash Flows from Operating Activities				
Donations, fundraising and other similar receipts	0	15,440	0	3,552
Fees, subscriptions and other receipts from members	4,956	4,956	3,073	3,073
Receipts from providing goods or services	88,243	405,408	83,311	368,796
Interest, dividends and other investment receipts	311	376	552	677
GST	2,501	10,897	(2,140)	(12,686)
Donations or grants paid	0	0	0	(11)
Payments to suppliers and employees	(32,565)	(415,118)	(36,423)	(355,806)
Total Cash Flows from Operating Activities	63,446	21,959	48,373	7,595
Cash Flows from Investing and Financing Activities				
Payments to acquire property, plant and equipment	(11,275)	(12,838)	(83,836)	(83,836)
Repayments of loans borrowed from other parties	(12,209)	(12,209)	(11,089)	(11,089)
Total Cash Flows from Investing and Financing Activities	(23,484)	(25,047)	(94,925)	(94,925)
Net Increase/ (Decrease) in Cash	39,962	(3,088)	(46,553)	(87,331)
Cash Balances				
Cash and cash equivalents at start of period	88,510	195,520	135,063	282,851
Cash and cash equivalents at end of period	128,472	192,432	88,510	195,520
Net change in cash for period	39,962	(3,088)	(46,553)	(87,331)

This Performance Report should be read in conjunction with the Auditor's Report, the Notes to Performance Report and the Compilation Report.

Statement of Accounting Policies

Peria Christian Education Incorporated (Consolidated) For the year ended 31 December 2020

'How did we do our accounting?'

Basis of Preparation

The entity has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Measurement Basis

The measurement and reporting of the financial performance and financial position are on a historical cost basis, except when otherwise indicated. All figures are reported in New Zealand dollars (NZ\$) and all values are rounded to the nearest whole New Zealand dollar.

Goods and Services Tax (GST)

The entity is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

Income Tax

Peria Christian Education Incorporated (Consolidated) is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions under Section CW 41 and CW 42 of the Income Tax Act 2007. As a result, no provision has been made for Income Tax.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Recognition of Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Entity and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

Donations and Grant Revenue

Recognition of any donations received and grant revenue has been applied as per the XRB's Reporting Framework (PBE SFR-A (NFP)).

Donations are recognised as revenue upon receipt.

Any donations that have been received for a particular purpose and have a "use it or return it" condition have been recorded as a liability if the conditions have not yet been met. If any donations have been received that are for a specific purpose but do not have a "use it or return it" clause, these will be recorded as revenue.

Significant donations of any assets have been recorded as revenue where a valuation is possible.

Any Grant funds received for a particular purpose and have a "use it or return it" condition have been recorded as a liability if the conditions have not yet been met. For any other grant funds received, these have been recorded as revenue at the time they have been received.

Revenue from Providing Goods and Services

The Entity receives revenue from members and the community. Revenue is recognised in the period the goods and services are provided.

Interest Income

Interest income is recognised on an accrual basis.

Other Income

All other income is accounted for on an accruals basis and accounted for in accordance with the substance of the transaction.

Donated Services Recognition

The work of the Entity is dependent on the voluntary service of many people. Since these services are not normally purchased by the Entity, and because of the difficulty in determining their value with reliability, donated services are not recognised in the Performance Report.

Accounts Receivable

Accounts Receivable (Debtors) are stated at their estimated realisable value. Bad debts are written off in the period in which they are identified.

Income Received in Advance

Income received in advance relates to grants or service agreements received where there are unfulfilled obligations for the Entity to provide services in the future. The amounts are recorded as revenue as the obligations are fulfilled.

Property, Plant & Equipment

Property, Plant & Equipment are initially recorded at cost. Historical cost includes expenditure directly attributable to the acquisition of the assets. Items costing less than \$500 are usually expensed immediately. All other assets are depreciated over the estimated useful life on a diminishing value basis using IRD depreciation rates.

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 & equipment is recognised in the Statement of Financial Performance.

Asset Class	Rate & Depreciation Method
Land	0%
Buildings & Improvements	0% - 48% DV
Furniture & Fixtures	10% - 67% DV
School Equipment	11% - 38% DV
Computers (Including Software)	48% - 50% DV

Work in Progress Project Expenses

Project expenses are recorded at cost and capitalised on completion of the project.

Accounts Payable

Accounts Payable (Creditors) 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.

Employee Costs Unpaid as at Balance Date

Employee Entitlements are calculated on accrued entitlements at current rates of pay. These include salaries & wages accrued up to balance date and annual leave earned but not taken at balance.

PBE Standards RDR Applied

The Entity has applied PBE Standard RDR IPSAS 35 for the consolidation of entities. The Entity has a control relationship over Matamata Christian Early Learning Centres Ltd. As a result, the performance and position of all entities have been combined in this Performance Report. Any inter-entity transactions have been removed to prevent over-statement of figures.

Changes in Accounting Policies

There has been a change in policy relating to the loan owing in that the current portion of the loan has been shown as a current liability. This has decreased non current liabilities by \$11,683 and increased current liabilities by \$11,683. There have been no other changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Changes in Comparative Figures

Some minor changes have been made to the groupings of expense items from the previous year's Performance Report. This brings the Performance Report in-line with Charities Service's guidance. There is no change in the overall expenses, and therefore no change to the Net profit or equity as a result.

Notes to the Performance Report

Peria Christian Education Incorporated (Consolidated) For the year ended 31 December 2020

	2020 SOCIETY	2020 GROUP	2019 SOCIETY	2019 GROUP
1. Analysis of Revenue				
Donations, fundraising and other similar revenue				
Fundraising Income	-	2,840	-	3,526
Total Donations, fundraising and other similar revenue	-	2,840	-	3,526
Fees, subscriptions and other revenue from members				
Donations - MLE	200	200	2,248	2,248
Donations Received	4,852	17,452	529	555
Total Fees, subscriptions and other revenue from members	5,052	17,652	2,777	2,803
Revenue from providing goods or services				
Attendance Dues	36,951	36,951	34,256	34,256
Contract Administration Services	-	-	-	-
Preschool Fees	-	21,498	-	29,921
Government Grants	51,024	340,879	47,833	314,583
Rental - BOT	99,600	99,600	99,600	99,600
Sundry Income	-	-	17	17
Total Revenue from providing goods or services	187,574	498,928	181,707	478,377
Interest, dividends and other investment revenue				
Interest Received	311	376	552	677
Total Interest, dividends and other investment revenue	311	376	552	677
	2020 SOCIETY	2020 GROUP	2019 SOCIETY	2019 GROUP

2. Analysis of Expenses

Expenses related to public fundraising				
Fundraising Expense	-	1,063	-	1,168
Total Expenses related to public fundraising	-	1,063	-	1,168
Volunteer and employee related costs				
ACC Levies	-	1,043	-	951
Salary and Wages	-	337,595	-	262,103
Staff Expenses	-	1,827	-	339
Total Volunteer and employee related costs	-	340,465	-	263,393
Costs related to providing goods or services				
Administration				
Accountancy	1,263	6,154	2,165	9,151
Administration	2,089	6,723	905	4,426
Advertising	-	739	308	452
Association Levy	556	556	478	478
Computer & Website	-	31	-	148
Information & Communication	-	-	162	162
Subscriptions, Licences & Fees	-	3,219	-	2,788

	2020 SOCIETY	2020 GROUP	2019 SOCIETY	2019 GROUP
Sundry Expenses	-	39	-	25
Telephone & Internet	-	1,680	-	1,549
Total Administration	3,907	19,141	4,019	19,179
Property				
Repairs & Maintenance	10,282	18,638	9,439	12,979
Building Warrants of Fitness	1,635	1,635	1,559	1,559
Cleaning Expenses	-	18,100	-	12,793
Electricity	-	2,532	-	2,873
Insurance	9,863	12,268	9,425	11,662
Rates	2,021	2,021	2,111	2,111
Rental - Buildings	-	8,212	-	6,240
Security	459	459	330	330
Total Property	24,260	63,865	22,864	50,546
Programme Expenses				
Field Trips & Events	-	353	-	188
Kitchen & Cafeteria Expenses	-	1,859	-	2,297
Resources	-	2,601	2,283	5,300
Total Programme Expenses	-	4,814	2,283	7,786
Total Costs related to providing goods or services	28,166	87,820	29,165	77,511
Grants and donations made				
Donations Paid	-	-	-	11
Total Grants and donations made	-	-	-	11
Other expenses				
Audit Fees	800	2,806	750	2,715
Bank Fees	11	110	16	105
Depreciation	10,961	15,787	10,325	14,351
Interest - Bank of New Zealand	3,658	3,658	4,967	4,967
Interest & Penalties - Inland Revenue	23	23	-	-
Total Other expenses	15,453	22,382	16,057	22,137
	2020 SOCIETY	2020 GROUP	2019 SOCIETY	2019 GROUP

3. Analysis of Assets

Bank accounts and cash

BNZ - 00	-	33,641	-	38,988
BNZ - 02	-	933	-	52,905
BNZ - 03 Fundraising	-	29,386	-	15,117
BNZ 02 Account	93,051	93,051	53,350	53,350
BNZ Rapid Saver	35,421	35,421	35,161	35,161
Total Bank accounts and cash	128,472	192,432	88,510	195,520

	2020 SOCIETY	2020 GROUP	2019 SOCIETY	2019 GROUP
Debtors and prepayments				
Debtors	2,454	6,209	2,668	3,896
GST	-	-	475	2,431
MOE Funding Due	-	16,154	-	19,469
Total Debtors and prepayments	2,454	22,363	3,143	25,796

	2020 SOCIETY	2020 GROUP	2019 SOCIETY	2019 GROUP
4. Analysis of Liabilities				
Creditors and accrued expenses				
GST	2,445	8,051	-	-
Income in Advance	-	-	-	1,413
MOE Funding Advances	-	34,280	-	28,325
Sundry Creditors	1,541	5,567	1,908	3,714
Total Creditors and accrued expenses	3,986	47,897	1,908	33,453
Employee costs payable				
Accrued Wages	-	10,302	-	2,930
Provision for Annual Leave	-	12,458	-	-
Total Employee costs payable	-	22,759	-	2,930
Other current liabilities				
BNZ Loan (Current Portion)	12,845	12,845	11,683	11,683
Total Other current liabilities	12,845	12,845	11,683	11,683
Loans				
Loan - Bank of New Zealand 3013	26,238	26,238	39,610	39,610
Total Loans	26,238	26,238	39,610	39,610

5. Property, Plant and Equipment

This Year					
Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
Land	128,772			-	128,772
Buildings	398,174	8,423		9,356	397,241
Building Improvements	115,211			2,791	112,420
Furniture and fixtures	11,706	4,415		2,604	13,517
Computers (including software)	6,708			1,036	5,672
Total	660,571	12,838	-	15,787	657,622

Last Year					
Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
Land	128,772			-	128,772
Buildings	314,890	91,904		8,620	398,174
Building Improvements	117,343			2,132	115,211
Furniture and fixtures	14,105			2,399	11,706
Computers (including software)	7,908			1,200	6,708
Total	583,017	91,904	-	14,351	660,570

Land and buildings are not revalued but the current government valuation dated 1 July 2018 is \$1,870,000. The Board members have chosen not to depreciate the building.

There were no capital commitments as at 31 December 2020 (2019: The Proprietor Board has committed to the addition of a veranda roof for room 5, costing approximately \$10,000 and to extend the carpark and re-fence the extension, costing approximately \$7,500).

	2020 SOCIETY	2020 GROUP	2019 SOCIETY	2019 GROUP
6. Accumulated Funds				
General Funds				
Opening Balance	576,838	794,210	536,626	772,647
Current Year Earnings	149,318	68,066	139,813	121,163
School Rental - BOT	(99,600)	(99,600)	(99,600)	(99,600)
Total General Funds	626,557	762,676	576,838	794,210
Total Accumulated Funds	626,557	762,676	576,838	794,210
	2020 SOCIETY	2020 GROUP	2019 SOCIETY	2019 GROUP

7. Commitments

Commitments to lease or rent assets

Monthly lease of Building, renewed January 2020, next rent review January 2021, two further rights to renew three yearly, next one 2023	-	16,424	-	24,636
Total Commitments to lease or rent assets	-	16,424	-	24,636

Commitment for Maintenance

Exterior Paint and Maintenance Programme for seven years (approx \$8,000 per year)	7,807	7,807	17,270	17,270
Total Commitment for Maintenance	7,807	7,807	17,270	17,270

8. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 December 2020 (Last Year: Nil).

	2020 SOCIETY	2020 GROUP	2019 SOCIETY	2019 GROUP
9. Assets Used as Security for Liabilities				
Security 1				
BNZ Bank Loan	39,083	39,083	51,293	51,293
Land and Buildings	526,013	526,013	526,946	526,946

10. Term Loans

The Society has a loan secured with BNZ Bank, repayments are \$1,316, interest rate at balance date 7.47% (2019: 8.41%).

	2020 SOCIETY	2020 GROUP	2019 SOCIETY	2019 GROUP
11. Related Parties				
Income				
Fees paid by Board Members for Children Attendances	1,551	1,551	582	582
Fees charged for child of a Director attending preschool	-	700	-	-
Donations Received from Board Members	-	-	2,018	2,018
Total Income	1,551	2,251	2,600	2,600
Purchases				
Administration Expenses paid to a Board Member	500	500	500	500
Cleaning fees paid to Board Members family	-	-	-	3,366
Total Purchases	500	500	500	3,866
Total Related Parties	2,051	2,751	3,100	6,466

12. Control relationships with other entities

Peria Christian Education Incorporated is the Shareholder of Matamata Christian Early Learning Centres Ltd so has complete control over this Company

As a result, this set of consolidated financial statements has been prepared so that all the entities are presented together. Any inter-entity transactions have been removed to prevent over-stating the effects of the transactions done within the group.

13. Events After the Balance Date

Work started in January to complete a carpark upgrade for the School. This is likely to cost \$65,000 and is expected to be completed before the end of the 2021 year.

Also, in March 2020, the World Health Organisation declared the outbreak of COVID-19 a pandemic. On 25 March, New Zealand increased its' COVID-19 alert to level 4 and a nationwide lockdown commenced. This was downgraded to alert level 1 on 8 June. New Zealand then had various changes in alert levels between August and October 2020.

After balance date the Auckland Region was placed into alert level 3 and the rest of NZ into alert level 2 on 14 February 2021. Auckland was downgraded to alert level 2 and the rest of NZ to alert level 1 on 17 February, and Auckland to alert level 1 on 22 February. Shortly after, the Auckland Region was again placed into alert level 3 and the rest of NZ into an alert level 2 on 28 February 2021. Auckland was downgraded to alert level 2 and the rest of NZ to alert level 1 on 7 March 2021.

While the country is under Alert levels 2 to 4 there are restrictions on the opening of public places and large gatherings of people. Therefore the Entity is unable to operate as it normally would. While the disruption is currently expected to be temporary, there is a level of uncertainty around the duration of the restrictions.

At the date of issuing the financial statements, the Entity has been able to absorb the majority of the impact from the nationwide lockdown. At this time the full financial impact of the COVID-19 pandemic is not able to be determined, but it is not expected to have a significant adverse effect on the Entity.

There were no events that have occurred after the balance date that would have a material impact on the Performance Report (Last year - nil).

14. Ability to Continue Operating

The nature of the organisation is that it is reliant on the continued support of families attending the School and Preschool. The management is confident of receiving this ongoing support and accordingly has adopted the going concern assumption in the preparation of these financial statements.

15. Audit

These financial statements have been audited by a third party auditor. Please refer to their Auditor's Report.