

INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF SACRED HEART SCHOOL PETONE'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

The Auditor-General is the auditor of Sacred Heart School Petone (the School). The Auditor-General has appointed me, Chrissie Murray, using the staff and resources of Baker Tilly Staples Rodway Audit Limited, 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 19, that comprise the statement of financial position as at 31 December 2018, 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 2018; 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 the Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 30 May 2019. 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 of Trustees 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 of Trustees for the financial statements

The Board of Trustees 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 of Trustees 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 of Trustees is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board of Trustees 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 of Trustees' responsibilities arise from the Education Act 1989.

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 of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees 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 Novopay 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 of Trustees 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 arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information obtained at the date of our report is the analysis of variance, a Kiwisport statement and a list of the Trustees, but does not include the financial statements, and our auditor's report thereon.

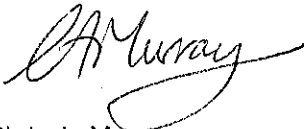
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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 (Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

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



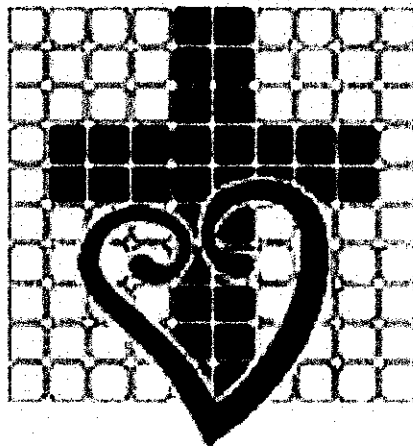
Chrissie Murray
Baker Tilly Staples Rodway Audit Limited

On behalf of the Auditor-General
Wellington, New Zealand

SACRED HEART SCHOOL PETONE

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018



School Address: 33 Britannia Street, Petone, Lower Hutt

School Postal Address: 33 Britannia Street, Petone, Lower Hutt, 5012

School Phone: 04 568 6711

School Email: admin@sacredheartpetone.school.nz

Ministry Number: 2984

Accountant / Service Provider: Accounting For Schools Ltd

SACRED HEART SCHOOL PETONE

Financial Statements - For the year ended 31 December 2018

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SACRED HEART SCHOOL PETONE

Statement of Responsibility

For the year ended 31 December 2018

The Board of Trustees accepts responsibility for the preparation of the annual financial statements and the judgements used in these financial statements.

The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2018 fairly reflects the financial position and operations of the school.

The School's 2018 financial statements are authorised for issue by the Board.

Sean Mahony

Full Name of Board Chairperson



Signature of Board Chairperson

30 May 2019

Date:

Liz Heatley

Full Name of Principal



Signature of Principal

30 May 2019

Date:

SACRED HEART SCHOOL PETONE
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue				
Government Grants	2	1,044,554	987,770	974,896
Locally Raised Funds	3	69,131	63,711	79,496
Use of Land and Buildings Integrated		200,264	200,000	200,264
Interest Earned		478	500	787
Cyclical Maintenance Reversal		-	-	33,055
		<u>1,314,427</u>	<u>1,251,981</u>	<u>1,288,498</u>
Expenses				
Locally Raised Funds	3	48,713	48,996	47,312
Learning Resources	4	884,640	835,425	841,248
Administration	5	98,347	91,012	99,254
Finance Costs		1,317	-	618
Property	6	273,167	264,640	271,611
Depreciation	7	25,358	27,500	27,319
		<u>1,331,542</u>	<u>1,267,573</u>	<u>1,287,362</u>
Net Surplus / (Deficit)		(17,115)	(15,592)	1,136
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(17,115)</u>	<u>(15,592)</u>	<u>1,136</u>

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes.

SACRED HEART SCHOOL PETONE
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2018

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Balance at 1 January	31,466	31,466	30,330
Total comprehensive revenue and expense for the year	(17,115)	(15,592)	1,136
Equity at 31 December	14,351	15,874	31,466
Retained Earnings	14,351	15,874	31,466
Equity at 31 December	14,351	15,874	31,466

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes.

SACRED HEART SCHOOL PETONE

Statement of Financial Position

As at 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Assets				
Cash and Cash Equivalents	8	14,009	4,122	16,407
Accounts Receivable	9	51,767	52,000	43,716
Inventories	10	7,848	8,000	9,043
GST Receivable		5,682	5,500	5,405
Prepayments		7,049	7,000	4,023
		<u>86,355</u>	<u>76,622</u>	<u>78,594</u>
Current Liabilities				
Accounts Payable	12	68,925	69,250	57,655
Finance Lease Liability - Current Portion	16	5,700	4,000	3,980
Revenue Received in Advance	13	997	1,000	4,533
Painting Contract Liability - Current Portion	15	8,392	-	8,839
		<u>84,014</u>	<u>74,250</u>	<u>75,007</u>
Working Capital Surplus/(Deficit)		2,341	2,372	3,587
Non-current Assets				
Property, Plant and Equipment	11	74,694	70,000	83,809
		<u>74,694</u>	<u>70,000</u>	<u>83,809</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	52,200	55,000	51,498
Painting Contract Liability	15	-	-	-
Finance Lease Liability	16	10,484	1,500	4,432
		<u>62,684</u>	<u>56,500</u>	<u>55,930</u>
Net Assets		<u>14,351</u>	<u>15,872</u>	<u>31,466</u>
Equity		<u>14,351</u>	<u>15,874</u>	<u>31,466</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

SACRED HEART SCHOOL PETONE

Statement of Cash Flows

For the year ended 31 December 2018

	2018	2018	2017
Note	Actual \$	Budget (Unaudited) \$	Actual \$
Cash flows from Operating Activities			
Government Grants	298,870	267,770	265,989
Locally Raised Funds	65,500	60,178	84,029
Goods and Services Tax (net)	(279)	(97)	1,086
Payments to Employees	(187,547)	(141,332)	(173,643)
Payments to Suppliers	(163,833)	(166,759)	(172,462)
Cyclical Maintenance Payments in the year	(5,747)	(7,498)	-
Interest Paid	(1,317)	-	(618)
Interest Received	873	895	402
Net cash from / (to) the Operating Activities	<u>6,520</u>	<u>13,157</u>	<u>4,784</u>
Cash flows from Investing Activities			
Purchase of PPE (and Intangibles)	(3,258)	(13,684)	(25,815)
Net cash from / (to) the Investing Activities	<u>(3,258)</u>	<u>(13,684)</u>	<u>(25,815)</u>
Cash flows from Financing Activities			
Finance Lease Payments	(5,213)	(2,919)	(2,795)
Painting contract payments	(447)	(8,839)	(7,108)
Funds Administered on Behalf of Third Parties	-	-	675
Net cash from Financing Activities	<u>(5,660)</u>	<u>(11,758)</u>	<u>(9,228)</u>
Net increase/(decrease) in cash and cash equivalents	<u>(2,398)</u>	<u>(12,285)</u>	<u>(30,259)</u>
Cash and cash equivalents at the beginning of the year	8 16,407	16,407	46,666
Cash and cash equivalents at the end of the year	8 <u>14,009</u>	<u>4,122</u>	<u>16,407</u>

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

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

SACRED HEART SCHOOL PETONE

Notes to the Financial Statements

For the year ended 31 December 2018

1. Statement of Accounting Policies

a) Reporting Entity

Sacred Heart School Petone (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2018 to 31 December 2018 and in accordance with the requirements of the Public Finance Act 1989.

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 Act 1989 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as "having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders".

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

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.

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 11.

SACRED HEART SCHOOL PETONE

Notes to the Financial Statements

For the year ended 31 December 2018

1. Statement of Accounting Policies

Critical Judgements in applying accounting policies

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

Classification of leases

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 15.

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 Grants

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

Grants for the use of land and buildings are also not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Proprietor. Use of land and building grants are recorded as income in the period the school uses the land and building.

Donations, Gifts and Bequests

Donations, gifts and bequests are recorded as revenue when their receipt is formally acknowledged by the School.

Interest Revenue

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

d) Use of Land and Buildings Expense

The property from which the School operates is owned by the Proprietor. The expense is based on an assumed market rental yield on the land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Proprietor.

e) 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.

SACRED HEART SCHOOL PETONE

Notes to the Financial Statements

For the year ended 31 December 2018

1. Statement of Accounting Policies

f) 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.

g) 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.

h) Accounts Receivable

Accounts Receivable represents items that the School has issued invoices for or accrued for, but has not received payment for at year end. Receivables are initially recorded at fair value and subsequently recorded at the amount the School realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the School will not be able to collect all amounts due. The amount that is uncollectable (the provision for uncollectibility) is the difference between the amount due and the present value of the amounts expected to be collected.

i) Inventories

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

j) Property, Plant and Equipment

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

Improvements to buildings owned by the Proprietor are recorded at cost, less accumulated depreciation and impairment losses.

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

Property, plant and equipment acquired with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

Leased Assets

Leases where the School assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets acquired by way of finance lease are measured at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Leased assets and corresponding liability are recognised in the Statement of Financial Position and leased assets are depreciated over the period the School is expected to benefit from their use or over the term of the lease.

SACRED HEART SCHOOL PETONE

Notes to the Financial Statements

For the year ended 31 December 2018

1. Statement of Accounting Policies

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:

Furniture and Equipment	10 - 15 years
Information Technology	3 - 5 years
Leased assets held under a Finance Lease	3 - 5 years
Library resources	12.5% Diminishing value

k) 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. 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.

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.

l) 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.

m) Employee Entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

n) Revenue Received in Advance

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

The School holds sufficient funds to enable the refund of unearned fees in relation to students, should the School be unable to provide the services to which they relate.



SACRED HEART SCHOOL PETONE

Notes to the Financial Statements

For the year ended 31 December 2018

1. Statement of Accounting Policies

o) Provision for Cyclical Maintenance

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

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provisions for cyclical maintenance represents the obligations the Board has to the Proprietor and is based on the Board's ten year property plan (10YPP).

p) Financial Assets and Liabilities

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, are categorised as "loans and receivables" for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

q) 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.

r) Budget Figures

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

s) 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.

SACRED HEART SCHOOL PETONE

Notes to the Financial Statements

For the year ended 31 December 2018

2. Government Grants

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operational Grants	233,723	190,462	223,224
Other Government Grants	20,473	5,000	-
Other MoE Grants	44,674	72,308	42,765
Teachers' Salaries Grants	745,684	720,000	708,907
	<u>1,044,554</u>	<u>987,770</u>	<u>974,896</u>

3. Locally Raised Funds

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue			
Activities	23,541	22,500	26,663
Donations	14,704	5,900	22,175
Fundraising	13,276	15,300	10,572
Other revenue	2,884	5,000	5,491
Trading	14,726	15,011	14,595
	<u>69,131</u>	<u>63,711</u>	<u>79,496</u>
Expenses			
Activities	30,024	33,996	30,886
Fundraising (costs of raising funds)	4,401	-	4,120
Trading	14,288	15,000	12,306
	<u>48,713</u>	<u>48,996</u>	<u>47,312</u>
<i>Surplus for the year Locally raised funds</i>	<u>20,418</u>	<u>14,715</u>	<u>32,184</u>

4. Learning Resources

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Curricular	10,237	16,051	13,307
Employee Benefits - Salaries	867,269	803,112	819,329
Information and Communication Technology	1,655	5,000	5,011
Library Resources	631	6,262	803
Staff Development	4,848	5,000	2,798
	<u>884,640</u>	<u>835,425</u>	<u>841,248</u>

SACRED HEART SCHOOL PETONE

Notes to the Financial Statements

For the year ended 31 December 2018

5. Administration

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited) \$	\$
Audit Fee	5,265	5,112	5,112
Board of Trustees Expenses	1,707	1,000	1,206
Board of Trustees Fees	3,480	4,200	4,120
Communication	8,078	2,600	10,235
Consumables	2,514	8,950	1,377
Employee Benefits - Salaries	59,542	51,400	57,378
Insurance	4,025	3,500	3,576
Other	8,816	9,250	11,740
Service Providers, Contractors and Consultancy	4,920	5,000	4,510
	<u>98,347</u>	<u>91,012</u>	<u>99,254</u>

6. Property

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited) \$	\$
Caretaking and Cleaning Consumables	30,923	27,100	27,772
Cyclical Maintenance Provision	6,449	11,000	11,004
Employee Benefits - Salaries	6,596	6,840	6,573
Grounds	765	2,000	3,346
Heat, Light and Water	7,159	6,800	6,500
Rates	1,397	1,000	668
Repairs and Maintenance	17,529	8,500	14,289
Security	2,085	1,400	1,195
Use of Land and Buildings	200,264	200,000	200,264
	<u>273,167</u>	<u>264,640</u>	<u>271,611</u>

The use of land and buildings figure represents 8% 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. Depreciation of Property, Plant and Equipment

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited) \$	\$
Furniture and Equipment	9,593	9,000	10,460
Information Technology	7,940	13,750	12,335
Leased Assets	6,553	3,250	3,118
Library Resources	1,272	1,500	1,406
	<u>25,358</u>	<u>27,500</u>	<u>27,319</u>

SACRED HEART SCHOOL PETONE

Notes to the Financial Statements

For the year ended 31 December 2018

8. Cash and Cash Equivalents

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash on Hand	-	220	222
Bank Current Account	3,762	1,902	11,102
Bank Call Account	10,247	2,000	5,083
Net cash and cash equivalents for Cash Flow Statement	<u>14,009</u>	<u>4,122</u>	<u>16,407</u>

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

9. Accounts Receivable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Receivables	90	-	389
Interest Receivable	5	-	6
Teacher Salaries Grant Receivable	51,672	52,000	43,321
	<u>51,767</u>	<u>52,000</u>	<u>43,716</u>
Receivables from Exchange Transactions	95	-	395
Receivables from Non-Exchange Transactions	51,672	52,000	43,321
	<u>51,767</u>	<u>52,000</u>	<u>43,716</u>

10. Inventories

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
School Uniforms	7,848	8,000	9,043
	<u>7,848</u>	<u>8,000</u>	<u>9,043</u>

SACRED HEART SCHOOL PETONE

Notes to the Financial Statements

For the year ended 31 December 2018

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2018						
Furniture and Equipment	35,164	-	-	-	(9,593)	25,571
Information Technology	30,645	2,946	-	-	(7,940)	25,651
Leased Assets	8,004	12,985	-	-	(6,553)	14,436
Library Resources	9,996	312	-	-	(1,272)	9,036
Balance at 31 December 2018	83,809	16,243	-	-	(25,358)	74,694

The net carrying value of equipment held under a finance lease is \$4,869 (2017: \$8,004).

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2018			
Furniture and Equipment	193,992	(168,421)	25,571
Information Technology	106,304	(80,653)	25,651
Leased Assets	24,978	(10,542)	14,436
Library Resources	44,014	(34,978)	9,036
Balance at 31 December 2018	369,288	(294,594)	74,694

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2017						
Furniture and Equipment	33,483	12,140	-	-	(10,459)	35,164
Information Technology	29,617	13,363	-	-	(12,335)	30,645
Leased Assets	6,291	4,831	-	-	(3,118)	8,004
Library Resources	11,091	311	-	-	(1,406)	9,996
Balance at 31 December 2017	80,482	30,645	-	-	(27,318)	83,809

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2017			
Furniture and Equipment	193,992	(158,828)	35,164
Information Technology	103,358	(72,713)	30,645
Leased Assets	11,993	(3,989)	8,004
Library Resources	43,702	(33,706)	9,996
Balance at 31 December 2017	353,044	(269,235)	83,809

SACRED HEART SCHOOL PETONE

Notes to the Financial Statements

For the year ended 31 December 2018

12. Accounts Payable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	12,007	12,000	8,098
Accruals	4,340	4,500	5,506
Employee Entitlements - salaries	51,672	52,000	43,321
Employee Entitlements - leave accrual	906	750	730
	<u>68,925</u>	<u>69,250</u>	<u>57,655</u>
Payables for Exchange Transactions	68,925	69,250	57,655
Payables for Non-exchange Transactions - Other	-	-	-
	<u>68,925</u>	<u>69,250</u>	<u>57,655</u>

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Grants in Advance	-	-	2,974
Student Fees in Advance	997	1,000	1,559
	<u>997</u>	<u>1,000</u>	<u>4,533</u>

14. Provision for Cyclical Maintenance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Provision at the Start of the Year	51,498	51,498	73,549
Increase to the Provision During the Year	6,449	10,996	11,004
Adjustment to the Provision	(5,747)	-	(33,055)
Provision at the End of the Year	<u>52,200</u>	<u>62,494</u>	<u>51,498</u>
Cyclical Maintenance - Term	52,200	55,000	51,498
	<u>52,200</u>	<u>55,000</u>	<u>51,498</u>

SACRED HEART SCHOOL PETONE

Notes to the Financial Statements

For the year ended 31 December 2018

15. Painting Contract Liability

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Liability	8,392	-	8,839
Non Current Liability	-	-	-
	<u>8,392</u>	<u>-</u>	<u>8,839</u>

In 2006 the Board signed an agreement with Scheduled Maintenance Services Ltd (the contractor) for an agreed programme of work covering a 15 year period. The programme provides for a repaint of the Proprietor owned buildings in 2007, with regular maintenance in subsequent years. The agreement has an annual commitment of \$11,189. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

16. Finance Lease Liability

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	5,700	4,000	3,980
Later than One Year and no Later than Five Years	10,484	1,500	4,432
Later than Five Years	-	-	-
	<u>16,184</u>	<u>5,500</u>	<u>8,412</u>

17. Funds Held on Behalf of Third Party

TLIF Funds are held on behalf of a cluster of schools to facilitate teams of qualified teachers to collaboratively develop innovative practices that improve learning outcomes.

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Funds Held at Beginning of the Year	-	-	(675)
MOE Funding Received	-	-	34,750
Expenses	-	-	(34,075)
Funds Held at Year End	<u>-</u>	<u>-</u>	<u>-</u>

SACRED HEART SCHOOL PETONE

Notes to the Financial Statements

For the year ended 31 December 2018

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

The Proprietor of the School (Archdiocese of Wellington) is a related party of the Board because the proprietor appoints representatives to the Board, giving the proprietor significant influence over the Board. Any services or contributions between the Board and Proprietor that are material transactions that have occurred has been disclosed appropriately.

The Proprietor provides land and buildings free of charge for use by the Board as noted in Note 1(c). The estimated value of this use during 2018 is included in the Statement of Comprehensive Revenue and Expense as "Use of land and buildings".

19. Remuneration

Key management personnel compensation

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

	2018 Actual \$	2017 Actual \$
<i>Board Members</i>		
Remuneration	3,480	4,120
Full-time equivalent members	0.15	0.15
<i>Leadership Team</i>		
Remuneration	208,312	208,001
Full-time equivalent members	2.00	2.00
Total key management personnel remuneration	211,792	212,121
Total full-time equivalent personnel	2.15	2.15

The full time equivalent for Board members has been determined based on attendance at Board meetings, Committee meetings and for other obligations of the Board, such as stand downs and suspensions, plus the estimated time for Board members to prepare for meetings.

SACRED HEART SCHOOL PETONE

Notes to the Financial Statements

For the year ended 31 December 2018

19. Remuneration (Continued)

Principal

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

	2018 Actual \$000	2017 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	120 - 130	120-130
Benefits and Other Emoluments	-	-

Other Employees

There were no other employees with remuneration greater than \$100,000.

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 trustees, committee member, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was \$nil (31 December 2017: nil).

21. Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2018 (Contingent liabilities and assets at 31 December 2017: nil).

Holidays Act Compliance – schools payroll

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

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance, however the potential impact on any specific school or individual and any associated historical liability will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2018, a contingent liability for the school may exist.

22. Commitments

(a) Capital Commitments

As at 31 December 2018 the Board has not entered into contract agreements for capital works.
(Capital commitments at 31 December 2017: nil)

(b) Operating Commitments

As at 31 December 2018 the Board has entered into the following

(a) operating leases for Teacher Laptops and a Photocopier:

	2018 Actual \$	2017 Actual \$
No later than One Year	-	2,882
Later than One Year and No Later than Five Years	-	470
Later than Five Years	-	-
	-	3,352

SACRED HEART SCHOOL PETONE

Notes to the Financial Statements

For the year ended 31 December 2018

23. Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but "attempts" to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.

24. Financial Instruments

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

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Loans and receivables			
Cash and Cash Equivalents	14,009	4,122	16,407
Receivables	51,767	52,000	43,716
Total Cash and Receivables	65,776	56,121	60,123
Financial liabilities measured at amortised cost			
Payables	68,925	69,250	57,655
Finance Leases	16,184	5,500	8,412
Painting Contract Liability	8,392	-	8,839
Total Financial Liabilities Measured at Amortised Cost	93,501	74,750	74,906

25. Events After Balance Date

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

SACRED HEART SCHOOL PETONE

Members of the Board of Trustees

For the year ended 31 December 2018

Name	Position	How position on Board gained	Occupation	Term expired / expires
Sean Mahony	Chairperson	Elected 2016, elected Chair May 2018	Accountant	May 2019
Liz Heatley	Principal	Appointed	Principal	
Tane Wilson	Chair Parent Rep	Elected 2013	IT Professional	Resigned May 2018
Cath Fitzgerald	Proprietor's representative	Appointed 2015	Parent	May 2019
Emma Gendall	Parent Rep	Elected 2018	School Office	May 2019
Genevieve Hanify	Proprietor's representative	Appointed 2016	Secondary Teacher	May 2019
Henio Kolio	Parent Rep	Elected 2018	Youth Worker	May 2019
Helen Kneebone	Parent Rep	Elected 2016	Accountant	May 2019
Rachael Leafe	Parent Rep	Elected 2013, re-elected 2016	Learning Advisor Massey University	May 2019
Vai Lui	Member	Elected 2016	Senior Advisor MPIA	Resigned May 2018
Fr John Quang	Proprietor's representative	Appointed 2015	Priest	Resigned Feb 2018
Julius Solia	Staff Rep	Elected March 2015, re-elected 2016	Teacher	May 2019

SACRED HEART SCHOOL PETONE

Kiwisport Statement

For the year ended 31 December 2018

Kiwisport is a Government funding initiative to support student participation in organised sport.

In 2018 the School received funding of \$2,165 (2017: \$1,913) to increase our student participation in organised sport.

Kiwisport funding was spent on subsidising swimming lessons, costs for team sports and sports programmes provided by outside providers.