

ST THERESA'S CATHOLIC SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

School Directory

Ministry Number: 3025

Principal: Donna McDonald

School Address: James Street, Plimmerton

School Postal Address: Same as above

School Phone: 04 2338093

School Email: office@st-theresas.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Term Expires
Michael Tohill	Chair Person	Elected	June 2022
Donna McDonald	Principal	ex Officio	
Jenny Jermy	Parent Rep	Elected	Resigned May 2020
Paul Kerr	Parent Rep	Elected	June 2022
Rahul Patil	Parent Rep	Elected	June 2022
Jacqui Reading	Parent Rep	Elected	June 2022
Sarah Buchanan	Parent Rep	Elected	Resigned August 2020
Laurie Smith	Proprietor Rep	Proprietor Appointee	June 2022
Father Carmody	Proprietor Rep	Proprietor Appointee	Resigned August 2020
Pauline Maclean	Staff Rep	Elected	June 2021
Margaret van Schaik	Parent Rep	Elected	June 2022
Nick Song	Proprietor Rep	Proprietor Appointee	June 2022

ST THERESA'S CATHOLIC SCHOOL

Annual Report - For the year ended 31 December 2020

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St Theresa's Catholic School

Statement of Responsibility

For the year ended 31 December 2020

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 2020 fairly reflects the financial position and operations of the school.

The School's 2020 financial statements are authorised for issue by the Board.

Mike Tohill

Full Name of Board Chairperson

ML

Signature of Board Chairperson

31/5/21

Date:

Donna McDonald

Full Name of Principal

[Signature]

Signature of Principal

31/5/21

Date:

St Theresa's Catholic School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
Revenue				
Government Grants	2	1,416,526	264,653	1,293,519
Locally Raised Funds	3	104,205	71,000	160,628
Use of Proprietor's Land and Buildings		224,817	-	214,616
Interest income		2,595	4,000	4,491
		<u>1,748,143</u>	<u>339,653</u>	<u>1,673,254</u>
Expenses				
Locally Raised Funds	3	34,364	-	43,922
Learning Resources	4	1,229,254	132,250	1,164,110
Administration	5	114,991	115,420	125,406
Finance		214	200	194
Property	6	285,361	69,000	305,513
Depreciation	7	39,447	22,000	48,435
Loss on Disposal of Property, Plant and Equipment		2,460	-	3,054
		<u>1,706,091</u>	<u>338,870</u>	<u>1,690,633</u>
Net Surplus / (Deficit) for the year		42,052	783	(17,378)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>42,052</u>	<u>783</u>	<u>(17,378)</u>

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

St Theresa's Catholic School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

Notes	Actual 2020 \$	Budget (Unaudited) 2020 \$	Actual 2019 \$
Balance at 1 January	229,963	272,588	247,342
Total comprehensive revenue and expense for the year	42,052	783	(17,378)
Equity at 31 December	272,015	273,371	229,963

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes which form part of these financial statements.

St Theresa's Catholic School

Statement of Financial Position

As at 31 December 2020

		2020	2020	2019
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Current Assets				
Cash and Cash Equivalents	8	15,273	55,400	147,303
Accounts Receivable	9	92,524	84,000	80,923
GST Receivable		2,375	5,000	1,418
Inventories	10	408	1,000	424
Investments	11	160,256	90,000	-
		<u>270,836</u>	<u>235,400</u>	<u>230,068</u>
Current Liabilities				
Accounts Payable	13	119,806	87,000	98,024
Revenue Received in Advance	14	8,834	5,000	1,552
Provision for Cyclical Maintenance	15	20,000	20,000	18,667
Finance Lease Liability - Current Portion	16	4,763	4,000	4,607
		<u>153,403</u>	<u>116,000</u>	<u>122,850</u>
Working Capital Surplus/(Deficit)		117,433	119,400	107,218
Non-current Assets				
Property, Plant and Equipment	12	183,112	176,971	144,708
		<u>183,112</u>	<u>176,971</u>	<u>144,708</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	22,857	20,000	17,143
Finance Lease Liability	16	5,673	3,000	4,820
		<u>28,530</u>	<u>23,000</u>	<u>21,963</u>
Net Assets		<u>272,015</u>	<u>273,371</u>	<u>229,963</u>
Equity	22	<u>272,015</u>	<u>273,371</u>	<u>229,963</u>

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

St Theresa's Catholic School

Statement of Cash Flows

For the year ended 31 December 2020

		2020	2020	2019
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		432,631	284,029	322,741
Locally Raised Funds		105,639	75,000	149,526
Goods and Services Tax (net)		(954)	-	3,953
Payments to Employees		(274,280)	(148,750)	(227,237)
Payments to Suppliers		(158,279)	(149,920)	(230,367)
Interest Paid		(214)	(200)	(194)
Interest Received		2,986	4,000	4,100
Net cash from/(to) Operating Activities		107,529	64,159	22,524
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(74,248)	(14,159)	(24,006)
Purchase of Investments		(160,256)	-	110,422
Net cash from/(to) Investing Activities		(234,504)	(14,159)	86,415
Cash flows from Financing Activities				
Finance Lease Payments		(5,055)	-	(13,048)
Net cash from/(to) Financing Activities		(5,055)	-	(13,048)
Net increase/(decrease) in cash and cash equivalents		(132,030)	50,000	95,890
Cash and cash equivalents at the beginning of the year	8	147,303	5,400	51,413
Cash and cash equivalents at the end of the year	8	15,273	55,400	147,303

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 excluded.

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

St Theresa's Catholic School

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

a) Reporting Entity

St Theresa's Catholic School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. The Board 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 2020 to 31 December 2020 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 and Training Act 2020 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as 'having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders'.

PBE Accounting Standards Reduced Disclosure Regime

The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the 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.

Cyclical maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 15.

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 12.

Critical Judgements in applying accounting policies

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

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised.

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.

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

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

i) Inventories

Inventories are consumable items held for sale and comprised 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) Investments

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

k) 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.

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets
Furniture and equipment
Information and communication technology
Leased assets held under a Finance Lease
Library resources

10 years
10–20 years
5 years
Term of Lease
12.5% Diminishing value

l) Impairment of property, plant, and equipment and intangible assets

The school does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

Non cash generating assets

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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.

m) Accounts Payable

Accounts Payable represents liabilities for goods and services provided to the School prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

n) Employee Entitlements

Short-term employee entitlements

Employee 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, and also annual leave earned, by non teaching staff, to but not yet taken at balance date.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

o) Revenue Received in Advance

Revenue received in advance relates to fees received from [international, hostel students and grants received] (delete as appropriate) 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.

p) Provision for Cyclical Maintenance

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

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

q) Financial Instruments

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are categorised as 'financial assets measured at amortised cost' for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as 'financial assets at fair value through other comprehensive revenue and expense' for accounting purposes in accordance with financial reporting standards.

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.

r) 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.

s) Budget Figures

The budget figures are extracted from the School budget that was approved by the Board.

t) Services received in-kind

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

2. Government Grants

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operational Grants	302,625	264,653	267,417
Teachers' Salaries Grants	974,582	-	955,653
Other MoE Grants	139,319	-	70,449
	<u>1,416,526</u>	<u>264,653</u>	<u>1,293,519</u>

Operational Grants total includes additional COVID-19 funding totalling \$10,800 for the year ended 31 December 2020.

3. Locally Raised Funds

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue			
Donations	36,898	60,000	67,737
Activities	35,386	-	31,381
Trading	839	-	2,019
Fundraising	12,867	10,000	43,225
Other Revenue	18,215	1,000	16,266
	<u>104,205</u>	<u>71,000</u>	<u>160,628</u>
Expenses			
Activities	33,323	-	32,533
Trading	1,041	-	715
Fundraising (Costs of Raising Funds)	-	-	10,674
	<u>34,364</u>	<u>-</u>	<u>43,922</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>69,841</u>	<u>71,000</u>	<u>116,706</u>

4. Learning Resources

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Curricular	18,084	19,750	31,671
Information and Communication Technology	19,171	19,000	7,107
Library Resources	488	500	395
Employee Benefits - Salaries	1,180,034	81,000	1,108,661
Staff Development	11,477	12,000	16,276
	<u>1,229,254</u>	<u>132,250</u>	<u>1,164,110</u>

5. Administration

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Audit Fee	5,185	5,620	5,765
Board of Trustees Fees	2,475	3,500	3,715
Board of Trustees Expenses	121	750	2,540
Communication	3,826	2,500	3,357
Consumables	397	500	300
Operating Lease	2,690	2,550	2,690
Other	7,706	9,750	7,406
Employee Benefits - Salaries	79,377	75,750	80,209
Insurance	5,368	6,000	4,841
Service Providers, Contractors and Consultancy	7,846	8,500	14,583
	<u>114,991</u>	<u>115,420</u>	<u>125,406</u>

6. Property

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Caretaking and Cleaning Consumables	4,338	3,500	3,176
Consultancy and Contract Services	22,537	24,000	22,050
Cyclical Maintenance Provision	7,047	10,000	5,810
Grounds	-	-	541
Heat, Light and Water	7,981	10,000	8,828
Rates	2,418	2,000	2,639
Repairs and Maintenance	15,660	19,000	47,316
Use of Land and Buildings	224,817	-	214,616
Security	563	500	537
	<u>285,361</u>	<u>69,000</u>	<u>305,513</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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Buildings - School	1,746	22,000	1,724
Furniture and Equipment	13,526	-	13,679
Information and Communication Technology	16,063	-	17,451
Leased Assets	5,092	-	12,678
Library Resources	3,020	-	2,903
	<u>39,447</u>	<u>22,000</u>	<u>48,435</u>

8. Cash and Cash Equivalents

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash on Hand	100	100	100
Bank Current Account	15,172	5,000	56,858
Bank Call Account	1	300	1
Short-term Bank Deposits	-	50,000	90,344
Cash and cash equivalents for Statement of Cash Flows	<u>15,273</u>	<u>55,400</u>	<u>147,303</u>

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

9. Accounts Receivable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Receivables	13,436	9,000	8,278
Interest Receivable	689	-	391
Teacher Salaries Grant Receivable	78,399	75,000	72,254
	<u>92,524</u>	<u>84,000</u>	<u>80,923</u>
Receivables from Exchange Transactions	14,125	9,000	8,669
Receivables from Non-Exchange Transactions	78,399	75,000	72,254
	<u>92,524</u>	<u>84,000</u>	<u>80,923</u>

10. Inventories

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Stationery	408	1,000	424
	<u>408</u>	<u>1,000</u>	<u>424</u>

11. Investments

The School's investment activities are classified as follows:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Asset			
Short-term Bank Deposits	160,256	90,000	-
Total Investments	<u>160,256</u>	<u>90,000</u>	<u>-</u>

12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2020	\$	\$	\$	\$	\$	\$
Buildings	12,800				(1,746)	11,055
Furniture and Equipment	65,856	69,600	(877)		(13,526)	121,053
Information and Communication Technology	36,576		(775)		(16,063)	19,738
Leased Assets	9,152	6,064			(5,092)	10,124
Library Resources	20,323	4,647	(808)		(3,020)	21,142
Balance at 31 December 2020	144,707	80,311	(2,460)	-	(39,447)	183,112

The net carrying value of equipment held under a finance lease is \$10,124 (2019: \$9,152)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2020	\$	\$	\$
Buildings	17,448	(6,393)	11,055
Furniture and Equipment	293,220	(172,167)	121,053
Information and Communication Technology	110,023	(90,285)	19,738
Leased Assets	43,258	(33,134)	10,124
Library Resources	66,671	(45,529)	21,142
Balance at 31 December 2020	530,620	(347,508)	183,112

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Buildings	14,068	455			(1,724)	12,800
Furniture and Equipment	66,246	13,677	(388)		(13,679)	65,856
Information and Communication Technology	48,366	6,788	(1,127)		(17,451)	36,576
Leased Assets	14,878	6,953			(12,678)	9,152
Library Resources	21,679	3,087	(1,540)		(2,903)	20,323
Balance at 31 December 2019	165,237	30,961	(3,055)	-	(48,435)	144,708

The net carrying value of equipment held under a finance lease is \$9,152 (2018: \$14,877)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Buildings	17,982	(5,182)	12,800
Furniture and Equipment	238,473	(172,617)	65,856
Information and Communication Technology	123,110	(86,534)	36,576
Leased Assets	37,194	(28,042)	9,152
Library Resources	64,593	(44,270)	20,323
Balance at 31 December 2019	481,352	(336,645)	144,708

13. Accounts Payable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operating Creditors	27,993	10,000	13,592
Banking Staffing Overuse	9,313	-	9,313
Employee Entitlements - Salaries	78,399	75,000	72,253
Employee Entitlements - Leave Accrual	4,101	2,000	2,866
	<u>119,806</u>	<u>87,000</u>	<u>98,024</u>
Payables for Exchange Transactions	119,806	87,000	98,024
	<u>119,806</u>	<u>87,000</u>	<u>98,024</u>

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Other	8,834	5,000	1,552
	<u>8,834</u>	<u>5,000</u>	<u>1,552</u>

15. Provision for Cyclical Maintenance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Provision at the Start of the Year	35,810	35,810	30,000
Increase/ (decrease) to the Provision During the Year	7,047	4,190	5,810
Provision at the End of the Year	<u>42,857</u>	<u>40,000</u>	<u>35,810</u>
Cyclical Maintenance - Current	20,000	20,000	18,667
Cyclical Maintenance - Term	22,857	20,000	17,143
	<u>42,857</u>	<u>40,000</u>	<u>35,810</u>

16. Finance Lease Liability

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
No Later than One Year	4,763	4,000	4,606
Later than One Year and no Later than Five Years	5,673	3,000	4,820
	<u>10,436</u>	<u>7,000</u>	<u>9,426</u>

17. 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 (name of proprietor) 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 have been disclosed appropriately, if the proprietor collects fund on behalf of the school (or vice versa) the amounts are disclosed.

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 the current period is included in the Statement of Comprehensive Revenue and Expense as 'Use of Land and Buildings'.

18. Remuneration

Key management personnel compensation

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

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	2,475	3,715
Full-time equivalent members	0.14	0.21
<i>Leadership Team</i>		
Remuneration	325,525	312,867
Full-time equivalent members	3	3
Total key management personnel remuneration	<u>328,000</u>	<u>316,582</u>
Total full-time equivalent personnel	<u>3.14</u>	<u>3.21</u>

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.

Principal

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

	2020 Actual \$000	2019 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	130 - 140	120 - 130
Benefits and Other Emoluments	3 - 5	3 - 4
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2020 FTE Number	2019 FTE Number
100 - 110	0.00	0.00
	0.00	0.00

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

19. 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 as follows:

	2020 Actual	2019 Actual
Total	-	-
Number of People	-	-

20. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2020 (Contingent liabilities and assets at 31 December 2019: 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's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. The current phase of this review is to design potential solutions for any compliance breaches discovered in the initial phase of the Programme. Final calculations and potential impact on any specific individual will not be known until further detailed analysis and solutions have been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2020, a contingent liability for the school may exist.

21. Commitments

(a) Capital Commitments

As at 31 December 2020 the Board has entered into no contract agreements for capital works.

(Capital commitments at 31 December 2019: Nil)

(b) Operating Commitments

As at 31 December 2020 the Board has entered into the following contracts:

(a) operating lease of a photocopier and an EFTPOS Machine;

	2020 Actual \$	2019 Actual \$
No later than One Year	215	2,905
	<u>215</u>	<u>2,905</u>

22. 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.

23. Financial Instruments

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

Financial assets measured at amortised cost

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash and Cash Equivalents	15,273	55,400	147,304
Receivables	92,524	84,000	80,923
Investments - Term Deposits	160,256	90,000	-
Total Financial assets measured at amortised cost	<u>268,053</u>	<u>229,400</u>	<u>228,227</u>

Financial liabilities measured at amortised cost

Payables	119,806	87,000	98,024
Finance Leases	10,436	7,000	9,427
Total Financial Liabilities Measured at Amortised Cost	<u>130,242</u>	<u>94,000</u>	<u>107,451</u>

24. Events After Balance Date

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

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF ST THERESA'S SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The Auditor-General is the auditor of St Theresa's School (the School). The Auditor-General has appointed me, Henry McClintock, using the staff and resources of BDO Wellington 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 2020, 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 2020*; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity Standards Reduced Disclosure Regime as applicable to entities that qualify as tier 2.

Our audit was completed on 31 May 2021. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements

The Board is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board 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 is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

The Board's responsibilities, in terms of the requirements of the Education and Training Act 2020, arise from section 87 of the Education Act 1989¹.

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the 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.

¹ Section 2 of the Education and Training Act 2020 states that section 134 (which sets out the content of annual reports) does not come into force until 1 January 2023. Schedule 1 clause 7(1)(h) of the new Act contains a "savings" provision, which states that Section 87 of the Education Act 1989 continues to apply until 1 January 2023.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the Analysis of Variance, Board of Trustees Listing and Kiwisport Report, but does not include the financial statements, and our auditor's report thereon.

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

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

Independence

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

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

A handwritten signature in black ink, appearing to be 'H. McClintock', with a stylized flourish at the end.

Henry McClintock
BDO WELLINGTON AUDIT LIMITED

On behalf of the Auditor-General
Wellington, New Zealand