

INDEPENDENT AUDITOR'S REPORT

TO THE 1.2 READERS OF ST. MARY'S SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The Auditor-General is the auditor of St. Mary's School (the School). The Auditor-General has appointed me, Cameron Town, using the staff and resources of Silks Audit Chartered Accountants 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 5 to 22, 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 Tier 2 PBE Accounting Standards (PBE IPSAS) Reduced Disclosure Regime

Our audit was completed on 18 June 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.



PO BOX 7144
156 Guyton Street | WHANGANUI

(06) 345 8539

www.silksaudit.co.nz

tanderson@silks.co.nz | ctown@silks.co.nz

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 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.



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- 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.

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 arises from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises Board of Trustees schedule included under the School Directory page and the Analysis of Variance, but does not include the financial statements, Kiwisport statement included as appendices, 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.



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



Cameron Town
Silks Audit Chartered Accountants Ltd
Whanganui, New Zealand

Date: 18 June 2021



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tanderson@silks.co.nz | ctown@silks.co.nz



Financial Statements

St Mary's School
For the year ended 31 December 2020

Prepared by Doyle and Associates The Accountants Ltd

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Annual Report

St Mary's School For the year ended 31 December 2020

Legal Name of Entity

St Mary's School

Ministry Number: 2454

Principal:

Jacqui Luxton

School Address:

30 London Street, Wanganui

School Postal Address:

30 London Street, Wanganui

School Phone:

06-343-1227

School Email:

school@stmarys.co.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Term Expired/Expries
Ari houshangi	Chair Person	Elected	2022
Jacqui Luxton	Principal ex Officio		
Michael Norton	Parent Rep	Elected	May-20
Brenton Knight	Parent Rep	Elected	May-20
Mark Kennedy	Parent Rep	Elected	2022
Jacque Jones	Parent Rep	Proprietors Rep	2022
Erin Carver	Parent Rep	Proprietors Rep	2022
Marianne Vine	Parent Rep	Proprietors Rep	2022
Mel Hawtree	Staff Rep	Elected	2022

Accountant/Service Provider

Doyle & Associates The Accountants Ltd, 32 Taupo Quay, Whanganui

Statement of Responsibility

St Mary's School

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.

Ari Houshangi

Full Name of Board Chairperson

A Houshangi

Signature of Board Chairperson

18 June 2021

Date:

Jacqui Luxton

Full Name of Principal

JL

Signature of Principal

18 June 2021

Date:

Statement of Comprehensive Revenue and Expenses

St Mary's School

For the year ended 31 December 2020

	NOTES	2020 ACTUAL	2020 BUDGET (UNAUDITED)	2019 ACTUAL
Revenue				
Government Grants	2	1,550,675	1,478,758	1,457,287
Locally Raised Funds	3	51,609	72,800	83,057
Use of Land and Buildings Integrated		227,200	250,000	284,590
Interest Earned		228	200	314
Total Revenue		1,829,712	1,801,758	1,825,248
Expenses				
Locally Raised Funds	3	49,077	40,600	61,978
Learning Resources	4	1,271,974	1,315,632	1,214,891
Administration	5	113,186	118,539	98,582
Finance		696	-	515
Property	6	330,108	360,913	381,419
Loss on Disposal of Asset		-	-	1,136
Depreciation	7	23,352	23,250	20,320
Total Expenses		1,788,394	1,858,934	1,778,841
Net Surplus/(Deficit) for the Year		41,317	(57,176)	46,407
Total Comprehensive Revenue and Expenses for the Year		41,317	(57,176)	46,407

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

Statement of Changes in Net Assets/Equity

St Mary's School

For the year ended 31 December 2020

	ACTUAL 2020	2020 BUDGET (UNAUDITED)	ACTUAL 2019
Equity			
Balance at 1 January	277,376	277,376	238,980
Total comprehensive revenue and expenses for year	41,317	(57,176)	46,407
Capital Contributions from the Ministry of Education Contribution - Furniture & Equipment Grant	8,196	-	(8,011)
Adjustment to Accumulated surplus(deficit) from adoption of PBEIFRS 9	-	-	-
Equity 31 December	326,889	220,200	277,376
	ACTUAL 2020	2020 BUDGET (UNAUDITED)	ACTUAL 2019
Retained Earnings			
Retained Earnings	326,889	220,200	277,376
Reserves	-	-	-
Equity at 31 December	326,889	220,200	277,376

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.

Statement of Financial Position

St Mary's School

For the year ended 31 December 2020

	NOTES	2020 ACTUAL	2020 BUDGET (UNAUDITED)	2019 ACTUAL
Financial Position				
Current Assets				
Cash and Cash Equivalents	8	380,192	260,700	336,662
Accounts Receivable	9	85,769	85,000	80,568
Prepayments		5,368	5,000	4,622
GST		6,920	1,197	-
Total Current Assets		478,249	351,897	421,852
Current Liabilities				
Goods and Services Tax		-	-	4,143
Accounts Payable	11	116,604	120,000	103,437
Revenue Received in Advance	12	17,710	17,000	15,533
Provision for Cyclical Maintenance	13	10,000	10,000	9,071
Finance Lease Liability - Current Portion	14	4,882	5,000	3,477
Total Current Liabilities		149,196	152,000	135,661
Working Capital Surplus or (Deficit)		329,053	199,897	286,191
Non-Current Assets				
Property, Plant and Equipment	10	92,947	100,000	71,734
Total Non-Current Assets		92,947	100,000	71,734
Non-Current Liabilities				
Provision for Cyclical Maintenance	13	86,234	76,697	77,626
Finance Lease Liability	14	8,877	3,000	2,923
Total Non-Current Liabilities		95,111	79,697	80,549
Net Assets		326,889	220,200	277,376
Equity				
Equity	19	326,889	220,200	277,376
Total Equity		326,889	220,200	277,376

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

Statement of Cash Flows

St Mary's School

For the year ended 31 December 2020

	NOTES	2020 ACTUALS	2020 BUDGET (UNAUDITED)	2019 ACTUALS
Cash Flow				
Cash Flows from Operating Activities				
Government Grants		508,329	428,758	411,230
Locally Raised Funds		54,073	72,800	73,802
Goods and Services Tax (net)		(11,005)	9,808	14,828
Payments to Employees		(301,834)	(316,464)	(243,069)
Payments to Suppliers		(176,555)	(153,012)	(178,627)
Cyclical Maintenance Payments in the Year		-	(10,000)	(930)
Interest Paid		(179)	300	(256)
Interest Received		228	200	314
Total Cash Flows from Operating Activities		73,057	32,390	77,292
Cash Flows from Investing Activities				
Purchase of PPE (and intangibles)		(35,111)	(30,303)	(10,380)
Total Cash Flows from Investing Activities		(35,111)	(30,303)	(10,380)
Cash Flows from Financing Activities				
Furniture and Equipment Grants		8,195	-	8,011
Finance Lease Payments		(2,612)	(4,882)	(1,755)
Total Cash Flows from Financing Activities		5,583	(4,882)	6,256
Net increase/(decrease) in cash and cash equivalents		43,529	(2,795)	73,168
Cash Balances				
Cash and cash equivalents at the beginning of the year		(336,663)	(263,495)	(263,495)
Cash and cash equivalents at end of period		380,192	260,700	336,663
Total Cash Balances		43,529	(2,795)	73,168

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 grants and expenses have been excluded.

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

Notes to the Financial Statements

St Mary's School For the year ended 31 December 2020

1. Statement of Accounting Policies

a) Reporting Entity

St. Mary's 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 13.

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 10.

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.

Use of land and buildings grants are recorded as revenue in the period the School uses the land and buildings. These are 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 Crown.

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 this 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) 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:

Furniture and equipment	10-15 years
Information and communication technology	4-5 years
Textbooks	3 years
Leased assets held under a Finance Lease	4 years
Library resources	12.5% Diminishing value

j) 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 aservice 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.

k) 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.

Income Tax

St Mary's School is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

l) 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 entitlement

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 entitlement 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.

m) Revenue Received in Advance

Revenue received in advance relates to fees received from school fees 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.

n) Provision for Cyclical Maintenance

The property from which the School operates is owned by the Proprietor, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. 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 to 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).

o) 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.

p) Borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the school has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Borrowings include but are not limited to bank overdrafts, operating leases, finance leases, painting contracts and term loans

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.

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.

Notes to the Financial Statements

St Mary's School For the year ended 31 December 2020

1. Notes to the Performance Report

	2020 ACTUAL	2020 BUDGET (UNAUDITED)	2019 ACTUAL
2. Government Grants			
Operational Grants	460,847	393,758	381,343
Teachers' Salaries Grants	1,042,057	1,050,000	1,045,247
Other MoE Grants	47,770	35,000	30,697
Total Government Grants	1,550,675	1,478,758	1,457,287

The School has opted in to the donations scheme for this year. Total amount received was \$37,800.

Other MOE Grants total includes additional COVID-19 funding totalling \$5,540 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
Locally Raised Funds			
Revenue			
Activities	28,325	19,600	42,507
Trading	17	-	5,291
Fundraising	4,428	38,200	20,036
Other Revenue	18,838	15,000	15,224
Total Revenue	51,609	72,800	83,057
Expenses			
Activities	47,773	40,400	54,437
Trading	-	-	6,445
Fundraising (Costs of Raising Funds)	1,304	200	1,096
Total Expenses	49,077	40,600	61,978
Surplus/(Deficit) for the year Locally raised funds	2,532	32,200	21,079
	2020 ACTUAL	2020 BUDGET (UNAUDITED)	2019 ACTUAL

4. Learning Resources

Cirricular	32,079	43,500	33,783
Information and Communication Technology	1,294	13,000	2,616
Library Resources	11,279	12,000	10,934

Employee Benefits - Salaries	1,227,323	1,247,132	1,167,558
Total Learning Resources	1,271,974	1,315,632	1,214,891

	2020 ACTUAL	2020 BUDGET (UNAUDITED)	2019 ACTUAL
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5. Administration

Audit Fees	4,000	4,500	4,000
Board of Trustee Fees	2,760	7,000	4,340
Board of Trustee Expenses	1,576	500	1,169
Communication	1,978	2,000	1,970
Consumable	1,937	3,000	2,569
Operating Lease	1,098	2,500	1,286
Other	20,201	23,920	14,095
Employee Benefits - Salaries	76,232	71,919	66,960
Insurance	3,405	3,200	2,193
Total Administration	113,186	118,539	98,582

	2020 ACTUAL	2020 BUDGET (UNAUDITED)	2019 ACTUAL
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6. Property

Caretaking and Cleaning Consumables	12,127	11,000	11,204
Cyclical Maintenance Provision	9,537	10,000	9,719
Grounds	315	2,000	1,459
Heat, Light and Water	10,203	11,000	10,423
Rates	2,923	3,000	2,788
Repairs and Maintenance	11,703	16,000	6,690
Use of Land and Buildings	227,200	250,000	284,590
Security	1,076	2,000	2,247
Employee Benefits - Salaries	55,024	55,913	52,300
Total Property	330,108	360,913	381,419

	2020 ACTUAL	2020 BUDGET (UNAUDITED)	2019 ACTUAL
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7. Depreciation

Furniture and Equipment	8,254	8,300	7,926
Information and Communication Technology	8,622	8,500	4,563
Textbooks	195	200	195
Leased Assets	4,922	4,900	6,083
Library Resources	1,359	1,350	1,553
Total Depreciation	23,352	23,250	20,320

	2020 ACTUAL	2020 BUDGET (UNAUDITED)	2019 ACTUAL
8. Cash and Cash Equivalents			
Bank Current Accounts	43,376	40,000	72,722
Bank Call Account	336,816	220,700	263,941
Cash and cash equivalents for Statement of Cash Flows	380,192	260,700	336,663

St Mary's School holds a Westpac Business Mastercard facility with a limit of \$5,000.

	2020 ACTUAL	2020 BUDGET (UNAUDITED)	2019 ACTUAL
9. Accounts Receivable			
Receivables			
Teacher Salaries Grant Receivable	85,769	85,000	80,568
Total Receivables	85,769	85,000	80,568
Exchange and Non-Exchange Transactions			
Receivables from Exchange Transactions	-	-	-
Receivables from Non-Exchange Transactions	85,769	85,000	80,568
Total Exchange and Non-Exchange Transactions	85,769	85,000	80,568

10. Property, Plant and Equipment

2020	Opening Balance (NBV) \$	Additions \$	Disposals \$	Depreciation \$	Total (NBV) \$
Furniture and Equipment	39,526	5,309		(8,254)	36,581
Information and Communication Technology	9,130	26,596		(8,622)	27,104
Text Books	6,036			(195)	5,841
Leased Assets	6,174	12,659		(4,922)	13,911
Library Resources	10,875			(1,359)	9,516
Balance at 31 December 2020	71,741	44,564		(23,352)	92,953

2020	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Furniture and Equipment	104,499	(67,915)	36,582
Information and Communication Technology	62,890	(35,786)	27,104
Textbooks	6,442	(602)	5,840
Leased Assets	32,152	(18,241)	13,911

Library Resources	43,815	(34,301)	9,514
Balance at 31 December 2020	249,798	156,845	92,953

The net carrying value of equipment held under a finance lease is \$13,911 (2019:\$6,174).

2019	Opening Balance (NBV) \$	Additions \$	Disposals \$	Depreciation \$	Total (NBV) \$
Furniture and Equipment	36,008	9,444		(7,926)	39,526
Information and Communication Technology	12,758	936		(4,564)	9,130
Textbooks	6,231			(195)	6,036
Leased Assets	6,522	5,735		(6,083)	6,174
Library Resources	13,564		(1,136)	(1,553)	10,875
Balance at 31 December 2019	75,083	16,115	(1,136)	(20,321)	71,741

2019	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Furniture and Equipment	99,191	(59,662)	39,529
Information and Communication Technology	36,261	(27,131)	9,130
Textbooks	6,442	(407)	6,035
Leased Assets	27,234	(21,060)	6,174
Library Resources	43,816	(32,941)	10,875
Balance at 31 December 2019	212,944	(141,203)	71,741

The net carrying value of equipment held under a finance lease is \$6,174 (2018:\$6,522).

	2020 ACTUAL	2020 BUDGET (UNAUDITED)	2019 ACTUAL
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11. Accounts Payable

Payables

Operating Creditors	6,140	5,000	5,334
Employee Entitlements - Salaries	85,769	90,000	80,568
Employee Entitlements - Leave Accrual	24,695	25,000	17,535
Total Payables	116,604	120,000	103,437

Exchange and Non-Exchange Transactions

Payables for Exchange Transactions	116,604	120,000	103,437
Payables for Non-Exchange Transactions	-	-	-
Total Exchange and Non-Exchange Transactions	116,604	120,000	103,437

	2020 ACTUAL	2020 BUDGET (UNAUDITED)	2019 ACTUAL
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The carrying value of payables approximates their fair value.

	2020 ACTUAL	2020 BUDGET (UNAUDITED)	2019 ACTUAL
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12. Revenue Received in Advance

Fees Received in Advance	17,710	17,000	15,533
Total Revenue Received in Advance	17,710	17,000	15,533

	2020 ACTUAL	2020 BUDGET (UNAUDITED)	2019 ACTUAL
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13. Provision for Cyclical Maintenance

Cyclical Maintenance

Provision at the Start of the Year	86,696	86,697	77,906
Increase/(decrease) to the Provision During the Year	9,537	10,000	9,719
Use of the Provision During the Year	-	(10,000)	(929)
Provision at the End of the Year	96,233	86,697	86,696

Current and Term Cyclical Maintenance

Cyclical Maintenance - Current	10,000	10,000	9,071
Cyclical Maintenance - Term	86,234	76,697	77,626
Total Current and Term Cyclical Maintenance	96,234	86,697	86,697

14. 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
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Breakdown of Finance Lease Liability

No Later than One Year	4,882	5,000	3,477
Later than One Year and no Later than Five Years	10,098	3,000	2,923
Later than Five Years	-	-	-
Total Breakdown of Finance Lease Liability	14,980	8,000	6,400

15. 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 (The Catholic Diocese) 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 Expenses as "Use of land and buildings".

During 2020 the Board contributed \$11,703 towards the maintenance of the Proprietor's buildings in accordance with the integration agreement.

16. 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	2,760	4,340
Full-time equivalent members	0.12	0.18
<i>Leadership Team</i>		
Remuneration	500,117	479,449
Full-time equivalent members	5	5
Total key management personnel remuneration	502,877	483,789
Total full-time equivalent personnel	5.12	5.18

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	8-9	7-8

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

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

17. 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	\$0	\$0
Number of People	0	0

18. 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.

19. Commitments

(a) Capital Commitments

As at 31 December 2020 the Board has entered into contract agreements for capital works as follows: nil

(Capital commitments at 31 December 2019: \$nil)

20. 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.

21. 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
Financial Instruments Breakdown			
Cash and Cash Equivalents	380,192	260,700	336,662
Receivables	85,769	85,000	80,568
Total Financial assets measured at amortised cost	465,961	345,700	417,230

	2020 ACTUAL	2020 BUDGET (UNAUDITED)	2019 ACTUAL
Financial liabilities Measured at Amortised Cost			
Payables	116,604	120,000	103,437
Finance Leases	13,759	8,000	6,399
Total Financial liabilities Measured at Amortised Cost	130,363	128,000	109,836

22. Events After Balance Date

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

23. Comparatives

There have been a number of prior period comparatives which have been reclassified to make disclosure consistent with the current year.

24. Failure to comply with Section 137 of the Education and Training Act 2020

The Board of Trustees has failed to comply with Section 137 of the Education and Training Act 2020 in that the Board did not report by 31 May 2021, the date fixed by the Minister of Education, by which schools were required to have sent their financial statements to the Ministry of Education.