

**INDEPENDENT AUDITOR'S REPORT****TO THE READERS OF ST MARY'S SCHOOL'S FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Auditor-General is the auditor of St Mary's School (the School). The Auditor-General has appointed me, Vivien Cotton, using the staff and resources of Cotton Kelly Smit Limited (CKS Audit), 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 14, that comprise the statement of financial position as at 31 December 2021, 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 2021; 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 24 May 2022. 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 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.
- 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 school 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 the information included in the Analysis of Variance, the Kiwisport Statement, the list of Trustees and the Statement of Responsibility, 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.

In addition to the audit, we are responsible for the audit of the Proprietor, the Roman Catholic Diocese of Palmerston North. This audit is compatible with independence requirements. Other than this audit and the audit of the Proprietor, we have no relationship with, or interests in the School.



Vivien Cotton  
CKS Audit  
On behalf of the Auditor-General  
Palmerston North, New Zealand



# St Mary's School (Palmerston North)

## ANNUAL REPORT

For the year ended 31 December 2021

### School Directory

**Ministry Number:** 2457

**Principal:** Suneal Singh

**School Address:** 69A Ruahine Street, Palmerston North, New Zealand

**School Postal Address:** 69A Ruahine Street, Palmerston North, New Zealand

**School Phone:** 06 3575015

**School Email:** [office@stmaryspn.school.nz](mailto:office@stmaryspn.school.nz)

### Members of the Board

Name	Position	How Position Gained	Term expires / expired
Russell Stewart	Presiding Member	Elected	September 2022
Suneal Singh	Principal	ex Officio	
Craig Irwin	Parent Rep	Elected	December 2021
Ethne Maher	Bishop's Rep	Proprietor's Appointee	September 2022
Leigh Birondo	Parent Rep	Co-opted	September 2022
Malcolm Jury	Bishop's Rep		September 2022
Maureen Standish	Staff Rep	Staff Representative	September 2022
Nigel Fittler	Parent Rep	Elected	September 2022
Pauline Balm	Bishop's Rep	Proprietor's Appointee	November 2021
Sam Richardson	Bishop's Rep	Proprietor's Appointee	September 2022
<b>Accountant:</b>	Mark Tyler Chartered Accountant		

**St Mary's School (Palmerston North)**  
**Annual Report**  
**For the year ended 31 December 2021**

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**St Mary's School (Palmerston North)**  
**Statement of Responsibility**  
**For the year ended 31 December 2021**

The Board 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 2021 fairly reflects the financial position and operations of the school.

The School's 2021 financial statements are authorised for issue by the Board.

Russell Stewart

Full Name of Board Chairperson

23 May 2022

Signature of Board Chairperson

Date:

SINEAL SINGH

Full Name of Principal

Signature of Principal

23-05-22

Date:

**St Mary's School (Palmerston North)**  
**Statement of Comprehensive Revenue and Expense**  
**For the year ended 31 December 2021**

		2021	2021	2020
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
<b>Revenue</b>				
Government Grants	2	1,503,565	1,139,809	1,306,305
Locally Raised Funds	3	9,483	12,953	18,264
Use of Proprietor's Land and Buildings		315,184	297,251	299,899
Interest Earned		2,262	6,030	4,902
Gain on Sale of Property, Plant and Equipment		-	-	431
		<u>1,830,494</u>	<u>1,456,043</u>	<u>1,629,801</u>
<b>Expenses</b>				
Locally Raised Funds	3	9,875	10,583	18,770
Learning Resources	4	1,200,837	896,631	1,039,091
Administration	5	152,684	176,688	147,243
Finance		2,363	-	2,576
Property	6	367,718	340,378	326,680
Depreciation	10	29,918	27,340	34,166
Amortisation of Intangible Assets		1,299	1,445	1,445
Loss on Disposal of Property, Plant and Equipment		1,022	-	-
		<u>1,765,716</u>	<u>1,453,065</u>	<u>1,569,971</u>
<b>Net Surplus / (Deficit)</b>		<b>64,778</b>	<b>2,978</b>	<b>59,830</b>
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u><b>64,778</b></u>	<u><b>2,978</b></u>	<u><b>59,830</b></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 Mary's School (Palmerston North)**  
**Statement of Changes in Net Assets / Equity**  
**For the year ended 31 December 2021**

	<b>2021</b>	<b>2021</b>	<b>2020</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
<b>Balance at 1 January</b>	375,419	375,419	310,487
Total comprehensive revenue and expense for the year	64,778	2,978	59,830
Furniture and Equipment Grant	5,894	-	5,102
<b>Equity at 31 December</b>	<u>446,091</u>	<u>378,397</u>	<u>375,419</u>
 Retained Earnings	 446,091	 378,397	 375,419
<b>Equity at 31 December 2021</b>	<u>446,091</u>	<u>378,397</u>	<u>375,419</u>



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 Mary's School (Palmerston North)**  
**Statement of Financial Position**  
**As at 31 December 2021**

		2021	2021	2020
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Current Assets</b>				
Cash and Cash Equivalents	7	256,196	256,955	214,439
Accounts Receivable	8	121,090	71,327	71,327
Prepayments		5,871	5,444	5,444
Investments	9	191,286	188,376	188,376
		<u>574,443</u>	<u>522,102</u>	<u>479,586</u>
<b>Current Liabilities</b>				
GST Payable		19,816	18,082	18,082
Accounts Payable	11	92,283	90,623	90,623
Provision for Cyclical Maintenance	12	63,428	-	-
Finance Lease Liability	13	8,351	7,203	7,203
		<u>183,878</u>	<u>115,908</u>	<u>115,908</u>
<b>Working Capital Surplus / (Deficit)</b>		<u>390,565</u>	<u>406,194</u>	<u>363,678</u>
<b>Non-current Assets</b>				
Property, Plant and Equipment	10	87,349	73,690	102,474
		<u>87,349</u>	<u>73,690</u>	<u>102,474</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	12	19,092	82,518	71,764
Finance Lease Liability	13	12,731	18,969	18,969
		<u>31,823</u>	<u>101,487</u>	<u>90,733</u>
<b>Net Assets</b>		<u>446,091</u>	<u>378,397</u>	<u>375,419</u>
<b>Equity</b>		<u>446,091</u>	<u>378,397</u>	<u>375,419</u>



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

**St Mary's School (Palmerston North)**  
**Cash Flow Statement**  
**For the year ended 31 December 2021**

		2021	2021	2020
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
<b>Cash flows from Operating Activities</b>				
Government Grants		445,870	399,809	410,169
Locally Raised Funds		11,705	12,162	15,525
Goods and Services Tax (net)		548	-	5,525
Payments to Employees		(244,277)	(211,595)	(189,112)
Payments to Suppliers		(148,707)	(153,705)	(126,409)
Interest Paid		(2,363)	-	(2,576)
Interest Received		3,105	6,030	5,484
Net cash from / (to) the Operating Activities		65,881	52,701	118,606
<b>Cash flows from Investing Activities</b>				
Purchase of Property Plant & Equipment (and Intangibles)		(16,924)	-	(12,166)
Purchase of Investments		(2,909)	-	(5,366)
Net cash from / (to) the Investing Activities		(19,833)	-	(17,532)
<b>Cash flows from Financing Activities</b>				
Finance Lease Payments		(10,185)	(10,185)	(13,365)
Furniture and Equipment Grant		5,894	-	5,102
Net cash from Financing Activities		(4,291)	(10,185)	(8,263)
<b>Net increase/(decrease) in cash and cash equivalents</b>		41,757	42,516	92,811
Cash and cash equivalents at the beginning of the year	7	214,439	214,439	121,628
<b>Cash and cash equivalents at the end of the year</b>	7	256,196	256,955	214,439

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



## Notes to the Financial Statements

### 1. Statement of Accounting Policies For the year ended 31 December 2021

#### (a) Reporting Entity

St Mary's School (Palmerston North) (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 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 2021 to 31 December 2021 and in accordance with the requirements of the Education and Training Act 2020.

##### *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 12.

##### *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.

The property from which the School operates is owned by the Proprietor. Grants for the use of land and buildings are also not received in cash by



the school however they equate to the deemed expense for using the land and buildings. This expense is based on an assumed market rental yield on the land and buildings as used for rating purposes.

This is a non-cash revenue that is offset by a non-cash expense. The use of land and buildings grants and associated expenditure are recorded in the period the School uses the land and buildings.

#### **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.

#### **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) 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.

#### **(e) 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.

#### **(f) 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.

#### **(g) Accounts Receivable**

Short-term receivables are recorded at the amount due, less an allowance for credit losses (uncollectable debts). The School's 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.

#### **(h) 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.

#### **(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:

Computer Equipment	4 - 5 years
Other Assets	10 years
School Equipment	5 years
School Furniture & Fittings	10 years
Library Resources	12.5% Diminishing value
Leased assets held under a Finance Lease	Term of Lease

#### **(j) Intangible Assets**

##### **Software costs**

Computer software acquired by the School are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as four years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.



**(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 entitlements that are expected to be settled within 12 months after the end of the reporting period in which the employees provide 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, by non teaching staff, to but not yet taken at balance date.

*Long-term employee entitlements*

Employee benefits that are not expected to be settled wholly before twelve months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis.

The calculations are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows.

**(n) Revenue Received in Advance**

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

**(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 provision is a reasonable estimate, based on an up to date 10 Year Property Plan (10YPP) or another appropriate source of evidence.

**(p) 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.

**(q) 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.

**(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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Operational grants	367,523	338,029	336,557
Teachers' salaries grants	1,048,117	740,000	908,342
Other MoE Grants	78,753	49,132	53,128
Other government grants	9,172	12,648	8,278
	<u>1,503,565</u>	<u>1,139,809</u>	<u>1,306,305</u>

The school opted into the Government's Donations Scheme for which it received \$28,050 in the 2021 financial year.

## 3. Locally Raised Funds

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<i>Revenue</i>			
Donations & Bequests	709	500	5,956
Fees for Extra Curricular Activities	2,093	8,123	6,114
Trading	-	-	13
Fundraising & Community Grants	261	-	-
Other Revenue	6,420	4,330	6,181
	<u>9,483</u>	<u>12,953</u>	<u>18,264</u>
<i>Expenses</i>			
Extra Curricular Activities Costs	5,764	7,433	17,257
Trading	-	790	118
Fundraising Costs	256	360	237
Transport (local)	3,855	2,000	1,158
	<u>9,875</u>	<u>10,583</u>	<u>18,770</u>
<i>Surplus / (Deficit) for the year - Locally raised funds</i>	<u>(392)</u>	<u>2,370</u>	<u>(506)</u>

## 4. Learning Resources

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Curricular	26,476	13,200	17,451
Employee benefits - salaries	1,151,347	833,310	997,590
Equipment repairs	204	1,130	554
Extra-curricular activities	361	1,827	2,073
Information and communication technology	3,513	-	3,541
Library resources	136	929	611
Resource/attached teacher costs	71	235	-
Staff development	18,729	46,000	17,271
	<u>1,200,837</u>	<u>896,631</u>	<u>1,039,091</u>



## 5. Administration

	2021	2021 Budget (Unaudited)	2020
	Actual \$	\$	Actual \$
Audit Fee	5,243	5,091	5,091
Board Expenses	243	1,546	3,226
Board Fees	2,815	4,140	3,790
Communication	4,073	4,143	4,210
Consumables	5,953	6,673	6,879
Employee Benefits - Salaries	100,665	118,285	97,193
Insurance	3,204	6,713	3,687
Operating Lease	5,038	7,061	1,865
Other	17,588	15,338	13,646
Postage	262	98	56
Service Providers, Contractors and Consultancy	7,600	7,600	7,600
	<u>152,684</u>	<u>176,688</u>	<u>147,243</u>

## 6. Property

	2021	2021 Budget (Unaudited)	2020
	Actual \$	\$	Actual \$
Caretaking and Cleaning Consumables	4,468	5,495	5,520
Consultancy and Contract Services	663	440	447
Cyclical Maintenance	10,756	10,754	(4,392)
Grounds	7,697	6,988	7,542
Heat, Light and Water	10,489	8,900	8,350
Repairs and Maintenance	15,395	8,379	7,404
Security	3,066	2,171	1,910
Use of Land and Buildings - Integrated	315,184	297,251	299,899
	<u>367,718</u>	<u>340,378</u>	<u>326,680</u>

In 2021, the Ministry of Education revised the notional rent rate from 8% to 5% to align it with the Government Capital Charge rate. This is considered to be a reasonable proxy for the market rental yield on the value of land and buildings used by schools. Accordingly in 2021, the use of land and buildings figure represents 5% 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. Cash and Cash Equivalents

	2021	2021 Budget (Unaudited)	2020
	Actual \$	\$	Actual \$
Cash on Hand	7	150	150
Bank Current Account	15,063	49,535	7,019
Bank Call Account	241,126	207,270	207,270
Net cash and cash equivalents for Cash Flow Statement	<u>256,196</u>	<u>256,955</u>	<u>214,439</u>

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

## 8. Accounts Receivable

	2021	2021 Budget (Unaudited)	2020
	Actual \$	\$	Actual \$
Receivables	9,446	2,221	2,221
Interest Accrued	566	1,409	1,409
Teacher Salaries Grant Receivable	76,203	65,021	65,021
Banking Staffing Underuse	34,875	2,676	2,676
	<u>121,090</u>	<u>71,327</u>	<u>71,327</u>
Receivables from Exchange Transactions	10,012	3,630	3,630
Receivables from Non-Exchange Transactions	111,078	67,697	67,697
	<u>121,090</u>	<u>71,327</u>	<u>71,327</u>

## 9. Investments

The School's investment activities are classified as follows:

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Asset			
Short-term Bank Deposits	191,286	188,376	188,376
Non-current Asset			
Long-term Bank Deposits	-		-

## 10. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2021						
Computer Equipment	25,938	6,150	-		(9,895)	22,193
Intangible Assets	1,773	1	-		(1,299)	475
Leased Assets	23,984	2,732	-		(8,907)	17,809
Library Resources	4,664	535	1,453		(468)	3,278
Other Assets	16,985	-	-		(2,981)	14,004
School Equipment	3,291	-	-		(1,138)	2,153
School Furniture & Fittings	25,839	8,127	-		(6,529)	27,437
<b>Balance at 31 December 2021</b>	<b>102,474</b>	<b>17,545</b>	<b>1,453</b>	<b>-</b>	<b>(31,217)</b>	<b>87,349</b>

The net carrying value of Computer Equipment held under a finance lease is \$17,809 (2020: \$23,984)

The net carrying value of School Equipment held under a finance lease is \$0 (2020: \$0)

	2021 Cost or Valuation \$	2021 Accumulated Depreciation \$	2021 Net Book Value \$	2020 Cost or Valuation \$	2020 Accumulated Depreciation \$	2020 Net Book Value \$
2021						
Computer Equipment	122,026	99,833	22,193	115,877	89,939	25,938
Intangible Assets	6,677	6,202	475	6,677	4,904	1,773
Leased Assets	58,373	40,564	17,809	55,641	31,657	23,984
Library Resources	14,714	11,436	3,278	18,707	14,043	4,664
Other Assets	41,236	27,232	14,004	41,236	24,251	16,985
School Equipment	28,028	25,875	2,153	28,028	24,737	3,291
School Furniture & Fittings	105,253	77,816	27,437	97,126	71,287	25,839
<b>Balance at 31 December 2021</b>	<b>376,307</b>	<b>288,958</b>	<b>87,349</b>	<b>363,292</b>	<b>260,818</b>	<b>102,474</b>

## 11. Accounts Payable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Creditors	4,981	12,953	12,953
Accruals	10,546	9,772	9,772
Employee benefits - salaries	76,203	65,021	65,021
Employee benefits - leave accrual	553	2,877	2,877
	<b>92,283</b>	<b>90,623</b>	<b>90,623</b>
Payables for Exchange Transactions	92,283	90,623	90,623
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<b>92,283</b>	<b>90,623</b>	<b>90,623</b>

The carrying value of payables approximates their fair value.





## 12. Provision for Cyclical Maintenance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Provision at the Start of the Year	71,764	71,764	76,156
Increase / (Decrease) of Provision during the Year	10,756	10,754	(4,392)
Use of the Provision During the Year			
Provision at the End of the Year	82,520	82,518	71,764
Cyclical Maintenance - Current	63,428	-	-
Cyclical Maintenance - Term	19,092	82,518	71,764
	82,520	82,518	71,764

## 13. Finance Lease Liability

The School has entered into a finance lease agreement for photocopy equipment and Macbooks.  
Minimum lease payments payable are:

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
No Later than One Year	10,023	9,404	9,404
Later than One Year and no Later than Five Years	14,006	21,686	21,686
Later than Five Years	-	-	-
Deduct:			
Future Finance Charges	(2,947)	(4,918)	(4,918)
Total	21,082	26,172	26,172
<b>Represented by:</b>			
Finance Lease Liability - Current	8,351	7,203	7,203
Finance Lease Liability - Term	12,731	18,969	18,969
Total	21,082	26,172	26,172

## 14. 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 Roman Catholic Bishop of Palmerston North) 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 2021 is included in the Statement of Comprehensive Revenue and Expense as "Use of land and buildings".

The School has leased a section of its carpark to third parties. These lease arrangements are not part of the School's Integration Agreement with the Crown.



## 15. Remuneration

### Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
Board Members Remuneration	2,815	3,790
Leadership Team Remuneration	701,602	652,191
Full-time equivalent members	7.00	7.00
Total key management personnel remuneration	704,417	655,981

There are 7 members of the Board excluding the Principal.

The Board also has Committees for Finance (5 members) and Property (4 members) that meet monthly and quarterly respectively. As well as these regular meetings, including preparation time, the Chair and other Board members have also been involved in ad hoc meetings to consider matters of student welfare including stand downs, suspensions, and other disciplinary matters.

### Principal

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

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	140 - 150	130 - 140
Benefits and Other Emoluments	0 - 5	0 - 5
Termination Benefits	-	-

### Other Employees

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

Remuneration \$000	2021 FTE Number	2020 FTE Number
100 - 110	1	0
	1	0

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

## 16. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be board members, committee members, 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:

	2021 Actual \$0	2020 Actual \$0
Total Number of People	0	0

## 17. Contingencies

### Contingent Liabilities

There are no contingent liabilities as at 31 December 2021 (2020 \$NIL) other than as noted below for holiday pay.

### Holidays Act Compliance – schools payroll

The Ministry of Education performs payroll processing and payments on behalf of boards, 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. 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 2021, a contingent liability for the school may exist.



## 18. Commitments

### (a) Capital Commitments

As at 31 December 2021, the Board had entered into no contract agreements for capital works.

(Capital commitments at 31 December 2020: \$NIL)

### (b) Operating Commitments

As at 31 December 2021, the Board had entered into operating commitments for the lease of a printer for 3 years and the maintenance of photocopier equipment:

	2021 Actual \$	2020 Actual \$
No later than One Year	965	965
Later than One Year and No Later than Five Years	-	-
Later than Five Years	-	-
	<u>965</u>	<u>965</u>

## 19. 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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash and Cash Equivalents	256,196	256,955	214,439
Receivables	121,090	71,327	71,327
Total Financial Assets Measured at Amortised Cost	<u>377,286</u>	<u>328,282</u>	<u>285,766</u>

### Financial liabilities measured at amortised cost

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Payables	92,283	90,623	90,623
Finance Leases	21,082	26,172	26,172
Total Financial Liabilities Measured at Amortised Cost	<u>113,365</u>	<u>116,795</u>	<u>116,795</u>

## 20. Events After Balance Date

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

## 21. Comparatives

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



## ANALYSIS OF VARIANCE REPORT FOR 2021

### Priority Learners

	Term 1 2022	Term 4 2022
Literacy	61	37
Mathematics	54	25

The overall results for our Priority Learners in 2021 was positive.

The number of children on the Priority Learner list reduced, in both literacy and mathematics, by half.

The structured literacy and mathematics programmes that are in place at St Mary's are beginning to show some very positive results.

Moving forward we will work on ensuring new staff are properly supported with the implementation of our literacy and Mathematics programmes. As well as this our Teacher Aids will be trained and utilized to provide additional support for our priority learners.

## **Kiwisport**

The School received a Kiwisport Grant of \$2,975 (exclusive of GST) in the 2021 year (2020 \$2,722).

The grant was used to help maintain the School's swimming pool during the year.