

Sacred Heart School



ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

School Directory

School Ministry Number:	3270
School Address:	40 Spencer Street, Addington
Postal Address:	40 Spencer Street Addington
School Phone:	03 3383247
School Email:	office@sacredheartchch.school.nz

Members of the Board of Trustees

Name	Position	How position on	Term expires
Brendon Bourne	Chairperson	Re-elected May 2016	May 2019
Lawrence Ford	Parent Representative	Re-elected May 2016	May 2019
Sina Colter-Tait	Parent Representative	Re-elected May 2016	May 2019
Carmen Kenton	Parent Representative	Re-elected May 2016	May 2019
Anna Kelly	Parent Representative	Co-Opted Aug 2018	May 2019
Father Phil Bennenbrook	Parish Priest		
Andrew Apulu	Proprietor Representative		
Father John Craddock	Proprietor Representative		
Ray Limcangco	Proprietor Representative		
Joselyn Elauen	Proprietor Representative		
Liz Williams	Staff Representative	Staff Trustee 2015	
Frank McManus	Principal		

88 Nazareth Avenue
Christchurch
Ph: 03 338 4444



Sacred Heart School

Financial Statements - For the year ended 31 December 2018

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Sacred Heart School Statement of Responsibility

For the year ended 31 December 2018

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

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

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

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

Carmen Lynn Kenton
Full Name of Board Chairperson

FRANCIS JOSEPH McLANE
Full Name of Principal

[Signature]
Signature of Board Chairperson

[Signature]
Signature of Principal

26/5/2019
Date:

28/5/2019
Date:

Sacred Heart School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue				
Government Grants	2	1,152,883	1,119,051	1,117,456
Locally Raised Funds	3	31,455	21,250	38,890
Use of Land and Buildings grants		208,343	208,343	208,343
Interest Received		18,199	13,125	17,783
		<u>1,411,880</u>	<u>1,361,769</u>	<u>1,582,472</u>
Expenses				
Locally Raised Funds	3	16,227	12,250	26,898
Learning Resources	4	575,835	595,195	633,648
Administration	5	91,273	91,148	89,001
Finance Costs		801	805	701
Property	6	234,838	261,843	261,701
Depreciation	7	43,757	40,524	43,063
Loss on Disposal of Property, Plant and Equipment		111	-	224
		<u>1,362,642</u>	<u>1,367,725</u>	<u>1,366,236</u>
Net Surplus / (Deficit)		48,950	(5,956)	27,195
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>48,950</u>	<u>(5,956)</u>	<u>27,195</u>

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

Sacred Heart School
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2018

	Actual 2018 \$	Budget (Unaudited) 2018 \$	Actual 2017 \$
Balance at 1 January	596,741	596,741	520,548
Total comprehensive revenue and expense for the year	48,350	(5,954)	27,196
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	-	-	-
Equity at 31 December	605,090	590,787	596,741
Retained Earnings	605,090	590,787	596,741
Reserves	-	-	-
Equity at 31 December	605,090	590,787	596,741

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

Sacred Heart School
Statement of Financial Position
As at 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Assets				
Cash and Cash Equivalents	8	100,588	78,874	50,096
Accounts Receivable	9	48,949	48,949	51,500
GST Receivable		2,668	2,668	4,771
Prepayments		3,358	3,359	5,821
Inventories	10	348	500	1,582
Investments	11	460,000	450,000	467,211
		<u>615,911</u>	<u>582,351</u>	<u>582,981</u>
Current Liabilities				
Accounts Payable	13	67,868	67,868	64,291
Revenue Received in Advance	14	5,971	-	70
Provision for Cyclical Maintenance	15	21,000	-	-
Finance Lease Liability - Current Portion	16	8,275	8,275	15,237
Funds held in Trust		3,953	-	3,013
		<u>96,277</u>	<u>66,143</u>	<u>82,811</u>
Working Capital Surplus(Deficit)		519,634	516,208	498,350
Non-current Assets				
Property, Plant and Equipment	12	<u>504,637</u>	<u>96,179</u>	<u>122,801</u>
		<u>504,637</u>	<u>96,179</u>	<u>122,801</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	9,747	52,786	52,786
Finance Lease Liability	16	8,834	8,834	11,644
		<u>18,581</u>	<u>61,620</u>	<u>64,430</u>
Net Assets		<u><u>605,690</u></u>	<u><u>550,767</u></u>	<u><u>556,741</u></u>
Equity		<u><u>605,690</u></u>	<u><u>550,767</u></u>	<u><u>556,741</u></u>

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

Sacred Heart School
Statement of Cash Flows
For the year ended 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash flows from Operating Activities				
Government Grants		353,711	330,621	351,343
Locally Raised Funds		38,133	21,250	35,064
Goods and Services Tax (net)		2,933	1,332	(1,555)
Payments to Employees		(175,850)	(154,216)	(154,086)
Payments to Suppliers		(156,635)	(161,176)	(170,271)
Interest Paid		(801)	-	(701)
Interest Received		17,345	11,586	17,112
Net cash from / (to) the Operating Activities		78,806	48,196	69,907
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		(111)	(525)	(1,197)
Purchase of PPE (and Intangibles)		(23,904)	(34,966)	(42,954)
Purchase of Investments		7,212	-	(13,877)
Net cash from / (to) the Investing Activities		(16,803)	(35,491)	(58,138)
Cash flows from Financing Activities				
Finance Lease Payments		(11,462)	(20,607)	(485)
Funds Administered on Behalf of Third Parties		150	-	2,613
Net cash from Financing Activities		(11,312)	(20,607)	2,128
Net increase/(decrease) in cash and cash equivalents		50,691	(6,902)	14,297
Cash and cash equivalents at the beginning of the year	\$	50,096	53,774	35,600
Cash and cash equivalents at the end of the year	\$	100,787	46,872	50,097

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

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

Sacred Heart School Notes to the Financial Statements

1 Statement of Accounting Policies

For the year ended 31 December 2018

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

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

Basis of Preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been consistently applied throughout the period.

Financial Reporting Standards Applied

The Education Act 1989 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PSE) 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".

PSE 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.

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 12.

Critical Judgements in applying accounting policies

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

Classification of leases

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 16.

Recognition of grants

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carryforward 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

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

e) Operating Lease Payments

Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight line basis over the term of the lease.

f) Finance Lease Payments

Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of 90 days or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

h) Accounts Receivable

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

i) Inventories

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

g) Investments

Bank term deposits for periods exceeding 90 days are classified as investments and are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. After initial recognition bank term deposits are measured at amortised cost using the effective interest method less impairment.

After initial recognition bank term deposits are measured at amortised cost using the effective interest method less impairment.

After initial recognition any investments categorised as available for sale are measured at their fair value without any deduction for transaction costs the school may incur on sale or other disposal.

The School has met the requirements under section 28 of schedule 6 of the Education Act 1989 in relation to the acquisition of securities.

k) Property, Plant and Equipment

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

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

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

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

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

Leased Assets

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

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	3-5 years
Plant and Equipment	5-10 years
Textbooks	10 years
Leased assets held under a Finance Lease	3-4 years
Library resources	12.5% Diminishing value

l) Intangible Assets

Software costs

Computer software acquired by the School is 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.

Computer software licenses with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software that the school receives from the Ministry of Education is normally acquired through a non-exchange transaction and is not of a material amount. Its fair value can be assessed at time of acquisition if no other methods lead to a fair value determination. Computer software purchased directly from suppliers at market rates are considered exchange transactions and the fair value is the amount paid for the software.

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

m) 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.

n) 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.

o) 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.

Long-term employee entitlements

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

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

p) 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.

q) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

r) Provision for Cyclical Maintenance

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

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

s) Financial Assets and Liabilities

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 "loans and receivables" for accounting purposes in accordance with financial reporting standards.

t 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.

u) Budget Figures

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

v) 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

Operational grants
Teachers' salaries grants
Other MoE Grants

2018	2018	2017
Actual	Budget (Unaudited)	Actual
\$	\$	\$
273,108	287,406	272,275
788,430	788,430	788,115
91,054	53,215	79,058
<u>1,152,592</u>	<u>1,128,051</u>	<u>1,139,448</u>

3 Locally Raised Funds

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

Revenue
Donations
Trading
Activities

Expenses
Activities
Trading

Surplus for the year Locally raised funds

2018	2018	2017
Actual	Budget (Unaudited)	Actual
\$	\$	\$
19,784	14,500	22,634
9,387	5,250	7,072
2,284	1,500	9,180
<u>31,455</u>	<u>21,250</u>	<u>38,886</u>
8,390	7,000	22,036
7,837	5,250	4,852
<u>16,227</u>	<u>12,250</u>	<u>26,888</u>
<u>15,228</u>	<u>9,000</u>	<u>11,998</u>

4 Learning Resources

Library resources
Employee benefits - salaries
Resource/attached teacher costs
Staff development

2018	2018	2017
Actual	Budget (Unaudited)	Actual
\$	\$	\$
835	500	784
915,862	895,730	898,237
41,369	42,925	38,841
17,508	16,000	7,806
<u>975,635</u>	<u>955,155</u>	<u>931,648</u>

5 Administration

Audit Fee
Board of Trustees Fees
Board of Trustees Expenses
Communication
Consumables
Operating Lease
Other
Employee Benefits - Salaries
Staff Expenses

2018	2018	2017
Actual	Budget (Unaudited)	Actual
\$	\$	\$
3,238	2,880	2,792
3,835	5,000	4,938
732	1,700	679
2,531	3,250	2,501
1,340	2,500	2,275
3,138	3,200	4,418
23,314	24,628	23,206
48,577	44,700	43,817
7,889	3,880	4,378
<u>91,273</u>	<u>91,148</u>	<u>88,001</u>

6 Property

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Caretaking and Cleaning Consumables	2,089	2,500	1,873
Consultancy and Contract Services	15,091	19,000	16,389
Cyclical Maintenance Provision	(22,019)	-	724
Grounds	7,408	8,500	8,298
Heat, Light and Water	8,163	8,500	8,415
Rates	1,258	2,000	1,962
Repairs and Maintenance	3,329	4,000	4,579
Use of Land and Buildings	208,343	208,343	208,343
Employee Benefits - Salaries	10,273	11,000	11,120
	<u>234,836</u>	<u>267,843</u>	<u>281,701</u>

The use of land and buildings figure represents 8% of the school's total property value. This is used as a 'proxy' for the market rental of the property. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

7 Depreciation of Property, Plant and Equipment

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Furniture and Equipment	6,552	6,813	6,401
Information and Communication Technology	17,691	18,949	17,544
Plant and Equipment	7,645	8,424	7,801
Textbooks	1,692	1,860	1,722
Leased Assets	9,788	7,948	7,358
Library Resources	389	2,438	3,256
	<u>43,757</u>	<u>49,524</u>	<u>43,083</u>

8 Cash and Cash Equivalents

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash on Hand	35	-	25
Bank Current Account	71,925	78,874	60,071
Short-term Bank Deposits	28,628	-	-
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>100,588</u>	<u>78,874</u>	<u>60,096</u>

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

9 Accounts Receivable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Receivables	-	-	777
Interest Receivable	6,637	6,637	4,384
Teacher Salaries Grant Receivable	43,312	43,312	46,339
	<u>49,949</u>	<u>49,949</u>	<u>51,500</u>
Receivables from Exchange Transactions	6,637	6,637	5,161
Receivables from Non-Exchange Transactions	43,312	43,312	46,339
	<u>49,949</u>	<u>49,949</u>	<u>51,500</u>

10 Inventories

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
School Uniforms	348	500	1,562
	<u>348</u>	<u>500</u>	<u>1,562</u>

11 Investments

The School's investment activities are classified as follows:

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Asset Short-term Bank Deposits	400,000	400,000	467,211
Non-current Asset Long-term Bank Deposits	-	-	-

The carrying value of long term deposits longer than 12 months approximates their fair value at 31 December 2018.

12 Property, Plant and Equipment

2018	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Furniture and Equipment	26,497	2,829	-	-	(6,552)	22,774
Information and Communication Tech	43,071	18,702	-	-	(17,691)	44,082
Plant and Equipment	20,489	919	-	-	(7,645)	13,763
Textbooks	6,279	-	-	-	(1,692)	4,587
Leased Assets	24,806	1,690	-	-	(9,768)	16,728
Library Resources	1,660	1,564	-	(111)	(389)	3,724
Balance at 31 December 2018	<u>122,802</u>	<u>25,704</u>	<u>-</u>	<u>(111)</u>	<u>(43,707)</u>	<u>104,627</u>

Accumulated Depreciation

2018	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Furniture and Equipment	116,707	(87,933)	22,774
Information and Communication Technology	103,497	(149,415)	44,082
Plant and Equipment	116,761	(102,998)	13,763
Textbooks	17,151	(12,564)	4,587
Leased Assets	33,671	(16,943)	16,728
Library Resources	26,091	(23,367)	3,724
Balance at 31 December 2018	<u>497,678</u>	<u>(393,241)</u>	<u>104,627</u>

2017	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Furniture and Equipment	28,628	4,670	-	-	(6,401)	26,897
Information and Communication Tech	32,923	27,891	-	-	(17,544)	43,071
Plant and Equipment	23,006	5,995	(221)	-	(7,801)	20,980
Textbooks	6,001	-	-	-	(1,722)	4,279
Leased Assets	16,694	23,376	(7,900)	-	(7,356)	24,806
Library Resources	3,360	669	(3)	-	(2,256)	1,660
Balance at 31 December 2017	<u>112,602</u>	<u>61,211</u>	<u>(8,120)</u>	<u>-</u>	<u>(43,280)</u>	<u>122,802</u>

Accumulated Depreciation

2017
Furniture and Equipment
Information and Communication Technology
Plant and Equipment
Textbooks
Leased Assets
Library Resources
Balance at 31 December 2017

Cost or Valuation	Accumulated Depreciation	Net Book Value
\$	\$	\$
507,878	(81,381)	24,497
174,795	(131,724)	43,071
115,841	(95,353)	20,488
17,151	(10,873)	6,278
31,982	(7,176)	24,806
26,285	(24,625)	1,660
<u>473,932</u>	<u>(351,132)</u>	<u>122,801</u>

13 Accounts Payable

Operating creditors
Accruals
Banking staffing overuse
Employee Entitlements - salaries
Employee Entitlements - leave accrual
Payables for Exchange Transactions
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)
Payables for Non-exchange Transactions - Other

2018 Actual	2018 Budget (Unaudited)	2017 Actual
\$	\$	\$
1,685	1,685	3,487
3,688	3,688	3,432
8,305	8,305	10,452
43,312	43,312	46,339
679	679	621
<u>57,669</u>	<u>57,669</u>	<u>64,291</u>
57,669	57,669	64,291
-	-	-
-	-	-
<u>57,669</u>	<u>57,669</u>	<u>64,291</u>

The carrying value of payables approximates their fair value.

14 Revenue Received in Advance

Other

2018 Actual	2018 Budget (Unaudited)	2017 Actual
\$	\$	\$
5,971	-	70
<u>5,971</u>	<u>-</u>	<u>70</u>

15 Provision for Cyclical Maintenance

Provision at the Start of the Year
Increase to the Provision During the Year
Adjustment to the Provision
Use of the Provision During the Year
Provision at the End of the Year
Cyclical Maintenance - Current
Cyclical Maintenance - Term

2018 Actual	2018 Budget (Unaudited)	2017 Actual
\$	\$	\$
52,766	52,766	52,042
-	-	724
(22,018)	-	-
-	-	-
<u>30,747</u>	<u>52,766</u>	<u>52,766</u>
21,000	-	-
9,747	52,766	52,766
<u>30,747</u>	<u>52,766</u>	<u>52,766</u>

16 Finance Lease Liability

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	8,275	8,275	15,237
Later than One Year and no Later than Five Years	8,834	8,834	11,644
Later than Five Years	-	-	-
	<u>17,109</u>	<u>17,109</u>	<u>26,881</u>

17 Related Party Transactions

The School is a controlled entity of the Crown, and the Crown provides the major source of revenue to the school. The school enters into transactions with other entities also controlled by the Crown, such as government departments, state-owned enterprises and other Crown entities. Transactions with these entities are not disclosed as they occur on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted if dealing with that entity at arm's length.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/vendor 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 of Christchurch) is a related party of the Board because the proprietor appoints representatives to the Board, giving the proprietor significant influence over the Board. Any services or contributions between the Board and Proprietor that are material transactions that have occurred has been disclosed appropriately.

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

18 Remuneration

Key management personnel compensation

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

	2018 Actual \$	2017 Actual \$
Board Members Remuneration Full-time equivalent members	3,635 6.06	4,935 6.08
Leadership Team Remuneration Full-time equivalent members	217,238 2.00	209,305 2.00
Total key management personnel remuneration	<u>220,873</u>	<u>214,240</u>
Total full-time equivalent personnel	<u>2.06</u>	<u>2.08</u>

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

Principal

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

	2018 Actual	2017 Actual
Salaries and Other Short-term Employee Benefits:	\$000	\$000
Salary and Other Payments	120-130	110-120
Benefits and Other Emoluments	0-10	0-10
Termination Benefits		

20 Contingencies

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

Holidays Act Compliance – schools payroll

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

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

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

21 Commitments

(a) Capital Commitments

As at 31 December 2018 the Board has entered into contract agreements for capital works as follows:

(Capital commitments at 31 December 2017: nil)

(b) Operating Commitments

As at 31 December 2018 the Board has entered into no contracts.

22 Managing Capital

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

23 Financial Instruments

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

Loans and receivables

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash and Cash Equivalents	100,588	76,874	50,096
Receivables	48,949	48,949	51,500
Investments - Term Deposits	490,000	490,000	487,213
Total Cash and Receivables	639,537	615,823	588,809
Financial liabilities measured at amortised cost			
Payables	57,868	57,868	64,291
Finance Leases	17,109	17,109	26,851
Total Financial Liabilities Measured at Amortised Cost	74,977	74,977	91,142

24 Events After Balance Date

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

Analysis of Variance Reporting



School Name:	Sacred Heart School	School Number:	3270
Strategic Aim:	All students are able to access the New Zealand Curriculum as evidenced by achievement.		
Annual Aim:	To increase the number of students who are achieving at/above the New Zealand Curriculum in Writing.		
Target:	To improve the results of the target group so that we have 85% of the target group achieving at or above the NZC in writing.		
Baseline Data:	<p>Baseline data from end of 2017—Writing:</p> <p>Overall 60% of our students are achieving at or above the standard for writing. 26% are achieving below the standard and 8% are achieving well below the standard.</p> <p>After in-depth discussion of this data and individual needs of the students concerned we have decided to have a writing target across the school for our English Language Learners. These students, for the most part will be our below students. The well below students have more complex needs and will be catered for within our learning support programme and our classroom programmes.</p>		

Target 1

To improve the results of the target group so that we are showing improvements in writing across English Language Learners. We aim to have 80% of those children writing at or above their curriculum level.

Baseline data

3) Number of English Language Learners below the Standard at the end of 2017 who have become our target group.

Year 2		Year 3		Year 4		Year 5		Year 6		Year 7		Year 8	
Ethnicity	Number	Ethnicity	Number	Ethnicity	Number	Ethnicity	Number	Ethnicity	Number	Ethnicity	Number	Ethnicity	Number
Hispanic	2	Hispanic	4	Hispanic	2	Hispanic	3	Hispanic	7	Hispanic	1	Hispanic	4
Latino	2	Latino	1	Latino	1	Latino	1	Latino		Latino	1	Latino	1
Other	1	Other	1	Other	1	Other	1	Other		Other		Other	

Analysis of Variance Reporting



Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<p>ELLPs and Literacy learning Progressions are used to define and select appropriate literacy learning tasks.</p> <p>Clear expectations of the target children and what their next steps are.</p> <p>Teachers use a variety of explicit teaching of the target students. Eg: Group teaching, shared writing, modelling, quality feedback/feed forward.</p> <p>Gather accurate data of the target children and analyse to inform teaching and learning. Eg: e-asTTle, writing samples, moderation, exemplars</p> <p>High expectations are set through varied tasks and texts.</p> <p>Teaching approaches are varied and based on</p>	<p>Of the 33 Target ESOL Children who were below the standard in reading at the end of 2017, eight are now at their curriculum level with one child above.</p> <p>All children showed progress within their cohort against</p> <p>Although we were not using NQs we reflect the results against the NZC</p>	<p>Children were assisted in small groups of like ability that provided an environment of high expectations but low stress. They were well supported by adapted programmes delivered by teachers and teacher aides. A variety of strategies were used to assist children with managing their learning difficulties and building confidence.</p> <p>Children had access to individual Choice based writing – increased motivation and engagement.</p> <p>Authentic writing opportunities provided purpose for writing.</p> <p>The expectations may have been high for ESOL writers but having these as school-wide targets assisted in monitoring progress against the ELLPs.</p>	<ul style="list-style-type: none"> Professional development for teachers on the marking and moderating of writing using asTTle indicators. ESOL students to receive regular tuition with more emphasis of assistance within the classroom. ESOL students focus on vocabulary development within authentic contexts. Regular writing moderation sessions within team meetings. Reading Recovery for selected 6 year olds. All Māori/Pasifika/ESOL children are tracked individually in google docs with identified needs, support given and adapted programmes. Regular classroom monitoring of progress, updating learning progression docs and plan of action. Continue to develop our appraisal system (Appraisal Connector) to

effective literacy practice.
Shared understandings of
deliberate acts of teaching.

ensure that teacher practice is
effective.

Planning for next year:

We will continue to keep writing as a goal for the school. In a huge ESOL environment we are able to see progress against ELLP if not necessarily accelerating against NZC. We will look at accelerating children and providing extra

**Strategic
Aim:**

All students are able to access the New Zealand Curriculum as evidenced by achievement.

**Annual
Aim:**

To increase the thinking skills of children in relation to our Learner Competency of Thinking.

Target: This aim is to have 90% of all children in Years 5-8 achieving at or above their curriculum level for the Learner Competency of Thinking.

Baseline Data:

Target 2

Target Area

Learner Competency of Thinking for children in Years 5-8.

Sacred Heart Learners will be: Thinkers: Thinking critically and creatively.

We wanted learners to be: As per the Level rubrics below based on the following.

Level 3 (Year 5 and 6)

<p>Students will be competent thinkers and problems solvers who actively seek, use and create knowledge.</p>	<p>Students will be reflective, critically evaluating information and arguments, seeing patterns and connections, constructing meaningful knowledge and applying it in the real world.</p>	<p>Students will have an 'entrepreneurial eye' for economic and social opportunities, asking the right questions to generate novel ideas and the leadership to turn these ideas into action.</p>
<p>Learners can negotiate and solve problems amongst themselves but know when to seek assistance.</p>	<p>Learners listen to instructions and follow instructions without being told twice.</p>	<p>Learners follow a process to find and critique relevant information when solving real life problems.</p>
<p>Learners can lead a group of peers and ensure a common goal is completed.</p>		

Level 4 (Year 7 and 8)

Students will be competent thinkers and problem solvers who actively seek, use and create knowledge.	Students will be reflective, critically evaluating information and arguments, seeing patterns and connections, constructing meaningful knowledge and applying it in the real world.	Students will have an 'entrepreneurial eye' for economic and social opportunities, asking the right questions to generate novel ideas and the leadership to turn these ideas into action.
Learners have the ability to apply logic and reasoning when problem solving.	Learners will show thoughtfulness by critically evaluating information and applying it to real life issues.	Learners will ask critical questions that develop ideas and lead to robust discussion.
Learners can independently follow a series of instructions both written and orally.	Learners will be able to identify trends and connect information to their own experiences and knowledge.	Learners will develop, organise and operate their ideas for economic and social opportunities.

Term 1 Pre-assessment

Initial assessment will be based on student evaluation of their thinking skills and ability using examples of the use of the skills at their levels. These were then moderated and levelled an OTJ by teachers

	Year 5	Year 6	Year 7	Year 8
<3B 1 - 3%	3B - 5 - 23%	4B - 17 - 37%	4B - 4 - 16%	
3B - 5 - 17%	3P - 13 - 54%	4P - 4 - 19%	4P - 14 - 58%	
3P - 22 - 75%	3A - 5 - 20%	4A - 1 - 4%	4A - 4 - 16%	
3A - 0 - 0%				

Actions What did we do?	Outcomes What happened?	Reasons for the variance Why did it happen?	Evaluation Where to next?
<p>The initial assessment will be moderated and levelled by the teacher.</p> <p>Children will use SCLO as a means of monitoring and assessing their learning.</p> <p>Teachers will make use of formal and informal assessment to justify children's self assessment of their thinking skills in relation to tasks undertaken through the year.</p> <p>Teachers taught children to be reflective, critically evaluating information and arguments, seeing patterns and connections, constructing meaningful knowledge and applying it in the real world.</p> <p>Find solutions to problems by talking them through, verbalises their creative thinking to solve problems and uses critical thinking to classify, compare and sequence. Learners are building their critical reasoning and thinking skills and starting to see patterns and make connections.</p> <p>Learners follow a process to find</p>	<p>There were good shifts in levels of thinking.</p> <p>For Year 5 the levels all remained the same from April to November with all but 1 child not being at the desired level.</p> <p>For Year 6 we had 20% below in April with only 9% below the expected level by November.</p> <p>For Year 7 the results stayed the same with 100% of the children at or above the desired levels.</p> <p>For Year 8 all 16% of the children below had moved to the desired level with 16% above.</p>	<p>Teachers worked hard with children in developing competencies by using Deep Learning Task's through our involvement in the New Pedagogies for Deep Learning Project.</p> <p>Children were exposed to a range of self-directed and self-chosen topics across the year. Many of these were interest based with a lot of guidance and support from the teachers.</p> <p>Children were given options to select learning experiences that they had voice in developing. This makes it high interest for them.</p>	<p>Looking closely at competencies and children understanding why and how they are developing these we need to consider all competencies and develop programmes school wide that enhance the thinking of all children.</p> <p>We are already seeing benefits from Learning Through Play in the Junior school, as they are moving through in terms of their Core Curriculum areas.</p>

and critique relevant information when solving real life problems.

Through Learning Tasks:

- Learners will show thoughtfulness by critically evaluating information and applying it to real life issues.
- Learners will be able to identify trends and connect information to their own experiences and knowledge.
- Learners will ask critical questions that develop ideas and lead to robust discussion.

Planning for next year.

After looking closely at thinking skills we need to continue to develop learning in other Competency areas. Next year we will have a close look at the Competency of Organised and children having and developing Character or Grit.

Sacred Heart School Kiwisport Funding 2018

Kwisport is a Government funding initiative to support students' participation in organised sport.

In 2018, the school received total Kiwisport funding of \$2579.49 (excluding GST).

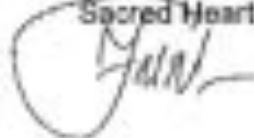
The funding was spent on entrance fees for 8 basketball teams to play full seasons at Pioneer Stadium from Year 3 to Year 8. Sports equipment for basketball, hockey, soccer and netball. Entrance subscription to Primary Sports Canterbury for all primary schools sports events.

We used Kelly Sports to facilitate fundamental skills programmes for our junior children weekly.

As a school we don't recoup the cost of these entries from parents.

The number of students that participated in organised sport was 105.

Regards
Frank McManus
Principal
Sacred Heart School



**INDEPENDENT AUDIT REPORT TO THE READERS OF
SACRED HEART CATHOLIC SCHOOL - ADDINGTON
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

The Auditor-General is the auditor of Sacred Heart Catholic School - Addington (the School). The Auditor-General has appointed me, Michael Rondel, using the staff and resources of BDO Christchurch, 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 3 to 17 that comprise the statement of financial position as at 31 December 2018, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - financial position as at 31 December 2018; and
 - financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practices in New Zealand and have been prepared in accordance with Public Benefit Entity Standards with disclosure concessions.

Our audit was completed on 28 May 2019. This is the date at which our opinion is expressed.

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

Basis of Opinion

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

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

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

Responsibilities of the Board of Trustees

The Board of Trustees is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Trustees is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board of Trustees is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

The Board of Trustees' responsibilities arise from the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

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

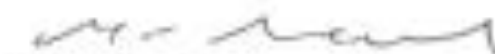
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

Independence

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

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



Michael Bondel
BDO Christchurch

On behalf of the Auditor-General
Christchurch, New Zealand