

Marian Catholic School (Hamilton)

Annual Report

for the year ended 31 December 2019

School Directory:

Ministry Number: 2094
Principal: Debra White
School Address: 30 Beale Street, Hamilton
School Postal Address: P O Box 4244, Hamilton East 3247
School Phone: 07 856 7515
School Email: secretary@marian.school.nz

Members of the Board of Trustees:

Name	Position	How Position Gained	Occupation	Term Expired/ Expires
Wayne Bates	Proprietor's Rep Chairperson	Appointed	Managing Director	
Debra White	Principal	ex Officio		
Nerrolly Hay	Parent Rep	Elected June 2019	Marketing	June 2022
Catherine Ellice	Parent Rep	Elected June 2019	Psychologist	June 2022
Matthew Iremonger	Parent Rep	Elected June 2019	Pilot	June 2022
Bartholemew Karalus	Parent Rep	Elected June 2019	Vet	June 2022
Angus McKenzie	Parent Rep	Elected June 2019	Managing Director	June 2022
Rowena Moore	Parent Rep	Elected June 2019	Accountant	June 2022
Andrea Savage	Proprietor's Rep	Appointed	Pastoral Worker	
Sue O'Brien	Proprietor's Rep	Appointed	Manager	
Malcolm Barr	Proprietor's Rep	Appointed	Teacher	
Nicole Higby	Staff Rep	Elected June 2019	Teacher	June 2022
Baden Hilton	Parent Rep	Term Expired		June 2019
Stuart McIntyre	Parent Rep	Term Expired		June 2019
Darin Fong	Parent Rep	Term Expired		June 2019
Chris Rollitt	Parent Rep	Term Expired		June 2019
Sean Botherway	Parent Rep	Term Expired		June 2019

Accountant / Service Provider: Russell Wilkinson

Marian Catholic School (Hamilton)

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for the year ended 31 December 2019

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Marian Catholic School (Hamilton)

Statement of Responsibility

for the year ended 31 December 2019

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 2019 fairly reflects the financial position and operations of the School.

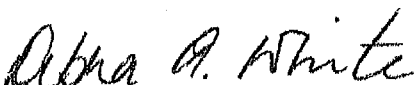
The School's 2019 financial statements are authorised for issue by the Board.

Wayne Colin Geoffrey Bales
Full Name of Board Chairperson


Signature of Board Chairperson

1-5-2020
Date

Debra Anne White
Full Name of Principal


Signature of Principal

1-5-2020
Date

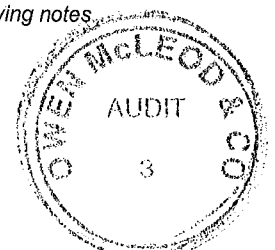
Marian Catholic School (Hamilton)

Statement of Comprehensive Revenue and Expense

for the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue				
Government grants	2	3,580,378	3,256,340	3,340,435
Locally raised funds	3	370,911	318,235	330,689
Used of land and buildings - Integrated		1,004,256	841,368	1,004,256
International students	4	237,403	150,000	165,855
Interest income		16,053	14,000	16,122
		<u>5,209,001</u>	<u>4,579,943</u>	<u>4,857,357</u>
Expenses				
Locally raised funds	3	247,937	200,700	218,007
International students	4	76,384	64,000	69,032
Learning resources	5	3,213,488	2,926,906	2,906,166
Administration	6	190,269	168,555	192,990
Finance		2,297	-	2,016
Property	7	1,307,660	1,092,593	1,249,053
Depreciation	8	113,613	90,000	108,137
Loss on disposal of property, plant and equipment		2,933	-	3,441
		<u>5,154,581</u>	<u>4,542,754</u>	<u>4,748,842</u>
Net Surplus / (Deficit) for the year		<u>54,420</u>	<u>37,189</u>	<u>108,515</u>
Other comprehensive revenue and expenses		-	-	-
Total comprehensive revenue and expense for the year		<u><u>54,420</u></u>	<u><u>37,189</u></u>	<u><u>108,515</u></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.



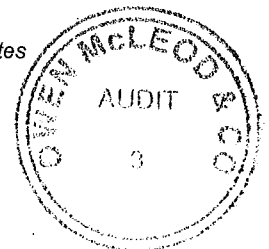
Marian Catholic School (Hamilton)

Statement of Changes in Net Assets / Equity

for the year ended 31 December 2019

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Balance at 1 January	<u>714,746</u>	<u>714,746</u>	<u>606,231</u>
Total comprehensive revenue and expense for the year	54,420	37,189	108,515
Capital contributions from the Ministry of Education: Contribution - furniture and equipment grant	18,660	-	-
Equity at 31 December	<u><u>787,826</u></u>	<u><u>751,935</u></u>	<u><u>714,746</u></u>
Retained Earnings	787,826	751,935	714,746
Reserves	-	-	-
Equity at 31 December	<u><u>787,826</u></u>	<u><u>751,935</u></u>	<u><u>714,746</u></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.



Marian Catholic School (Hamilton)

Statement of Financial Position

as at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and cash equivalents	9	469,124	418,750	417,675
Accounts receivable	10	195,613	189,955	189,955
GST receivable		11,574	-	-
Prepayments		7,732	6,602	6,602
Inventories	11	3,104	4,209	4,209
Investments	12	209,319	205,923	205,923
		<u>896,466</u>	<u>825,439</u>	<u>824,364</u>
Current Liabilities				
Accounts payable	15	243,253	186,366	186,366
GST payable		-	3,403	3,403
Revenue received in advance	16	93,803	95,293	95,293
Provision for cyclical maintenance	17	9,226	9,226	9,226
Painting contract liability - current portion	18	19,017	17,921	32,914
Finance lease liability - current portion	19	22,358	18,899	24,390
		<u>387,657</u>	<u>331,108</u>	<u>351,592</u>
Working Capital Surplus		508,809	494,331	472,772
Non Current Assets				
Property, plant and equipment	13	440,201	399,283	399,283
Equitable leaseold interest	14	-	8,664	8,664
		<u>440,201</u>	<u>407,947</u>	<u>407,947</u>
Non Current Liabilities				
Provision for cyclical maintenance	17	130,484	135,123	113,349
Painting contract liability	18	-	-	8,695
Finance lease liability	19	30,700	15,220	43,929
		<u>161,184</u>	<u>150,343</u>	<u>165,973</u>
Net Assets		<u>787,826</u>	<u>751,935</u>	<u>714,746</u>
Equity		<u>787,826</u>	<u>751,935</u>	<u>714,746</u>

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



Marian Catholic School (Hamilton)

Statement of Cash Flows

for the year ended 31 December 2019

	Note	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash flows from Operating Activities				
Government grants		1,107,689	956,340	979,343
Locally raised funds		384,362	318,235	292,186
International students		228,124	150,000	164,176
Goods and Services Tax (net)		(14,977)	-	23,650
Payments to employees		(822,020)	(712,608)	(630,147)
Payments to suppliers		(679,295)	(577,004)	(617,972)
Interest paid		(2,297)	-	(2,016)
Interest received		16,201	14,000	16,039
Net cash from the operating activities		217,787	148,963	225,259
Cash flows from Investing Activities				
Proceeds from sale of PPE (and Intangibles)		-	-	-
Purchase of PPE (and Intangibles)		(147,234)	(90,000)	(47,768)
Purchase of investments		(3,396)	-	(3,512)
Proceeds from sale of investments		-	-	-
Net cash from the investing activities		(150,630)	(90,000)	(51,280)
Cash flows from Financing Activities				
Furniture and equipment grant		18,660	-	-
Finance lease payments - principal		(11,776)	(34,200)	(23,709)
Painting contract payments		(22,592)	(23,688)	(20,551)
Loans received/ Repayment of loans		-	-	-
Funds administered on behalf of third parties		-	-	-
Net cash from financing activities		(15,708)	(57,888)	(44,260)
Net increase/(decrease) in cash and cash equivalents		51,449	1,075	129,719
Cash and cash equivalents at the beginning of the year	9	417,675	417,675	287,956
Cash and cash equivalents at the end of the year	9	469,124	418,750	417,675

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

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



Marian Catholic School (Hamilton)

Notes to the Financial Statements

for the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting entity

Marian Catholic School (Hamilton) (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 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 2019 to 31 December 2019 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial reporting standards applied

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

Standard early adopted

In line with the financial statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in note 28.

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement base

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

Presentation currency

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



Specific accounting policies

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

Critical Accounting Estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Useful lives of property, plant and equipment

The School reviews the estimated lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of 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 13.

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 grant monies received at the end of each reporting period and whether any require a provision to carry forward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

c) Revenue Recognition

Government grants

The School receives funding from the Ministry of Education. The following are the main types of funding that the school receives:

Operational grants are recorded as revenue when the School has the rights to the funding, which is in the year that the funding is received.

Teachers salaries grants are recorded as revenue when the School has the rights to the funding in the salary period they relate to. The grants are not received in cash by the School and are paid directly to teachers by the Ministry of Education.

Other Grants

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

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



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 value of land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Proprietor.

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for credit losses. The school applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped on the days past due. Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Prior Year Policy

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 the amounts due. The amount that is uncollectable (the provision for uncollectibility) is the difference between the amount due and the present value of the amounts expected to be collected.

i) Inventories

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



j) Investments

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

Prior Year Policy

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 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.

k) Property, Plant, and Equipment

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

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

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

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.

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 depreciated over the shorter of the lease term and its useful life.

Depreciation

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

The estimated useful lives of the assets are:

Furniture and equipment	2 - 15 years
Information and communication technology	4 years
PE equipment	10 years
Other equipment	5-10 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 and licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software 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. It's 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 estimated 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.

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.

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



p) Revenue Received in Advance

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

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

q) Provision for Cyclical Maintenance

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

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

r) Borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrues and added to the borrowings balance.

Grants determined by the Minister of Education for operational activities includes all items (core components) included in the Operational Funding notice.

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

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.

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

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

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 Statement 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.



	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
2. Government grants			
Operational grants	761,754	768,293	753,230
Teachers' salaries grant	2,405,563	2,300,000	2,255,781
Other MOE grants	413,061	188,047	331,424
	<u>3,580,378</u>	<u>3,256,340</u>	<u>3,340,435</u>

3. Locally raised funds

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

Revenue

Donations	37,526	30,000	31,909
Fundraising	-	-	-
Other revenue	18,029	-	11,253
Activities	160,438	143,000	140,100
Trading	7,900	7,500	7,096
After school care	147,018	137,735	140,331
	<u>370,911</u>	<u>318,235</u>	<u>330,689</u>

Expenses

Activities	132,997	115,000	113,385
Fundraising (costs of raising funds)	-	-	-
Trading	8,203	6,700	5,930
After school care	106,737	79,000	98,692
	<u>247,937</u>	<u>200,700</u>	<u>218,007</u>

Surplus (deficit) for the year locally raised funds

	<u>122,974</u>	<u>117,535</u>	<u>112,682</u>
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4. International Student Revenue and Expenses

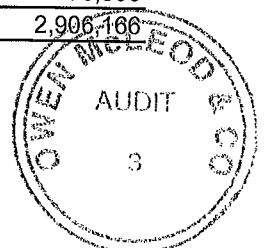
International student roll	22	15	16
Revenue - international student fees	237,403	150,000	165,855
Expenses - commission	9,156	-	9,956
- International student levy	3,387	-	1,343
- Recruitment	-	-	-
- Other expenses	37,247	40,000	30,860
- employee benefit - salaries	26,594	24,000	26,873
	<u>76,384</u>	<u>64,000</u>	<u>69,032</u>

Surplus for the year international students

	<u>161,019</u>	<u>86,000</u>	<u>96,823</u>
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5. Learning resources

Curricular	85,242	97,402	90,536
Information and communication technology	33,773	42,000	39,717
Library resources	1,633	1,500	1,162
Employee benefits - salaries	3,020,761	2,708,004	2,701,245
Staff development	72,079	78,000	73,506
	<u>3,213,488</u>	<u>2,926,906</u>	<u>2,906,166</u>



	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
6. Administration			
Audit fees	4,700	4,751	4,400
Board of Trustees fees	5,215	7,000	6,339
Board of Trustees expenses	10,326	7,000	10,724
Communication	5,309	5,000	5,925
Consumables	707	800	1,143
Operating lease	-	-	12,232
Other	30,529	16,800	26,315
Employee benefits - salaries	121,021	117,804	114,266
Insurance	7,341	6,000	6,663
Service providers, contractors, consultancy	5,121	3,400	4,983
	<u>190,269</u>	<u>168,555</u>	<u>192,990</u>

7. Property

Caretaking and cleaning consumables	74,354	70,500	73,767
Cyclical maintenance provision	26,360	31,000	26,360
Grounds	20,352	16,600	10,460
Heat, light, and water	44,777	40,125	37,415
Repairs and maintenance	53,463	31,000	27,854
Use of land and buildings	1,004,256	841,368	1,004,256
Security	7,778	7,000	5,814
Amortised equitable leasehold interest	8,665	-	8,664
Employee benefits - salaries	67,655	55,000	54,463
	<u>1,307,660</u>	<u>1,092,593</u>	<u>1,249,053</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.

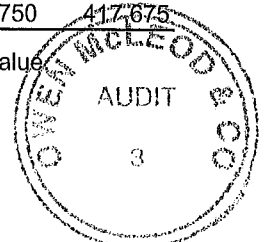
8. Depreciation

Furniture & equipment	25,676	20,000	26,759
Information and communication technology	46,789	33,000	39,647
PE equipment	582	500	582
Library resources	6,247	6,500	6,392
Leased assets	21,787	20,000	23,728
Other fixed assets	12,532	10,000	11,029
	<u>113,613</u>	<u>90,000</u>	<u>108,137</u>

9. Cash and Cash Equivalents

ASB Current account	231,582	186,357	185,282
Westpac Current account	623	623	623
ASB Omni Saver account	1,618	1,390	1,390
ASB Holding account	1,830	1,828	1,828
ASB Term Deposits	95,810	93,919	93,919
Catholic Development Fund	117,811	115,218	115,218
Catholic Development Fund	19,750	19,315	19,315
Petty Cash	100	100	100
Cash and cash equivalents for Statement of Cash Flows	<u>469,124</u>	<u>418,750</u>	<u>417,675</u>

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



	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
10. Accounts Receivable			
Receivables	15,456	38,127	38,127
Interest receivable	830	978	978
Teacher salaries grant receivable	179,327	150,850	150,850
	<u>195,613</u>	<u>189,955</u>	<u>189,955</u>
Receivables from exchange transactions	16,286	39,106	39,106
Receivables from non-exchange transactions	179,327	150,850	150,850
	<u>195,613</u>	<u>189,956</u>	<u>189,956</u>

11. Inventories

PE shirts and stationery	<u>3,104</u>	<u>4,209</u>	<u>4,209</u>
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12. Investments

The School's investment activities are classified as follows:

Current Asset:

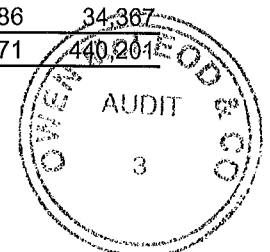
Short term bank deposits	<u>209,319</u>	<u>205,923</u>	<u>205,923</u>
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13. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Furniture & equipment	177,519	59,374	-	-	(25,676)	211,217
Information and communication	88,426	52,461	(1,558)	-	(46,789)	92,540
PE equipment	3,084	-	-	-	(582)	2,502
Library resources	44,746	8,165	(2,933)	-	(6,247)	43,731
Leased assets	67,400	10,231	-	-	(21,787)	55,844
Other fixed assets	18,108	28,791	-	-	(12,532)	34,367
Balance at 31 December 2019	<u>399,283</u>	<u>159,022</u>	<u>(4,491)</u>	<u>-</u>	<u>(113,613)</u>	<u>440,201</u>

The net carrying value of equipment held under a finance lease is \$55,844 (2018: \$67,400)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019			
Furniture & equipment	519,507	308,290	211,217
Information and communication	476,500	383,960	92,540
PE equipment	14,495	11,993	2,502
Library resources	157,153	113,422	43,731
Leased assets	115,364	59,520	55,844
Other fixed assets	139,753	105,386	34,367
Balance at 31 December 2019	<u>1,422,772</u>	<u>982,571</u>	<u>440,201</u>



13. Property, Plant and Equipment (cont'd)

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2018						
Furniture & equipment	118,844	1,755	-	-	(26,759)	93,840
Information and communication	92,452	35,621	-	-	(39,647)	88,426
PE equipment	3,666	-	-	-	(582)	3,084
Library resources	45,926	8,653	(3,441)	-	(6,392)	44,746
Leased assets	23,651	67,477	-	-	(23,728)	67,400
Other fixed assets	111,077	1,739	-	-	(11,029)	101,787
Balance at 31 December 2018	395,616	115,245	(3,441)	-	(108,137)	399,283

The net carrying value of equipment held under a finance lease is \$67,400 (2017: \$23,651)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018			
Furniture & equipment	460,133	282,615	177,518
Information and communication	427,492	339,066	88,426
PE equipment	14,495	11,411	3,084
Library resources	159,437	114,691	44,746
Leased assets	105,133	37,733	67,400
Other fixed assets	110,963	92,854	18,109
Balance at 31 December 2018	1,277,653	878,370	399,283

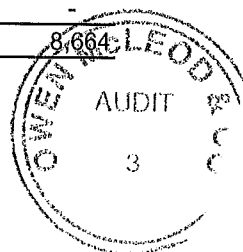
14. Equitable Leasehold Interest

An equitable leasehold interest recognises an interest in an asset without transferring ownership or creating a charge over the asset. This equitable leasehold interest represents the Board's interest in capital works owned by the Proprietor but paid for in whole or part by the Board of Trustees, either from government funding or community raised funds.

A lease was drawn up in 2007 between the Board and the Proprietor recording the terms of the equitable leasehold interest and a detailed schedule of capital works assets. The equitable leasehold interest of \$165,739 is to be amortised over 10 to 12 years, based on the economic life of the capital works assets involved, commencing in 2008. The interest may be realised earlier if the capital works are sold by the Proprietor or on the closure of the school.

The capital works assets included in the equitable leasehold interest are:

	Balance this year	Amortised this year	Balance last year
Whare building - amortised over 12 years at \$8,664 pa	-	-	8,664
Hall - amortised over 10 years at \$6,177 pa	-	-	-
	-	-	8,664



	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
15. Accounts Payable			
Operating Creditors	30,597	20,264	20,264
Employee entitlements - salaries	194,832	153,516	153,516
Employee entitlements - leave accrual	9,015	7,563	7,563
Employee entitlements - long service accrual	8,809	5,023	5,023
	<u>243,253</u>	<u>186,366</u>	<u>186,366</u>
Payables for exchange transactions	243,253	186,366	186,366
Payables for non-exchange transactions - taxes payable (PAYE and rates)	-	-	-
Payables for non-exchange transactions - other	-	-	-
	<u>243,253</u>	<u>186,366</u>	<u>186,366</u>

The carrying value of payables approximates their fair value

16. Revenue received in Advance

International student fees	71,926	81,205	81,205
Camp fees	6,825	-	-
After school care fees	4,350	3,386	3,386
Ministry of Development Oscar grant	10,702	10,702	10,702
Other revenue received in advance	-	-	-
	<u>93,803</u>	<u>95,293</u>	<u>95,293</u>

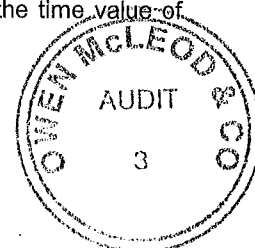
17. Provision for Cyclical Maintenance

Provision at the start of the year	122,575	122,575	105,441
Increase to the provision during the year	26,360	31,000	26,360
Use of the provision during the year	(9,225)	(9,226)	(9,226)
Provision at the end of the year	<u>139,710</u>	<u>144,349</u>	<u>122,575</u>
Cyclical maintenance - current	9,226	9,226	9,226
Cyclical maintenance - term	130,484	135,123	113,349
	<u>139,710</u>	<u>144,349</u>	<u>122,575</u>

18. Painting Contract Liability

Current liability	19,017	17,921	32,914
Non current liability	-	-	8,695
	<u>19,017</u>	<u>17,921</u>	<u>41,609</u>

In 2014 the Board signed an agreement with Programmed Maintenance Services Ltd (the contractor) for an agreed programme of work covering a seven year period. The programme provides for one exterior repaint of the nominated area in 2014, with regular maintenance in subsequent years. The agreement has an annual commitment of \$27,988. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has been adjusted for inflation and the effect of the time value of money.



	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
19. Finance Lease Liability			
The School has entered into a number of finance lease agreements for teacher laptops Minimum lease payments payable:			
No later than one year	22,358	18,899	24,390
Later than one year and no later than five years	30,700	15,220	43,929
Later than five years	-	-	-
	53,058	34,119	68,319

20. 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 conditions 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 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 funds on behalf of the School (or vice versa) the amounts are disclosed.

During the 2019 year the Board collected building levies of \$9,768 and attendance dues and other levies of \$11,000 from international students totalling \$20,768. This total amount has been transferred to the Proprietor during the 2019 year.

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 during the year is included in the Statement of Comprehensive Revenue and Expense as "Use of Land and Buildings".

During 2019 the Hamilton Catholic Development Fund (CDF) held funds on behalf of the Board. At 31 December 2019 the amount held by the Proprietor was \$137,561 with an interest rate of 2.15% payable on the investment, and \$3,028 interest paid during the year. The investments are included under Note 9. The Hamilton CDF was approved by the Ministry of Education as per Gazette Notice dated 5 July 2017.

21. Remuneration

Key management personnel compensation

Key management personnel of the School includes all Trustees of the Board, Principal and Deputy Principals.

	2019 Actual \$	2018 Actual \$
Board Members		
Remuneration	5,215	6,339
Full time equivalent members	0.24	0.26



21. Remuneration (cont'd)

Leadership Team

Remuneration	355,420	341,047
Full time equivalent members	3.00	3.00
Total key management personnel remuneration	360,635	347,386
Total full time equivalent personnel	3.24	3.26

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:

	2019 Actual \$000	2018 Actual \$000
Salaries and other short- term employee benefits:		
Salary and other payments	140 - 150	140 - 150
Benefits and other emoluments	0 - 10	0 - 10
Termination benefits	Nil	Nil

Other Employees

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

Remuneration \$000	2019 FTE	2018 FTE
100 - 110	3	Nil

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

22. Compensation and Other Benefits Upon Leaving

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

	2019 Actual	2018 Actual
Total value	\$12,500	Nil
Number of people	1	Nil

23. Contingencies

There are no contingent liabilities (except as listed below) and no contingent assets as at 31 December 2019. (Contingent liabilities and assets at 31 December 2018 - nil)

Holidays Act Compliance - Schools Payroll

The Ministry of Education performs payroll processing 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. The Ministry has recognised an estimated provision based on the analysis of sample data, which may not be wholly representative of the total dataset for Teacher and Support Staff Entitlements. A more accurate estimate will be possible after further analysis of non-compliance has been completed, and this work is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2019, a contingent liability for the school may exist.



24. Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has not entered into any contract agreements for capital works.
(Capital commitments at 31 December 2018 - nil).

(b) Operating Commitments

As at 31 December 2019 the Board has entered into the following contracts:

Painting the interior and exterior of the school

	2019 Actual \$	2018 Actual \$
No later than one year	9,443	9,363
Later than one year and no later than five years	-	9,370
Later than five years	-	-
	<u>9,443</u>	<u>18,733</u>

25. 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 revenue 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.

26. Financial Instruments

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Financial assets measured at amortised cost (2018: Loans and receivables)			
Cash and cash equivalents	469,124	418,750	417,675
Receivables	195,613	189,955	189,955
Investments - term deposits	209,319	205,923	205,923
Total financial assets measured at amortised cost	<u>874,056</u>	<u>814,628</u>	<u>813,553</u>
Financial liabilities measured at amortised cost			
Payables	243,253	186,366	186,366
Finance leases	53,058	34,119	68,319
Painting contract liability	19,017	17,921	41,609
Total financial liabilities measured at amortised cost	<u>315,328</u>	<u>238,406</u>	<u>296,294</u>



27. Events After Balance Date

On March 11, 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26 March, New Zealand increased its' COVID-19 alert level to level 4 and a nationwide lockdown commenced. As part of this lockdown all schools were closed. While the disruption is currently expected to be temporary, there is a level of uncertainty around the duration of the closure.

At the date of issuing the financial statements, the school has been able to absorb the majority of the impact from the nationwide lockdown as it was decided to start the annual Easter School holidays early. In the periods the school is open for tuition, the school has switched to alternative methods of delivering the curriculum, so students can learn remotely.

At this time the full financial impact of the COVID-19 pandemic is not able to be determined, but is not expected to be significant to the school. The school will continue to receive funding from the Ministry of Education, even while closed.

28. Adoption of PBE IFRS 9 Financial Instruments

In accordance with the transitional provisions of PBE IFRS 9, the school has elected not to restate the information for previous years to comply with PBE IFRS 9. Adjustments arising from the adoption of PBE IFRS 9 are recognised in the opening equity at 1 January 2019. Accounting policies have been updated to comply with PBE IFRS 9. The main updates are:

- Receivables: This policy has been updated to reflect that impairment of short-term receivables is now determined by applying an expected credit loss model.
- Investments : This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

Upon transition to PBE IFRS 9 there were no material adjustments to the financial statements.



Marian Catholic School (Hamilton)

Kiwisport Note

for the year ended 31 December 2019

Kiwisport is a government funding initiative to support students' participation in organised sport. In 2019 the school received total Kiwisport funding of \$8144 excluding GST (2018 - \$8,019). This funding was spent on wages for the Sports Co-ordinator.