

SACRED HEART COLLEGE



ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Principal:	Maria Potter
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Ministry Number:	262
Accountant/Service Provider:	Accounting For Schools Limited

SACRED HEART COLLEGE

Annual Report - For the year ended 31 December 2022

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SACRED HEART COLLEGE

Statement of Responsibility

For the year ended 31 December 2022

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2022 fairly reflects the financial position and operations of the school.

The School's 2022 financial statements are authorised for issue by the Board.

JOHN VAN WOERKOM

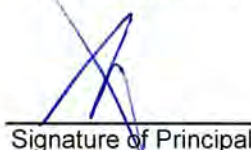
Full Name of Presiding Member

Maria Ann Potter

Full Name of Principal



Signature of Presiding Member



Signature of Principal

30 May 2023

Date:

30 May 2023

Date:

SACRED HEART COLLEGE

Statement of Comprehensive Revenue and Expense For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Revenue				
Government Grants	2	7,434,289	6,838,580	7,409,978
Locally Raised Funds	3	424,911	418,739	456,936
Use of Proprietors Land & Buildings		1,298,935	1,500,000	1,033,951
Interest Earned		37,172	15,000	16,235
Gain on Sale of Property, Plant and Equipment		101	-	-
		9,195,408	8,772,319	8,917,100
Expenses				
Locally Raised Funds	3	38,088	22,191	58,907
Learning Resources	4	6,872,823	6,432,670	6,838,828
Administration	5	495,801	405,604	410,996
Finance		4,986	16,000	7,915
Property	6	1,853,719	1,946,176	1,429,259
Other Expenses	7	3,403	3,403	3,403
		9,268,820	8,826,044	8,749,308
Net (Deficit) / Surplus for the year		(73,412)	(53,725)	167,792
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		(73,412)	(53,725)	167,792

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

SACRED HEART COLLEGE

Statement of Changes in Net Assets/Equity For the year ended 31 December 2022

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Balance at 1 January	1,934,816	1,934,816	1,736,056
Total comprehensive revenue and expense for the year	(73,412)	(53,725)	167,792
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	38,858	-	30,968
Equity at 31 December	1,900,262	1,881,091	1,934,816
Accumulated comprehensive revenue and expense	1,900,262	1,881,091	1,934,816
Reserves	-	-	-
Equity at 31 December	1,900,262	1,881,091	1,934,816

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.

SACRED HEART COLLEGE

Statement of Financial Position

As at 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Current Assets				
Cash and Cash Equivalents	8	127,144	149,703	215,393
Accounts Receivable	9	481,344	475,000	467,851
GST Receivable		25,554	20,000	28,364
Investments	10	1,742,174	1,700,000	1,588,446
Prepayments		19,606	15,000	15,875
		<u>2,395,822</u>	<u>2,359,703</u>	<u>2,315,929</u>
Current Liabilities				
Accounts Payable	13	572,785	539,112	594,905
Revenue Received in Advance	14	103,162	100,000	36,283
Provision for Cyclical Maintenance	15	90,565	107,500	107,454
Finance Lease Liability	16	61,570	65,000	49,200
Funds held in Trust	17	49,207	60,000	5,269
		<u>877,289</u>	<u>871,612</u>	<u>793,111</u>
Working Capital Surplus/(Deficit)		1,518,533	1,488,091	1,522,818
Non-current Assets				
Property, Plant and Equipment	11	516,177	500,000	433,051
Intangible Assets	12	57,850	58,000	61,253
		<u>574,027</u>	<u>558,000</u>	<u>494,304</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	123,871	100,000	65,526
Finance Lease Liability	16	62,467	65,000	10,847
Funds held in Trust	17	5,960	-	5,933
		<u>192,298</u>	<u>165,000</u>	<u>82,306</u>
Net Assets		<u>1,900,262</u>	<u>1,881,091</u>	<u>1,934,816</u>
Equity		<u>1,900,262</u>	<u>1,881,091</u>	<u>1,934,816</u>

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

SACRED HEART COLLEGE

Statement of Cash Flows

For the year ended 31 December 2022

		2022	2022	2021
	Note	Actual \$	Budget (Unaudited) \$	Actual \$
Cash flows from Operating Activities				
Government Grants		2,095,634	1,838,580	1,974,887
Locally Raised Funds		422,644	418,813	480,008
International Students		76,964	70,000	-
Goods and Services Tax (net)		2,810	8,378	2,584
Payments to Employees		(1,222,237)	(1,040,011)	(1,084,585)
Payments to Suppliers		(1,178,144)	(1,094,712)	(967,285)
Interest Paid		(4,986)	(16,000)	(7,915)
Interest Received		29,947	11,164	20,697
Net cash from / (to) the Operating Activities		222,632	196,212	418,391
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		101	-	-
Purchase of PPE (and Intangibles)		(142,852)	(269,099)	(97,486)
Purchase of Investments		(1,353,728)	(111,554)	(402,125)
Proceeds from Sale of Investments		1,200,000	-	323,023
Net cash (to) / from the Investing Activities		(296,479)	(380,653)	(176,588)
Cash flows from Financing Activities				
Furniture and Equipment Grant		38,858	-	30,968
Finance Lease Payments		(97,225)	69,953	(104,905)
Funds Held on Behalf of Third Parties		43,965	48,798	2,776
Net cash from Financing Activities		(14,402)	118,751	(71,161)
Net (decrease)/increase in cash and cash equivalents		(88,249)	(65,690)	170,642
Cash and cash equivalents at the beginning of the year	8	215,393	215,393	44,751
Cash and cash equivalents at the end of the year	8	127,144	149,703	215,393

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.

SACRED HEART COLLEGE

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

a) Reporting Entity

Sacred Heart College (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. The Board is of the view that the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2022 to 31 December 2022 and in accordance with the requirements of the Education and Training Act 2020.

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

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 11.

SACRED HEART COLLEGE

Notes to the Financial Statements

For the year ended 31 December 2022

Cyclical Maintenance

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

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. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. 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. Finance lease liability disclosures are contained in 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 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 Ministry Grants for directly funded programs are recorded as revenue when the School has the rights to the funding in the period they relate to. The grants are not received in cash by the School and are paid directly by the Ministry of Education.

The property from which the School operates is owned by the Proprietor. Grants for the use of land and buildings are also not received in cash by the school however they equate to the deemed expense for using the land and buildings. This expense is based on an assumed market rental yield on the land and buildings as used for rating purposes.

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

Other Grants where conditons exist

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.

SACRED HEART COLLEGE

Notes to the Financial Statements

For the year ended 31 December 2022

Donations, Gifts and Bequests

Donations, gifts and bequests are recognised as an asset and revenue when the right to receive funding or the asset has been established unless there is an obligation to return funds if conditions are not met. If conditions are not met funding is recognised as revenue in advance and recognised as revenue when conditions are satisfied.

Interest Revenue

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

d) Operating Lease Payments

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

e) Finance Lease Payments

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

f) Cash and Cash Equivalents

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

g) Accounts Receivable

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

h) Inventories

Inventories are consumable items held for sale and mainly comprise stationery and other items. 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.

i) Investments

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

SACRED HEART COLLEGE

Notes to the Financial Statements

For the year ended 31 December 2022

j) 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 (funded by the Board) to buildings owned by the Crown or directly by the board 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 fully depreciated over the shorter of the lease term and its useful life.

Depreciation

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

The estimated useful lives of the assets are:

Furniture and equipment	10 - 20 years
Information and communication technology	3 - 5 years
Leased assets held under a Finance Lease	3 - 5 years
Library resources	12.5% Diminishing value
Motor vehicles	5 - 10 years
Textbooks	5 years

SACRED HEART COLLEGE

Notes to the Financial Statements

For the year ended 31 December 2022

k) Intangible Assets

Software costs

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

Computer software licences with individual values under \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

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

l) Impairment of Property, Plant, and Equipment and Intangible Assets

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

Non cash generating assets

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indication exists, the School estimates the asset's recoverable service amount. 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.

In determining fair value less costs to sell the school engages an independent valuer to assess market value based on the best available information. The valuation is based on [details of the valuer's approach to determining market value (i.e. what valuation techniques have been employed, comparison to recent market transaction etc.)].

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. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognised.

m) Accounts Payable

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

SACRED HEART COLLEGE

Notes to the Financial Statements

For the year ended 31 December 2022

n) Employee Entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, and also annual leave earned, by non teaching staff, to but not yet taken at balance date.

Long-term employee entitlement

Employee benefits that are not expected to be settled wholly before 12 months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis.

The calculations are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows. Remeasurements are recognised in surplus or deficit in the period in which they arise.

o) Revenue Received in Advance

Revenue received in advance relates to fees received from international students and 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.

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.

p) 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 and these transactions are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

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, building and other facilities on the School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision is a reasonable estimate, based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition.

The schools carries out painting maintenance of the whole school over a 7 to 10 year period, the economic outflow of this is dependent on the plan established by the school to meet this obligation and is detailed in the notes and disclosures of these accounts.

SACRED HEART COLLEGE

Notes to the Financial Statements

For the year ended 31 December 2022

r) Financial Instruments

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

Investments that are shares are categorised as 'financial assets at fair value through other comprehensive revenue and expense' for accounting purposes in accordance with financial reporting standards. On initial recognition of an equity investment that is not held for trading, the School may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive revenue and expense. This election has been made for investments that are shares. Subsequent to initial recognition, these assets are measured at fair value. Dividends are recognised as income in surplus or deficit unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive revenue and expense and are never reclassified to surplus or deficit.

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in surplus or deficit.

s) 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.

t) Budget Figures

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

u) 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.

SACRED HEART COLLEGE

Notes to the Financial Statements

For the year ended 31 December 2022

2. Government Grants

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Government Grants - Ministry of Education	2,095,634	1,838,580	1,974,887
Teachers' salaries Grants	5,338,655	5,000,000	5,435,091
	<u>7,434,289</u>	<u>6,838,580</u>	<u>7,409,978</u>

3. Locally Raised Funds

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Revenue			
Fees for Extra Curricular Activities	171,212	189,075	168,005
Donations	206,964	164,224	204,372
Fundraising & Community Grants	6,502	26,900	44,768
Other Revenue	5,292	7,940	3,692
Trading	34,941	30,600	33,817
International Student Fees	-	-	2,282
	<u>424,911</u>	<u>418,739</u>	<u>456,936</u>
Expenses			
Fundraising and Community Grant Costs	2,729	-	17,364
Trading	24,898	20,600	21,258
International Student - Advertising	-	-	250
International Student - Commissions	-	-	1,645
International Student - Employee Benefits - Salaries	10,280	1,591	16,151
International Student - International Student Levy	163	-	1,778
International Student - Other Expenses	18	-	461
	<u>38,088</u>	<u>22,191</u>	<u>58,907</u>
<i>Surplus for the year Locally raised funds</i>	<u>386,823</u>	<u>396,548</u>	<u>398,029</u>

During the year the school hosted 0 International students (2021: 1)

4. Learning Resources

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Curricular	184,645	283,070	157,796
Employee Benefits - Salaries	6,037,948	5,554,256	6,042,005
Equipment Repairs	13,123	9,600	7,883
Extra-curricular Activities	253,572	207,126	226,232
Information and Communication Technology	145,699	150,558	163,835
Staff Development	16,895	26,060	20,448
Depreciation	220,941	202,000	220,629
	<u>6,872,823</u>	<u>6,432,670</u>	<u>6,838,828</u>

SACRED HEART COLLEGE
Notes to the Financial Statements
For the year ended 31 December 2022

5. Administration

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	10,887	10,536	10,696
Board of Trustees Expenses	16,162	12,500	7,237
Board of Trustees Fees	3,825	6,000	4,430
Communication	14,291	13,000	11,228
Consumables	54,258	37,000	45,256
Employee Benefits - Salaries	338,025	279,258	284,814
Insurance	9,618	10,000	14,039
Other	44,859	35,000	29,274
Service Providers, Contractors and Consultancy	3,876	2,310	4,022
	<u>495,801</u>	<u>405,604</u>	<u>410,996</u>

6. Property

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	-	2,000	2,331
Consultancy and Contract Services	156,027	159,867	142,304
Cyclical Maintenance Expense	142,047	30,550	28,167
Employee Benefits - Salaries	105,375	106,494	101,333
Grounds	8,743	8,500	8,716
Heat, Light and Water	55,016	66,065	46,346
Rates	3,359	4,000	4,285
Repairs and Maintenance	67,523	57,700	47,280
Security	16,694	11,000	14,546
Use of Land and Buildings	1,298,935	1,500,000	1,033,951
	<u>1,853,719</u>	<u>1,946,176</u>	<u>1,429,259</u>

The use of land and buildings figure represents 5% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

7. Other Expenses

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Amortisation of Intangible Assets	3,403	3,403	3,403
	<u>3,403</u>	<u>3,403</u>	<u>3,403</u>

SACRED HEART COLLEGE
Notes to the Financial Statements
For the year ended 31 December 2022

8. Cash and Cash Equivalents

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Bank Current Account	39,758	64,703	63,812
Bank Call Account	87,386	85,000	151,581
Cash equivalents and bank overdraft for Cash Flow Statement	<u>127,144</u>	<u>149,703</u>	<u>215,393</u>

9. Accounts Receivable

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Receivables	3,539	5,000	11,357
Interest Receivable	13,389	10,000	6,164
Teacher Salaries Grant Receivable	464,416	460,000	450,330
	<u>481,344</u>	<u>475,000</u>	<u>467,851</u>
Receivables from Exchange Transactions	16,928	15,000	17,521
Receivables from Non-Exchange Transactions	464,416	460,000	450,330
	<u>481,344</u>	<u>475,000</u>	<u>467,851</u>

10. Investments

The School's investment activities are classified as follows:

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	1,742,174	1,700,000	1,588,446

SACRED HEART COLLEGE

Notes to the Financial Statements

For the year ended 31 December 2022

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2022	\$	\$	\$	\$	\$	\$
Building Improvements	-	58,702	-	-	(2,512)	56,190
Furniture and Equipment	182,190	38,821	-	-	(51,108)	169,901
Information Technology	128,277	34,031	-	-	(53,407)	108,901
Leased Assets	63,356	161,124	-	-	(98,018)	126,462
Library Resources	30,400	5,453	-	-	(3,970)	31,883
Textbooks	28,828	5,938	-	-	(11,925)	22,840
Balance at 31 December 2022	433,051	304,069	-	-	(220,940)	516,177

The net carrying value of equipment held under a finance lease is \$126,462 (2021: \$63,356).

	2022 Cost or Valuation	2022 Accumulated Depreciation	2022 Net Book Value	2021 Cost or Valuation	2021 Accumulated Depreciation	2021 Net Book Value
	\$	\$	\$	\$	\$	\$
Building Improvements	58,702	(2,512)	56,190	-	-	-
Furniture and Equipment	1,778,481	(1,608,580)	169,901	1,739,661	(1,557,471)	182,190
Information Technology	899,846	(790,945)	108,901	865,815	(737,538)	128,277
Leased Assets	544,687	(418,225)	126,462	383,472	(320,116)	63,356
Library Resources	182,340	(150,457)	31,883	176,887	(146,487)	30,400
Motor Vehicles	52,782	(52,782)	-	52,782	(52,782)	-
Textbooks	328,407	(305,567)	22,840	322,470	(293,642)	28,828
Balance at 31 December	3,845,245	(3,329,068)	516,177	3,541,087	(3,108,036)	433,051

12. 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 assets 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 between the Board and the Proprietor records the terms of the equitable leasehold interest and includes a detailed schedule of capital works assets. The equitable leasehold interest is amortised over 32 years, based on the economic life of the capital works assets involved. The interest may be realised on the sale of the capital works by the Proprietor or the closure of the College.

The major capital works assets included in the equitable leasehold interest is:

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Canteen Refurbishment	57,850	58,000	61,253

SACRED HEART COLLEGE
Notes to the Financial Statements
For the year ended 31 December 2022

13. Accounts Payable

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Creditors	34,168	9,112	80,618
Accruals	10,852	10,000	10,536
Employee Entitlements - Salaries	464,416	460,000	450,330
Employee Entitlements - Leave Accrual	63,349	60,000	53,421
	<u>572,785</u>	<u>539,112</u>	<u>594,905</u>
Payables for Exchange Transactions	572,785	539,112	594,905
	<u>572,785</u>	<u>539,112</u>	<u>594,905</u>

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Grants in Advance - Ministry of Education	4,025	-	-
International Student Fees in Advance	76,964	70,000	-
Student Fees in Advance	22,173	30,000	36,283
	<u>103,162</u>	<u>100,000</u>	<u>36,283</u>

15. Provision for Cyclical Maintenance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Provision at the Start of the Year	172,980	172,980	192,308
Increase to the Provision During the Year	142,047	30,550	28,167
Use of the Provision During the Year	(100,591)	3,970	(47,495)
Provision at the End of the Year	<u>214,436</u>	<u>207,500</u>	<u>172,980</u>
Cyclical Maintenance - Current	90,565	107,500	107,454
Cyclical Maintenance - Non Current	123,871	100,000	65,526
	<u>214,436</u>	<u>207,500</u>	<u>172,980</u>

The schools cyclical maintenance schedule details annual painting to be undertaken, the costs associated to this annual work will vary dependent on the requirements during the year. This plan is based on the schools 10 Year Property plan.

SACRED HEART COLLEGE
Notes to the Financial Statements
For the year ended 31 December 2022

16. Finance Lease Liability

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
No Later than One Year	67,084	65,000	51,602
Later than One Year and no Later than Five Years	66,053	65,000	12,364
Later than Five Years	-	-	-
Future Finance Charges	(9,100)	-	(3,919)
	<u>124,037</u>	<u>130,000</u>	<u>60,047</u>
Represented By			
Finance Lease Liability - Current	61,570	65,000	49,200
Finance Lease Liability - Non Current	62,467	65,000	10,847
	<u>124,037</u>	<u>130,000</u>	<u>60,047</u>

17. Funds held in Trust

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Student Funds Held in Trust	49,207	60,000	5,269
Other Funds Held in Trust	5,960	-	5,933
	<u>55,167</u>	<u>60,000</u>	<u>11,202</u>

These funds are held in trust for international students homestay monies and donations collected on behalf of the Proprietor.

SACRED HEART COLLEGE

Notes to the Financial Statements

For the year ended 31 December 2022

18. Related Party Transactions

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

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the school would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

The Proprietor of the School (the Mission Colleges Lower Hutt Trust Board) is a related party of the Board because the proprietor appoints representatives to the Board, giving the proprietor significant influence over the Board. Any services or contributions between the Board and Proprietor have been disclosed appropriately, if the proprietor collects fund on behalf of the school (or vice versa) the amounts are disclosed.

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

Under an agency agreement, the School collects funds on behalf of the Proprietor. These include attendance dues, building levy and special character donations payable to the Proprietor. These do not represent revenue in the financial statements of the school. Any balance not transferred at the year end is treated as a liability. The total funds held by the school on behalf of the Proprietor are \$0 (2021: \$553).

Religious Instruction

The Proprietor provides Religious instruction to pupils of the College. This service is provided free of charge in accordance with the Private Schools Conditional Integration Act 1975.

Collection of donations, contributions and dues

Under an agency agreement the Board collected voluntary financial contributions on behalf of the Proprietor. This service is currently provided free of charge.

Uniform shop Salaries

The Colleges' uniform shop is operated by the Proprietor. The salaries for uniform shop staffing are processed by the Board and reimbursed by the Proprietor. This service is currently provided free of charge.

SACRED HEART COLLEGE

Notes to the Financial Statements

For the year ended 31 December 2022

19. Remuneration

Key management personnel compensation

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

	2022 Actual \$	2021 Actual \$
<i>Board Members</i>		
Remuneration	3,825	4,430
<i>Leadership Team</i>		
Remuneration	541,287	538,903
Full-time equivalent members	4.00	4.00
Total key management personnel remuneration	545,112	543,333
Total full-time equivalent personnel	4.00	4.00

There are 10 members of the Board excluding the Principal. The Board held 8 full meetings of the Board during the year. The Board also has 4 members of the Finance committee and 4 members of the Property committee that meet regularly. As well as these regular meetings, including preparation time, the Presiding Member and other Board Members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal

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

	2022 Actual \$000	2021 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	180 - 190	170 - 180
Benefits and Other Emoluments	5 - 6	5 - 6
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2022 FTE Number	2021 FTE Number
100 - 110	9	9
110 - 120	3	5
120 - 130	2	1
	14	15

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

20. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be trustees, committee member, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

	2022 Actual	2021 Actual
Total	-	-
Number of People	-	-

SACRED HEART COLLEGE

Notes to the Financial Statements

For the year ended 31 December 2022

21. Contingencies

There are no contingent liabilities and no contingent assets (except as noted below) as at 31 December 2022 (Contingent liabilities and assets at 31 December 2021: nil).

In 2022 the Ministry of Education provided additional funding for both the support staff in School's Collective Agreement (CA) Settlement and the Teacher Aide Pay Equity Settlement. The School is yet to receive a final wash up that adjusts the estimated quarterly installments for the actual teacher aides employed in 2022. The Ministry is in the process of determining the amount of the final wash up payment for the year ended 31 December 2022. Even though the payment is confirmed, the amount to be received is not known with a high level of certainty. The School has therefore not recognised the expected receipt (asset) and income in its financial statements. The payment is expected to be received in July 2023.

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2022 (Contingent liabilities and assets at 31 December 2021: nil).

Holidays Act Compliance – schools payroll

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

The Ministry's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. Final calculations and potential impact on any specific individual will not be known until further analysis and solutions have been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2022, a contingent liability for the school may exist.

22. Commitments

Operating Commitments

As at 31 December 2022 the Board has not entered into any contracts (2021: nil).

23. Financial Instruments

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

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Financial assets measured at amortised cost			
Cash and Cash Equivalents	127,144	149,703	215,393
Receivables	481,344	475,000	467,851
Investments - Term Deposits	1,742,174	1,700,000	1,588,446
Total Financial Assets Measured at Amortised Cost	2,350,662	2,324,703	2,271,690
Financial liabilities measured at amortised cost			
Payables	572,785	539,112	594,905
Finance Leases	124,037	130,000	60,047
Total Financial Liabilities Measured at Amortised Cost	696,822	669,112	654,952

SACRED HEART COLLEGE
Notes to the Financial Statements
For the year ended 31 December 2022

24. Comparatives

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

25. Events After Balance Date

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

SACRED HEART COLLEGE

Members of the Board

For the year ended 31 December 2022

Name	Position	How position on Board gained	Occupation	Term expired/expires
Richard Te One	Presiding Member Proprietor's Rep	Appointed	Relationship Liaison Officer	
Maria Potter	Principal	Appointed	Principal	
Josephine Collins	Proprietors Rep	Appointed	MP Support	
John van Woerkom	Proprietors Rep	Appointed	Accountant	
Lucy Andrew	Proprietors Rep	Appointed	Relationship Manager	
Tyler Skipper-King	Parent Rep	Elected	Youth Development Specialist	September 2025
Nicola Medway	Parent Rep	Elected	National Manager	September 2025
Natasha Abbott	Parent Rep	Elected	Property & Office Manager	September 2025
Jonathan Fletcher	Parent Rep	Elected	Head of Partnerships	September 2025
Kelekolio Perez	Parent Rep	Elected	Security Officer	September 2025
Rae Peters	Parent Rep	Elected	Professional Standards Adviser	September 2022
Aneterea Sa'u	Parent Rep	Selected		September 2022
Briony Hibberd	Staff Rep	Elected	Teacher	September 2025
Lucy Paul	Staff Rep	Elected	Teacher	September 2022
Vikki-Lee Remuera	Parent Rep	Elected	Sales Manager	February 2022
Anisha Puran	Student Rep	Elected September 2022	Student	September 2023
Krishna Raju	Student Rep	Elected September 2021	Student	September 2022

SACRED HEART COLLEGE

Kiwisport / Statement of Compliance with Employment Policy For the year ended 31 December 2022

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

In 2022 the School received total Kiwisport funding of \$20,162 excluding GST (2021: \$20,413 excluding GST).

The funding was spent on internal co-ordinators and external coaches to enhance student core skills and fundamental skills to help assist them in gaining confidence to be able to participate in a wide range of sports.

Statement of Compliance with Employment Policy

For the year ended 31 December 2022 the Sacred Heart College Board:

- Has developed and implemented personnel policies, within policy and procedural frameworks to ensure the fair and proper treatment of employees in all aspect of their employment
- Has reviewed its compliance against both its personnel policy and procedures and can report that it meets all requirements and identified best practice.
- Is a good employer an complies with the conditions contained in the employment contract of all staff employed by the Board.
- Ensures all employees and applicants for employment are treated according to their skills, qualifications and abilities, without bias or discrimination.
- Meets all Equal Employment Opportunities requirements.



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF SACRED HEART COLLEGE'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The Auditor-General is the auditor of Sacred Heart College (the College). The Auditor-General has appointed me, Pam Thompson, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements of the College on her behalf.

Opinion

We have audited the financial statements of the College on pages 2 to 22, that comprise the statement of financial position as at 31 December 2022, 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 College:

- present fairly, in all material respects:
 - its financial position as at 31 December 2022; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 30 May 2023. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements

The Board is responsible on behalf of the College for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.



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

The Board's responsibilities, in terms of the requirements of the Education and Training Act 2020, arise from section 87 of the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements

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

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

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the College'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 College's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College'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 College 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 College payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. Other information has not been received by the auditor at the date of the report is signed. Other information 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 College in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

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



Pam Thompson,
Deloitte Limited
On behalf of the Auditor-General
Wellington, New Zealand