



59 SACRED HEART COLLEGE

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

School Directory

Ministry Number: 59

Headmaster: Mr Patrick Walsh

School Address: 250 West Tamaki Road Glendowie Auckland

School Postal Address: 250 West Tamaki Road Glendowie Auckland

School Phone: 09 529 3660

School Email: office@sacredheart.school.nz

Members of the Board

Name	Position	How Position Gained		Term Expired/ Expires/Resigned
Mr Patrick Walsh	Headmaster	ex Officio	Headmaster	-
Mr Jason Cornford	Acting Headmaster	ex Officio	Acting Headmaster	Jul-23
Mr Brendon Gibson	Chairperson and Parent Representative	Re-Elected September 2022	Company Partner	Sep-25
Mr Simon Hayden	Parent Representative	Re-Elected September 2022	Director	Jun-23
Mr John O'Brien	Parent Representative	Re-Elected September 2022	Property Manager	Sep-25
Mrs Nathalie Watson	Parent Representative	Re-Elected September 2022	Lawyer	Mar-23
Mr Peter Fa'afu	Parent Representative	Elected September 2022	Professional Director	Sep-25
Mr Nick Ansley	Proprietors Representative	Appointed by Proprietor	Property Manager	Sep-25
Mrs Michelle Olsen	Deputy Chairperson and Proprietors Representative	Appointed by Proprietor	Operations Manager - Logistics	Sep-25
Mr Peleseuma Anitelea	Proprietors Representative	Elected November 2022	Manager	Sep-25
Mr Grant van Ansem	Staff Representative	Re-Elected September 2022	Teacher	Sep-25
Mr Anthony Hawke	Student Representative	Elected November 2022	Student	Nov-23
Mr Max Hakarala	Student Representative	Elected October 2023	Student	Nov-24
Mr Sam Wimsell	Parent Representative	Elected June 2023	Lawyer	Sep-26
Mr Matthew Harris	Parent Representative	Elected June 2023	Lawyer	Sep-26
Mrs Lucy Tomlinson	Parent Representative	Elected June 2023	Deputy Principal - Pakuranga College	Sep-26

Accountant: Mrs Brigitte Owers

SACRED HEART COLLEGE

Annual Report - For the year ended 31 December 2023

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Sacred Heart College

Statement of Responsibility

For the year ended 31 December 2023

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2023 fairly reflects the financial position and operations of the school.

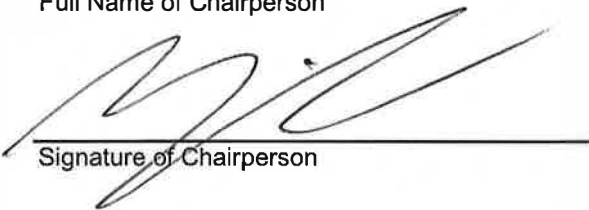
The School's 2023 financial statements are authorised for issue by the Board.

Brendan James Gibson

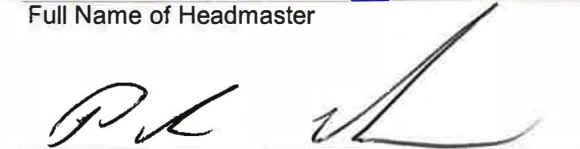
Full Name of Chairperson

PATRICK JOHN WALSH

Full Name of Headmaster



Signature of Chairperson



Signature of Headmaster

28/5/2024

Date:

28/5/2024

Date:

Sacred Heart College

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Revenue				
Government Grants	2	11,082,483	9,834,324	10,011,366
Locally Raised Funds	3	5,643,358	5,603,847	5,418,802
Use of Proprietor's Land and Buildings		9,357,000	9,357,500	9,357,500
Interest Income		316,806	146,873	127,445
Total Revenue		26,399,647	24,942,544	24,915,113
Expenses				
Locally Raised Funds	3	1,334,472	1,245,380	1,162,663
Learning Resources	4	12,009,891	11,190,349	10,577,214
Administration	5	1,708,472	1,618,892	1,531,150
Finance		3,345	22,889	4,326
Property	6	10,820,697	10,808,387	10,598,929
		25,876,877	24,885,897	23,874,282
Net Surplus / (Deficit) for the year		522,770	56,647	1,040,831
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		522,770	56,647	1,040,831

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 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Equity at 1 January		4,365,119	4,179,903	3,265,688
Total comprehensive revenue and expense for the year		522,770	56,647	1,040,831
Contributions from the Ministry of Education		205,672	-	-
Contribution - Furniture and Equipment Grant		277,977	243,220	58,600
Equity at 31 December		5,371,538	4,479,770	4,365,119
Accumulated comprehensive revenue and expense		5,371,538	4,479,770	4,365,119
Equity at 31 December		5,371,538	4,479,770	4,365,119

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 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Current Assets				
Cash and Cash Equivalents	7	286,430	921,701	701,701
Accounts Receivable	8	996,876	896,933	876,933
Prepayments		161,322	163,841	123,841
Inventories	9	142,764	143,366	103,366
Investments	10	7,000,000	5,300,000	5,600,000
		<u>8,587,392</u>	<u>7,425,841</u>	<u>7,405,841</u>
Current Liabilities				
GST Payable		254,320	107,736	107,736
Accounts Payable	12	1,514,119	1,345,112	1,355,112
Revenue Received in Advance	13	1,990,458	1,646,498	1,810,830
Provision for Cyclical Maintenance	14	68,450	61,800	81,800
Finance Lease Liability	15	18,790	30,211	30,211
Funds held in Trust	16	691,441	364,728	687,758
Funds held on behalf of Kahui Ako	17	10,857	-	-
		<u>4,548,435</u>	<u>3,556,085</u>	<u>4,073,447</u>
Working Capital Surplus/(Deficit)		4,038,957	3,869,756	3,332,394
Non-current Assets				
Property, Plant and Equipment	11	1,624,231	878,192	1,300,903
		<u>1,624,231</u>	<u>878,192</u>	<u>1,300,903</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	276,925	257,310	257,310
Finance Lease Liability	15	14,725	10,868	10,868
		<u>291,650</u>	<u>268,178</u>	<u>268,178</u>
Net Assets		<u><u>5,371,538</u></u>	<u><u>4,479,770</u></u>	<u><u>4,365,119</u></u>
Equity		<u><u>5,371,538</u></u>	<u><u>4,479,770</u></u>	<u><u>4,365,119</u></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 2023

	Note	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Cash flows from Operating Activities				
Government Grants		3,090,197	2,737,720	2,945,720
Locally Raised Funds		5,074,626	4,786,910	4,866,826
International Students		850,391	651,218	596,166
Goods and Services Tax (net)		146,579	-	115,740
Payments to Employees		(4,314,974)	(4,129,639)	(3,714,335)
Payments to Suppliers		(3,838,438)	(3,985,163)	(3,201,767)
Cyclical maintenance payments in the year		-	-	(60,090)
Interest Paid		(3,339)	(22,889)	(4,326)
Interest Received		217,099	146,873	68,973
Net cash from/(to) Operating Activities		1,222,141	185,030	1,612,907
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(728,037)	-	(395,371)
Purchase of Investments		(1,400,000)	300,000	(1,700,000)
Net cash from/(to) Investing Activities		(2,128,037)	300,000	(2,095,371)
Cash flows from Financing Activities				
Furniture and Equipment Grant		483,649	58,000	58,600
Finance Lease Payments		(7,564)	-	(41,145)
Funds Administered on Behalf of Third Parties		14,540	(323,030)	331,591
Net cash from/(to) Financing Activities		490,625	(265,030)	349,046
Net increase/(decrease) in cash and cash equivalents		(415,271)	220,000	(133,418)
Cash and cash equivalents at the beginning of the year	7	701,701	701,701	835,119
Cash and cash equivalents at the end of the year	7	286,430	921,701	701,701

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 2023

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 statements have been prepared for the period 1 January 2023 to 31 December 2023 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 expense threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical maintenance

A school recognises its obligation to maintain intergrated 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 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. During the year, the Board assesses the reasonableness of its painting maintenance plan on which the provision is based. Cyclical maintenance is disclosed at note 14.

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.

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 15.

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 either received in cash by the School or 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 conditions 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.

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) 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.

e) 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.

f) Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for expected 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.

g) Inventories

Inventories are consumable items held for sale comprised of 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.

h) Investments

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

i) Property, Plant and Equipment

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

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

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

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

Finance Leases

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty whether the school will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Depreciation

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

The estimated useful lives of the assets are:

Building improvements to the Proprietor Owned Assets	20 years
Furniture and equipment	8 - 10 years
Information and communication technology	4 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	will need to be returned.

j) Impairment of property, plant, and equipment and intangible assets

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

Non cash generating assets

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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.

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.

k) Accounts Payable

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

l) Employee Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

Employee benefits that are not expected to be settled wholly before 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.

m) 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.

n) 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.

o) Shared Funds

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. In instances where funds are outside of the School's control, these amounts are not recorded in the Statement of Revenue and Expense. In instances where the school is determined to be the principal for providing the service related to the Shared Funds (such as the Kahui Ako programme), all income and expenditure related to the provision of the service is recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

p) 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 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.

q) 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.

The School's financial liabilities comprise accounts payable and finance lease 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.

r) Goods and Services Tax (GST)

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

s) Budget Figures

The budget figures are extracted from the School budget that was approved by the Board.

t) Services received in-kind

From time to time the School receives services in-kind, including the time of volunteers. The School has elected not to recognise services received in kind in the Statement of Comprehensive Revenue and Expense.

2. Government Grants

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Government Grants - Ministry of Education	2,890,810	2,583,327	2,785,986
Teachers' Salaries Grants	7,992,288	7,077,995	7,062,816
Other Government Grants	199,385	173,002	162,564
	<u>11,082,483</u>	<u>9,834,324</u>	<u>10,011,366</u>

3. Locally Raised Funds

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

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Revenue			
Donations	3,015,855	3,149,288	3,091,355
Curriculum related Activities - Purchase of goods and services	425,026	518,551	445,419
Fees for Extra Curricular Activities	323,320	277,836	308,807
Trading	616,794	573,160	513,857
Fundraising & Community Grants	191,025	78,660	191,056
Other Revenue	387,356	389,415	364,032
International Student Fees	683,982	616,937	504,276
	<u>5,643,358</u>	<u>5,603,847</u>	<u>5,418,802</u>
Expenses			
Extra Curricular Activities Costs	522,130	460,478	474,498
Trading	517,087	459,032	443,330
International Student - Student Recruitment	64,215	92,045	48,717
International Student - Employee Benefit - Salaries	150,061	147,338	137,885
International Student - Overseas trips	36,960	40,000	22,527
International Student - Other Expenses	44,019	46,487	35,706
	<u>1,334,472</u>	<u>1,245,380</u>	<u>1,162,663</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>4,308,886</u>	<u>4,358,467</u>	<u>4,256,139</u>

During the year the School hosted 43 FTE International students (2022: 37.5)

International students

During the year ended December 2023 the Director of International Students travelled to China, Hong Kong, Taiwan, Thailand, Japan and Korea at a cost of \$36,847 for the purpose of recruiting new students for the school. He also attended seminars and fairs. The travel was funded from the net surplus from international student fees revenue.

Overseas Travel

Kapa Haka Tour and Te Aija ka (Pilgrimage) - Europe Trip - The purpose of the trip was to participate in a Kapa Haka competition in Europe with a total of 2000 students participating from various countries. Whilst on this trip, Sacred Heart College students were able to reconnect with the history of Marcellin Champagnat, founder of the Marist Brothers, through the visitation of L'Hermitage and other key locations of historical value. Other locations include, but are not limited to, Le Quesnoy's new Museum, the Wall (landmark during World War 1 & 2), St Mary's Basilica in Fourviere, La Valla, Rosey (historical locations with relation to Marcellin Champagnat), the Vatican in Rome and Sistine Chaptel. The trip included 8 staff, 11 parents and 33 students. The expenses for the trip totalled \$532,229 and the travel was funded through a combination of fundraising and payments made by staff and students who attended.

During the year, Patrick Walsh (Headmaster) utilised the Woolf Fisher Scholarship funding awarded in 2020 for overseas travel in 2023. Locations included visits to Marist schools in Singapore and Dublin for international marketing, travel to L'Hermitage in Lyon to gain insight as the new Headmaster of Sacred Heart College, travel to Brussels to visit Catholic Schools through De La Salle brothers and travel to London for attendance at the Old Boys Reunion and networking with the Old Boys who support the school through donations.

4. Learning Resources

	2023	2023	2022
	\$	\$	\$
Curricular	697,903	876,964	609,631
Information and Communication Technology	94,508	79,243	58,373
Library Resources	54,704	52,162	52,914
Employee Benefits - Salaries	10,701,066	9,696,269	9,405,194
Staff Development	57,001	63,000	30,042
Depreciation	404,709	422,711	421,060
	<u>12,009,891</u>	<u>11,190,349</u>	<u>10,577,214</u>

5. Administration

	2023	2023	2022
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Audit Fee	19,416	19,416	18,301
Board Fees	1,595	5,440	3,350
Board Expenses	103,319	61,038	63,369
Communication	10,883	8,250	11,043
Consumables	32,264	29,100	28,815
Legal Fees	7,357	40,000	9,095
Other	328,533	307,018	266,454
Employee Benefits - Salaries	1,146,114	1,091,170	1,077,602
Insurance	58,991	57,460	53,121
	<u>1,708,472</u>	<u>1,618,892</u>	<u>1,531,150</u>

6. Property

	2023	2023	2022
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	378,320	389,250	344,336
Consultancy and Contract Services	64,367	68,880	64,367
Cyclical Maintenance Provision	61,838	81,800	26,385
Grounds	218,604	173,100	158,427
Heat, Light and Water	233,611	200,000	198,382
Repairs and Maintenance	277,181	265,000	235,735
Use of Land and Buildings	9,357,000	9,357,500	9,357,500
Employee Benefits - Salaries	229,776	272,857	213,797
	<u>10,820,697</u>	<u>10,808,387</u>	<u>10,598,929</u>

The use of land and buildings figure represents 5% of the school's total property value. This is used as proxy for the market rental of the property.

7. Cash and Cash Equivalents

	2023	2023	2022
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Cash on Hand	2,000	2,000	2,000
Bank Accounts	284,430	119,701	99,701
Short-term Bank Deposits	-	800,000	600,000
Cash and cash equivalents for Statement of Cash Flows	<u>286,430</u>	<u>921,701</u>	<u>701,701</u>

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

Of the \$286,430 Cash and Cash Equivalents, \$10,857 of unspent grant funding is held by the School. This funding is subject to restrictions which specify how the grant is required to be spent. If these requirements are not met, the funds will need to be returned.

8. Accounts Receivable

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Receivables	81,626	203,658	183,658
Interest Receivable	169,108	69,401	69,401
Teacher Salaries Grant Receivable	746,142	623,874	623,874
	<u>996,876</u>	<u>896,933</u>	<u>876,933</u>
Receivables from Exchange Transactions	250,734	273,059	253,059
Receivables from Non-Exchange Transactions	746,142	623,874	623,874
	<u>996,876</u>	<u>896,933</u>	<u>876,933</u>

9. Inventories

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
School Uniforms	142,764	143,366	103,366
	<u>142,764</u>	<u>143,366</u>	<u>103,366</u>

10. Investments

The School's investment activities are classified as follows:

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	7,000,000	5,300,000	5,600,000
Total Investments	<u>7,000,000</u>	<u>5,300,000</u>	<u>5,600,000</u>

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2023	\$	\$	\$	\$	\$	\$
Furniture and Equipment	932,344	344,672	-	-	(252,467)	1,024,549
Information and Communication Technology	167,751	294,613	-	-	(58,938)	403,426
Motor Vehicles	62,015	16,213	-	-	(25,872)	52,356
Textbooks	57,214	28,779	-	-	(25,957)	60,036
Leased Assets	37,378	28,028	-	-	(33,486)	31,920
Library Resources	44,201	15,732	-	-	(7,989)	51,944
Balance at 31 December 2023	<u>1,300,903</u>	<u>728,037</u>	<u>-</u>	<u>-</u>	<u>(404,709)</u>	<u>1,624,231</u>

The net carrying value of equipment held under a finance lease is \$31,920 (2022: \$37,378)

There are no restrictions over the title of the school's property, plant and equipment, nor are any property, plant and equipment pledged as security for liabilities.

	2023	2023	2023	2022	2022	2022
	Cost or	Accumulated	Net Book	Cost or	Accumulated	Net Book
	Valuation	Depreciation	Value	Valuation	Depreciation	Value
	\$	\$	\$	\$	\$	\$
Furniture and Equipment	6,266,553	(5,242,004)	1,024,549	5,921,878	(4,989,537)	932,341
Information and Communication Technology	2,466,845	(2,063,419)	403,426	2,172,233	(2,004,481)	167,752
Motor Vehicles	145,576	(93,220)	52,356	129,364	(67,348)	62,016
Textbooks	234,327	(174,291)	60,036	205,547	(148,334)	57,213
Leased Assets	491,420	(459,500)	31,920	463,392	(426,014)	37,378
Library Resources	283,987	(232,043)	51,944	268,257	(224,054)	44,203
Balance at 31 December	9,888,708	(8,264,477)	1,624,231	9,160,671	(7,859,768)	1,300,903

12. Accounts Payable

	2023	2023	2022
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Creditors	346,280	332,728	342,728
Accruals	250,530	137,097	137,097
Employee Entitlements - Salaries	776,224	731,323	731,323
Employee Entitlements - Leave Accrual	141,085	143,964	143,964
	<u>1,514,119</u>	<u>1,345,112</u>	<u>1,355,112</u>
Payables for Exchange Transactions	1,514,119	1,345,112	1,355,112
	<u>1,514,119</u>	<u>1,345,112</u>	<u>1,355,112</u>

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2023	2023	2022
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Grants in Advance - Ministry of Education	-	-	18,609
International Student Fees in Advance	1,058,052	907,311	873,034
Other revenue in Advance	932,406	739,187	919,187
	<u>1,990,458</u>	<u>1,646,498</u>	<u>1,810,830</u>

14. Provision for Cyclical Maintenance

	2023	2023	2022
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Provision at the Start of the Year	339,110	339,110	412,815
Increase to the Provision During the Year	61,838	81,800	26,385
Use of the Provision During the Year	(55,573)	(101,800)	(100,090)
Provision at the End of the Year	<u>345,375</u>	<u>319,110</u>	<u>339,110</u>
Cyclical Maintenance - Current	68,450	61,800	81,800
Cyclical Maintenance - Non current	276,925	257,310	257,310
	<u>345,375</u>	<u>319,110</u>	<u>339,110</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.

15. Finance Lease Liability

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

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
No Later than One Year	20,877	30,211	32,278
Later than One Year and no Later than Five Years	15,716	10,868	11,357
Future Finance Charges	(3,078)	-	(2,556)
	<u>33,515</u>	<u>41,079</u>	<u>41,079</u>
Represented by			
Finance lease liability - Current	18,790	30,211	30,211
Finance lease liability - Non current	14,725	10,868	10,868
	<u>33,515</u>	<u>41,079</u>	<u>41,079</u>

16. Funds held in Trust

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	691,441	364,728	687,758
	<u>691,441</u>	<u>364,728</u>	<u>687,758</u>

These funds relate to arrangements where the school is acting as an agent. These amounts are not revenue or expense of the school and therefore are not included in the Statement of Comprehensive Revenue and Expense.

17. Funds Held on Behalf of Kahui Ako

Sacred Heart College is the lead school and holds funds on behalf of the cluster, a group of schools funded by the Ministry.

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Funds Held at Beginning of the Year	-	-	-
Funds Received from Cluster Members	17,500	-	-
Funds Received from MoE	16,971	-	-
Total funds received	<u>34,471</u>	<u>-</u>	<u>-</u>
Funds Spent on Behalf of the Cluster	7,314	-	-
Funds remaining	<u>27,157</u>	<u>-</u>	<u>-</u>
Distribution of Funds			
Marist School Mt Albert	15,000	-	-
St Michael's Catholic School	1,300	-	-
Funds Held at Year End	<u>10,857</u>	<u>-</u>	<u>-</u>

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 (Sacred Heart College Limited) is a related party of the School Board because the Proprietor appoints representatives to the School Board, giving the Proprietor significant influence over the School Board. Any services or contributions between the School 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 School 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, Marist Brothers Development Fund Levy, Diocesan Levy and income received on behalf of Sacred Heart College Hostel Ltd. The amounts collected in total were \$2,884,815 (2022: \$2,604,893). 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 \$119,353, (2022: \$110,457).

In addition the school has entered into a Service Level Agreement with Sacred Heart College Hostel Limited for the provision of services, including administration and payroll.

The Sacred Heart College Development Foundation Trust is a registered Charitable Trust which was settled by the Sacred Heart College Old Boy's Association Incorporated. Its purpose is for the wider benefit of Sacred Heart College and the Mission of Marist Brothers. The trust is controlled by an independent Board of Trustees, one trustee is on the School Board.

19. Remuneration

Key management personnel compensation

Key management personnel of the School include all Board members, Headmaster, Deputy Headmasters and Managers.

	2023 Actual \$	2022 Actual \$
<i>Board Members</i>		
Remuneration	1,595	3,350
<i>Leadership Team</i>		
Remuneration	1,488,709	1,224,370
Full-time equivalent members	10	9
Total key management personnel remuneration	<u>1,490,304</u>	<u>1,227,720</u>

There are 12 members of the Board excluding the Headmaster. The Board held 8 full meetings of the Board in the year. The Board also has Finance (3 members) that met 8 times in 2023; Property (3 members) that met 5 times in 2023; Personnel and Policy (3 members) that met 3 times in 2023; Special Character (4 members) who met 3 times in 2023. As well as these regular meetings, including preparation time, the Board Chair 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.

Headmaster 1

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

	2023 Actual \$000	2022 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	250-260	190 - 200
Benefits and Other Emoluments	25-30	20 - 30
Termination Benefits	-	-

Headmaster 2

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

	2023 Actual \$000	2022 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	-	50 - 60
Benefits and Other Emoluments	-	1 - 2
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2023 FTE Number	2022 FTE Number
100 - 110	17.00	18.00
110 - 120	14.00	8.00
120 - 130	8.00	3.00
130 - 140	-	1.00
	<u>39.00</u>	<u>30.00</u>

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

20. Contingencies

There are no contingent liabilities and no contingent assets as at **31 December 2023** (Contingent liabilities and assets at **31 December 2022**: nil).

Holidays Act Compliance – schools payroll

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

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

To the extent that any obligation cannot reasonably be quantified at 31 December 2023, a contingent liability for the school may exist.

Pay equity Settlement Wash-Up Amounts:

The Ministry of Education provided additional funding for non-teaching collective and pay equity agreements. The school is yet to receive a final wash-up that adjusts the estimated quarterly instalments for the actual eligible staff members employed. The Ministry is in the process of determining wash-up payments or receipts. However, as at the reporting date, this amount had not been calculated and therefore is not recorded in these financial statements.

TAPEC wash-up funding

The Ministry of Education provided additional funding for both the Support Staff in Schools' Collective Agreement (CA) Settlement and the Teacher Aide Pay Equity Settlement. The School has not been notified of the final wash up calculation relating to 31 December 2023. The final calculations impact on the financial statements is unable to be determined at the date of reporting.

21. Commitments

(a) Operating Commitments

As at 31 December 2023 the Board has entered into the following contracts:

Operating lease of Canon Printers;

	2023 Actual \$	2022 Actual \$
No later than One Year	33,862	-
Later than One Year and No Later than Five Years	135,446	-
	<u>169,308</u>	<u>-</u>

No payments were made during the financial year.

22. Financial Instruments

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

Financial assets measured at amortised cost

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Cash and Cash Equivalents	286,430	921,701	701,701
Receivables	996,876	896,933	876,933
Investments - Term Deposits	7,000,000	5,300,000	5,600,000
Total Financial assets measured at amortised cost	<u>8,283,306</u>	<u>7,118,634</u>	<u>7,178,634</u>

Financial liabilities measured at amortised cost

Payables	1,514,119	1,345,112	1,355,112
Finance Leases	33,515	41,079	41,079
Total Financial Liabilities Measured at Amortised Cost	<u>1,547,634</u>	<u>1,386,191</u>	<u>1,396,191</u>

23. Events After Balance Date

There were no significant events are balance date that require adjustment or disclosure to the financial statements.

24. Comparatives

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



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF SACRED HEART COLLEGE'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

Opinion

We have audited the financial statements of the School on pages 2 to 18, that comprise the statement of comprehensive revenue and expense, statement of changes in net assets/equity, the statement of financial position as at 31 December 2023, and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2023 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 28 May 2024. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements

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



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

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

The Board's responsibilities arise from section 134 of the Education and Training Act 2020.

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the school payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information including List of Board of Trustees, Statement of Responsibility, Analysis of Variance/ Student Progress and Achievement Report, KiwiSport Repor, Report on the Principles of being a Good Employer and Te Triti o Waitangi Report, but does not include the financial statements, and our auditor's report thereon.

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

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

Independence

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

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



Matt Laing

Partner

for Deloitte Limited

On behalf of the Auditor-General

Hamilton, New Zealand