



ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

School Directory

Ministry Number:	4135
Principal:	Averil Worner
School Address:	35 Cholmondeley Avenue, Opawa, Christchurch, 8023
School Phone:	03 332 7339
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ST MARK'S SCHOOL (CHRISTCHURCH)

Annual Report - For the year ended 31 December 2021

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St Mark's School (Christchurch)

Statement of Responsibility

For the year ended 31 December 2021

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2021 fairly reflects the financial position and operations of the School.

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

Clare Pattison

Full Name of Presiding Member

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Clare Pattison
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Signature of Presiding Member

30 May 2022

Date:

Averil Worner

Full Name of Principal

DocuSigned by:
Averil Worner
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Signature of Principal

30 May 2022

Date:

St Mark's School (Christchurch)

Members of the Board

For the year ended 31 December 2021

Name	Position	How Position Gained	Term Expired/ Expires
Lauren Ball	Presiding Member	Appointed	Sep 2022
Averil Worner	Principal ex Officio		
Mike Percasky	Parent Representative	Elected	Sep 2022
Brad Flavall	Parent Representative	Elected	Sep 2022
Ruth Knights	Parent Representative	Elected	May 2021
Claire Bourne	Parent Representative	Elected	Sep 2022
Rachel Stracey	Parent Representative	Co-opted Member	Sep 2022
Kavita Lallu	Parent Representative	Co-opted Member	Sep 2022
Clare Pattison	Proprietors Representative	Appointed	Sep 2022
Rosa Bellolio Roth	Proprietors Representative	Appointed	Sep 2022
Adrian Rennie	Staff Representative	Elected	Sep 2022

St Mark's School (Christchurch)

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Revenue				
Government Grants	2	1,616,955	1,359,827	1,598,425
Locally Raised Funds	3	140,448	123,902	125,583
Use of Proprietor's Land and Buildings		397,000	620,000	635,200
Interest Income		2,389	5,000	5,402
		<u>2,156,792</u>	<u>2,108,729</u>	<u>2,364,610</u>
Expenses				
Locally Raised Funds	3	27,082	13,425	12,731
Learning Resources	4	1,453,950	1,223,222	1,520,489
Administration	5	131,075	120,686	124,602
Finance		2,060	2,000	1,975
Property	6	575,837	735,340	767,042
Depreciation	10	47,398	48,513	54,012
Loss on Disposal of Property, Plant and Equipment		314	-	251
		<u>2,237,716</u>	<u>2,143,186</u>	<u>2,481,102</u>
Net (Deficit) / Surplus for the year		(80,924)	(34,457)	(116,492)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(80,924)</u>	<u>(34,457)</u>	<u>(116,492)</u>

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

St Mark's School (Christchurch)

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Equity at 1 January		372,013	372,013	480,955
Total comprehensive revenue and expense for the year		(80,924)	(34,457)	(116,492)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		7,861	7,300	7,550
Equity at 31 December		298,950	344,856	372,013
Retained Earnings		298,950	344,856	372,013
Equity at 31 December		298,950	344,856	372,013

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes which form part of these financial statements.

St Mark's School (Christchurch)

Statement of Financial Position

As at 31 December 2021

		2021	2021	2020
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	7	43,434	-	26,719
Accounts Receivable	8	100,690	97,934	97,934
GST Receivable		9,287	7,506	7,506
Prepayments		10,402	11,770	11,770
Investments	9	205,812	203,539	176,820
		<u>369,625</u>	<u>320,749</u>	<u>320,749</u>
Current Liabilities				
Cash and Cash Equivalents - Overdraft	7	-	42,655	9,797
Accounts Payable	11	119,473	106,852	106,852
Revenue Received in Advance	12	22,153	718	718
Finance Lease Liability	14	13,509	26,068	26,068
		<u>155,135</u>	<u>176,293</u>	<u>143,435</u>
Working Capital Surplus/(Deficit)		214,490	144,456	177,314
Non-current Assets				
Property, Plant and Equipment	10	184,408	212,412	206,711
		<u>184,408</u>	<u>212,412</u>	<u>206,711</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	13	80,658	-	-
Finance Lease Liability	14	19,290	12,012	12,012
		<u>99,948</u>	<u>12,012</u>	<u>12,012</u>
Net Assets		<u>298,950</u>	<u>344,856</u>	<u>372,013</u>
Equity		<u>298,950</u>	<u>344,856</u>	<u>372,013</u>

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

St Mark's School (Christchurch)

Statement of Cash Flows

For the year ended 31 December 2021

		2021	2021	2020
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		400,692	365,827	392,635
Locally Raised Funds		161,855	123,902	125,131
Goods and Services Tax (net)		(1,781)	-	(763)
Payments to Employees		(239,740)	(212,924)	(299,686)
Payments to Suppliers		(247,149)	(265,749)	(294,081)
Interest Received		2,609	5,000	6,865
Net cash from/(to) Operating Activities		76,486	16,056	(69,899)
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(3,331)	(54,214)	(5,654)
Purchase of Investments		(28,992)	(26,719)	74,118
Net cash (to)/ from Investing Activities		(32,323)	(80,933)	68,464
Cash flows from Financing Activities				
Furniture and Equipment Grant		7,861	7,300	7,550
Finance Lease Payments		(25,512)	(2,000)	(25,892)
Net cash (to)/ from Financing Activities		(17,651)	5,300	(18,342)
Net increase/(decrease) in cash and cash equivalents		26,512	(59,577)	(19,777)
Cash and cash equivalents at the beginning of the year	7	16,922	16,922	36,699
Cash and cash equivalents at the end of the year	7	43,434	(42,655)	16,922

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

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

St Mark's School (Christchurch)

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

1.1. Reporting Entity

St Mark's School (Christchurch) (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.

1.2. Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2021 to 31 December 2021 and in accordance with the requirements of the Education and Training Act 2020.

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 10.

Critical Judgements in applying accounting policies

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

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised.

Recognition of grants

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

1.3. Revenue Recognition

Government Grants

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

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

1.4. 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.

1.5. 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.

1.6. Accounts Receivable

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

1.7. 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.

1.8. 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, equipment, and library resources are depreciated over their estimated useful lives on a diminishing value basis. Leased Asset are depreciated on a straight line basis over the contractual duration. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Building improvements	5.0% Diminishing Value
Furniture and equipment	10.0% Diminishing Value
Information and communication technology	20.0% Diminishing Value
Motor vehicles	12.5% Diminishing Value
Textbooks	33.3% Diminishing Value
Library resources	12.5% Diminishing Value
Leased assets held under a Finance Lease	Term of Lease

1.9. Impairment of property, plant and equipment and intangible assets

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

Non cash generating assets

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

1.10. 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.

1.11. 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 entitlements

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

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

1.12. Revenue Received in Advance

Revenue received in advance relates to fees received from 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.

1.13. Financial Instruments

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are categorised as 'financial assets measured at amortised cost' for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as 'financial assets at fair value through other comprehensive revenue and expense' for accounting purposes in accordance with financial reporting standards.

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

1.14. Borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the school has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

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

1.15. 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.

1.16. Budget Figures

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

1.17. Services received in-kind

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

2. Government Grants

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	357,576	342,827	347,636
Teachers' Salaries Grants	1,212,266	994,000	1,201,911
Other MoE Grants	47,113	23,000	48,878
	<u>1,616,955</u>	<u>1,359,827</u>	<u>1,598,425</u>

3. Locally Raised Funds

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

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations & Bequests	108,194	100,592	112,459
Curriculum related Activities - Purchase of goods and services	3,226	9,375	1,037
Fees for Extra Curricular Activities	6,863	5,585	4,559
Trading	1,382	1,350	1,743
Fundraising & Community Grants	500	500	-
Other Revenue	20,283	6,500	5,785
	<u>140,448</u>	<u>123,902</u>	<u>125,583</u>
Expenses			
Extra Curricular Activities Costs	8,669	7,075	5,735
Trading	1,019	1,350	1,495
Other Locally Raised Funds Expenditure	17,394	5,000	5,501
	<u>27,082</u>	<u>13,425</u>	<u>12,731</u>
<i>Surplus / (Deficit) for the year Locally raised funds</i>	<u>113,366</u>	<u>110,477</u>	<u>112,852</u>

4. Learning Resources

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	83,222	93,960	91,850
Information and Communication Technology	9,447	8,112	14,084
Library Resources	529	400	48
Employee Benefits - Salaries	1,358,726	1,115,750	1,407,732
Staff Development	2,026	5,000	6,775
	<u>1,453,950</u>	<u>1,223,222</u>	<u>1,520,489</u>

5. Administration

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	5,500	5,200	4,296
Board Fees	385	1,200	1,210
Board Expenses	6,401	4,900	4,914
Communication	3,364	2,500	2,461
Consumables	11,713	12,200	16,334
Legal Fees	1,497	1,500	1,496
Other	19,682	16,597	17,242
Employee Benefits - Salaries	74,865	69,134	69,331
Insurance	2,434	2,255	2,191
Service Providers, Contractors and Consultancy	5,234	5,200	5,127
	<u>131,075</u>	<u>120,686</u>	<u>124,602</u>

6. Property

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Caretaking and Cleaning Consumables	3,705	3,800	3,758
Consultancy and Contract Services	38,153	38,000	37,082
Cyclical Maintenance Provision	80,658	20,000	-
Grounds	1,856	2,000	2,377
Heat, Light and Water	16,912	20,000	19,360
Repairs and Maintenance	11,223	7,500	45,660
Use of Land and Buildings	397,000	620,000	635,200
Security	2,551	2,000	1,807
Employee Benefits - Salaries	23,779	22,040	21,798
	<u>575,837</u>	<u>735,340</u>	<u>767,042</u>

The use of land and buildings figure represents 5% of the school's total property value. This is used as a proxy for the market rental of the property. In 2021, the Ministry of Education revised the notional rent rate from 8% to 5% to align it with the Government Capital Charge rate. This is considered to be a reasonable proxy for the market rental yield on the value of land and buildings used by schools. The rate applied for state-intergrated schools was also updated to align with this. Accordingly in 2021, the use of land and buildings figure represents 5% of the school's total property value.

7. Cash and Cash Equivalents

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Bank Accounts	43,434	-	-
Short-term Bank Deposits	-	-	26,719
Bank Overdraft	-	(42,655)	(9,797)
Cash and cash equivalents for Statement of Cash Flows	<u>43,434</u>	<u>(42,655)</u>	<u>16,922</u>

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

8. Accounts Receivable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Receivables	28	-	-
Interest Receivable	612	832	832
Teacher Salaries Grant Receivable	100,050	97,102	97,102
	<u>100,690</u>	<u>97,934</u>	<u>97,934</u>
Receivables from Exchange Transactions	640	832	832
Receivables from Non-Exchange Transactions	100,050	97,102	97,102
	<u>100,690</u>	<u>97,934</u>	<u>97,934</u>

9. Investments

The School's investment activities are classified as follows:

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Asset			
Short-term Bank Deposits	205,812	203,539	176,820
Total Investments	<u>205,812</u>	<u>203,539</u>	<u>176,820</u>

10. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2021						
Furniture and Equipment	62,978	1,222	-	-	(6,612)	57,588
Information and Communication Technology	18,656	1,150	-	-	(3,906)	15,900
Motor Vehicles	78,505	-	-	-	(7,850)	70,655
Leased Assets	37,701	22,078	-	-	(27,841)	31,938
Library Resources	8,871	959	(314)	-	(1,189)	8,327
Balance at 31 December 2021	<u>206,711</u>	<u>25,409</u>	<u>(314)</u>	<u>-</u>	<u>(47,398)</u>	<u>184,408</u>

The net carrying value of equipment held under a finance lease is \$31,938 (2020: \$37,701)

	2021	2021	2021	2020	2020	2020
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Furniture and Equipment	136,181	(78,593)	57,588	134,959	(71,981)	62,978
Information and Communication Technology	93,803	(77,903)	15,900	92,653	(73,997)	18,656
Motor Vehicles	92,580	(21,925)	70,655	92,580	(14,075)	78,505
Leased Assets	72,250	(40,312)	31,938	95,030	(57,329)	37,701
Library Resources	40,543	(32,216)	8,327	41,039	(32,168)	8,871
Balance at 31 December	435,357	(250,949)	184,408	456,261	(249,550)	206,711

11. Accounts Payable

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Creditors	7,166	4,226	4,226
Accruals	4,665	3,296	3,296
Employee Entitlements - Salaries	105,326	97,102	97,102
Employee Entitlements - Leave Accrual	2,316	2,228	2,228
	<u>119,473</u>	<u>106,852</u>	<u>106,852</u>
Payables for Exchange Transactions	119,473	106,852	106,852
	<u>119,473</u>	<u>106,852</u>	<u>106,852</u>

The carrying value of payables approximates their fair value.

12. Revenue Received in Advance

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Other revenue in Advance	22,153	718	718
	<u>22,153</u>	<u>718</u>	<u>718</u>

13. Provision for Cyclical Maintenance

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Increase to the Provision During the Year	80,658	-	-
Provision at the End of the Year	<u>80,658</u>	<u>-</u>	<u>-</u>
Cyclical Maintenance - Term	80,658	-	-
	<u>80,658</u>	<u>-</u>	<u>-</u>

14. Finance Lease Liability

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

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
No Later than One Year	15,483	27,629	27,629
Later than One Year and no Later than Five Years	21,557	12,718	12,718
Future Finance Charges	(4,241)	(2,267)	(2,267)
	<u>32,799</u>	<u>38,080</u>	<u>38,080</u>
Represented by			
Finance lease liability - Current	13,509	26,068	26,068
Finance lease liability - Term	19,290	12,012	12,012
	<u>32,799</u>	<u>38,080</u>	<u>38,080</u>

15. 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 (St Mark's School Board of Proprietors) 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 1.3. 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".

16. Remuneration

Key management personnel compensation

Key management personnel of the School include all trustees of the Board, Principal, Deputy and Assistant Principal.

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	385	1,210
<i>Leadership Team</i>		
Remuneration	353,699	527,024
Full-time equivalent members	3.00	5.00
Total key management personnel remuneration	354,084	528,234

There are nine members of the Board excluding the Principal. The Board had held seven full meetings of the Board in the year. The Board also has Finance (three members) and Property (two members) that meet monthly and quarterly respectively. As well as these regular meetings, including preparation time, the Chair and other Board members have also been involved in ad hoc meetings to consider 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:

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	140 - 150	140 - 150
Benefits and Other Emoluments	4 - 5	4 - 5
Termination Benefits	0 - 0	0 - 0

Other Employees

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

Remuneration \$000	2021 FTE Number	2020 FTE Number
100 - 110	4.00	1.00
	4.00	1.00

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

17. 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:

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

18. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2021 (Contingent liabilities and assets at 31 December 2020: nil).

Holidays Act Compliance – Schools payroll

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

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

To the extent that any obligation cannot reasonably be quantified at 31 December 2021, a contingent liability for the school may exist.

Contingent Liability - Cyclical Maintenance

The School has an obligation to maintain in good order and repair at all times the land, buildings and other facilities on the School site. At the present time, the School is working with the Board of Proprietors to create a cyclical maintenance plan for future maintenance. Until such time as a plan has been developed and approved, the School cannot make a reliable estimate of the maintenance required on the School's buildings so no cyclical maintenance provision has been recognised, even though the school is required to maintain school buildings.

19. Commitments

(a) Capital Commitments

As at 31 December 2021 the Board has not entered into any contract agreements.

(Capital commitments at 31 December 2020: nil)

(b) Operating Commitments

As at 31 December 2021 the Board has not entered into any operating contracts.

(Operating commitments at 31 December 2020: nil)

20. Financial Instruments

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

Financial assets measured at amortised cost

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash and Cash Equivalents	43,434	(42,655)	16,922
Receivables	100,690	97,934	97,934
Investments - Term Deposits	205,812	203,539	176,820
Total Financial Assets Measured at amortised cost	<u>349,936</u>	<u>258,818</u>	<u>291,676</u>

Financial liabilities measured at amortised cost

Payables	119,473	106,852	106,852
Finance Leases	32,799	38,080	38,080
Total Financial Liabilities Measured at Amortised Cost	<u>152,272</u>	<u>144,932</u>	<u>144,932</u>

21. Events After Balance Date

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

22. Comparatives

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

23. COVID 19 Pandemic on going implications

Impact of Covid-19

During 2021 the country moved between alert levels. During February and March 2021 Auckland was placed into alert levels 3 and 2 and other parts of the country moved into alert level 2.

Towards the end of June 2021, the Wellington region was placed into alert level 2 for one week.

Towards the end of August 2021, the entire country moved to alert level 4, with a move to alert level 3 and 2 for everyone outside the Auckland region three weeks later. While Auckland has remained in alert level 3 for a prolonged period of time the Northland and Waikato regions have also returned to alert level 3 restrictions during this period.

Impact on operations

Schools have been required to continue adapting to remote and online learning practices when physical attendance is unable to occur in alert level 4 and 3. Schools continue to receive funding from the Te Tāhuhu o te Mātauranga | Ministry to Education, even while closed.

However, the ongoing interruptions resulting from the moves in alert levels have impacted schools in various ways which potentially will negatively affect the operations and services of the school. We describe below the possible effects on the school that we have identified, resulting from the ongoing impacts of the COVID-19 alert level changes.

Increased Remote learning additional costs

Under alert levels 4 and 3 ensuring that students have the ability to undertake remote or distance learning often incurs additional costs in the supply of materials and devices to students to enable alternative methods of curriculum delivery.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF SAINT MARKS SCHOOL'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

The Auditor-General is the auditor of Saint Marks School (the School). The Auditor-General has appointed me, Michael Rondel, using the staff and resources of BDO Christchurch, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 3 to 17, that comprise the statement of financial position as at 31 December 2021, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2021; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity Standards Reduced Disclosure Regime.

Our audit was completed on 30 May 2022. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements

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

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

In preparing the financial statements, the Board is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board is also responsible for disclosing, as

applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on the statement of responsibility, board listing and kiwisport 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* issued by the New Zealand Auditing and Assurance Standards Board.

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

A handwritten signature in blue ink that reads "Michael Rondel of BDO Christchurch".

Michael Rondel,
BDO Christchurch
On behalf of the Auditor-General
Christchurch, New Zealand



St Mark's School

Kiwisport 2021

Kiwisport is a Government funding initiative to support student participation in organised sport. During 2021, the school received a total Kiwisport funding of \$3396.42 (excluding GST).

The funding was spent on transport. Every student from year 5 - 8 participated in Canterbury sports programs including hockey, netball, and football. This enabled students of all capabilities to gain the positive benefits of organised team sport. These are physical, social and emotional.

Additional sports programs - softball, bowls, junior hockey, miniball, cricket and chess were included in our organised programs and incurred costs.



Transforming lives through the St Mark's Story