

Mt Albert Grammar School

Annual Report for the year ended 31 December 2018

Ministry Number:	0069
Principal:	Patrick Drumm
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Mt Albert Grammar School

Annual Report

For the year ended 31 December 2018

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Mt Albert Grammar School
Statement of Responsibility
For the year ended 31 December 2018

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

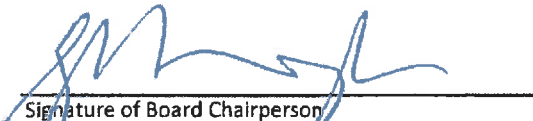
The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

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

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

GREGORY JAMES MOYLE

Full Name of Board Chairperson

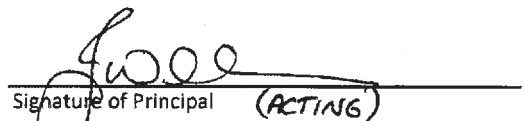


Signature of Board Chairperson

Date:

24/05/2019

JOANNE MAREE WILLIAMS
Full Name of Principal (ACTING)



Signature of Principal

(ACTING)

Date:

24/05/2019

Mt Albert Grammar School
Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue				
Government Grants	2	29,867,078	27,466,826	28,249,206
Local Raised Funds	3	3,054,391	966,220	2,728,769
Interest Earned		206,930	136,045	179,600
Hostel	4	1,253,677	1,265,295	1,237,995
International Students	5	3,112,423	3,170,514	2,297,189
		<u>37,494,499</u>	<u>33,004,900</u>	<u>34,692,759</u>
Expenses				
Local Raised Funds	3	1,030,846	222,625	578,568
Hostel	4	1,010,863	1,001,514	993,413
International Students	5	1,379,908	1,684,443	1,027,498
Learning Resources	6	20,087,634	17,662,666	18,996,158
Administration	7	869,346	955,383	832,582
Finance Costs		85,963	-	207,841
Property	8	10,877,704	10,513,917	10,448,126
Depreciation	9	1,035,875	956,000	945,124
Loss on Disposal of Property, Plant and Equipment		157,731	-	6,335
		<u>36,535,870</u>	<u>32,996,548</u>	<u>34,035,645</u>
Net Surplus for the year		958,629	8,352	657,114
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u><u>958,629</u></u>	<u><u>8,352</u></u>	<u><u>657,114</u></u>

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



Mt Albert Grammar School
Statement of Changes in Net Assets/Equity

For the year ended 31 December 2018

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Balance at 1 January	11,127,854	11,319,826	10,311,312
Total comprehensive revenue and expense for the year	958,629	8,352	657,114
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	375,554	15,350	159,428
Equity at 31 December	12,462,037	11,343,528	11,127,854
Retained Earnings	12,462,037	11,143,204	10,927,530
Trust Funds	-	200,324	200,324
Equity at 31 December	12,462,037	11,343,528	11,127,854
Trust Funds			
Equity includes Trust funds held on deposit analysed as follows:			
Opening Balance	-	200,324	194,422
Interest earned in trust funds	-	-	5,902
Closing Balance	-	200,324	200,324

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



Mt Albert Grammar School Statement of Financial Position

As at 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Assets				
Cash and Cash Equivalents	10	1,326,291	687,378	1,201,006
Accounts Receivable	11	941,085	928,522	928,522
Prepayments		103,168	126,281	126,281
Inventories	12	15,750	30,000	30,206
Investments	13	6,333,790	5,323,982	5,323,982
		<u>8,720,084</u>	<u>7,096,163</u>	<u>7,609,997</u>
Current Liabilities				
GST Payable		60,433	145,000	145,553
Accounts Payable	16	1,658,635	1,470,000	1,467,209
Borrowings - Due in one year	17	-	1,550,000	1,550,000
Revenue Received in Advance	18	2,310,768	2,685,321	2,685,321
Provision for Cyclical Maintenance	19	441,662	114,123	114,123
Finance Lease Liability - Current Portion	20	241,740	180,000	180,938
Funds Held in Trust	21	1,382,964	1,030,059	1,430,707
Funds Held for Capital Works Projects	22	41,503	-	15,350
		<u>6,137,705</u>	<u>7,174,503</u>	<u>7,589,201</u>
Working Capital Surplus/(Deficit)		2,582,379	(78,340)	20,796
Non-current Assets				
Property, Plant and Equipment	14	12,627,822	12,854,206	9,177,207
Trust Assets		-	200,324	200,324
Capital Works in Progress	15	-	-	3,543,127
		<u>12,627,822</u>	<u>13,054,530</u>	<u>12,920,658</u>
Non-current Liabilities				
Borrowings - Due beyond one year	17	2,300,000	1,000,000	1,000,000
Provision for Cyclical Maintenance	19	173,100	463,152	463,152
Finance Lease Liability	20	275,064	169,510	350,448
		<u>2,748,164</u>	<u>1,632,662</u>	<u>1,813,600</u>
Net Assets		<u><u>12,462,037</u></u>	<u><u>11,343,528</u></u>	<u><u>11,127,854</u></u>
Equity		<u><u>12,462,037</u></u>	<u><u>11,343,528</u></u>	<u><u>11,127,854</u></u>

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



Mt Albert Grammar School

Statement of Cash Flows

For the year ended 31 December 2018

	2018	2018	2017
Note	Actual \$	Budget (Unaudited) \$	Actual \$
Cash flows from Operating Activities			
Government Grants	7,214,623	6,920,813	6,857,373
Locally Raised Funds	3,122,433	1,163,676	2,683,930
Hostel	1,253,677	1,265,295	1,237,995
International Students	2,785,570	3,627,266	3,234,741
Goods and Services Tax (net)	(85,120)	145,000	51,560
Payments to Employees	(4,747,478)	(4,952,067)	(4,694,117)
Payments to Suppliers	(7,723,536)	(6,084,121)	(6,540,050)
Interest Paid	(85,963)	-	(207,841)
Interest Received	205,120	136,045	157,725
Net cash from / (to) the Operating Activities	1,939,326	2,221,907	2,781,316
Cash flows from Investing Activities			
Proceeds from Sale of PPE (and Intangibles)	3,000	(8,000)	(12,129)
Purchase of PPE (and Intangibles)	(889,057)	(4,362,874)	(3,819,365)
Purchase of Investments	(802,329)	(2,084,667)	(2,806,527)
Net cash from / (to) the Investing Activities	(1,688,386)	(6,455,541)	(6,638,021)
Cash flows from Financing Activities			
Furniture and Equipment Grant	375,554	15,350	159,428
Finance Lease Payments	(229,619)	(171,304)	(163,267)
Loans Received/ Repayment of Loans	(250,000)	2,550,000	2,550,000
Funds Administered on Behalf of Third Parties	(47,743)	1,030,059	553,207
Funds Held for Capital Works Projects	26,153	-	(23,018)
Net cash from / (to) Financing Activities	(125,655)	3,424,105	3,076,350
Net increase/(decrease) in cash and cash equivalents	125,285	(809,529)	(780,355)
Cash and cash equivalents at the beginning of the year	10 1,201,006	1,496,907	1,981,361
Cash and cash equivalents at the end of the year	10 1,326,291	687,378	1,201,006

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

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



Mt Albert Grammar School

**Reconciliation of Net Cash Flows
From Operating Activities to Net Surplus**

For the year ended 31 December 2018

Note	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual
Net Surplus for the year	958,629	8,352	657,114
Add Non-Cash Items			
Depreciation	1,035,875	956,000	945,124
Non-Cash Movement in Cyclical Maintenance Provision	37,487	29,670	(11,127)
	<u>1,073,362</u>	<u>985,670</u>	<u>933,997</u>
Add/(Loss) Movements in other working capital items:			
(Increase) decrease in receivables	(12,563)	656,469	(171,863)
(Increase) decrease in prepayments	23,113	(73,449)	(62,071)
(Increase) decrease in inventory	14,456	(21,600)	(20,721)
Increase (decrease) in payables	191,426	240,519	414,066
Increase (decrease) in grants in advance	(326,853)	280,946	937,552
Increase (decrease) in fees in advance	(47,700)	-	41,249
Increase (decrease) net GST	(85,120)	145,000	51,560
Increase (decrease) in Trust Funds (Net)	(7,155)	-	(5,902)
	<u>(250,396)</u>	<u>1,227,885</u>	<u>1,183,870</u>
Add (less) Items classified as investing activities:			
Loss (Gain) on sale of fixed assets	157,731	-	6,335
	<u>157,731</u>	<u>-</u>	<u>6,335</u>
Net Cash Flow from Operating activities	<u>1,939,326</u>	<u>2,221,907</u>	<u>2,781,316</u>



Mt Albert Grammar School

Notes to the Financial Statements

For the year ended 31 December 2018

1. Statement of Accounting Policies

Reporting Entity

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

Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

The Education Act 1989 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards as appropriate to public benefit entities that qualify for Tier 1 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".

New standards and interpretations issued not yet adopted

A number of new standards and interpretations have been issued but not yet effective as of the date of the financial statements. For the year ended 31 December 2018, these are:

PBE Standards on Interests in Other Entities (PBE IPSASs 34 through 38), effective for periods beginning on or after 1 January 2019.

Impairment of Revalued Assets (Amendments to PBE IPSASs 21 and 26), effective for periods beginning on or after 1 January 2019.

PBE IPSAS 39 - Employee Benefits, effective for periods beginning on or after 1 January 2019.

PBE FRS 48 - Service Performance Reporting, effective for periods beginning on or after 1 January 2021.

PBEIFRS 9 - Financial Instruments, effective for periods beginning on or after 1 January 2021.

The School has not yet assessed the impact of these new standards and interpretations. The Trustees expect to adopt the above Standards in the period in which they become mandatory. With the exception of PBE FRS 48 whose relevance is currently being assessed the MOE, the Trustees anticipate that the above Standards are not expected to have a material impact on the financial statements in the period of initial applications, however a detailed assessment of the impact has yet to be performed.

PBE Accounting Standards

The School qualifies for Tier 1 as the school is not publicly accountable and is considered large as it falls within the expenditure threshold of exceeding \$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.



Mt Albert Grammar School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

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 14.

Critical Judgements in applying accounting policies

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

Classification of leases

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 20.

Recognition of grants

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

Revenue Recognition

Government Grants

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

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

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

Use of land and buildings grants are recorded as revenue in the period the School uses the land and buildings. These are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown.

Other Grants

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.



Mt Albert Grammar School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

Use of Land and Buildings Expense

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Ministry.

Operating Lease Payments

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

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.

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.

Accounts Receivable

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

Inventories

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

Investments

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

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards. Share investments are recognised initially by the School at fair value plus transaction costs. At balance date the School has assessed whether there is any evidence that an investment is impaired. Any impairment, gains or losses are recognised in the Statement of Comprehensive Revenue and Expense.

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

The School has met the requirements under Schedule 6 Section 28 of the Education Act 1989 in relation to the acquisition of investment securities.

Property, Plant and Equipment

Land and buildings owned by the Crown 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 Crown are recorded at cost, less accumulated depreciation and impairment losses.



Mt Albert Grammar School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

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

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

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

Leased Assets

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

Depreciation

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

The estimated useful lives of the assets are:

Buildings - School	40 years
Building improvements - Crown	25 years
Furniture and equipment	5-20 years
Information and communication technology	5 years
Motor vehicles	5 years
Textbooks	1-4 years
Leased assets held under a Finance Lease	over the terms of the lease
Library resources	12.5% Diminishing value

Impairment of property, plant, and equipment

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 are 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.

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.



Mt Albert Grammar School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

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, annual leave earned to but not yet taken at balance date.

Revenue Received in Advance

Revenue received in advance relates to fees received from international students and student funds 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 this revenue received in advance, should the School be unable to provide the services to which they relate.

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.

Provision for Cyclical Maintenance

The property from which the School operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

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

Financial Assets and Liabilities

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

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

The School's financial liabilities comprise accounts payable 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.

Borrowings

Borrowings are recognised at the amount borrowed. 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 the balance date.

Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

Budget Figures

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

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.



Mt Albert Grammar School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

2 Government Grants

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Operational grants	4,851,669	4,517,440	4,423,181
Teachers' salaries grants	13,545,549	11,700,000	12,296,760
Use of Land and Buildings grants	9,106,906	9,095,073	9,095,073
Resource teachers learning and behaviour grants	2,176	-	33,217
Other MoE Grants	2,277,080	2,087,917	2,320,137
Other government grants	83,698	66,396	80,838
	29,867,078	27,466,826	28,249,206

3 Locally Raised Funds

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

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Revenue			
Donations	513,447	420,000	500,548
Fundraising	4,454	2,500	4,330
Other revenue	308,752	207,680	132,983
Farm	60,786	40,600	65,724
Trading	29,480	12,500	26,082
Activities	960,136	89,500	982,590
Overseas travel	405,888	-	351,656
Curriculum Recoveries	771,448	193,440	664,856
	3,054,391	966,220	2,728,769
Expenses			
Activities	380,879	6,000	170,633
Overseas Travel	404,098	-	349,016
Trading	7,672	-	273
Farm	68,743	41,300	58,646
	1,030,846	222,625	578,568
	2,023,545	743,595	2,150,201

Surplus for the year Locally Raised Funds

Overseas Travel

During the year staff members travelled with students to the USA (Media Studies), Melbourne (Orchestra), Singapore (Netball) and Rarotonga (Rugby). The cost of these four trips was \$404,098. The travel was funded from payments made by the students for these trips of \$405,888.

(2017: Staff members travelled with students to Japan (Languages), Veitnam (History), Japan (Rugby), France (Languages) and Singapore (Netball). The cost of these trips was \$349,016. The travel was funded from payments made by the students for these trips of \$351,656.)

4 Hostel Revenue and Expenses

	2018	2018	2017
	Actual	Budget	Actual
	Number	(Unaudited)	Number
		Number	
Hostel Financial Performance			
Hostel Full Boarders	105	0	105
	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Revenue			
Hostel Fees	1,253,677	1,265,295	1,237,995
	1,253,677	1,265,295	1,237,995
Expenses			
Kitchen	621,089	624,000	580,601
Extra curricular/activities	41,822	24,000	53,181
Administration	29,028	46,800	40,685
Property	161,926	154,900	156,990
Student supplies	1,349	2,500	1,180
Employee Benefit - Salaries	155,649	149,314	160,776
	1,010,863	1,001,514	993,413
	242,814	263,781	244,582

Surplus for the year Hostel



Mt Albert Grammar School
Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

5 International Student Revenue and Expenses

	2018	2018	2017
	Actual	Budget	Actual
	Number	(Unaudited)	Number
	Number	Number	Number
International Student Roll	173	180	132
	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
International student fees	3,112,423	3,170,514	2,297,189
Expenses			
Commissions	209,572	485,995	335,346
Recruitment	115,258	94,600	91,394
International student levy	59,094	67,140	48,343
Employee Benefit - Salaries	849,691	899,938	395,497
Other Expenses	146,293	136,770	156,918
	<u>1,379,908</u>	<u>1,684,443</u>	<u>1,027,498</u>
<i>Surplus for the year International Students'</i>	<u>1,732,515</u>	<u>1,486,071</u>	<u>1,269,691</u>

Overseas Travel

During the year ended 31 December 2018 the Director of International Students, the Assistant Director of International Students and/or the Headmaster travelled to Europe, Mexico, Vietnam, Japan, Thailand, Argentina and Korea at a cost of \$64,866 for the purpose of recruiting new students for the school. The travel was funded from the net surplus from international student fees revenue.
(2017: The Director of International Students, the Assistant Director of International Students and/or the Headmaster travelled to Europe, Cambodia, Vietnam, Japan, Thailand and Korea at a cost of \$37,490 for the purpose of recruiting new students for the school. The travel was funded from the net surplus from international student fees revenue.)

6 Learning Resources

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Curricular	2,322,957	2,019,868	2,175,533
Equipment repairs	97,914	38,500	51,524
Information and communication technology	252,044	304,038	272,425
Extra-curricular activities	916,945	244,498	870,476
Library resources	11,166	18,156	14,356
Employee benefits - salaries	16,383,424	14,940,106	15,533,162
Staff development	103,184	97,500	78,682
	<u>20,087,634</u>	<u>17,662,666</u>	<u>18,996,158</u>

7 Administration

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Audit Fee	14,199	7,450	11,307
Board of Trustees Fees	6,375	9,550	6,725
Board of Trustees Expenses	7,261	2,000	1,553
Communication	20,283	15,600	17,296
Consumables	(140,549)	(16,028)	(69,468)
Operating Lease	15,158	15,156	15,158
Postage	441	3,500	3,505
Other	164,557	196,812	101,101
Employee Benefits - Salaries	695,685	634,309	679,184
Insurance	73,336	74,734	53,921
Service Providers, Contractors and Consultancy	12,600	12,300	12,300
	<u>869,346</u>	<u>955,383</u>	<u>832,582</u>



Mt Albert Grammar School
Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

8 Property

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Caretaking and Cleaning Consumables	400,038	343,365	303,441
Consultancy and Contract Services	160,389	124,801	123,401
Cyclical Maintenance Provision	37,487	29,670	(11,127)
Grounds	106,133	30,000	34,604
Heat, Light and Water	193,435	180,000	183,670
Repairs and Maintenance	599,590	436,130	462,937
Use of Land and Buildings	9,106,906	9,095,073	9,095,073
Security	71,481	85,000	40,373
Employee Benefits - Salaries	202,245	189,878	215,754
	<u>10,877,704</u>	<u>10,513,917</u>	<u>10,448,126</u>

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

9 Depreciation of Property, Plant and Equipment

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Buildings - School	169,496	173,000	145,874
Building Improvements - Crown	65,070	65,000	65,167
Furniture and Equipment	259,065	250,000	256,261
Information and Communication Technology	229,278	250,000	254,932
Motor Vehicles	7,975	8,000	7,718
Textbooks	23,932	-	-
Leased Assets	269,830	200,000	203,795
Library Resources	11,229	10,000	11,377
	<u>1,035,875</u>	<u>956,000</u>	<u>945,124</u>

10 Cash and Cash Equivalents

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Bank Current Account	826,291	687,378	401,006
Bank Call Account	500,000	-	800,000
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>1,326,291</u>	<u>687,378</u>	<u>1,201,006</u>

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



Mt Albert Grammar School
Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

11 Accounts Receivable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Receivables	-	-	115,742
Interest Receivable	25,161	-	30,506
Teacher Salaries Grant Receivable	915,924	928,522	782,274
	<u>941,085</u>	<u>928,522</u>	<u>928,522</u>
Receivables from Exchange Transactions	25,161	-	146,248
Receivables from Non-Exchange Transactions	915,924	928,522	782,274
	<u>941,085</u>	<u>928,522</u>	<u>928,522</u>

The Ageing Profile of Receivables at year end is detailed below

	Gross \$	2018 Actual Impairment \$	Net \$	Gross \$	2017 Actual Impairment \$	Net \$
Not Past Due	941,085	-	941,085	862,050	-	862,050
Past Due 1 - 30 Days	-	-	-	66,472	-	66,472
Past Due 31 - 60 Days	-	-	-	-	-	-
Past Due 61 - 90 Days	-	-	-	-	-	-
Past Due over 90 Days	-	-	-	-	-	-
Total	<u>941,085</u>	<u>-</u>	<u>941,085</u>	<u>928,522</u>	<u>-</u>	<u>928,522</u>

12 Inventories

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Livestock	15,750	30,000	30,206
	<u>15,750</u>	<u>30,000</u>	<u>30,206</u>

13 Investments

The School's investment activities are classified as follows:

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Asset	6,333,790	5,323,982	5,323,982
Short-term Bank Deposits	6,333,790	5,323,982	5,323,982
	<u>6,333,790</u>	<u>5,323,982</u>	<u>5,323,982</u>

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



Mt Albert Grammar School
Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

14 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2018						
Land	-	1,960,000	-	-	-	1,960,000
Buildings	5,364,075	1,732,431	(5,550)	-	(169,496)	6,921,460
Building improvements	876,305	-	-	-	(65,070)	811,235
Furniture and equipment	1,979,647	487,153	(145,769)	-	(259,065)	2,061,966
Information and communication technology	447,132	214,455	(1,733)	-	(229,278)	430,576
Motor vehicles	63,557	-	(3,667)	-	(7,975)	51,915
Textbooks	-	23,932	-	-	(23,932)	-
Leased assets	366,856	215,037	-	-	(269,830)	312,063
Library resources	79,635	14,213	(4,012)	-	(11,229)	78,607
Balance at 31 December 2018	9,177,207	4,647,221	(160,731)	-	(1,035,875)	12,627,822

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2018			
Land	1,960,000	-	1,960,000
Buildings	7,887,947	(966,487)	6,921,460
Building improvements	1,394,943	(583,708)	811,235
Furniture and equipment	7,024,491	(4,962,525)	2,061,966
Information and communication technology	3,022,745	(2,592,169)	430,576
Motor vehicles	115,247	(63,332)	51,915
Textbooks	625,112	(625,112)	-
Leased assets	1,131,687	(819,624)	312,063
Library resources	248,309	(169,702)	78,607
Balance at 31 December 2018	23,410,481	(10,782,659)	12,627,822

The Board considers that no assets have suffered an impairment during the year.

The net carrying value of equipment held under a finance lease is \$312,063 (2017: \$366,856).

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2017						
Buildings	4,949,516	560,433	-	-	(145,874)	5,364,075
Building improvements	941,472	-	-	-	(65,167)	876,305
Furniture and equipment	2,013,361	224,931	(2,384)	-	(256,261)	1,979,647
Information and communication technology	558,142	150,224	(6,302)	-	(254,932)	447,132
Motor vehicles	55,709	18,511	(2,945)	-	(7,718)	63,557
Leased assets	467,059	103,592	-	-	(203,795)	366,856
Library resources	78,168	14,722	(1,878)	-	(11,377)	79,635
Balance at 31 December 2017	9,063,427	1,072,413	(13,509)	-	(945,124)	9,177,207

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2017			
Buildings	6,161,517	(797,442)	5,364,075
Building improvements	1,394,943	(518,638)	876,305
Furniture and equipment	6,691,498	(4,711,851)	1,979,647
Information and communication technology	2,820,525	(2,373,393)	447,132
Motor vehicles	119,160	(55,603)	63,557
Textbooks	601,179	(601,179)	-
Leased assets	916,650	(549,794)	366,856
Library resources	246,517	(166,882)	79,635
Balance at 31 December 2017	18,951,989	(9,774,782)	9,177,207



Mt Albert Grammar School
Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

15 Capital Works in Progress

In 2017 the school had a project for the construction of staff accommodation. This project has now been completed at a cost of \$1,701,817 and is reflected as additions to school buildings in Property Plant and Equipment.

16 Accounts Payable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	526,848	380,000	418,681
Accruals	80,924	-	124,982
Employee Entitlements - salaries	915,924	850,000	832,274
Employee Entitlements - leave accrual	134,939	240,000	91,272
	<u>1,658,635</u>	<u>1,470,000</u>	<u>1,467,209</u>
Payables for Exchange Transactions	1,658,635	1,470,000	1,467,209
	<u>1,658,635</u>	<u>1,470,000</u>	<u>1,467,209</u>

The carrying value of payables approximates their fair value.

17 Borrowings

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Due in One Year	-	1,550,000	1,550,000
Due Beyond One Year	2,300,000	1,000,000	1,000,000
	<u>2,300,000</u>	<u>2,550,000</u>	<u>2,550,000</u>

The school has borrowings at 31 December 2018 of \$2,300,000. This loan is from the ASB Bank for the purpose of acquiring 45 Lloyd Avenue, Mount Albert. The loan is unsecured, interest is 4.9 - 6.1 % per annum and the loan is interest only. The borrowings are secured over the property situated at 45 Lloyd Avenue, Mount Albert.

18 Revenue Received in Advance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
International Student Fees	1,904,807	2,350,000	2,231,660
Other	405,961	335,321	453,661
	<u>2,310,768</u>	<u>2,685,321</u>	<u>2,685,321</u>



Mt Albert Grammar School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

19 Provision for Cyclical Maintenance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Provision at the Start of the Year	577,275	577,275	588,402
Increase to the Provision During the Year	37,487	29,670	(11,127)
Use of the Provision During the Year	-	(29,670)	-
Provision at the End of the Year	<u>614,762</u>	<u>577,275</u>	<u>577,275</u>
Cyclical Maintenance - Current	441,662	114,123	114,123
Cyclical Maintenance - Term	173,100	463,152	463,152
	<u>614,762</u>	<u>577,275</u>	<u>577,275</u>

During the year Watershed who is the school external property manager reviewed the cyclical maintenance plan and considers it the best estimate as at 31 December 2018. However as there is significant construction work underway this will require updating in 2019 to reflect the change in buildings and painting costs.

20 Finance Lease Liability

The school has entered into a number of finance lease agreements for Laptops (TELA) and other electronic equipment.

Minimum lease payments payable (includes interest portion):

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	299,904	94,514	253,528
Later than One Year and no Later than Five Years	301,611	425,300	416,447
	<u>601,515</u>	<u>520,814</u>	<u>669,975</u>

21 Funds held in Trust

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	1,382,964	1,030,059	1,430,707
	<u>1,382,964</u>	<u>1,030,059</u>	<u>1,430,707</u>



Mt Albert Grammar School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

22 Funds Held for Capital Works Projects

During the year the school received and applied funding from the Ministry of Education for the following capital works projects:

		BOT				
		Opening	Receipts		Contribution/ (Write-off to	Closing
2018		Balances	from MoE	Payments	R&M)	Balances
		\$	\$	\$		\$
Seismic Strengthening	<i>in progress</i>	38,368	-	-	-	38,368
T Block Roof	<i>completed</i>	(9,365)	11,679	-	-	2,314
Library Roof	<i>completed</i>	(4,835)	11,081	-	-	6,246
Squash Court Roof	<i>completed</i>	(8,818)	3,393	-	-	(5,425)
Totals		15,350	26,153	-	-	41,503

Represented by:

Funds Held on Behalf of the Ministry of Education

41,503

41,503

		BOT				
		Opening	Receipts		Contribution/ (Write-off to	Closing
2017		Balances	from MoE	Payments	R&M)	Balances
		\$	\$	\$	\$	\$
Seismic Strengthening	<i>in progress</i>	38,368	-	-	-	38,368
T Block Roof	<i>in progress</i>	-	32,564	41,929	-	(9,365)
Library Roof	<i>in progress</i>	-	130,553	135,388	-	(4,835)
Squash Court Roof	<i>in progress</i>	-	30,531	39,349	-	(8,818)
Totals		38,368	193,648	216,666	-	15,350

23 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.



Mt Albert Grammar School
Notes to the Financial Statements (cont.)
For the year ended 31 December 2018

24 Remuneration

Key management personnel compensation

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

	2018	2017
	Actual	Actual
	\$	\$
<i>Board Members</i>		
Remuneration	6,375	6,725
Full-time equivalent members	0.20	0.20
<i>Leadership Team</i>		
Remuneration	2,692,967	2,706,852
Full-time equivalent members	26.00	26.00
Total key management personnel remuneration	2,699,342	2,713,577
Total full-time equivalent personnel	26.20	26.20

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

Principal

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

	2018	2017
	Actual	Actual
	\$000	\$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	240-250	230-240
Benefits and Other Emoluments	1-10	1-10
Termination Benefits		

Other Employees

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

Remuneration	2018	2017
\$000	FTE Number	FTE Number
150-160	1	1
120-130	1	1
110-120	1	2
100-110	6	5
	9	9

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

25 Compensation and Other Benefits Upon Leaving

There were no compensation or other benefits paid or payable to persons upon leaving. (2017: Nil)

26 Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2018.

(Contingent liabilities and assets as at 31 December 2017: Nil)

Holidays Act Compliance – schools payroll

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

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

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



Mt Albert Grammar School
Notes to the Financial Statements (cont.)
For the year ended 31 December 2018

29 Financial Instruments

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

	2018	2018 Budget	2017
	Actual	(Unaudited)	Actual
	\$	\$	\$
Loans and Receivables			
Cash and Cash Equivalents	1,326,291	687,378	1,201,006
Receivables	941,085	928,522	928,522
Investments - Term Deposits	6,333,790	5,323,982	5,323,982
Total Loans and Receivables	8,601,166	6,939,882	7,453,510
Financial liabilities measured at amortised cost			
Payables	1,658,635	1,470,000	1,467,209
Borrowings - Loans	2,300,000	2,550,000	2,550,000
Finance Leases	516,804	349,510	531,386
Total Financial Liabilities Measured at Amortised Cost	4,475,439	4,369,510	4,548,595

Fair Value

The fair value of financial instruments is the carrying value. See notes 10 and 13 for the fair value of deposits.

Credit Risk

The maximum exposure to credit risk is disclosed in the Statement of Financial Position.

Credit risk is the risk that a third party will default on its obligations to Mt Albert Grammar School, causing the school to incur a loss.

In the normal course of its business, credit risk arises from debtors, deposits with banks and derivative financial assets. Maximum credit risks are disclosed in the Statement of Financial Position. The concentration of credit risk in respect of cash and cash equivalents is mitigated by investing with high credit rating registered banks (in accordance with Section 28, Schedule 6 of the Education Act 1989).

Receivables include grants and funding due from MOE. No collateral is held to mitigate the risk of loss as a result of default.

In accordance with Section 28, Schedule 6 of the Education Act 1989 all surplus monies are invested with registered banks. The following cash and deposit balances represent concentrations of credit risk.

	2018	2018 Budget	2017
	Actual	(Unaudited)	Actual
	\$	\$	\$
Auckland Savings Bank Limited			
Bank Current Account	826,291	687,378	401,006
Bank Call Account	500,000	-	800,000
Short-term Bank Deposits - Maturities less than 3 months	1,917,625	-	903,579
Short-term Bank Deposits with Maturities more than 3 months	4,416,165	5,323,982	4,420,403
Accrued Interest	25,161	-	30,506
	7,685,242	6,011,360	6,555,494



Mt Albert Grammar School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

Interest Rate Risk

The board's treasury policy objectives are to

- (a) ensure there is sufficient liquidity to meet the operational commitments:
- (b) invest in risk free or near risk free investments
- (c) purchase investments with a range of maturity dates.

The maturity periods for the investments are as follows:

	2018 \$	2017 \$
Within 180 days	6,333,790	5,323,982

All of the above investments can be readily liquidated, although not necessarily at the amounts recorded above.

Currency Risk

The School had no exposure to currency risk as at reporting date.

Liquidity Risk

Management of liquidity risk

Liquidity risk is the risk that the School will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and the ability to close out market positions. The School manages liquidity risk by continuously monitoring forecast and actual cash flow requirements.

Contractual maturity analysis of financial liabilities, excluding derivatives

The table below analyses financial liabilities (excluding derivatives) into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date.

	Carrying Amount \$	Contractual Cashflows \$	Within One Year \$	More than One Year \$
31 December 2018				
Payables	526,848	526,848	526,848	-
Borrowings - Loans	2,300,000	2,300,000	-	2,300,000
Finance Leases	601,515	601,505	299,904	301,611
	<u>3,428,363</u>	<u>3,428,353</u>	<u>826,752</u>	<u>2,601,611</u>
31 December 2017				
Payables	418,681	418,681	418,681	-
Borrowings - Loans	2,550,000	2,550,000	1,550,000	1,000,000
Finance Leases	669,975	669,975	253,528	416,447
	<u>3,638,656</u>	<u>3,638,656</u>	<u>2,222,209</u>	<u>1,416,447</u>

30 Prior Year Comparatives

Comparative figures included in the financial statements relate to the financial year ended 31 December 2017. Where necessary these figures have been reclassified on a basis consistent with current disclosure for the year ended 31 December 2018.

31 Events After Balance Date

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



INDEPENDENT AUDITOR'S REPORT**TO THE READERS OF MT ALBERT GRAMMAR SCHOOL'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

The Auditor-General is the auditor of Mt Albert Grammar School (the School). The Auditor-General has appointed me, Paul Lawrence, using the staff and resources of Crowe Horwath New Zealand Audit Partnership, 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 23, that comprise the statement of financial position as at 31 December 2018, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2018; 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.

Our audit was completed on 24 May 2019. This is the date at which our opinion is expressed.

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

Basis 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 of Trustees for the financial statements

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

However, future events or conditions may cause the School to cease to continue as a going concern.

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees are responsible for the other information. The other information obtained at the date of our report is the listing of the Members of the Board of Trustees, Kiwisport Funding 2018 Note and the Analysis of Variance, but does not include the financial statements and our auditor's report thereon.

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

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

Independence

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

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



Paul Lawrence
Crowe Horwath New Zealand Audit Partnership
On behalf of the Auditor-General
Auckland, New Zealand



Mount Albert Grammar School - 2018 Analysis of Variance

**MOUNT ALBERT
GRAMMAR SCHOOL**

www.mags.school.nz



Goal 1: Educational Excellence			
Targets	Outcome	Analysis	Evaluation
80% of Year 12 Boys gain L2	80.6% of boys gained L2 – Target met	Despite reaching the target, we saw a 9.3% drop in achievement from the previous year. The result was similar to achievement in 2015.	This was a significant shift for the school, moving from interviews with all teachers, where roughly 30% of parents attended, to Conferencing with the Mentor teacher, where over 90% of parents attended. Developing a significant relationship and with the Mentor teacher and the Mentor teacher tracking the progress of their learners is central to this model. The introduction of this initiative was key for lifting boys' achievement.
80% of Year 12 Pasifika students gain L2	72.4% passed – Target not met	This was a decrease of 9.5% from the previous year. We will see a slight improvement with the April Principal's Report	We had Mentoring and Tracking in the senior school, with a focus on improving achievement for Pasifika boys. Donna Hobbs (WST) appointed to assist with the tracking of senior priority learners and address barriers to learning.
50% of Year 10 Pasifika students gain the pre-requisite for Y11 Science or Y11 separate Science pathways	57.5% of Pasifika students gained the pre-requisite for Year 11 single science 37.1% of Pasifika students gained the pre-requisite (using the 2018 pre-requisite) for Year 11 double science Target met	The Year 11 courses and pre-requisite changed in 2019. Using the new pre-requisite for Double Science 30.6% of students could opt into this course.	The Science course at Y11 was changed for 2019, moving from single science to a double. The pre-requisite also changed from A, A & M in the science exam to M, M & A. With the collapse of the Y11 Science 3 course, we are seeing a greater range of students in Science 1. Success in this course does give the student the possibility to continue with a science course in Year 12. It is interesting to note that in 2019: 60/144 – <u>41.6%</u> Pasifika students selected Science 1 37/144 – <u>25.6%</u> Pasifika students selected Science 2 Therefore, a total of <u>67.2%</u> of Y10 Pasifika students have taken a science course at L1 for 2019.

Goal 1: Educational Excellence Cont'd

Targets	Outcome	Analysis	Evaluation
25% of L2 Certificates are endorsed with Excellence	23.3% of L2 was at Excellence Endorsement – Target not met	1.7% off this target.	Closer tracking of Endorsements needed and interventions for students close to Endorsement.
Culture of Excellence	<ul style="list-style-type: none"> • 2018 Strategic Plan developed for and by MAGS Sport staff/students - A tradition of sporting excellence. • We presented 2018 NCEA results in terms of 'added value' as a cohort moves through the school. Trying to be smarter about our indicators of success/excellence. • 2018 Estimated grades used to more accurately track and monitor pupil progress and attainment. 	<ul style="list-style-type: none"> • Identified gaps and ways of further developing a culture across all aspects of school life that ensures the best possible learning outcomes for all students • Service as a value was threaded through a MAGS education 	<ul style="list-style-type: none"> • Highest number of Scholarships for the school awarded in 2018 with 115 confirmed. • Development of Personal Excellence/Best as a mantra with students all levels. • Planning towards UNITEC Staff Day to unpack 'excellence' in a Pasifika context. • Still need to define what "excellence" means at MAGS.
Future-focused curriculum	<ul style="list-style-type: none"> • Mentoring, Tracking and the opening of pathways such as in science were 2018 initiatives to personalise the learning journey for student. • 2018 EOY Trialled a cross curricular initiative for Y10 boys in T4 from a team in the TLG 2018. • 2018 project to investigate: cross faculty collaboration and a wider range of opportunities to provide a more engaging and authentic learning process. This will continue in 2019 	<ul style="list-style-type: none"> • The concept Future-focused curriculum aligns many of our Strategic projects. • Cross Faculty collaboration to continue 	<ul style="list-style-type: none"> • Change in re-enrolment process and use of SchoolPoint to track students subject intentions and to ensure students are appropriate placed in best curriculum pathways. • Each student is engaged in a personalised learning/curriculum pathway – investigate 'the how' for this further. • New technology HOF to assist with this focus • Need to unpack what we mean by Future-focused curriculum at MAGS.

Goal 1: Educational Excellence Cont'd

Targets	Outcome	Analysis	Evaluation
<p>Priority Learners – Māori and Pasifika</p>	<ul style="list-style-type: none"> 2018 & 2019 Professional Learning Days at Unitec - Maori and Pasifika focus. Establishment of Komiti Faufautua to provide community-led, strategic advice to the school - modelled on the success Rūnanga model currently at MAGS Culturally responsive pedagogies embedded in learning programmes – on-going Use relevant data to gauge progress and set performance targets for Māori and Pasifika students – on-going Monitor progress, improve teaching and learning processes and communicate findings – on-going 	<p>Level 1 <u>Pasifika</u> 61.3% (+1.3% from 2018) <u>Maori</u> 65.4% (-3.9% from 2018)</p> <p>Level 2 <u>Pasifika</u> 72.4% (-9.7 from 2018) <u>Maori</u> 80.9 (-11.7 from 2018)</p> <p>Level 3 <u>Pasifika</u> 62.2% (-0.7% from 2018) <u>Maori</u> 69.1% (-1% from 2018)</p> <p>These results have been taken from the Feb 2019 Principal's Report; we should see an improvement in the results in the April Report.</p>	<ul style="list-style-type: none"> Recognised the need to align tracking of learners in the Senior School, with a focus on early intervention to support priority learners. 2019 Development underway of boys engagement and achievement strategy via shared inquiry with focus on priority learners. In 2019 Pasifika weekly attendance data to be provided to the Pasifika dept. To ensure success for all learners need to 1) refine our Estimated Credits system 2) support priority learners earlier on in the year. Need to track the cohort to report on value added
<p>Commitment to Tangata Whenuatanga "Māori achieving success as Māori"</p>	<ul style="list-style-type: none"> Unitec day 2018 designed and led by the Rūnanga. Staff focus on Tātaiako throughout 2018 – to know our learners Rūnanga met throughout 2018 		<p>Began the year with whole school PLD organised by the Rūnanga at the local Marae – these important discussions around Maori Tikanga continued through the year during staff PL, with staff reflecting on their knowledge and use of Tātaiako.</p> <p>Recognised the need to appointment of Natalie Absolum as Poumata Angitu position to 1) track the achieving of Maori learners 2) ensure Maori have 'open' pathways to experience success 3) utilize Maori student voice 4) Remove barriers to learning.</p>

Goal 2: Resilient Students

Targets	Outcome	Analysis	Evaluation
<p>Mentoring Students by Staff</p>	<ul style="list-style-type: none"> 2018 used online tracking Y11-12. 11-12 staff training sessions and use of Assay . 3WC e.g. success. Moved to Conferencing in 2018. With the Mentor providing a holistic overview for the learner No. of staff trained and engaged as student academic mentors Built staff understanding of, and capacity to build stronger learning-based relationships through mentoring Staff trained and engaged as student academic mentors Students take greater responsibility for their own learning and have a stronger sense of support and belonging 	<ul style="list-style-type: none"> Align reporting Inform staff and community re Conferencing dates All teachers to be called Mentor teacher to shift our perception of what the old 'form time' looks like. 	<ul style="list-style-type: none"> Move to Conferencing was successful, as the attendance of parents moved from roughly 30% to over 90%. Kay Hawk presented the 'why' for Mentoring to staff. 'Mentoring' as a term has replaced form teacher at all year levels. Move needed from form teacher to 'mentor' for all classes.
<p>Students' Sense of Belonging</p> <p>Build a safe environment by monitoring student welfare, minimising bullying and developing a whanau culture across the whole school</p>	<ul style="list-style-type: none"> 2018 Wellbeing Committee formed & invested to ensure Staff also have balance. Looking at Positive Psychology and working w Core Ed to keep momentum. Wellbeing @School survey's being unpacked by D&G. Review organised of Attendance Policy to improve early interventions 2018 appointment of Matt Judd - male, full-time counsellor (Masters in male adolescent behaviour) 	<ul style="list-style-type: none"> On-going 	<ul style="list-style-type: none"> In 2018 work toward Student Planners - well-being and self-management focus. PISA results from last year show positive trajectory Continue to ensure: students take greater responsibility for their own learning and have a stronger sense of support and belonging.

Goal 2: Resilient Students

Targets	Outcome	Analysis	Evaluation
The MAGS Way	<ul style="list-style-type: none"> • 2018 decided to pause on updated MAGS WAY until new language evolved from other projects. • 2018/19 daily assemblies for Year 9 boys to reinforce MAGS Way values, sense of belonging 	On-going	<ul style="list-style-type: none"> • Discussion for the early stage of the project.
Leadership Programme	<ul style="list-style-type: none"> • Promotion of the 'Leadership as Service' model. • 2018 Year 12 Service Leadership Group established • 2019 Sports leadership committee established 	On-going	On-going

Goal 3: Inspiring Staff

Targets	Outcome	Analysis	Evaluation
<p>Professional Learning and Development (PLD) – conditions and incentives</p> <p>Research, design and implement a range of targeted professional development opportunities to assist staff to prepare and deliver contemporary learning and teaching strategies that support our vision and a culture of excellence</p>	<ul style="list-style-type: none"> Teaching as Inquiry - all teachers examined their impact on learner - Hattie's Know Thy Impact. Year 2 of embedding Appraisal for Learning / Teaching as Inquiry. Evidence / actions for embedding: Appraisal for Learning documents for all teachers in OneNote, Teaching as Inquiry presentations by all teachers in their PLGs in term 4. Formative Assessment - Year 2 of embedding our MAGS Formative Assessment Model. Actions / Evidence of embedding: 116 Learning Walks in term 3 demonstrated strong evidence of formative assessment transferring into our classroom practices. 2018/18 Junior Core Teacher Meetings developed - student centred discussion to inform planning, teaching and learning. 	<p>116 Learning walks to assess whether our Professional Learning is transferring into classroom practice. The evidence collected was extremely positive and showed clear signs of AFL present in our classrooms</p> <p>All staff completed the second year of Teaching as Inquiry and presented their findings in their PLGs</p>	<ul style="list-style-type: none"> Next stage for AFL – Year 3 to roll out via HOFs and Faculty. TLG to facilitate this. Next stage for Appraisal for Learning / Teaching as Inquiry: 1) bring new staff on board 2) TLG to work with Appraisers 3) Align Inquiry and Professional Standards reflections for staff in OneNote. All Within-school teachers in the TLG and assigned Professional Learning Projects.
<p>MAGS as a place to work</p>	<ul style="list-style-type: none"> Lloyd Ave Staff Accommodation is helping to address this Appointment of HR Manager Support Staff Staff Scholarships/awards at Senior Prize Giving - Herb Towers Award & Liddell Awards Staff Well-being committee feedback & focus groups Positive support from Leadership with social and other well-being initiatives 	<ul style="list-style-type: none"> Outcomes from Staff Survey – recommendation of MAGS as a place to work 	<ul style="list-style-type: none"> On-going Well-being week for 2019

Goal 4: Productive Partnerships

Targets	Outcome	Analysis	Evaluation
Communities of Learning (COL)	<ul style="list-style-type: none"> • Within School Teachers on the Teaching and Learning Group, to lead Professional Learning • Fortnightly meetings with WSTs • ASTs development of Action Plans & Network 	<ul style="list-style-type: none"> • Baseline data created • Refined CoL focus and gathered data for the focus 	<ul style="list-style-type: none"> • Design and apply a clear set of expectations for COL leaders to ensure all learning from the practice is shared with all staff. • 2018 was the Establishing Stage for the Kāhui Ako, and towards the end of the year we moved into the Development Stage. At this stage the Achievement Challenges (High-Level Plans) need to be turned into Implementation Plans. In 2018 the foundations have been laid for effective communication and building of relationships to enable effective change to occur. • AST and WST staff appointed and leading change programme
Marketing and Branding	<ul style="list-style-type: none"> • Strengthening of mentoring programme is helping to 'personalise' the MAGS experience for students. • Opportunities being taken to communicate the concept of 'Personal Excellence' and 'Personal Best' to parents and the student body. • Attract staff and engender pride within the MAGS community 	<ul style="list-style-type: none"> • On-going 	<ul style="list-style-type: none"> • On-going
Partnerships	<ul style="list-style-type: none"> • Partnership with Unitec continues to strengthen. MAGnet programme continues from 2018. • The Rūananga continued met eight times in 2018. • Establishment of Komiti Faufautua • Work continues with the farm advisory group 	<ul style="list-style-type: none"> • On-going 	<ul style="list-style-type: none"> • MaGnet & Rūananga – development throughout 2018. • The establishment of Komiti Faufautua was significant for support of our Pasifika learners and to continue building effective relationships with the Pasifika community.

Goal 5: Confident Future			
Targets	Outcome	Analysis	Evaluation
Master Plan - Review, refine and communicate the current Master Plan to establish priorities for upgrading and building facilities that support contemporary teaching and learning strategies and the needs of.	<ul style="list-style-type: none"> Progress on building program in 2018 including new tennis courts and commencement of 12 classroom Science Block. Planning underway for B-Block refurbishment and indoor cricket training facility (2019). Identifies the need for additional staff (project manager) to support the extensive building programme underway. Property Team regular walk around re: general property conditions to support staff 	<ul style="list-style-type: none"> School Donations received Funds held by the Foundation Student/Teacher ratio 	On-going
International Students	<ul style="list-style-type: none"> Succession of former Director of International with another outstanding and experienced appointment. An experience Assistant Director has been appointed to provide stability around future succession of the programme. Promotion of the added-value provided by our quality International Student Programme 	On-going	<ul style="list-style-type: none"> Leverage off the current momentum in recruiting international students by setting clear targets Consolidate relationships with agents Increase staff's knowledge of the value of international students Improve student well-being
Farm Experience Centre	<ul style="list-style-type: none"> Successfully engaged Minister of Primary Industries during 2018. Appointment of an Experience Centre Manager has helped to maintain momentum with development of the project. Group of teachers visited agribusiness at the end of 2018 	On-going	<ul style="list-style-type: none"> Appointment of a WST role to support links between the farm and other curriculum areas

Kiwisport Funding 2018

The amount given to MAGS for the above year was \$68,088. The bulk of it, went into the school's sports administration as payment of wages of three personnel. Three people working full time for a total of 105 hours per week. The remaining contributed to the salaries of our 1st XV Rugby Boys and Girls, 1st XI Football Boys and Girls, Hockey and Rowing coaches.

We participated in 42 different sports all sanctioned by ASB College Sport of Auckland and NZSSSC. We had a slight increase in the number of students participating in playing sport in 2018. With just over half the school participating in sport.

Sport is a major part of life for many students at this school and so the funding went a long way to the smooth running of MAGS sport.

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