

Mount Albert Grammar School

Annual Report for the year ended 31 December 2021

| | |
|-------------------------------|--|
| Ministry Number: | 0069 |
| Principal: | Patrick Drumm |
| School Address: | 36 Alberton Ave, Mt Albert, Auckland |
| School Postal Address: | 36 Alberton Ave, Mt Albert, Auckland, 1025 |
| School Phone: | 09-846 2044 |
| School Email: | pdrumm@mags.school.nz |
| Service Provider: | Edtech Financial Services Ltd |

MT ALBERT GRAMMAR SCHOOL

Members of the Board

For the year ended 31 December 2021

| Name | Position | How position on Board gained | Occupation | Term expired/expires |
|------------------|------------------|-------------------------------------|----------------------|-----------------------------|
| Greg Moyle | Presiding Member | elected | Finance manager | Sep 22 |
| Patrick Drumm | Headmaster | elected | Headmaster | |
| Tui Gallagher | Deputy chair | elected | Field officer | Sep 22 |
| Raj Bhikha | | elected | Quantity surveyor | Sep 22 |
| John Liddell | Foundation rep | elected | Army officer | Mar 23 |
| Simon Mitchell | | elected | Lawyer | Sep 22 |
| Paul Moon | | elected | Lecturer | Sep 22 |
| Catherine Murphy | | elected | | Sep 22 |
| Jacqui Cesan | Staff rep | elected | Teacher | Sep 22 |
| Lisa Oakden | Albertian rep | elected | Legal executive | Sep 22 |
| Lydia Sosene | | co-opted | office manager | Sep 22 |
| Neil Waka | | elected | GM corporate affairs | Sep 22 |

Mount Albert Grammar School

Annual Report

For the year ended 31 December 2021

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Mount Albert Grammar School
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.

Gregory Moyle

Full Name of Presiding Member



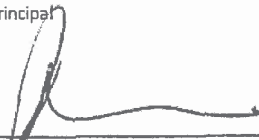
Signature of Presiding Member

29 August 2022

Date:



Full Name of Principal



Signature of Principal

29/8/22

Date:

Mt Albert Grammar School
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 | 33,230,200 | 8,715,464 | 33,970,302 |
| Locally Raised Funds | 3 | 2,205,287 | 1,680,226 | 2,700,750 |
| Interest Income | | 59,183 | 72,500 | 136,979 |
| Hostel | 4 | 1,210,693 | 1,375,595 | 1,237,951 |
| International Students | 5 | 1,271,048 | 1,240,296 | 2,391,900 |
| | | <u>37,976,411</u> | <u>13,084,081</u> | <u>40,437,882</u> |
| Expenses | | | | |
| Locally Raised Funds | 3 | 239,679 | 104,840 | 665,424 |
| Hostel | 4 | 787,110 | 1,119,337 | 1,021,792 |
| International Students | 5 | 664,334 | 856,626 | 1,378,928 |
| Learning Resources | 6 | 23,948,046 | 7,445,894 | 22,544,731 |
| Administration | 7 | 924,334 | 1,178,786 | 918,422 |
| Finance | | 95,052 | 60,252 | 107,319 |
| Property | 8 | 8,712,399 | 1,968,376 | 11,647,935 |
| Depreciation | 13 | 1,154,955 | 908,000 | 1,016,159 |
| Loss on Disposal of Property, Plant and Equipment | | 521 | - | 95,768 |
| | | <u>36,526,430</u> | <u>13,642,111</u> | <u>39,396,478</u> |
| Net Surplus / (Deficit) for the year | | 1,449,981 | (558,030) | 1,041,404 |
| Other Comprehensive Revenue and Expense | | - | - | - |
| Total Comprehensive Revenue and Expense for the Year | | <u>1,449,981</u> | <u>(558,030)</u> | <u>1,041,404</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.



Mt Albert Grammar School
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2021

| | 2021 | 2021 | 2020 |
|--|-------------------|-------------------|-------------------|
| Notes | Actual | Budget | Actual |
| | \$ | (Unaudited) | \$ |
| | \$ | \$ | \$ |
| Balance at 1 January | 14,741,019 | 14,878,030 | 13,676,690 |
| Total comprehensive revenue and expense for the year | 1,449,981 | (558,030) | 1,041,404 |
| Capital Contributions from the Ministry of Education | | | |
| Contribution - Furniture and Equipment Grant | 355,810 | - | 22,925 |
| Equity at 31 December | 16,546,810 | 14,320,000 | 14,741,019 |
| Retained Earnings | 16,546,810 | 14,320,000 | 14,741,019 |
| Equity at 31 December | 16,546,810 | 14,320,000 | 14,741,019 |

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.



Mt Albert Grammar School
Statement of Financial Position

As at 31 December 2021

| | | 2021 | 2021 | 2020 |
|--|-------|--------------------------|--------------------------|--------------------------|
| | Notes | Actual | Budget (Unaudited) | Actual |
| | | \$ | \$ | \$ |
| Current Assets | | | | |
| Cash and Cash Equivalents | 9 | 727,367 | 530,000 | 1,283,887 |
| Accounts Receivable | 10 | 1,525,143 | 1,471,000 | 1,451,293 |
| GST Receivable | | 178,164 | 80,000 | 137,192 |
| Prepayments | | 131,144 | 179,557 | 135,794 |
| Inventories | 11 | 25,595 | 20,000 | 20,595 |
| Investments | 12 | 4,499,415 | 2,000,000 | 5,876,744 |
| | | <u>7,086,828</u> | <u>4,280,557</u> | <u>8,905,505</u> |
| Current Liabilities | | | | |
| Accounts Payable | 14 | 2,127,795 | 2,540,000 | 2,641,262 |
| Revenue Received in Advance | 16 | 1,322,858 | 588,188 | 1,839,415 |
| Provision for Cyclical Maintenance | 17 | 238,598 | 155,774 | 155,774 |
| Finance Lease Liability | 18 | 238,744 | 237,000 | 238,668 |
| Funds Held in Trust | 19 | 303,902 | 282,209 | 705,523 |
| Funds Held for Capital Works Projects | 20 | - | 231,098 | 296,091 |
| | | <u>4,231,897</u> | <u>4,034,269</u> | <u>5,876,733</u> |
| Working Capital Surplus/(Deficit) | | 2,854,931 | 246,288 | 3,028,772 |
| Non-current Assets | | | | |
| Property, Plant and Equipment | 13 | 13,844,721 | 14,781,388 | 12,998,620 |
| Capital Works in Progress | | 661,329 | - | 603,787 |
| | | <u>14,506,050</u> | <u>14,781,388</u> | <u>13,602,407</u> |
| Non-current Liabilities | | | | |
| Borrowings | 15 | - | - | 1,000,000 |
| Provision for Cyclical Maintenance | 17 | 572,570 | 608,489 | 608,489 |
| Finance Lease Liability | 18 | 241,601 | 99,187 | 281,671 |
| | | <u>814,171</u> | <u>707,676</u> | <u>1,890,160</u> |
| Net Assets | | <u>16,546,810</u> | <u>14,320,000</u> | <u>14,741,019</u> |
| Equity | | <u>16,546,810</u> | <u>14,320,000</u> | <u>14,741,019</u> |

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



Mt Albert Grammar School
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 | 8,885,238 | 8,456,411 | 8,665,575 |
| Locally Raised Funds | 2,440,102 | 349,339 | 2,631,077 |
| Hostel | 1,210,693 | 1,375,595 | 1,237,951 |
| International Students | 680,006 | 208,144 | 1,509,009 |
| Goods and Services Tax (net) | (40,972) | 57,192 | (165,690) |
| Funds Administered on Behalf of Third Parties | (401,621) | (423,314) | (684,222) |
| Payments to Employees | (6,131,077) | (6,791,790) | (5,808,752) |
| Payments to Suppliers | (5,596,729) | (4,696,036) | (6,105,877) |
| Interest Paid | (95,052) | (60,252) | (107,319) |
| Interest Received | 70,015 | 93,195 | 164,625 |
| Net cash from/(to) Operating Activities | 1,020,603 | (1,431,516) | 1,336,377 |
| Cash flows from Investing Activities | | | |
| Proceeds from Sale of Property Plant & Equipment | - | (78,193) | 1,748 |
| Purchase of Property Plant & Equipment | (1,490,394) | (3,655,742) | (1,418,362) |
| Purchase of Investments | - | - | (953,150) |
| Proceeds from Sale of Investments | 1,377,329 | 3,876,744 | - |
| Net cash from/(to) Investing Activities | (113,065) | 142,809 | (2,369,764) |
| Cash flows from Financing Activities | | | |
| Furniture and Equipment Grant | 149,019 | - | 22,925 |
| Finance Lease Payments | (281,928) | 1,462,802 | (226,773) |
| Loans Received / Repayment of Loans | (1,000,000) | (1,000,000) | - |
| Funds Administered on Behalf of Third Parties | (331,149) | (64,993) | 248,291 |
| Net cash from/(to) Financing Activities | (1,464,058) | 397,809 | 44,443 |
| Net Increase/(decrease) in cash and cash equivalents | (556,520) | (890,898) | (988,944) |
| Cash and cash equivalents at the beginning of the year | 1,283,887 | 1,420,898 | 2,272,831 |
| Cash and cash equivalents at the end of the year | 727,367 | 530,000 | 1,283,887 |

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

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



Mount Albert Grammar School
Reconciliation of Net Cash Flows
From Operating Activities to Net Surplus
For the year ended 31 December 2021

| Note | 2021 Actual \$ | 2021 Budget (Unaudited) \$ | 2020 Actual \$ |
|---|-------------------------|-------------------------------------|-------------------------|
| Net Surplus for the year | 1,449,981 | (558,030) | 1,041,404 |
| Add Non-Cash Items | | | |
| Depreciation | 1,154,955 | 908,000 | 1,016,159 |
| Non-Cash Movement in Cyclical Maintenance Provision | 46,905 | 64,263 | 133,090 |
| Non-Cash Movement in Government Grants | (120,000) | - | - |
| | <u>1,081,860</u> | <u>972,263</u> | <u>1,149,249</u> |
| Add/(Loss) Movements in other working capital items: | | | |
| (Increase) decrease in receivables | (38,792) | (381,000) | (352,568) |
| (Increase) decrease in prepayments | 4,650 | (99,557) | (42,206) |
| (Increase) decrease in inventory | (5,000) | (5,000) | (9,295) |
| Increase (decrease) in payables | (513,467) | 885,000 | 933,219 |
| Increase (decrease) in revenue in advance | (516,557) | (1,047,401) | (629,282) |
| Increase (decrease) net GST | (40,972) | (80,000) | (165,690) |
| Increase (decrease) in Trust Funds (Net) | (401,621) | (1,117,701) | (684,222) |
| | <u>(1,511,759)</u> | <u>(1,845,749)</u> | <u>(950,044)</u> |
| Add (less) items classified as investing activities: | | | |
| Loss (Gain) on sale of fixed assets | 521 | - | 95,768 |
| | <u>521</u> | <u>-</u> | <u>95,768</u> |
| Net Cash Flow from Operating activities | <u><u>1,020,603</u></u> | <u><u>(1,431,516)</u></u> | <u><u>1,336,377</u></u> |

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

Mount Albert Grammar School

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

Reporting Entity

Mount 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 and Training Act 2020. 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 2021 to 31 December 2021 and in accordance with the requirements of the Education and Training Act 2020.

Base 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 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".

PBE Accounting Standards Reduced Disclosure Regime

The School qualifies for Tier 1 as the school is not publicly accountable and is considered large as it exceeds the expenditure threshold of \$30 million per year.

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision of cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 17.

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 13.



Mount Albert Grammar School
Notes to the Financial Statements (cont.)
For the year ended 31 December 2021

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.

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 Crown and managed by the Ministry of Education on behalf of the Crown. 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. 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 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.

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.



Mount Albert Grammar School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

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

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

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 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.

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.

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

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

Finance Leases

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

Depreciation

Property, plant and equipment except for library resources are depreciated over their estimated useful lives on a straight line basis. 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:

| | |
|---|-------------------------|
| Board owned buildings | 40 years |
| Building Improvements to Crown owned assets | 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 | Term of lease |
| Library resources | 12.5% Diminishing value |



Mount Albert Grammar School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

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 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.

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.

Revenue Received in Advance

Revenue received in advance relates to fees received from international students, MOE grants and other revenue 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 Comprehensive Revenue and Expense.

The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.



Mount Albert Grammar School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

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 is a reasonable estimate, based on an up to date 10 Year Property Plan (10YPP) or another appropriate source of evidence.

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, borrowings 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 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 not limited to bank overdrafts, operating leases, finance leases, painting contracts and term loans.

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.

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 2021

2 Government Grants

| | 2021 | 2021 | 2020 |
|---|-------------------|------------------|-------------------|
| | Actual | Budget | Actual |
| | \$ | (Unaudited) | \$ |
| Operational Grants | 6,019,807 | 6,102,726 | 5,712,624 |
| Teachers' Salaries Grants | 17,039,618 | - | 15,954,766 |
| Use of Land and Buildings Grants | 7,087,291 | - | 9,609,014 |
| Resource Teachers Learning and Behaviour Grants | 41,521 | - | 2,017 |
| Other MoE Grants | 2,927,396 | 2,511,838 | 2,589,205 |
| Other Government Grants | 114,567 | 101,400 | 102,676 |
| | <u>33,230,200</u> | <u>8,715,464</u> | <u>33,970,302</u> |

Other MOE Grants total includes additional COVID-19 funding totalling \$32,424 for the year ended 31 December 2021 (2020: \$237,657).

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 | 582,738 | 500,000 | 714,541 |
| Transport Revenue | - | - | 44,228 |
| Fees for Extra Curricular Activities | 1,364,348 | 928,738 | 1,698,791 |
| Trading | 23,820 | 27,500 | 35,208 |
| Fundraising & Community Grants | 943 | 5,000 | 381 |
| Other Revenue | 233,438 | 218,988 | 207,601 |
| | <u>2,205,287</u> | <u>1,680,226</u> | <u>2,700,750</u> |
| Expenses | | | |
| Extra Curricular Activities Costs | 161,159 | 10,500 | 601,629 |
| Trading | 12,698 | 13,000 | 13,733 |
| Transport (Local) | - | - | 50,062 |
| Other Locally Raised Funds Expenditure | 65,822 | 81,340 | - |
| | <u>239,679</u> | <u>104,840</u> | <u>665,424</u> |
| Surplus/ (Deficit) for the year Locally Raised Funds | <u>1,965,608</u> | <u>1,575,386</u> | <u>2,035,326</u> |



Mt Albert Grammar School
Notes to the Financial Statements (cont.)
For the year ended 31 December 2021

4 Hostel Revenue and Expenses

| | 2021 Actual Number | 2021 Budget (Unaudited) Number | 2020 Actual Number |
|--|--------------------------|---|--------------------------|
| <i>Hostel Financial Performance</i> | | | |
| Hostel Full Boarders | 95 | 105 | 103 |
| Hostel Weekly Boarders | 0 | 0 | 0 |
| | | | |
| | 2021 Actual \$ | 2021 Budget (Unaudited) \$ | 2020 Actual \$ |
| Revenue | | | |
| Hostel Fees | 1,180,084 | 1,343,160 | 1,146,027 |
| Other Revenue | 30,609 | 32,435 | 91,924 |
| Student Contributions | - | - | - |
| | <u>1,210,693</u> | <u>1,375,595</u> | <u>1,237,951</u> |
| Expenses | | | |
| Kitchen | 457,237 | 669,042 | 465,029 |
| Extra Curricular/Activities | 19,557 | 29,500 | 41,842 |
| Administration | 55,195 | 77,700 | 65,869 |
| Property | 100,674 | 180,500 | 268,447 |
| Student Supplies | 1,628 | 2,500 | 1,236 |
| Employee Benefit - Salaries | 152,819 | 160,095 | 179,369 |
| | <u>787,110</u> | <u>1,119,337</u> | <u>1,021,792</u> |
| | <u>423,583</u> | <u>256,258</u> | <u>216,159</u> |
| <i>Surplus/(Deficit) for the year Hostel</i> | | | |

5 International Student Revenue and Expenses

| | 2021 Actual Number | 2021 Budget (Unaudited) Number | 2020 Actual Number |
|---|--------------------------|---|--------------------------|
| International Student Roll | 74 | 75 | 123 |
| | | | |
| | 2021 Actual \$ | 2021 Budget (Unaudited) \$ | 2020 Actual \$ |
| Revenue | | | |
| International Student Fees | 1,271,048 | 1,240,296 | 2,391,900 |
| Expenses | | | |
| Advertising | - | - | - |
| Commissions | 142,849 | 194,400 | 265,411 |
| Recruitment | 726 | 10,000 | 6,271 |
| International Student Levy | 30,151 | 26,113 | 51,857 |
| Employee Benefit - Salaries | 425,590 | 542,397 | 967,348 |
| Other Expenses | 65,018 | 83,716 | 88,041 |
| | <u>664,334</u> | <u>856,626</u> | <u>1,378,928</u> |
| | <u>606,714</u> | <u>383,670</u> | <u>1,012,972</u> |
| <i>Surplus/ (Deficit) for the year International Students</i> | | | |



Mt Albert Grammar School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

6 Learning Resources

| | 2021 | 2021 | 2020 |
|--|-------------------|-----------------------|-------------------|
| | Actual | Budget (Unaudited) | Actual |
| | \$ | \$ | \$ |
| Curricular | 1,584,089 | 1,879,783 | 1,499,237 |
| Information and Communication Technology | 305,572 | 418,899 | 307,707 |
| Extra-Curricular Activities | 669,817 | 589,589 | 756,886 |
| Library Resources | 13,061 | 18,480 | 19,531 |
| Employee Benefits - Salaries | 21,294,896 | 4,464,143 | 19,904,479 |
| Staff Development | 80,611 | 75,000 | 56,891 |
| | <u>23,948,046</u> | <u>7,445,894</u> | <u>22,544,731</u> |

7 Administration

| | 2021 | 2021 | 2020 |
|--|----------------|-----------------------|----------------|
| | Actual | Budget (Unaudited) | Actual |
| | \$ | \$ | \$ |
| Audit Fee | 15,000 | 15,700 | 5,302 |
| Board Fees | 5,400 | 1,350 | 5,021 |
| Board Expenses | 2,151 | 1,500 | 1,796 |
| Communication | 16,193 | 35,500 | 17,902 |
| Consumables | (104,601) | 57,533 | (155,749) |
| Legal Fees | - | - | (2,500) |
| Other | 146,225 | 183,700 | 145,793 |
| Employee Benefits - Salaries | 747,714 | 806,936 | 797,678 |
| Insurance | 50,862 | 60,545 | 87,157 |
| Service Providers, Contractors and Consultancy | 45,390 | 16,022 | 16,022 |
| | <u>924,334</u> | <u>1,178,786</u> | <u>918,422</u> |

8 Property

| | 2021 | 2021 | 2020 |
|-------------------------------------|------------------|-----------------------|-------------------|
| | Actual | Budget (Unaudited) | Actual |
| | \$ | \$ | \$ |
| Caretaking and Cleaning Consumables | 459,974 | 88,250 | 451,331 |
| Consultancy and Contract Services | 215,606 | 328,000 | 206,115 |
| Cyclical Maintenance Expense | 46,905 | 180,000 | 133,089 |
| Grounds | 78,219 | 261,014 | 16,787 |
| Heat, Light and Water | 174,925 | 188,000 | 176,176 |
| Rates | 274 | - | - |
| Repairs and Maintenance | 371,016 | 507,648 | 632,835 |
| Use of Land and Buildings | 7,087,291 | - | 9,609,014 |
| Security | 49,299 | 140,000 | 138,521 |
| Employee Benefits - Salaries | 228,890 | 275,464 | 284,067 |
| | <u>8,712,399</u> | <u>1,968,376</u> | <u>11,647,935</u> |

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



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

For the year ended 31 December 2021

9 Cash and Cash Equivalents

| | 2021 Actual \$ | 2021 Budget (Unaudited) \$ | 2020 Actual \$ |
|---|----------------------|-------------------------------------|----------------------|
| Bank Accounts | 727,367 | 530,000 | 1,283,887 |
| Cash and cash equivalents for Statement of Cash Flows | <u>727,367</u> | <u>530,000</u> | <u>1,283,887</u> |

Of the \$727,367 Cash and Cash Equivalents, \$325,922 is held by the School on behalf of the Ministry of Education. These funds have been provided for the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school buildings. The funds are required to be spent in 2022 on Crown owned school buildings.

10 Accounts Receivable

| | 2021 Actual \$ | 2021 Budget (Unaudited) \$ | 2020 Actual \$ |
|--|----------------------|-------------------------------------|----------------------|
| Receivables | 37,858 | 1,471,000 | 100,135 |
| Receivables from the Ministry of Education | 35,058 | - | - |
| Interest Receivable | 9,863 | - | 20,695 |
| Teacher Salaries Grant Receivable | <u>1,442,364</u> | <u>-</u> | <u>1,330,463</u> |
| | <u>1,525,143</u> | <u>1,471,000</u> | <u>1,451,293</u> |
| Receivables from Exchange Transactions | 47,721 | 1,471,000 | 120,830 |
| Receivables from Non-Exchange Transactions | <u>1,477,422</u> | <u>-</u> | <u>1,330,463</u> |
| | <u>1,525,143</u> | <u>1,471,000</u> | <u>1,451,293</u> |

The Ageing Profile of Receivables at year end is detailed below

| | 2021 Actual | | | 2020 Actual | | |
|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Gross \$ | Impairment \$ | Net \$ | Gross \$ | Impairment \$ | Net \$ |
| Not Past Due | 1,509,331 | - | 1,509,331 | 1,375,998 | - | 1,375,998 |
| Past Due 1 - 30 Days | 3,450 | - | 3,450 | 28,145 | - | 28,145 |
| Past Due 31 - 60 Days | 150 | - | 150 | 47,150 | - | 47,150 |
| Past Due 61 - 90 Days | - | - | - | - | - | - |
| Past Due over 90 Days | 12,212 | - | 12,212 | - | - | - |
| Total | <u>1,525,143</u> | <u>-</u> | <u>1,525,143</u> | <u>1,451,293</u> | <u>-</u> | <u>1,451,293</u> |

11 Inventories

| | 2021 Actual \$ | 2021 Budget (Unaudited) \$ | 2020 Actual \$ |
|-----------|----------------------|-------------------------------------|----------------------|
| Livestock | 25,595 | 20,000 | 20,595 |
| | <u>25,595</u> | <u>20,000</u> | <u>20,595</u> |

12 Investments

The School's Investment activities are classified as follows:

| | 2021 Actual \$ | 2021 Budget (Unaudited) \$ | 2020 Actual \$ |
|--------------------------|----------------------|-------------------------------------|----------------------|
| Current Asset | | | |
| Short-term Bank Deposits | 4,499,415 | 2,000,000 | 5,876,744 |
| Total Investments | <u>4,499,415</u> | <u>2,000,000</u> | <u>5,876,744</u> |



Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

13 Property, Plant and Equipment

| | Opening Balance (NBV) | Additions | Disposals | Impairment | Depreciation | Total (NBV) |
|--|--------------------------|------------------|--------------|------------|--------------------|-------------------|
| 2021 | \$ | \$ | \$ | \$ | \$ | \$ |
| Land | 1,960,000 | - | - | - | - | 1,960,000 |
| Buildings | 6,820,168 | 248,775 | - | - | (207,747) | 6,861,196 |
| Building Improvements | 673,866 | - | - | - | (63,950) | 609,916 |
| Furniture and Equipment | 2,363,868 | 881,625 | (521) | - | (356,039) | 2,888,933 |
| Information and Communication Technology | 603,199 | 599,899 | - | - | (237,834) | 965,264 |
| Motor Vehicles | 36,162 | 12,609 | - | - | (8,264) | 40,507 |
| Textbooks | - | 6,334 | - | - | (6,334) | - |
| Leased Assets | 475,056 | 241,934 | - | - | (265,199) | 451,791 |
| Library Resources | 66,301 | 10,401 | - | - | (9,588) | 67,114 |
| Balance at 31 December 2021 | 12,998,620 | 2,001,577 | (521) | - | (1,154,955) | 13,844,721 |

| | 2021 | 2021 | 2021 | 2020 | 2020 | 2020 |
|--|-------------------|-----------------------------|-------------------|-------------------|-----------------------------|-------------------|
| | Cost or Valuation | Accumulated Depreciation | Net Book Value | Cost or Valuation | Accumulated Depreciation | Net Book Value |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Land | 1,960,000 | - | 1,960,000 | 1,960,000 | - | 1,960,000 |
| Buildings | 8,418,950 | (1,557,754) | 6,861,196 | 8,170,176 | (1,350,008) | 6,820,168 |
| Building Improvements | 1,377,794 | (767,878) | 609,916 | 1,377,794 | (703,928) | 673,866 |
| Furniture and Equipment | 8,463,751 | (5,574,818) | 2,888,933 | 7,590,542 | (5,226,674) | 2,363,868 |
| Information and Communication Technology | 3,706,135 | (2,740,871) | 965,264 | 3,106,984 | (2,503,785) | 603,199 |
| Motor Vehicles | 121,963 | (81,456) | 40,507 | 109,355 | (73,193) | 36,162 |
| Textbooks | 670,275 | (670,275) | - | 663,941 | (663,941) | - |
| Leased Assets | 1,147,494 | (695,703) | 451,791 | 1,646,954 | (1,171,898) | 475,056 |
| Library Resources | 243,011 | (175,897) | 67,114 | 248,535 | (182,234) | 66,301 |
| Balance at 31 December | 26,109,373 | (12,264,652) | 13,844,721 | 24,874,281 | (11,875,661) | 12,998,620 |

The net carrying value of equipment held under a finance lease is \$451,791 (2020: \$475,056).

The net carrying value of motor vehicles held under a finance lease is \$40,507 (2020: \$36,162).

14 Accounts Payable

| | 2021 | 2021 | 2020 |
|---------------------------------------|------------------|-----------------------|------------------|
| | Actual | Budget (Unaudited) | Actual |
| | \$ | \$ | \$ |
| Creditors | 435,895 | 2,540,000 | 617,151 |
| Accruals | 27,567 | - | 150,893 |
| Employee Entitlements - Salaries | 1,479,780 | - | 1,683,918 |
| Employee Entitlements - Leave Accrual | 184,553 | - | 189,300 |
| | 2,127,795 | 2,540,000 | 2,641,262 |
| Payables for Exchange Transactions | 2,127,795 | 2,540,000 | 2,641,262 |
| | 2,127,795 | 2,540,000 | 2,641,262 |

The carrying value of payables approximates their fair value.

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

For the year ended 31 December 2021

15 Borrowings

| | 2021 | 2021 | 2020 |
|--------------------------|--------|-------------|-----------|
| | Actual | Budget | Actual |
| | \$ | (Unaudited) | \$ |
| Loans Due in One Year | - | - | - |
| Loans Due After One Year | - | - | 1,000,000 |
| | - | - | 1,000,000 |

The School has borrowings at 31 December 2021 of \$0 (31 December 2020 \$1,000,000). This loan is from the ASB Bank for the purpose of 45 Lloyd Avenue, Mount Albert. The loan is unsecured, interest is 4.9-6.1% per annum and the loan is interest only. In May 2021, the loan was fully paid back.

16 Revenue Received in Advance

| | 2021 | 2021 | 2020 |
|---|-----------|-------------|-----------|
| | Actual | Budget | Actual |
| | \$ | (Unaudited) | \$ |
| Grants In Advance - Ministry of Education | 161,000 | - | 259,053 |
| International Student Fees In Advance | 441,110 | - | 1,032,152 |
| Other Revenue in Advance | 720,748 | 588,188 | 548,210 |
| | 1,322,858 | 588,188 | 1,839,415 |

17 Provision for Cyclical Maintenance

| | 2021 | 2021 | 2020 |
|--|---------|-------------|---------|
| | Actual | Budget | Actual |
| | \$ | (Unaudited) | \$ |
| Provision at the Start of the Year | 764,263 | 764,263 | 631,173 |
| Increase/(decrease) to the Provision During the Year | 46,905 | 180,000 | 133,090 |
| Use of the Provision During the Year | - | (180,000) | - |
| Provision at the End of the Year | 811,168 | 764,263 | 764,263 |
| Cyclical Maintenance - Current | 238,598 | 155,774 | 155,774 |
| Cyclical Maintenance - Term | 572,570 | 608,489 | 608,489 |
| | 811,168 | 764,263 | 764,263 |

18 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):

| | 2021 | 2021 | 2020 |
|--|----------|-------------|----------|
| | Actual | Budget | Actual |
| | \$ | (Unaudited) | \$ |
| No Later than One Year | 273,764 | 237,000 | 275,507 |
| Later than One Year and no Later than Five Years | 256,427 | 99,187 | 305,273 |
| Future Finance Charges | (49,846) | - | (60,441) |
| | 480,345 | 336,187 | 520,339 |
| Represented by | | | |
| Finance lease liability - Current | 238,744 | 237,000 | 238,668 |
| Finance lease liability - Term | 241,601 | 99,187 | 281,671 |
| | 480,345 | 336,187 | 520,339 |



Mt Albert Grammar School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

19 Funds held in Trust

| | 2021 Actual \$ | 2021 Budget (Unaudited) \$ | 2020 Actual \$ |
|--|----------------------|-------------------------------------|----------------------|
| Funds Held in Trust on Behalf of Third Parties - Current | 303,902 | 282,209 | 705,523 |
| | <u>303,902</u> | <u>282,209</u> | <u>705,523</u> |

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

20 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:

| | 2021 | Opening Balances \$ | Receipts from MoE \$ | Payments \$ | BOT Contribution/ (Write-off to R&M) | Closing Balances \$ |
|--------------------------|--------------------|---------------------------|----------------------------|------------------|--|---------------------------|
| Seismic Strengthening | <i>In progress</i> | 38,368 | - | - | - | 38,368 |
| Dance & Drama conversion | <i>In progress</i> | 110,129 | 1,519,150 | 1,341,725 | - | 287,554 |
| Lift | <i>In progress</i> | 148,364 | - | 507,853 | - | (359,489) |
| Hostel Fire | <i>In progress</i> | (770) | - | - | 721 | (1,491) |
| Totals | | <u>296,091</u> | <u>1,519,150</u> | <u>1,849,578</u> | <u>721</u> | <u>(35,058)</u> |

Represented by:

Funds Held on Behalf of the Ministry of Education
Funds Due from the Ministry of Education

325,922
(360,980)
(35,058)

| | 2020 | Opening Balances \$ | Receipts from MoE \$ | Payments \$ | BOT Contribution/ (Write-off to R&M) | Closing Balances \$ |
|--------------------------|--------------------|---------------------------|----------------------------|----------------|--|---------------------------|
| Seismic Strengthening | <i>In progress</i> | 38,368 | - | - | - | 38,368 |
| Dance & Drama conversion | <i>In progress</i> | 49,458 | 312,728 | 252,057 | - | 110,129 |
| Lift | <i>In progress</i> | (40,026) | 350,000 | 161,610 | - | 148,364 |
| Hostel Fire | <i>In progress</i> | - | - | 770 | - | (770) |
| Totals | | <u>47,800</u> | <u>662,728</u> | <u>414,437</u> | <u>-</u> | <u>296,091</u> |

21 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 2021

2.2 Remuneration

Key management personnel compensation

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

| | 2021 Actual \$ | 2020 Actual \$ |
|--|----------------------|----------------------|
| <i>Board Members</i> Remuneration | 5,400 | 5,021 |
| <i>Leadership Team</i> Remuneration Full-time equivalent members | 3,347,204 28.00 | 3,090,987 26.00 |
| Total key management personnel remuneration | 3,352,604 | 3,096,008 |
| Total full-time equivalent personnel | 28.15 | 26.15 |

There are 12 members of the Board excluding the Principal. The Board had held 10 full meetings of the Board in the year. The Board also has Finance (4 members) and Property (5 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 | 270-280 | 270 - 280 |
| 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 \$000 | 2021 FTE Number | 2020 FTE Number |
|-----------------------|--------------------|--------------------|
| 160-170 | 2 | - |
| 150-160 | - | 2 |
| 140-150 | - | 1 |
| 130-140 | 3 | - |
| 120-130 | 2 | 5 |
| 110-120 | 12 | 1 |
| 100-110 | 36 | 28 |
| | 55 | 37 |

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



Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

23 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 | - | \$6,000 |
| Number of People | - | 1 |

There were no compensation or other benefits paid or payable to persons upon leaving.

24 Contingencies

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

(Contingent liabilities and assets as 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.

25 Commitments

(a) Capital Commitments

The Board considers there to be no contractual commitments at the above date other than those disclosed in the preceding financial statements and detailed below.

As at 31 December 2021 the Board has entered into contract agreements for capital works as follows:

(a) \$3,810,722 contract for the Dance/Drama and Lift Project to be completed in 2023 which will be fully funded by the Ministry of Education. \$2,345,684 has been received of which \$2,417,619 has been spent on the project to date.

(Capital commitments as at 31 December 2020: nil)

(b) Operating Commitments

As at 31 December 2021 the Board has entered into the following contracts:

- operating lease of a motor vehicle

| | 2021 Actual \$ | 2020 Actual \$ |
|--|----------------------|----------------------|
| No later than One Year | 7,956 | 8,755 |
| Later than One Year and No Later than Five Years | 1,989 | 9,945 |
| | <u>9,945</u> | <u>18,700</u> |



Mt Albert Grammar School
Notes to the Financial Statements (cont.)
For the year ended 31 December 2021

2.6 Financial Instruments

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

| | 2021 | 2021 | 2020 |
|---|------------------|-----------------------|------------------|
| | Actual | Budget (Unaudited) | Actual |
| Financial assets measured at amortised cost | \$ | \$ | \$ |
| Cash and Cash Equivalents | 727,367 | 530,000 | 1,283,887 |
| Receivables | 1,525,143 | 1,471,000 | 1,451,293 |
| Investments - Term Deposits | 4,499,415 | 2,000,000 | 5,876,744 |
| Total Financial assets measured at amortised cost | 6,751,925 | 4,001,000 | 8,611,924 |
| Financial liabilities measured at amortised cost | | | |
| Payables | 2,127,795 | 2,540,000 | 2,641,262 |
| Borrowings - Loans | - | - | 1,000,000 |
| Finance Leases | 480,345 | 336,187 | 520,339 |
| Total Financial Liabilities Measured at Amortised Cost | 2,608,140 | 2,876,187 | 4,161,601 |

Fair Value

The fair value of financial instruments is the carrying value. See notes 9 and 11 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.

| | 2021 | 2021 | 2020 |
|---|------------------|-----------------------|------------------|
| | Actual | Budget (Unaudited) | Actual |
| Auckland Savings Bank Limited | \$ | \$ | \$ |
| Bank Current Account | 527,367 | 530,000 | 1,183,887 |
| Bank Call Account | 200,000 | - | 100,000 |
| Short-term Bank Deposits with Maturities more than 3 months | 4,499,415 | 2,000,000 | 5,876,744 |
| Accrued Interest | 9,863 | - | 20,695 |
| | 5,236,645 | 2,530,000 | 7,181,326 |



Mt Albert Grammar School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

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: | 2021 | 2020 |
| | \$ | \$ |
| Within 270 days | 4,499,415 | 5,876,744 |

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 2021 | | | | |
| Payables | 435,895 | 435,895 | 435,895 | - |
| Borrowings - Loans | - | - | - | - |
| Finance Leases | 480,345 | 480,345 | 238,744 | 241,601 |
| | 916,240 | 916,240 | 674,639 | 241,601 |
| 31 December 2020 | | | | |
| Payables | 617,151 | 617,151 | 617,151 | - |
| Borrowings - Loans | 1,000,000 | 1,000,000 | - | 1,000,000 |
| Finance Leases | 520,339 | 520,339 | 238,668 | 281,671 |
| | 2,137,490 | 2,137,490 | 855,819 | 1,281,671 |

27 Events After Balance Date

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

28 Comparatives

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



Mt Albert Grammar School
Notes to the Financial Statements (cont.)
For the year ended 31 December 2021

29 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 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 of 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.

Reduction in locally raised funds

Under alert levels 4, 3, and 2 the school's ability to undertake fund raising events in the community and/ or collect donations or other contributions from parents, may have been compromised. Costs already incurred a ranging future events may not be recoverable.

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.

Reduction in International students

Under alert levels 4, 3, 2, and 1 International travel is heavily restricted. The school has been unable to welcome and enrol prospective International students which has resulted in a reduction in revenue from student fees & charges from international students and/or Board operated boarding facilities.



INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF MT ALBERT GRAMMAR SCHOOL'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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 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 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.

Our audit was completed on 30 August 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 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 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 2021, 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 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 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 Members of the Board listing, Kiwi Sport note and 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: *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, appearing to read 'Paul Lawrence', written over a horizontal line.

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

Kiwisport Funding 2021

The amount given to MAGS for the above year was \$72,943.67. The bulk of it has continued to contribute to the school's sports administration as payment of wages of four personnel. Four people work full time for a total of 150 hours per week. The remaining contributed to the salaries of our 1st XV Rugby Boys and Girls, 1st XI Football Boys and Girls, Hockey, Netball and Rowing coaches.

We participated in 43 different sports all sanctioned by ASB College Sport of Auckland and NZSSSC. Covid did hamper a number of summer sports from going ahead but we still had a number of students participating in playing sports with 1600 students engaging in one or more sports in 2021.

Sport is a major part of life for many students at this school and the school is continually looking to improve and provide more opportunities, so the funding is imperative in making MAGS sport the success it is.

Allie Wright
Director of Sport
Mount Albert Grammar School
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alliewright@mags.school.nz

Mount Albert Grammar School

2021 Analysis of Variance

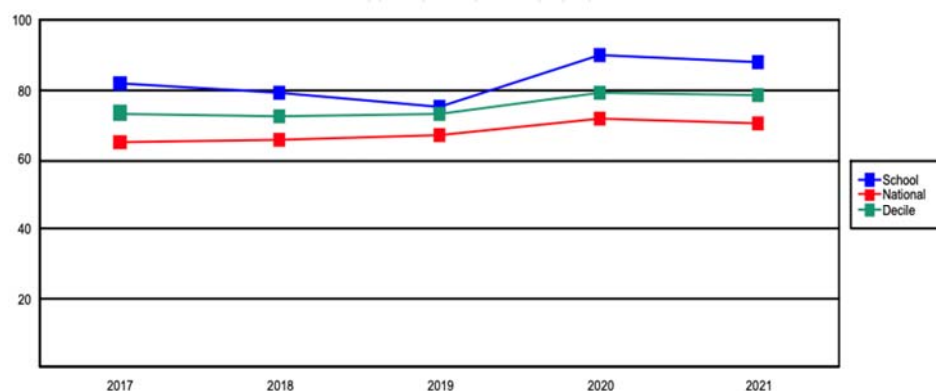


**MOUNT ALBERT
GRAMMAR SCHOOL**



Goal 1: 2021 NCEA Level 3 Achievement above 85% for all Year 13 students

Year 13 NCEA Level 3



Year 13 NCEA Level 3

| Academic Year | MAGS | National | Decile 7 |
|---------------|-------|----------|----------|
| 2017 | 82.0% | 65.5% | 73.6% |
| 2018 | 79.2% | 66.1% | 72.8% |
| 2019 | 75.3% | 67.3% | 73.6% |
| 2020 | 90.1% | 72.1% | 79.5% |
| 2021 | 88.2% | 70.4% | 78.9% |

Year 13 NCEA Level 3 – Learning Recognition Credit (LRC) comparison

| | Excellence | Merit | Merit + | Overall (A+) |
|----------|------------|-------|---------|--------------|
| With LRC | 26.0% | 31.2% | 57.2% | 88.2% |
| No LRC | 29.3% | 34.3% | 63.6% | 78.2% |
| National | 17.9% | 25.3% | 43.2% | 70.4% |
| Decile 7 | 20.6% | 27.3% | 47.9% | 78.9% |

53 students gained NCEA Level 3 through the LRC credits

- *National & Decile 7 results include LRC credits*

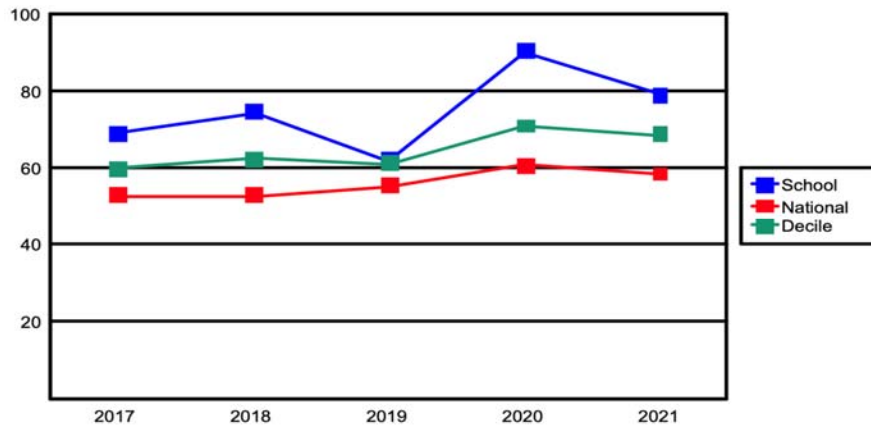
Commentary:

We were successful in achieving this Goal with 88.0% of all Year 13 students gaining NCEA Level 3 in 2021 (3% above the Target)

- Whilst this result is a drop since 2020, all key statistics dropped nationally, and this result is still higher than results since 2017 excluding 2020.
- MAGS results were 9.1% above the Decile 7 data and 17.6% above National.
- With the Learning Recognition Credits (LRC) removed the overall pass rate dropped to 78.2% which is still above National data which includes the Learning Recognition Credits.

Goal 2: 2021 NCEA Level 3 Achievement above 85% for Year 13 Māori students

Year 13 NCEA Level 3 - Māori



Year 13 NCEA Level 3 - Māori

| Academic Year | MAGS | National | Decile 7 |
|---------------|-------|----------|----------|
| 2017 | 69.1% | 52.6% | 59.8% |
| 2018 | 74.3% | 52.9% | 62.3% |
| 2019 | 61.9% | 55.1% | 61.0% |
| 2020 | 90.1% | 60.7% | 70.8% |
| 2021 | 78.8% | 58.4% | 68.7% |

Year 13 NCEA Level 3 – LRC comparison

| | Overall (A+) Males | Overall (A+) Females | Pasifika | Māori |
|----------|--------------------|----------------------|----------|-------|
| With LRC | 85.5% | 91.1% | 83.2% | 78.8% |
| No LRC | 72.4% | 84.5% | 65.6% | 68.2% |
| National | 66.6% | 73.9% | 64.7% | 58.4% |
| Decile 7 | 74.7% | 83.0% | 72.0% | 68.7% |

- *National & Decile 7 results include LRC credits*

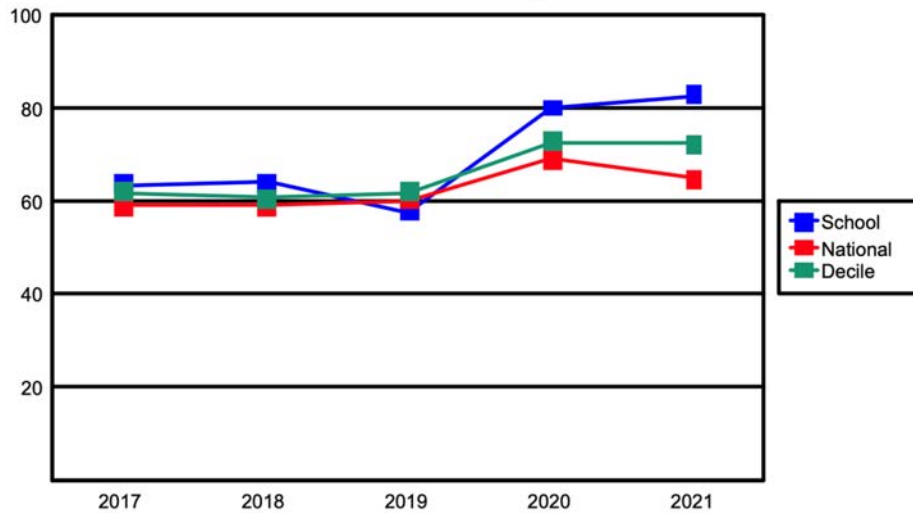
Commentary:

We did not quite achieve the aspirational target for 85% of Year 13 Māori students gaining NCEA Level 3. We did however gain 78.8% which is 6.2% below the Target, but still above both National and Decile 7 data.

- Whilst this result is a drop since 2020, all key statistics dropped nationally, and this result is still higher than results since 2017 excluding 2020.
- MAGS Māori results were 10.1% above the Decile 7 data and 20.4% above National.
- With the Learning Recognition Credits (LRC) removed the overall Māori pass rate dropped to 68.2% which is still above National data which includes the Learning Recognition Credits.

Goal 3: 2021 NCEA Level 3 Achievement above 85% for all Year 13 Pasifika students

Year 13 NCEA Level 3 - Pacific Peoples



Year 13 NCEA Level 3 - Pacific Peoples

| Academic Year | MAGS | National | Decile 7 |
|---------------|-------|----------|----------|
| 2017 | 63.3% | 58.9% | 61.8% |
| 2018 | 63.6% | 58.9% | 60.6% |
| 2019 | 57.6% | 60.3% | 61.9% |
| 2020 | 79.8% | 68.9% | 72.7% |
| 2021 | 83.2% | 64.7% | 72.0% |

Year 13 NCEA Level 3 – LRC comparison

| | Overall (A+) Males | Overall (A+) Females | Pasifika | Māori |
|----------|--------------------|----------------------|----------|-------|
| With LRC | 85.5% | 91.1% | 83.2% | 78.8% |
| No LRC | 72.4% | 84.5% | 65.6% | 68.2% |
| National | 66.6% | 73.9% | 64.7% | 58.4% |
| Decile 7 | 74.7% | 83.0% | 72.0% | 68.7% |

- National & Decile 7 results include LRC credits

Commentary:

We did not quite manage to achieve the aspirational target for 85% of Year 13 Pacific Peoples gaining NCEA Level 3. But while National data dropped from 2020, MAGS Level 3 Pacific Peoples results increased by 2.8% and were only 2.4% away from the target.

- This result was an increase on 2020 results, and this is the highest result achieved for MAGS in the last five years.
- MAGS results were 11.2% above the Decile 7 data. Furthermore, MAGS results were 18.5% above National data
- With the Learning Recognition credits removed the pass rate for Pacific Peoples dropped to 65.5% but this result is still higher than results since 2017 excluding 2020 and is still above National.