

# MOUNT ALBERT GRAMMAR SCHOOL

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### School Directory

<b>Ministry Number:</b>	0069
<b>Principal:</b>	Patrick Drumm
<b>School Address:</b>	36 Alberton Ave, Mt Albert, Auckland
<b>School Postal Address:</b>	36 Alberton Ave, Mt Albert, Auckland, 1025
<b>School Phone:</b>	09-846 2044
<b>School Email:</b>	<a href="mailto:pdrumm@mags.school.nz">pdrumm@mags.school.nz</a>

#### Members of the Board

Name	Position	How Position Gained	Term Expired / Expires
Catherine Murphy	Presiding Member	Elected	2025
Patrick Drumm	Principal	Principal	2025
Raj Bhikha	Member	Elected	2025
Paul Moon	Member	Elected	2025
Greg Moyle	Member	Elected	2025
Melissa Absolum	Member	Elected	2025
LeeAnn Yare	Member	Elected	2025
Luann Tapu	Member	Elected	2025
Wynne Thomas Tarurongo	Member	Elected	2025
Jacqui Cesan	Staff Rep	Elected	2025
Lize Deng	Student Rep	Elected	2024
John Liddell	Trustee	Co-opted	2025
Alan Holmes	Trustee	Co-opted	2025
Gallagher Tui	Trustee	Co-opted	2025

**Accountant / Service Provider:** Edtech Financial Services Ltd

# MOUNT ALBERT GRAMMAR SCHOOL

Annual Financial Statements - For the year ended 31 December 2023

## Index

### **Page Statement**

<u>1</u>	Statement of Responsibility
<u>2</u>	Statement of Comprehensive Revenue and Expense
<u>3</u>	Statement of Changes in Net Assests/Equity
<u>4</u>	Statement of Financial Position
<u>5</u>	Statement of Cash Flows
<u>6</u>	Reconciliation of Liabilities
<u>8 - 27</u>	Notes to the Financial Statements
	Independent Auditor's Report
	<b>Other Information</b>
	Statement of Variance and Evaluation of Student Progress and Achievement
	Report on how we have given effect to Te Tiriti o Waitangi
	Statement of Compliance with Employment Policy
	Kiwisport report

# Mount Albert Grammar School

## Statement of Responsibility

For the year ended 31 December 2023

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

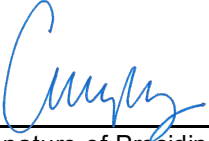
The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

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

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

Catherine Louise MURPHY

Full Name of Presiding Member



Signature of Presiding Member

26 June 2024

Date:

Patrick Denis DRUMM

Full Name of Principal



Signature of Principal

26 June 2024

Date:

# Mount Albert Grammar School

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
<b>Revenue</b>				
Government Grants	2	35,541,247	34,908,985	34,718,336
Locally Raised Funds	3	4,182,077	3,034,478	3,271,928
Interest		344,618	52,000	84,974
Gain on Sale of Property, Plant and Equipment		4,939	-	7,419
Hostel	4	1,844,983	1,710,591	1,522,425
<b>Total Revenue</b>		<b>41,917,864</b>	<b>39,706,054</b>	<b>39,605,082</b>
<b>Expenses</b>				
Locally Raised Funds	3	1,258,132	829,369	939,374
Hostel	4	1,423,247	1,460,390	1,263,960
Learning Resources	5	29,549,114	26,896,345	26,401,644
Administration	6	1,123,369	1,034,505	1,353,507
Interest		33,905	-	46,268
Property	7	7,649,611	9,454,844	9,520,368
Loss on Disposal of Property, Plant and Equipment		-	-	-
		<b>41,037,378</b>	<b>39,675,453</b>	<b>39,525,121</b>
<b>Net Surplus / (Deficit) for the year</b>		<b>880,486</b>	<b>30,601</b>	<b>79,961</b>
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b>880,486</b>	<b>30,601</b>	<b>79,961</b>

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

# Mount Albert Grammar School

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
<b>Equity at 1 January</b>		17,062,971	17,062,971	16,546,810
Total comprehensive revenue and expense for the year		880,486	30,601	79,961
Contributions from / (Distributions to) the Ministry of Education		-	-	-
Contribution - Furniture and Equipment Grant		91,560	-	436,200
<b>Equity at 31 December</b>		18,035,017	17,093,572	17,062,971

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.

# Mount Albert Grammar School

## Statement of Financial Position

As at 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	1,130,481	2,304,430	1,545,288
Accounts Receivable	9	1,744,194	3,085,400	3,193,428
GST Receivable		34,283	-	-
Prepayments		164,000	226,770	215,975
Inventories	10	28,420	23,400	21,200
Investments	11	7,358,435	3,500,000	3,006,352
Funds Receivable for Capital Works Projects	18	-	-	65,960
		<b>10,459,813</b>	<b>9,140,000</b>	<b>8,048,203</b>
<b>Current Liabilities</b>				
GST Payable		-	99,400	94,707
Accounts Payable	13	2,659,683	2,360,800	2,248,391
Revenue Received in Advance	14	2,192,731	2,579,000	2,051,654
Provision for Cyclical Maintenance	15	177,132	680,675	573,632
Finance Lease Liability	16	133,498	150,000	254,796
Funds held in Trust	17	933,854	435,000	395,623
Funds held for Capital Works Projects	18	745,788	300,000	400,319
		<b>6,842,686</b>	<b>6,604,875</b>	<b>6,019,122</b>
<b>Working Capital Surplus/(Deficit)</b>		<b>3,617,127</b>	<b>2,535,125</b>	<b>2,029,081</b>
<b>Non-current Assets</b>				
Capital Works in Progress		679,554	401,657	401,657
Property, Plant and Equipment	12	14,674,067	14,375,890	14,960,697
		<b>15,353,621</b>	<b>14,777,547</b>	<b>15,362,354</b>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	15	846,677	169,100	217,002
Finance Lease Liability	16	89,054	50,000	111,462
		<b>935,731</b>	<b>219,100</b>	<b>328,464</b>
<b>Net Assets</b>		<b>18,035,017</b>	<b>17,093,572</b>	<b>17,062,971</b>
<b>Equity</b>		<b>18,035,017</b>	<b>17,093,572</b>	<b>17,062,971</b>

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

# Mount Albert Grammar School

## Statement of Cash Flows

For the year ended 31 December 2023

	Note	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		11,461,782	10,183,230	10,079,318
Locally Raised Funds		3,822,025	1,892,021	1,400,460
Hostel		1,773,894	1,734,167	1,593,760
International Students		2,225,073	1,598,110	1,044,268
Goods and Services Tax (net)		(128,990)	4,693	272,871
Payments to Employees		(7,523,681)	(6,681,028)	(6,364,881)
Payments to Suppliers		(7,488,130)	(6,645,044)	(7,344,934)
Interest Paid		(33,905)	-	(46,268)
Interest Received		267,935	50,892	72,045
Net cash from/(to) Operating Activities		4,376,003	2,137,041	706,639
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		14,138	-	7,419
Purchase of Property Plant & Equipment (and Intangibles)		(1,271,274)	(723,011)	(1,980,794)
Purchase of Investments		(4,352,083)	(493,648)	-
Proceeds from Sale of Investments		-	-	1,493,063
Net cash from/(to) Investing Activities		(5,609,219)	(1,216,659)	(480,312)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		91,560	-	436,200
Finance Lease Payments		(222,811)	(166,258)	(270,686)
Contributions from Ministry of Education		949,660	5,018	426,080
Net cash from/(to) Financing Activities		818,409	(161,240)	591,594
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(414,807)</b>	<b>759,142</b>	<b>817,921</b>
Cash and cash equivalents at the beginning of the year	8	1,545,288	1,545,288	727,367
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>1,130,481</b>	<b>2,304,430</b>	<b>1,545,288</b>

The Statement of Cash Flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries, use of land and buildings grant and expense and other notional items 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 2023

	Note	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
<b>Net Surplus for the year</b>		880,486	30,601	79,961
<b>Add Non-Cash Items</b>				
Depreciation		1,404,126	1,307,818	1,311,738
Non-Cash Movement in Cyclical Maintenance Provision		233,175	59,141	17,074
Non-Cash Movement in Governments Grants		(54,213)	-	(29,158)
		<u>1,583,088</u>	<u>1,366,959</u>	<u>1,299,654</u>
<b>Add/(Loss) Movements in other working capital items:</b>				
(Increase) decrease in receivables		1,576,172	182,411	(1,670,050)
(Increase) decrease in prepayments		51,975	(10,795)	(84,831)
(Increase) decrease in inventory		(7,220)	(2,200)	4,395
Increase (decrease) in payables		284,354	38,026	75,843
Increase (decrease) in revenue in advance		141,077	527,346	728,796
Increase (decrease) net GST		(128,990)	4,693	272,871
		<u>1,917,368</u>	<u>739,481</u>	<u>(672,976)</u>
<b>Add (less) Items classified as investing activities:</b>				
Loss (Gain) on sale of fixed assets		(4,939)	-	-
		<u>(4,939)</u>	<u>-</u>	<u>-</u>
<b>Net Cash Flow from Operating activities</b>		<u><u>4,376,003</u></u>	<u><u>2,137,041</u></u>	<u><u>706,639</u></u>

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



# Mount Albert Grammar School

## Reconciliation of Liabilities

### Arising from Financing Activities

For the year ended 31 December 2023

	2022	Cash flows	Non-cash changes		2023
	\$	\$	Ministry contribution	New Leases	\$
	\$	\$	\$	\$	\$
Lease Liabilities	<b>366,258</b>	(222,811)	(54,213)	133,318	<b>222,552</b>
Funds Held for Capital Works Projects	<b>334,359</b>	411,429	-	-	<b>745,788</b>

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 2023

### 1. Statement of Accounting Policies

#### a) 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, domiciled in New Zealand. The relevant legislation governing its operations is the Education and Training Act 2020 and the Crown Entities Act 2004.

The School's primary objective is the education of its students. The School does not operate to make a financial return. The Board is of the view that the School is a public benefit entity for financial reporting purposes.

#### b) Basis of Preparation

##### *Reporting Period*

The financial statements have been prepared for the period 1 January 2023 to 31 December 2023 and in accordance with the requirements of the Education and Training Act 2020.

##### *Basis of Preparation*

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

##### *Financial Reporting Standards Applied*

The Education and Training Act 2020 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards 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 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 for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition. During the year, the Board assesses the reasonableness of its painting maintenance plan on which the provision is based. Cyclical maintenance is disclosed at note 15.

#### *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 12.

### ***Critical Judgements in applying accounting policies***

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

#### *Classification of leases*

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised. Finance lease liability disclosures are contained in note 16. Future operating lease commitments are disclosed in note 23b.

#### *Recognition of grants*

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

## **c) Revenue Recognition**

### ***Government Grants***

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

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

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

Other Ministry Grants for directly funded programs are recorded as revenue when the School has the rights to the funding in the period they relate to. The grants are not received in cash by the School and are paid directly by the Ministry of Education.

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. Grants for the use of land and buildings 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 where conditions exist***

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

### ***Donations, Gifts and Bequests***

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

### ***Interest Revenue***

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

## **d) Finance Lease Payments**

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

## **e) Cash and Cash Equivalents**

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

#### **f) Accounts Receivable**

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

#### **g) Inventories**

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

#### **h) Investments**

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

#### **i) Property, Plant and Equipment**

Land and buildings owned by the 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 (funded by the Board) to buildings owned by the Crown or directly by the board are recorded at cost, less accumulated depreciation and impairment losses.

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

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:

Building improvements	25 years
Board Owned Buildings	40 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

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

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

In determining fair value less costs to sell the school engages an independent valuer to assess market value based on the best available information.

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

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

### **k) Accounts Payable**

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

## **l) Employee Entitlements**

### *Short-term employee entitlements*

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

### *Long-term employee entitlements*

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

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

## **m) Revenue Received in Advance**

Revenue received in advance relates to fees received from international, hostel students and grants received where there are unfulfilled obligations for the School to provide services in the future. The fees are recorded as revenue as the obligations are fulfilled and the fees earned.

The School holds sufficient funds to enable the refund of unearned fees in relation to international students, should the School be unable to provide the services to which they relate.

## **n) Funds Held in Trust**

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense.

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

## **o) Funds Held for Capital works**

The school directly receives funding from the Ministry of Education for capital works projects that are included in the School five year capital works agreement. These funds are held on behalf and for a specified purpose as such 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.

## **p) 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 the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition.

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

**q) Financial Instruments**

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

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

**r) Goods and Services Tax (GST)**

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

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

Commitments and contingencies are disclosed exclusive of GST.

**s) Budget Figures**

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

**t) Services Received In-kind**

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



# Mount Albert Grammar School

## Notes to the Financial Statements

For the year ended 31 December 2023

### 2. Government Grants

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Government Grants - Ministry of Education	11,399,994	9,964,208	10,118,993
Teachers' Salaries Grants	18,802,980	17,500,000	17,141,638
Use of Land and Buildings Grants	5,216,075	7,328,255	7,328,255
Other Government Grants	122,198	116,522	129,450
	35,541,247	34,908,985	34,718,336

The school has not opted in to the donations scheme for this year.

### 3. Locally Raised Funds

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

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
<b>Revenue</b>			
Donations & Bequests	699,018	677,500	613,596
Fees for Extra Curricular Activities	1,835,682	908,720	1,587,565
Trading	48,768	48,500	156,700
Fundraising & Community Grants	815	1,000	1,447
Other Revenue	123,724	183,600	193,290
International Student Fees	1,474,070	1,215,158	719,330
	4,182,077	3,034,478	3,271,928
<b>Expenses</b>			
Extra Curricular Activities Costs	405,974	53,626	368,253
Trading	32,763	16,000	14,788
Other Locally Raised Funds Expenditure	137,859	108,778	128,346
International Student - Student Recruitment	109,680	100,000	8,790
International Student - Employee Benefit - Salaries	320,492	329,961	260,849
International Student - Overseas Travel	19,756	-	-
International Student - Other Expenses	231,608	221,004	158,348
	1,258,132	829,369	939,374
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	2,923,945	2,205,109	2,332,554

During the year the School hosted 81 International students (2022: 39)

# Mount Albert Grammar School

## Notes to the Financial Statements

For the year ended 31 December 2023

During the year ended December 2023, the Director of International Students travelled to Australia, Malaysian, Vietnam, Germany, Spain, China and South Korea, the Assistant International Director travelled to Japan, Chile, Argentina and Thailand, the Chinese Marketing Manager travelled to China and the Director of Rugby travelled to Japan at a total cost of \$69,163 for the purpose of recruiting new students for the school. The travel was funded from the net surplus from international student fees revenue.

In October 2023, 12 students from the 1st XI cricket squad and two staff traveled to Sydney for 6 days at a cost of \$2,120 per student. Funds were raised through a range of team events, including food stalls at school, a raffle, and some individuals successfully sought private sponsorship. It enabled the students to prepare for the upcoming season and provided opportunities for developing team cohesion. It also allowed students to explore new experiences in sport and culture and created new bonds with quality schools and cricket programs in Sydney.

The MAGS Football boys toured Melbourne in December 2023 as part of a partnership with A League team Melbourne Victory FC. The tour party consisted of 17 students and 2 Staff members. The total cost was approximately \$50,000 which covered all flights, accommodation, hire vehicles, food and several group activities. All costs were covered by the students and fundraising from the group. The purpose of the tour was to play against a high standard of opposition in Academy teams of Western United FC and Melbourne Victory FC. The tour provided significant opportunities for the students to develop as footballers both on and off the pitch whilst also creating professional development for the 2 members of the Staff.

#### 4. Hostel Revenue and Expenses

	2023 Actual Number	2023 Budget (Unaudited) Number	2022 Actual Number
<b>Hostel Financial Performance</b>			
Hostel Full Boarders	128	109	109
	<b>2023 Actual</b>	<b>2023 Budget (Unaudited)</b>	<b>2022 Actual</b>
<b>Revenue</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Hostel Fees	1,752,016	1,634,460	1,400,049
Other Revenue	92,967	76,131	122,376
	1,844,983	1,710,591	1,522,425
<b>Expenses</b>			
Administration	114,189	197,115	86,084
Property	216,057	184,700	182,892
Employee Benefit - Salaries	288,759	222,917	273,873
Other Hostel Expenses	804,242	855,658	721,111
	1,423,247	1,460,390	1,263,960
<i>Surplus/ (Deficit) for the year Hostel</i>	421,736	250,201	258,465

# Mount Albert Grammar School

## Notes to the Financial Statements

For the year ended 31 December 2023

### 5. Learning Resources

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Curricular	3,144,650	2,433,977	2,809,337
Information and Communication Technology	318,808	393,389	301,867
Library Resources	15,236	16,000	14,069
Employee Benefits - Salaries	24,586,951	22,660,161	21,880,049
Staff Development	79,343	85,000	84,584
Depreciation	1,404,126	1,307,818	1,311,738
	<u>29,549,114</u>	<u>26,896,345</u>	<u>26,401,644</u>

### 6. Administration

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Audit Fee	16,192	15,704	15,704
Board Fees	5,150	5,000	5,550
Board Expenses	1,524	1,200	24,443
Communication	14,899	14,000	17,650
Consumables	(144,779)	(92,300)	(97,954)
Other	181,782	118,925	410,594
Employee Benefits - Salaries	937,082	830,976	881,470
Insurance	92,043	123,000	79,975
Service Providers, Contractors and Consultancy	19,476	18,000	16,075
	<u>1,123,369</u>	<u>1,034,505</u>	<u>1,353,507</u>

### 7. Property

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	619,096	593,741	548,992
Consultancy and Contract Services	290,296	299,542	233,961
Cyclical Maintenance Provision	233,175	29,670	(17,074)
Grounds	60,544	50,000	82,672
Heat, Light and Water	290,486	306,000	303,781
Rates	249	3,048	621
Repairs and Maintenance	574,583	463,384	688,625
Use of Land and Buildings	5,216,075	7,328,255	7,328,255
Security	113,041	120,000	117,609
Employee Benefits - Salaries	252,066	261,204	232,926
	<u>7,649,611</u>	<u>9,454,844</u>	<u>9,520,368</u>

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



# Mount Albert Grammar School

## Notes to the Financial Statements

For the year ended 31 December 2023

### 8. Cash and Cash Equivalents

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Bank Accounts	1,130,481	2,304,430	1,545,288
Cash and cash equivalents for Statement of Cash Flows	<u>1,130,481</u>	<u>2,304,430</u>	<u>1,545,288</u>

Of the \$1,130,481 Cash and Cash Equivalents, \$745,788 is held by the School on behalf of the Ministry of Education. These funds have been provided by the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent on Crown owned school buildings.

### 9. Accounts Receivable

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Receivables	30,664	1,500,000	1,683,519
Interest Receivable	99,475	23,900	22,792
Teacher Salaries Grant Receivable	1,614,055	1,561,500	1,487,117
	<u>1,744,194</u>	<u>3,085,400</u>	<u>3,193,428</u>
Receivables from Exchange Transactions	130,139	1,523,900	1,706,311
Receivables from Non-Exchange Transactions	1,614,055	1,561,500	1,487,117
	<u>1,744,194</u>	<u>3,085,400</u>	<u>3,193,428</u>

The Ageing Profile of Receivables at year end is detailed below

	Gross \$	2023 Actual Impairment \$	Net \$	Gross \$	2022 Actual Impairment \$	Net \$
Not Past Due	64,535	-	64,535	1,632,445	-	1,632,445
Past Due 1 - 30 Days	4,327	-	4,327	8,958	-	8,958
Past Due 31 - 60 Days	387	-	387	1,279	-	1,279
Past Due 61 - 90 Days	250	-	250	-	-	-
Past Due over 90 Days	25,638	-	25,638	40,837	-	40,837
Total	<u>95,137</u>	<u>-</u>	<u>95,137</u>	<u>1,683,519</u>	<u>-</u>	<u>1,683,519</u>

# Mount Albert Grammar School

## Notes to the Financial Statements

For the year ended 31 December 2023

### 10. Inventories

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Livestock	28,420	23,400	21,200
	<u>28,420</u>	<u>23,400</u>	<u>21,200</u>

### 11. Investments

The School's investment activities are classified as follows:

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	7,358,435	3,500,000	3,006,352
	<u>7,358,435</u>	<u>3,500,000</u>	<u>3,006,352</u>

### 12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2023</b>						
Land	1,960,000	-	-	-	-	1,960,000
Buildings	7,766,383	46,511	-	-	(239,521)	7,573,373
Building Improvements	546,045	-	-	-	(68,890)	477,155
Furniture and Equipment	3,353,889	685,666	-	-	(459,279)	3,580,276
Information and Communication Technology	893,948	234,766	-	-	(336,120)	792,594
Motor Vehicles	31,860	4,086	-	-	(9,126)	26,820
Textbooks	-	11,850	-	-	(11,850)	-
Leased Assets	340,207	133,318	-	-	(270,632)	202,893
Library Resources	68,365	10,498	(9,199)	-	(8,708)	60,956
<b>Balance at 31 December 2023</b>	<u>14,960,697</u>	<u>1,126,695</u>	<u>(9,199)</u>	<u>-</u>	<u>(1,404,126)</u>	<u>14,674,067</u>

The net carrying value of computer equipment held under a finance lease is \$202,893 (2022: \$340,207).

# Mount Albert Grammar School

## Notes to the Financial Statements

For the year ended 31 December 2023

	2023	2023	2023	2022	2022	2022
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Land	1,960,000	-	<b>1,960,000</b>	1,960,000	-	<b>1,960,000</b>
Buildings	9,592,241	(2,018,868)	<b>7,573,373</b>	9,545,728	(1,779,345)	<b>7,766,383</b>
Building Improvements	1,377,794	(900,639)	<b>477,155</b>	1,377,794	(831,749)	<b>546,045</b>
Furniture and Equipment	10,018,819	(6,438,543)	<b>3,580,276</b>	9,333,758	(5,979,869)	<b>3,353,889</b>
Information and Communication Technology	4,196,769	(3,404,175)	<b>792,594</b>	3,961,401	(3,067,453)	<b>893,948</b>
Motor Vehicles	126,050	(99,230)	<b>26,820</b>	121,963	(90,103)	<b>31,860</b>
Textbooks	686,561	(686,561)	-	674,711	(674,711)	-
Leased Assets	1,437,411	(1,234,518)	<b>202,893</b>	1,304,093	(963,886)	<b>340,207</b>
Library Resources	230,312	(169,356)	<b>60,956</b>	253,993	(185,628)	<b>68,365</b>
<b>Balance at 31 December</b>	<b>29,625,957</b>	<b>(14,951,890)</b>	<b>14,674,067</b>	<b>28,533,441</b>	<b>(13,572,744)</b>	<b>14,960,697</b>

There are no restrictions over the title of the school's intangible assets, nor are any intangible assets pledged as security for liabilities.

### 13. Accounts Payable

	2023	2023	2022
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Creditors	731,277	530,300	505,077
Accruals	11,045	12,200	11,580
Employee Entitlements - Salaries	1,633,475	1,582,700	1,507,344
Employee Entitlements - Leave Accrual	283,886	235,600	224,390
	<b>2,659,683</b>	<b>2,360,800</b>	<b>2,248,391</b>
Payables for Exchange Transactions	2,659,683	2,360,800	2,248,391
	<b>2,659,683</b>	<b>2,360,800</b>	<b>2,248,391</b>

The carrying value of payables approximates their fair value.

### 14. Revenue Received in Advance

	2023	2023	2022
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
International Student Fees in Advance	1,517,051	1,149,000	766,048
Hostel Fees in Advance	85,335	180,000	156,424
Other revenue in Advance	590,345	1,250,000	1,129,182
	<b>2,192,731</b>	<b>2,579,000</b>	<b>2,051,654</b>

# Mount Albert Grammar School

## Notes to the Financial Statements

For the year ended 31 December 2023

### 15. Provision for Cyclical Maintenance

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Provision at the Start of the Year	790,634	790,634	811,168
Increase to the Provision During the Year	233,175	59,141	(17,074)
Use of the Provision During the Year	-	-	(3,460)
Provision at the End of the Year	<u>1,023,809</u>	<u>849,775</u>	<u>790,634</u>
Cyclical Maintenance - Current	177,132	680,675	573,632
Cyclical Maintenance - Non current	846,677	169,100	217,002
	<u>1,023,809</u>	<u>849,775</u>	<u>790,634</u>

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

### 16. Finance Lease Liability

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

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
No Later than One Year	152,146	150,000	280,051
Later than One Year and no Later than Five Years	96,594	50,000	119,007
Future Finance Charges	(26,188)	-	(32,800)
	<u>222,552</u>	<u>200,000</u>	<u>366,258</u>
<b>Represented by</b>			
Finance lease liability - Current	133,498	150,000	254,796
Finance lease liability - Non current	89,054	50,000	111,462
	<u>222,552</u>	<u>200,000</u>	<u>366,258</u>

### 17. Funds held in Trust

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Funds Held in Trust on Behalf of Third Parties - Current	933,854	435,000	395,623
	<u>933,854</u>	<u>435,000</u>	<u>395,623</u>

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

# Mount Albert Grammar School

## Notes to the Financial Statements

For the year ended 31 December 2023

### 18. 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. The amount of cash held on behalf of the Ministry for capital works project is included under cash and cash equivalents in note 8.

	2023	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
		\$	\$	\$	\$	\$
Seismic Strengthening		38,368	-	-	(38,368)	-
Dance & Drama conversion		89,804	86,567	(281,081)	104,710	-
Lift		272,147	-	(267,297)	(4,850)	-
P Block		(21,734)	29,769	(8,035)	-	-
Performing Arts Project		(4,114)	-	(1,340)	5,454	-
T Block Alterations		(40,112)	968,124	(182,224)	-	745,788
Totals		334,359	1,084,460	(739,977)	66,946	745,788

#### Represented by:

Funds Held on Behalf of the Ministry of Education	745,788
Funds Receivable from the Ministry of Education	-

	2022	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
		\$	\$	\$	\$	\$
Seismic Strengthening		38,368	-	-	-	38,368
Dance & Drama conversion		287,554	890,952	(1,088,702)	-	89,804
Lift		(359,489)	1,022,376	(390,740)	-	272,147
P Block		-	89,950	(111,684)	-	(21,734)
Performing Arts Project		-	-	(4,114)	-	(4,114)
T Block Alterations		-	40,000	(80,112)	-	(40,112)
Totals		(33,567)	2,043,278	(1,675,352)	-	334,359

#### Represented by:

Funds Held on Behalf of the Ministry of Education	400,319
Funds Receivable from the Ministry of Education	(65,960)

### 19. 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.





# Mount Albert Grammar School

## Notes to the Financial Statements

For the year ended 31 December 2023

### 20. Remuneration

#### *Key management personnel compensation*

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

	<b>2023</b>	<b>2022</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
<i>Board Members</i>		
Remuneration	5,150	5,550
<i>Leadership Team</i>		
Remuneration	6,072,566	3,012,897
Full-time equivalent members	49	28
Total key management personnel remuneration	<u>6,077,716</u>	<u>3,018,447</u>

There are 13 members of the Board excluding the Principal. The Board had held 9 full meetings of the Board in the year. As well as these regular meetings, including preparation time, the Presiding member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

#### *Principal*

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

	<b>2023</b>	<b>2022</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$000</b>	<b>\$000</b>
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	300 - 310	280 - 290
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:

<b>Remuneration</b>	<b>2023</b>	<b>2022</b>
<b>\$000</b>	<b>FTE Number</b>	<b>FTE Number</b>
180-190	1	0
150-160	0	0
140-150	1	0
130-140	7	0
120-130	11	0
110-120	37	11
100-110	34	33
	<u>91</u>	<u>44</u>

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

# Mount Albert Grammar School

## Notes to the Financial Statements

For the year ended 31 December 2023

### 21. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be board members, committee members, 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:

	<b>2023</b>	<b>2022</b>
	<b>Actual</b>	<b>Actual</b>
Total	\$15,000	\$26,801
Number of People	1	2

### 22. Contingencies

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

#### Holidays Act Compliance – Schools Payroll

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

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

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

# Mount Albert Grammar School

## Notes to the Financial Statements

For the year ended 31 December 2023

### 23. Commitments

#### (a) Capital Commitments

As at 31 December 2023 the Board had capital commitments of \$937,914 (2022:\$22,400) as a result of entering the following contracts:

Contract Name	Contract Amount	Spend To Date	Remaining Capital Commitment
	\$	\$	\$
T ILE and DQLS Upgrade (T Block)	1,120,138	182,224	937,914
<b>Total</b>	<b>1,120,138</b>	<b>182,224</b>	<b>937,914</b>

#### (b) Operating Commitments

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

##### (a) operating lease of a motor vehicle

	2023 Actual	2022 Actual
	\$	\$
No later than One Year	9,528	9,528
Later than One Year and No Later than Five Years	12,704	22,232
	<u>22,232</u>	<u>31,760</u>

The total lease payments incurred during the period were \$9,528 (2022: \$9,120).

### 24. Financial Instruments

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

#### Financial assets measured at amortised cost

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Cash and Cash Equivalents	1,130,481	2,304,430	1,545,288
Receivables	1,744,194	3,085,400	3,193,428
Investments - Term Deposits	7,358,435	3,500,000	3,006,352
Total Financial assets measured at amortised cost	<u>10,233,110</u>	<u>8,889,830</u>	<u>7,745,068</u>

#### Financial liabilities measured at amortised cost

Payables	2,659,683	2,360,800	2,248,391
Finance Leases	222,552	200,000	366,258
Total Financial Liabilities Measured at Amortised Cost	<u>2,882,235</u>	<u>2,560,800</u>	<u>2,614,649</u>

# Mount Albert Grammar School

## Notes to the Financial Statements

For the year ended 31 December 2023

### 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.

	<b>2023</b>	<b>2023</b>	<b>2022</b>
	<b>Actual</b>	<b>Budget (Unaudited)</b>	<b>Actual</b>
<b>Auckland Savings Bank Limited</b>			
<i>Bank Current Account</i>	\$ 330,481	\$ 1,504,430	\$ 945,288
<i>Bank Call Account</i>	800,000	800,000	600,000
Short-term Bank Deposits with Maturities more than 3 months	7,358,435	3,500,000	3,006,352
Accrued Interest	99,475	23,900	22,792
	<b>8,588,391</b>	<b>5,828,330</b>	<b>4,574,432</b>

### 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:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Within 325 days	7,358,435	3,006,352

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



# Mount Albert Grammar School

## Notes to the Financial Statements

For the year ended 31 December 2023

### 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.

	<b>Carrying Amount</b>	<b>Contractual Cashflows</b>	<b>Within One Year</b>	<b>More than One Year</b>
	\$	\$	\$	\$
<b>31 December 2023</b>				
Payables	731,277	731,277	731,277	-
Finance Leases	222,552	222,552	133,498	89,054
	953,829	953,829	864,775	89,054
<b>31 December 2022</b>				
Payables	505,077	505,077	505,077	-
Finance Leases	366,258	366,258	254,796	111,462
	871,335	871,335	759,873	111,462

### **25. 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 MOUNT ALBERT GRAMMAR SCHOOL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

The Auditor-General is the auditor of Mount Albert Grammar School (the "School"). The Auditor-General has appointed me, Brendan Lyon, 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 1 to 27, that comprise the statement of financial position as at 31 December 2023, 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:

- a) present fairly, in all material respects:
  - its financial position as at 31 December 2023; and
  - its financial performance and cash flows for the year then ended; and
- b) comply with generally accepted accounting practice in New Zealand in accordance with Public Sector – Public Benefit Entity Standards.

Our audit was completed on 26 June 2024. This is the date at which our opinion is expressed.

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

**Basis for our opinion**

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

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

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

**Responsibilities of the Board for the financial statements**

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

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

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

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

### **Responsibilities of the auditor for the audit of the financial statements**

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

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

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

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

### **Other information**

The Board is responsible for the other information. The other information obtained at the date of our audit report is the 2023 Statement of Variance and Evaluation of Student Progress and Achievement, Report on how we have given effect to Te Tiriti o Waitangi, Statement of Compliance with Employment Policy, and Kiwisport Report but does not include the financial statements, and our auditor's report thereon.

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

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

### Independence

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

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



Brendan Lyon  
Partner<sup>1</sup>  
Crowe New Zealand Audit Partnership  
On behalf of the Auditor-General  
Auckland, New Zealand

<sup>1</sup> The title 'Partner' conveys that the person is a senior member within their respective division and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.



# Mount Albert Grammar School

## 2023 Statement of Variance and Evaluation of Student Progress and Achievement



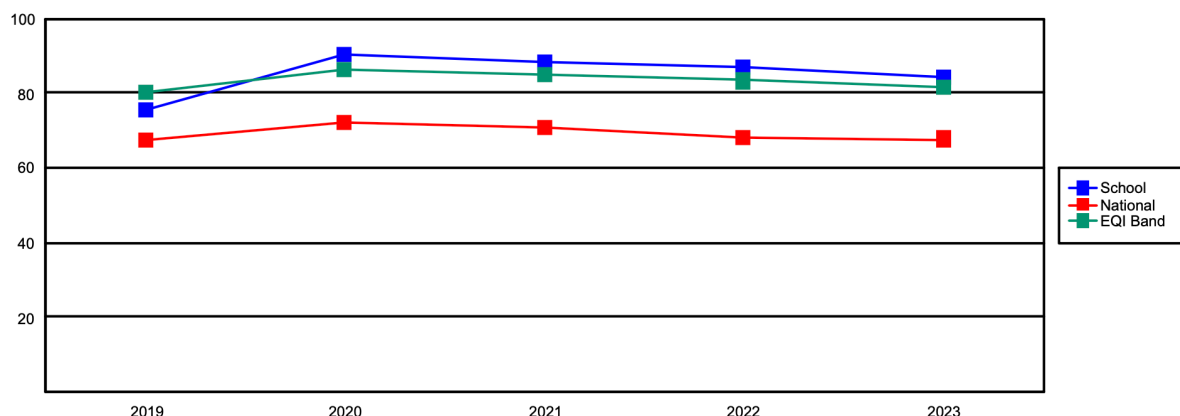
MOUNT ALBERT  
GRAMMAR SCHOOL



### Goal 1: 2023 NCEA Level 3 Achievement above 85% for all Year 13 students

#### Year 13 NCEA Level 3 Overall

##### Year 13 - NCEA Level 3



#### Year 13 NCEA Level 3 Overall

Academic Year	MAGS	National	EQI band
2019	75.3%	67.3%	80.4%
2020	90.1%	72.1%	86.0%
2021	88.0%	70.5%	85.2%
2022	87.1%	68.1%	83.3%
2023	84.3%	67.7%	81.3%

#### Commentary:

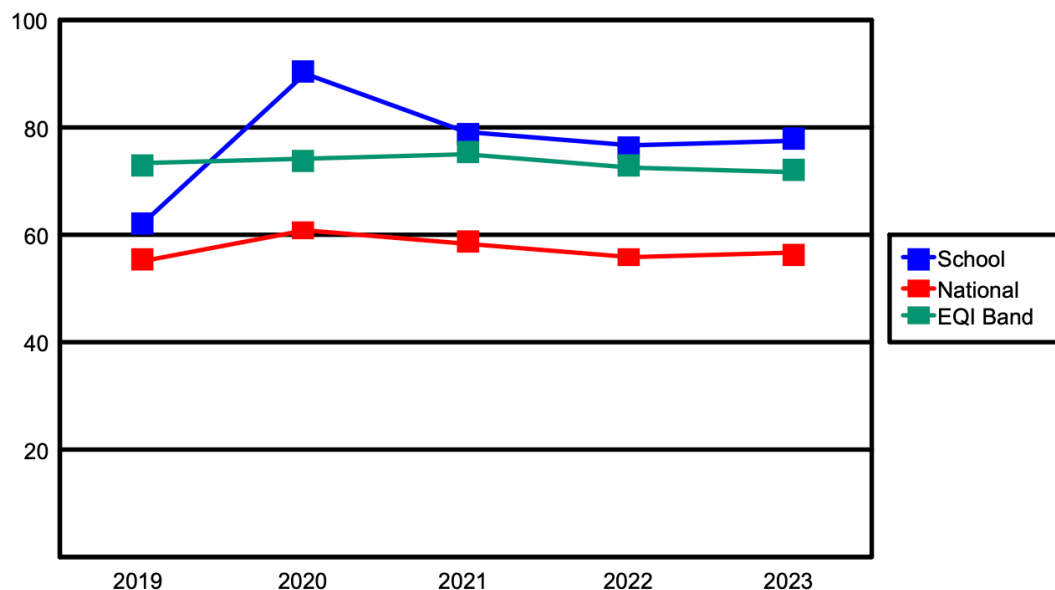
We were only 0.7% away from reaching the 85% target, but we still were above both the EQI and the National data.

- Whilst this result of 84.3% is a drop from 2022, both Nationally and EQI band show a drop from 2022. 2022 included Learning Recognition Credits (LRCs)
- These results are 9% above the 2019 results which was the last time that there were no LRCs or Unexpected event Grades (UEGs).
- MAGS results were 16.6% above National data and 3% above the EQI band of similar schools.
- It is worth noting that the EQI band re-calculations are all above the historical Decile 7 calculations and yet we have continued to achieve above similar schools.

## Goal 2: 2023 NCEA Level 3 Achievement above 85% for Year 13 Māori students

Year 13 NCEA Level 3 - Māori

Year 13 NCEA Level 3 - Māori



Year 13 NCEA Level 3 – Māori

Academic Year	MAGS	National	EQI band
2019	61.9%	55.1%	72.8%
2020	90.1%	60.7%	73.9%
2021	78.8%	58.5%	75.0%
2022	76.1%	55.7%	72.4%
2023	77.5%	56.3%	71.9%

### Commentary:

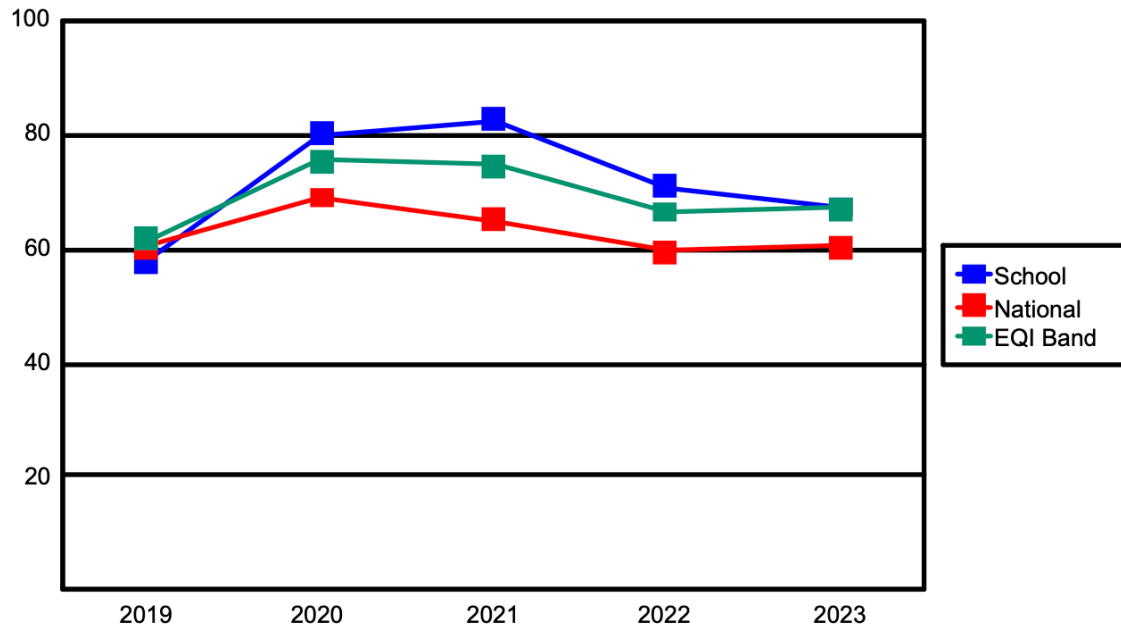
We did not quite achieve the aspirational target for 85% of Year 13 Māori students gaining NCEA Level 3. We did however gain 77.5% which is 21.2% above National results and 5.6% above the EQI band of similar schools.

- The 77.5% is a 1.4% increase in the results from 2022 despite a drop in results within the EQI band.
- These results are 15.6% above the 2019 results which was the last time that there were no LRCs or Unexpected event Grades (UEGs).
- It is worth noting that the EQI band re-calculations are all above the historical Decile 7 calculations and yet we have continued to achieve above similar schools.

**Goal 3: 2023 NCEA Level 3 Achievement above 85% for all Year 13 Pacific Peoples**

Year 13 NCEA Level 3 - Pacific Peoples

**Year 13 NCEA Level 3 - Pacific Peoples**



Year 13 NCEA Level 3 - Pacific Peoples

Academic Year	MAGS	National	EQI band
2019	57.6%	60.3%	61.9%
2020	79.8%	68.9%	75.4%
2021	82.6%	64.9%	74.4%
2022	70.9%	59.4%	66.4%
2023	67.2%	60.4%	67.1%

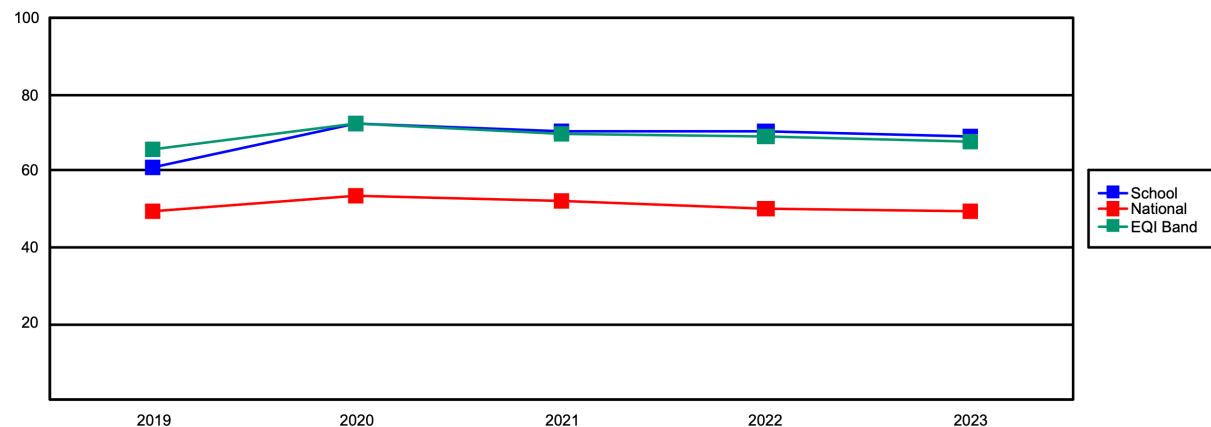
**Commentary:**

We did not achieve the aspirational target for 85% of Year 13 Pacific People students gaining NCEA Level 3. We did however gain 67.2% which is 6.8% above National results and 0.1% above the EQI band of similar schools.

- The 67.2% is a 3.7% decrease in the results from 2022 which is disappointing given the small increase in both National and within the EQI band.
- These results are 9.6% above the 2019 results which was the last time that there were no LRCs or Unexpected event Grades (UEGs).
- It is worth noting that the EQI band re-calculations are all above the historical Decile 7 calculations and yet we have continued to achieve above similar schools.

## Goal 4: 2023 University Entrance above 70%

Year 13 - University Entrance



Year 13 UE – University Entrance

Academic Year	MAGS	National	EQI band
2019	61.0%	49.3%	65.7%
2020	72.1%	53.4%	72.6%
2021	70.4%	51.9%	69.7%
2022	70.3%	50.3%	68.9%
2023	69.3%	49.7%	67.8%

### Commentary:

We were only 0.7% away from reaching the 70% target, but we still were above both the EQI and the National data.

- Whilst this result of 69.3% is a 1% drop from 2022, both Nationally and EQI band show a drop from 2022. 2022 included Learning Recognition Credits (LRCs)
- These results are 9% above the 2019 results which was the last time that there were no LRCs or Unexpected event Grades (UEGs).
- MAGS results were 19.6% above National data and 1.5% above the EQI band of similar schools.
- It is worth noting that the EQI band re-calculations are all above the historical Decile 7 calculations and yet we have continued to achieve above similar schools.

## Goal 5: 2023 Scholarship Entries – at least 500 Scholarship Exams sat across a full range of subjects

Year	Number of Entries	Number of Scholarships Attempted	Total Number of Scholarships (Including Outstanding)	Number of Outstanding Scholarships
10	1	1	0	0
11	16	12	2	1
12	144	112	38	6
13	487	277	87	12

Gender	Number of Entries	Number of Scholarships Attempted	Total Number of Scholarships (Including Outstanding)	Number of Outstanding Scholarships
Female	316	176	47	6
Male	332	226	80	13

### Commentary:

We did not quite manage to achieve the aspirational target for 500 scholarship exams sat by students in 2023, with only 402 scholarship exams sat. This was however an improvement on the 366 taken in 2022 and there were 648 possible entries compared to 568 in 2022.

- 127 of the 402 (compared to 118 of the 366 in 2022) taken, were awarded Scholarship or Outstanding which is the best result we have achieved to date.
- 19 results were Outstanding Scholarships (compared to 15 in 2022)
- 14 students gained 3 or more Scholarships placing them on the MAGS Academic Honours board.
- 4 students gained Outstanding Scholarship Awards (60 awarded Nationally) compared to 2 students in 2022
- Two students gained Top Subject Awards (German and Technology)

## **Report on how we have given effect to Te Tiriti o Waitangi**

### **Tikanga Project:** *Section A3.3 & 4 of MAGS Strategic Plan*

Begun at the end of 2023 - two workshops for all our staff were conducted where staff were educated on the basic principles of Tikanga and the importance of developing our own Kawa protocols and practices. A Google shared drive was created with key resources around definitions of key terms; karakia; waiata and haka; pepeha; and whakatauki etc.

**MAGS Te Ao Māori Profile** for staff was launched in 2023. Staff assessed where they were on the rubric from emerging/progressing/strong in regard to the application of key tikanga practices. The resources will be further developed and shared and staff will reassess their progress at the end of 2024.

### **Mt Albert Kāhui Ako Professional Learning Workshops 29 February 2024:**

Approximately 60 staff attended the second of two workshops entitled 'Giving Effect to Tiriti o Waitangi' by Renee Neville from Te Huinga Kākākura Mātauranga - Evaluation Associates.

**Faculty Frameworks:** several of the core faculties are using Māori concepts to develop frameworks for their structural organisation eg; English - modification of the Mana Model (Webber & MacFarlane, 2018); Health, Outdoor Education and PE - whanonga pono; Social Science - 7 key ideas - whakaaro nui, Manaakitanga, Kotahitanga, whakamana, whanaungatanga, kaitiakitanga and whakaiti.

### **Curriculum Development & Delivery:**

ANZH - Junior Social Studies curriculum being reviewed as part of the MOE curriculum refresh and also to implement the requirements of the ANZH e.g. revamped Y9 Turangawaewae unit.

All subject departments - preparing at own pace (previous government deadline 2025/26) to incorporate Mātauranga Māori content into their curriculum. When and where this occurs is often aligned with the national curriculum refresh timelines.



## Statement of Compliance with Employment Policy

As a good employer, Mount Albert Grammar School operates an employment policy that contains provisions that are necessary for the fair and proper treatment of employees in all aspects of their employment including:

- Following Health and Safety procedures and monitor staff wellbeing;
- Abiding by the Equal Employment Opportunities requirements;
- Providing opportunities to explore further educational studies and development, with staff selection based on merit;
- Recognition of ethnic and cultural needs and differences

Patrick Drumm  
Headmaster

25/3/24  
Date

## **Kiwisport Report**

The amount given to Mount Albert Grammar School for the above year was \$80,269.76. The bulk of it has continued to contribute to the school's sports administration as payment of wages of five personnel. Four people work full time for a total of 150 hours per week and the fifth person 20 hours per week. Any remaining contributes to the salaries of our 1<sup>st</sup> XV Rugby Boys and Girls, 1<sup>st</sup> XI Football Boys and Girls, Basketball, Hockey, Netball and Rowing coaches.

We participated in 43 different sports all sanctioned by ASB College Sport of Auckland and NZSSSC. We have increasing numbers of students participating in playing sports which is growing with 1600 students engaging in one or more sports in 2023.

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 Mount Albert Grammar School sport the success it is.

Allie Wright  
Deputy Principal  
Mount Albert Grammar School  
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