

Mount Albert Grammar School

Annual Report for the year ended 31 December 2020

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

Members of the Board of Trustees

For the year ended 31 December 2020

Name	Position	How position on Board gained	Term expired/expires
Raj Bhikha		elected	Jun 22
Patrick Drumm	Headmaster	elected	
Tui Gallagher	Deputy chair	elected	Jun 22
John Liddell	Foundation rep	elected	Mar 23
Simon Mitchell		elected	Jun 22
Paul Moon		elected	Jun 22
Greg Moyle	Chairman	elected	Jun 22
Catherine Murphy		elected	Jun 22
Malcom Nuttall	Staff rep	elected	Jun 22
Lisa Oakden	Albertian rep	elected	Jun 21
Lydia Sosene		co-opted	Jun 22
Neil Waka		elected	Jun 22

Mount Albert Grammar School

Annual Report

For the year ended 31 December 2020

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Mount Albert Grammar School
Statement of Responsibility
For the year ended 31 December 2020

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2020 fairly reflects the financial position and operations of the school.

The School's 2020 financial statements are authorised for issue by the Board.

GREGORY James MOYLE

Full Name of Board Chairperson



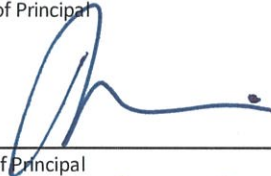
Signature of Board Chairperson

26/05/2021

Date:

PATRICK Denis DRUMMOND

Full Name of Principal



Signature of Principal

26/05/21

Date:

Mount Albert Grammar School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	33,970,302	16,477,194	31,017,011
Locally Raised Funds	3	2,700,750	1,532,011	3,041,558
Interest Income		136,979	130,632	220,919
Hostel	4	1,237,951	1,387,895	1,247,657
International Students	5	2,391,900	3,358,228	3,025,897
		40,437,882	22,885,960	38,553,042
Expenses				
Locally Raised Funds	3	665,424	80,884	818,652
Hostel	4	1,021,792	1,091,616	1,055,660
International Students	5	1,378,928	1,874,467	1,576,872
Learning Resources	6	22,544,731	6,986,709	20,899,300
Administration	7	918,422	1,058,330	981,075
Finance		107,319	60,252	174,285
Property	8	11,647,935	10,884,920	10,889,698
Depreciation	9	1,016,159	848,000	1,063,863
Loss on Disposal of Property, Plant and Equipment		95,768	-	3,614
		39,396,478	22,885,178	37,463,019
Net Surplus / (Deficit) for the year		1,041,404	782	1,090,023
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		1,041,404	782	1,090,023

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 2020

		2020	2020	2019
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Balance at 1 January		13,676,690	13,676,690	12,462,037
Total comprehensive revenue and expense for the year		1,041,404	782	1,090,023
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		22,925	-	124,630
Equity at 31 December	27	14,741,019	13,677,472	13,676,690
Retained Earnings		14,741,019	13,677,472	13,676,690
Equity at 31 December		14,741,019	13,677,472	13,676,690

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 2020

		2020	2020	2019
	Notes	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
Current Assets				
Cash and Cash Equivalents	10	1,283,887	939,458	2,272,831
Accounts Receivable	11	1,451,293	1,090,000	1,098,725
GST Receivable		137,192	-	-
Prepayments		135,794	80,000	93,590
Inventories	12	20,595	15,000	11,300
Investments	13	5,876,744	4,500,000	4,923,594
		<u>8,905,505</u>	<u>6,624,458</u>	<u>8,400,040</u>
Current Liabilities				
GST Payable		-	-	28,498
Accounts Payable	15	2,641,262	1,655,000	1,708,045
Revenue Received in Advance	17	1,839,415	2,000,000	2,468,697
Provision for Cyclical Maintenance	18	155,774	150,000	139,148
Finance Lease Liability - Current Portion	19	238,668	130,000	281,260
Funds Held in Trust	20	705,523	1,400,000	1,389,745
Funds Held for Capital Works Projects	21	296,091	50,000	47,800
		<u>5,876,733</u>	<u>5,385,000</u>	<u>6,063,193</u>
Working Capital Surplus/(Deficit)		3,028,772	1,239,458	2,336,847
Non-current Assets				
Property, Plant and Equipment	14	12,998,620	14,053,014	12,946,811
Capital Works in Progress		603,787	-	-
		<u>13,602,407</u>	<u>14,053,014</u>	<u>12,946,811</u>
Non-current Liabilities				
Borrowings	16	1,000,000	1,000,000	1,000,000
Provision for Cyclical Maintenance	18	608,489	550,000	492,025
Finance Lease Liability	19	281,671	65,000	114,943
		<u>1,890,160</u>	<u>1,615,000</u>	<u>1,606,968</u>
Net Assets		<u><u>14,741,019</u></u>	<u><u>13,677,472</u></u>	<u><u>13,676,690</u></u>
Equity	27	<u><u>14,741,019</u></u>	<u><u>13,677,472</u></u>	<u><u>13,676,690</u></u>

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 2020

		2020	2020	2019
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
Cash flows from Operating Activities				
Government Grants		8,665,575	7,496,514	7,597,268
Locally Raised Funds		2,631,077	1,474,263	3,153,345
Hostel		1,237,951	1,387,895	1,247,657
International Students		1,509,009	2,943,185	3,036,133
Goods and Services Tax (net)		(165,690)	(28,498)	(31,935)
Funds Administered on Behalf of Third Parties		(684,222)	10,255	6,781
Payments to Employees		(5,808,752)	(6,150,282)	(5,478,892)
Payments to Suppliers		(6,105,877)	(6,825,814)	(7,341,327)
Interest Paid		(107,319)	(60,252)	(174,285)
Interest Received		164,625	148,973	190,584
Net cash from/(to) Operating Activities		1,336,377	396,239	2,205,329
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		1,748	(76,307)	-
Purchase of Property Plant & Equipment (and Intangibles)		(1,418,362)	(3,173,941)	(1,222,108)
Purchase of Investments		(953,150)	-	1,417,351
Proceeds from Sale of Investments		-	423,594	-
Net cash from/(to) Investing Activities		(2,369,764)	(2,826,654)	195,243
Cash flows from Financing Activities				
Furniture and Equipment Grant		22,925	-	124,630
Finance Lease Payments		(226,773)	1,094,842	(284,959)
Loans Received / Repayment of Loans		-	-	(1,300,000)
Funds Held for Capital Works Projects		248,291	2,200	6,297
Net cash from/(to) Financing Activities		44,443	1,097,042	(1,454,032)
Net increase/(decrease) in cash and cash equivalents		(988,944)	(1,333,373)	946,540
Cash and cash equivalents at the beginning of the year	10	2,272,831	2,272,831	1,326,291
Cash and cash equivalents at the end of the year	10	1,283,887	939,458	2,272,831

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 2020

	2020	2020 Budget	2019
Note	Actual	(Unaudited)	Actual
	\$	\$	
Net Surplus for the year	1,041,404	782	1,090,023
Add Non-Cash Items			
Depreciation	1,016,159	848,000	1,063,863
Non-Cash Movement in Cyclical Maintenance Provision	133,090	68,827	16,411
	<u>1,149,249</u>	<u>916,827</u>	<u>1,080,274</u>
Add/(Loss) Movements in other working capital items:			
(Increase) decrease in receivables	(1,367,045)	8,725	(157,640)
(Increase) decrease in prepayments	(42,206)	13,590	9,578
(Increase) decrease in inventory	(9,295)	(3,700)	4,450
Increase (decrease) in payables	1,629,807	(53,045)	49,410
Increase (decrease) in revenue in advance	(629,282)	(468,697)	157,929
Increase (decrease) net GST	(165,690)	(28,498)	(31,935)
Increase (decrease) in Trust Funds (Net)	(684,222)	10,255	(7,155)
	<u>(1,267,933)</u>	<u>(521,370)</u>	<u>24,637</u>
Add (less) Items classified as investing activities:			
Loss (Gain) on sale of fixed assets	95,768	-	3,614
	<u>95,768</u>	<u>-</u>	<u>3,614</u>
Net Cash Flow from Operating activities	<u>1,018,488</u>	<u>396,239</u>	<u>2,198,548</u>

Mount Albert Grammar School

Notes to the Financial Statements

For the year ended 31 December 2020

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 of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2020 to 31 December 2020 and in accordance with the requirements of the Public Finance Act 1989

Basis of Preparation

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

Financial Reporting Standards Applied

The Education 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 not considered large as it falls below 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 18.

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 14.

Mount Albert Grammar School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

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.

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

Use of Land and Buildings Expense

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

Operating Lease Payments

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

Finance Lease Payments

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

Mount Albert Grammar School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

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:

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

Mount Albert Grammar School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

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 due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff 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 and MOE operating grant 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 2020

Provision for Cyclical Maintenance

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

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

Financial 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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

2 Government Grants

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	5,712,624	5,198,106	4,995,483
Teachers' Salaries Grants	15,954,766	-	14,439,063
Use of Land and Buildings Grants	9,609,014	8,980,680	8,980,680
Resource Teachers Learning and Behaviour Grants	2,017	-	522
Other MoE Grants	2,589,205	2,198,196	2,473,856
Other Government Grants	102,676	100,212	127,407
	<u>33,970,302</u>	<u>16,477,194</u>	<u>31,017,011</u>

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

3 Locally Raised Funds

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

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations	714,541	449,820	519,736
Farm	44,228	43,800	60,624
Activities	1,698,791	840,503	1,691,510
Trading	35,208	22,000	33,000
Fundraising	381	8,000	6,675
Overseas Travel	-	-	416,364
Other Revenue	207,601	167,888	313,649
	<u>2,700,750</u>	<u>1,532,011</u>	<u>3,041,558</u>
Expenses			
Activities	601,629	8,000	303,372
Trading	13,733	-	16,525
Farm	50,062	72,884	76,918
Overseas Travel	-	-	421,837
	<u>665,424</u>	<u>80,884</u>	<u>818,652</u>
Surplus/ (Deficit) for the year Locally Raised Funds	<u>2,035,326</u>	<u>1,451,127</u>	<u>2,222,906</u>

During the year ended December 2020, the school had 6 overseas trips booked for students. All 6 trips were cancelled due to Covid -19. Funds paid out were returned to families by either the tour provider or insurance claims. All tours were funded through locally raised funds.

(2019: During the year ended December 2019, 10 students and 3 adults undertook a trip to Estonia at a cost of \$20,755 to attend the Orienteering World Championships; 40 Students and 4 staff undertook a trip to the USA at a cost of \$217,000 to visit the NASA space camp; 18 students and 2 staff undertook a trip to Australia at a cost of \$79,000 to attend football training camp, play games and attend games of football; 24 students and 3 staff undertook a trip to France at a cost of \$125,500 for four weeks to experience day to day living and speaking French. All tours were funded through locally raised funds.)

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

4 Hostel Revenue and Expenses

	2020 Actual Number	2020 Budget (Unaudited) Number	2019 Actual Number
<i>Hostel Financial Performance</i>			
Hostel Full Boarders	103	105	105
Hostel Weekly Boarders	0	0	0
	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<i>Revenue</i>			
Hostel Fees	1,146,027	1,355,445	1,194,775
Other Revenue	91,924	32,450	52,882
Student Contributions	-	-	-
	<u>1,237,951</u>	<u>1,387,895</u>	<u>1,247,657</u>
<i>Expenses</i>			
Kitchen	465,029	649,560	635,319
Extra Curricular/Activities	41,842	29,500	45,638
Administration	65,869	83,000	39,990
Property	268,447	180,500	152,327
Student Supplies	1,236	2,500	2,659
Employee Benefit - Salaries	179,369	146,556	179,727
	<u>1,021,792</u>	<u>1,091,616</u>	<u>1,055,660</u>
<i>Surplus/(Deficit) for the year Hostel</i>	<u>216,159</u>	<u>296,279</u>	<u>191,997</u>

5 International Student Revenue and Expenses

	2020 Actual Number	2020 Budget (Unaudited) Number	2019 Actual Number
International Student Roll	123	190	171
	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<i>Revenue</i>			
International Student Fees	2,391,900	3,358,228	3,025,897
<i>Expenses</i>			
Commissions	265,411	513,000	348,926
Recruitment	6,271	100,000	77,243
International Student Levy	51,857	70,872	68,103
Employee Benefit - Salaries	967,348	1,019,188	960,959
Other Expenses	88,041	171,407	121,641
	<u>1,378,928</u>	<u>1,874,467</u>	<u>1,576,872</u>
<i>Surplus/ (Deficit) for the year International Students</i>	<u>1,012,972</u>	<u>1,483,761</u>	<u>1,449,025</u>

During the year ended December 2020 the Assistant International Director travelled to Vietnam and Cambodia and the International Director booked but cancelled a trip to Argentina at a cost of \$5,346 for the purpose of recruiting new students for the school. The travel was funded from the net surplus from international student fees revenue.

(2019: During the year ended December 2019 the Director of International Students and the Assistant International Director travelled to Vietnam, Thailand, Japan, China, Europe, Singapore and Mexico at a cost of \$247,000 for the purpose of recruiting new students for the school. The travel was funded from the net surplus from international student fees revenue.)

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

6 Learning Resources

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	1,499,237	1,726,659	1,681,397
Information and Communication Technology	307,707	418,472	317,866
Extra-Curricular Activities	756,886	730,456	932,406
Library Resources	19,531	18,480	20,178
Employee Benefits - Salaries	19,904,479	3,997,642	17,841,563
Staff Development	56,891	95,000	105,890
	<u>22,544,731</u>	<u>6,986,709</u>	<u>20,899,300</u>

There was no overseas travel during 2020.

(2019: During the year ended December 2019, the Headmaster travelled to Australia at a cost of \$1,250 to attend the annual ACEL conference for professional development on school leadership and curriculum design and the costs were funded by the board. The Headmaster travelled to Canada and Washington at a cost of \$6,700 to attend the International Boys Schools Coalition Conference and to connect with MAGS Alumni in Washington DC and the costs were funded by the board.)

7 Administration

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	5,302	10,000	23,643
Board of Trustees Fees	5,021	1,337	5,935
Board of Trustees Expenses	1,796	1,500	23,616
Communication	17,902	30,000	20,021
Consumables	(155,749)	71,061	(97,379)
Legal Fees	(2,500)	-	6,229
Other	145,793	145,360	155,058
Employee Benefits - Salaries	797,678	736,636	744,172
Insurance	87,157	46,500	82,344
Service Providers, Contractors and Consultancy	16,022	15,936	17,436
	<u>918,422</u>	<u>1,058,330</u>	<u>981,075</u>

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

8 Property

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	451,331	407,752	434,161
Consultancy and Contract Services	206,115	216,012	150,283
Cyclical Maintenance Expense	133,089	-	16,411
Grounds	16,787	50,000	46,172
Heat, Light and Water	176,176	188,000	204,481
Repairs and Maintenance	632,835	704,548	743,218
Use of Land and Buildings	9,609,014	8,980,680	8,980,680
Security	138,521	101,000	84,365
Employee Benefits - Salaries	284,067	236,928	229,927
	<u>11,647,935</u>	<u>10,884,920</u>	<u>10,889,698</u>

The use of land and buildings figure represents 8% 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.

9 Depreciation

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Buildings - School	202,533	193,000	198,808
Building Improvements - Crown	64,033	60,000	65,080
Furniture and Equipment	318,820	250,000	291,561
Information and Communication Technology	219,941	200,000	207,508
Motor Vehicles	7,067	5,000	7,975
Textbooks	24,017	10,000	14,813
Leased Assets	170,277	120,000	267,882
Library Resources	9,471	10,000	10,236
	<u>1,016,159</u>	<u>848,000</u>	<u>1,063,853</u>

10 Cash and Cash Equivalents

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Current Account	1,183,887	439,458	1,672,337
Bank Call Account	100,000	500,000	600,494
Short-term Bank Deposits	-	-	-
Cash and cash equivalents for Statement of Cash Flows	<u>1,283,887</u>	<u>939,458</u>	<u>2,272,831</u>

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

Of the \$1,283,887 Cash and Cash Equivalents, \$296,091 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2021 on Crown owned school buildings under the School's Five Year Property Plan.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

11 Accounts Receivable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Receivables	100,135	40,000	35,906
Interest Receivable	20,695	30,000	48,341
Teacher Salaries Grant Receivable	1,330,463	1,020,000	1,014,478
	<u>1,451,293</u>	<u>1,090,000</u>	<u>1,098,725</u>
Receivables from Exchange Transactions	120,830	70,000	84,247
Receivables from Non-Exchange Transactions	1,330,463	1,020,000	1,014,478
	<u>1,451,293</u>	<u>1,090,000</u>	<u>1,098,725</u>

The Ageing Profile of Receivables at year end is detailed below

	2020 Actual			2019 Actual		
	Gross \$	Impairment \$	Net \$	Gross \$	Impairment \$	Net \$
Not Past Due	1,375,997	-	1,375,997	1,094,048	-	1,094,048
Past Due 1 - 30 Days	28,145	-	28,145	2,300	-	2,300
Past Due 31 - 60 Days	47,150	-	47,150	1,483	-	1,483
Past Due 61 - 90 Days	-	-	-	894	-	894
Total	<u>1,451,292</u>	<u>-</u>	<u>1,451,292</u>	<u>1,098,725</u>	<u>-</u>	<u>1,098,725</u>

12 Inventories

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Livestock	20,595	15,000	11,300
	<u>20,595</u>	<u>15,000</u>	<u>11,300</u>

13 Investments

The School's investment activities are classified as follows:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Asset			
Short-term Bank Deposits	5,876,744	4,500,000	4,923,594
Total Investments	<u>5,876,744</u>	<u>4,500,000</u>	<u>4,923,594</u>

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

14 Property, Plant and Equipment

	Opening balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2020						
Land	1,960,000	-	-	-	-	1,960,000
Buildings	6,936,548	124,391	(38,238)	-	(202,533)	6,820,168
Building Improvements	751,289	-	(13,390)	-	(64,033)	673,866
Furniture and Equipment	2,399,854	323,065	(40,231)	-	(318,820)	2,363,868
Information and Communication Technology	574,992	248,382	(234)	-	(219,941)	603,199
Motor Vehicles	43,940	4,173	(4,884)	-	(7,067)	36,162
Textbooks	-	24,017	-	-	(24,017)	-
Leased Assets	208,539	436,794	-	-	(170,277)	475,056
Library Resources	71,649	4,662	(539)	-	(9,471)	66,301
Balance at 31 December 2020	12,946,811	1,165,484	(97,516)	-	(1,016,159)	12,998,620

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2020			
Land	1,960,000	-	1,960,000
Buildings	8,170,176	(1,350,008)	6,820,168
Building Improvements	1,377,794	(703,928)	673,866
Furniture and Equipment	7,590,542	(5,226,674)	2,363,868
Information and Communication Technology	3,106,984	(2,503,785)	603,199
Motor Vehicles	109,355	(73,193)	36,162
Textbooks	663,941	(663,941)	-
Leased Assets	1,646,954	(1,171,898)	475,056
Library Resources	248,535	(182,234)	66,301
Balance at 31 December 2020	24,874,281	(11,875,661)	12,998,620

The net carrying value of equipment held under a finance lease is \$475,056 (2019: \$208,539).

The net carrying value of motor vehicles held under a finance lease is \$36,162 (2019: \$43,940).

	Opening balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Land	1,960,000	-	-	-	-	1,960,000
Buildings	6,921,460	213,896	-	-	(198,808)	6,936,548
Building Improvements	811,235	5,134	-	-	(65,080)	751,289
Furniture and Equipment	2,062,654	629,658	(897)	-	(291,561)	2,399,854
Information and Communication Technology	429,888	352,612	-	-	(207,508)	574,992
Motor Vehicles	51,915	-	-	-	(7,975)	43,940
Textbooks	-	14,813	-	-	(14,813)	-
Leased Assets	312,063	164,358	-	-	(267,882)	208,539
Library Resources	78,607	5,995	(2,717)	-	(10,236)	71,649
Balance at 31 December 2019	12,627,822	1,386,466	(3,614)	-	(1,063,863)	12,946,811

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2019			
Land	1,960,000	-	1,960,000
Buildings	8,101,843	(1,165,295)	6,936,548
Building Improvements	1,400,077	(648,788)	751,289
Furniture and Equipment	7,646,359	(5,246,505)	2,399,854
Information and Communication Technology	3,375,357	(2,800,365)	574,992
Motor Vehicles	115,247	(71,307)	43,940
Textbooks	639,925	(639,925)	-
Leased Assets	1,296,045	(1,087,506)	208,539
Library Resources	245,723	(174,074)	71,649
Balance at 31 December 2019	24,780,576	(11,833,765)	12,946,811

The net carrying value of equipment held under a finance lease is \$208,539 (2018: \$312,063).

The net carrying value of motor vehicles held under a finance lease is \$43,940 (2018: \$312,063).

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

15 Accounts Payable

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operating Creditors	617,151	400,000	444,917
Accruals	150,893	75,000	75,318
Employee Entitlements - Salaries	1,683,918	1,020,000	1,031,703
Employee Entitlements - Leave Accrual	189,300	160,000	156,107
	<u>2,641,262</u>	<u>1,655,000</u>	<u>1,708,045</u>
Payables for Exchange Transactions	2,641,262	1,655,000	1,708,045
	<u>2,641,262</u>	<u>1,655,000</u>	<u>1,708,045</u>

The carrying value of payables approximates their fair value.

16 Borrowings

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Due Beyond One Year	1,000,000	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

The school has borrowings at 31 December 2020 of \$1,000,000. This loan is from the ASB Bank for the purpose of acquiring 45 Lloyd Avenue, Mount Albert. The loan is unsecured, interest is 4.9 - 6.1 % per annum and the loan is interest only. The borrowings are secured over the property situated at 45 Lloyd Avenue, Mount Albert.

17 Revenue Received in Advance

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Grants in Advance - Ministry of Education	259,053	-	-
International Student Fees	1,032,152	1,500,000	1,915,043
Other	548,210	500,000	553,654
	<u>1,839,415</u>	<u>2,000,000</u>	<u>2,468,697</u>

18 Provision for Cyclical Maintenance

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	631,173	631,173	614,762
Increase/(decrease) to the Provision During the Year	133,090	68,827	16,411
Use of the Provision During the Year	-	-	-
Provision at the End of the Year	<u>764,263</u>	<u>700,000</u>	<u>631,173</u>
Cyclical Maintenance - Current	155,774	150,000	139,148
Cyclical Maintenance - Term	608,489	550,000	492,025
	<u>764,263</u>	<u>700,000</u>	<u>631,173</u>

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

19 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):

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
No Later than One Year	275,507	130,000	316,783
Later than One Year and no Later than Five Years	305,273	65,000	120,832
Later than Five Years	-	-	-
	<u>580,780</u>	<u>195,000</u>	<u>437,615</u>

20 Funds held in Trust

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	705,523	1,400,000	1,389,745
	<u>705,523</u>	<u>1,400,000</u>	<u>1,389,745</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.

21 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:

	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 coversion	<i>in progress</i>	49,458	312,728	252,057	-	110,129
Lift	<i>in progress</i>	(40,026)	350,000	161,510	-	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>

Represented by:

Funds Held on Behalf of the Ministry of Education	296,861
Funds Due from the Ministry of Education	(770)
	<u>296,091</u>

	2019	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
T Block Roof	<i>completed</i>	2,314	-	-	2,314	-
Library Roof	<i>completed</i>	6,246	-	-	6,246	-
Squash Court Roof	<i>completed</i>	(5,425)	-	-	(5,425)	-
Dance & Drama coversion	<i>in progress</i>	-	163,433	113,975	-	49,458
Lift	<i>in progress</i>	-	-	40,026	-	(40,026)
Totals		<u>41,503</u>	<u>163,433</u>	<u>154,001</u>	<u>3,135</u>	<u>47,800</u>

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

22 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.

23 Remuneration

Key management personnel compensation

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

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	5,021	5,935
Full-time equivalent members	0.15	0.21
<i>Leadership Team</i>		
Remuneration	3,090,987	2,733,083
Full-time equivalent members	26.00	26.00
Total key management personnel remuneration	3,096,008	2,739,018
Total full-time equivalent personnel	26.15	26.21

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

Principal

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

	2020 Actual \$000	2019 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	270 - 280	240 - 250
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	2020 FTE Number	2019 FTE Number
150-160	2	-
140-150	1	-
120-130	5	-
110-120	1	-
100-110	28	4
	37	4

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

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

24 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:

	2020 Actual	2019 Actual
Total	\$6,000	\$27,540
Number of People	1	3

25 Contingencies

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

(Contingent liabilities and assets as at 31 December 2019: 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. The current phase of this review is to design potential solutions for any compliance breaches discovered in the initial phase of the Programme. 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 2020, a contingent liability for the school may exist.

26 Commitments

(a) Capital Commitments

As at 31 December 2020 the Board has entered into no contract agreements for capital works.

(As at 31 December 2019 the Board has entered into contract agreements for capital works as follows:

The Board entered a contract on 20/11/19 to purchase a PVC sports pavilion canopy for \$677,247 incl GST. \$682,115 was paid to date in 2020.)

(b) Operating Commitments

As at 31 December 2020 the Board has not entered into new contracts.

As at 31 December 2020 the Board has entered into the following contracts:

- Motor vehicles

	2020 Actual \$	2019 Actual \$
No later than One Year	8,755	16,218
Later than One Year and No Later than Five Years	9,945	18,700
Later than Five Years	-	-
	<u>18,700</u>	<u>34,918</u>

27 Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but attempts to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

28 Financial Instruments

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

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Financial assets measured at amortised cost			
Cash and Cash Equivalents	1,283,887	939,458	2,272,831
Receivables	1,451,293	1,090,000	1,098,725
Investments - Term Deposits	5,876,744	4,500,000	4,923,594
Total Financial assets measured at amortised cost	8,611,924	6,529,458	8,295,150
Financial liabilities measured at amortised cost			
Payables	2,641,262	1,655,000	1,708,045
Borrowings - Loans	1,000,000	1,000,000	1,000,000
Finance Leases	520,339	195,000	396,203
Total Financial Liabilities Measured at Amortised Cost	4,161,601	2,850,000	3,104,248

Fair Value

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

Credit Risk

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

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

In the normal course of its business, credit risk arises from debtors, deposits with banks and derivative financial assets. Maximum credit risks are disclosed in the Statement of

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.

	2020	2020	2019
	Actual	Budget	Actual
	\$	\$	\$
Auckland Savings Bank Limited			
Bank Current Account	1,183,887	439,458	1,672,337
Bank Call Account	100,000	-	600,494
Short-term Bank Deposits - Maturities less than 3 months	-	-	-
Short-term Bank Deposits with Maturities more than 3 months	5,876,744	4,500,000	4,923,594
Accrued Interest	20,695	30,000	48,341
	7,181,326	4,969,458	7,244,766

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

For the year ended 31 December 2020

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:

	2020	2019
	\$	\$
Within 180 days	5,876,744	4,923,594

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 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
	<u>2,137,490</u>	<u>2,137,490</u>	<u>855,819</u>	<u>1,281,671</u>
31 December 2019				
Payables	1,708,045	1,708,045	1,708,045	-
Borrowings - Loans	1,000,000	1,000,000	-	1,000,000
Finance Leases	396,203	296,203	281,260	114,943
	<u>3,104,248</u>	<u>3,004,248</u>	<u>1,989,305</u>	<u>1,114,943</u>

29 Events After Balance Date

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

INDEPENDENT AUDITOR'S REPORT**TO THE READERS OF MT ALBERT GRAMMAR SCHOOL'S
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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 2020, 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 2020; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 27 May 2021. 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.

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 the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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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 2020, arise from section 87 of the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the 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 arises from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the Analysis of Variance and Kiwisport Report, but does not include the financial statements, and our auditor's report thereon.

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

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

Independence

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

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



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

Mount Albert Grammar School 2020 Analysis of Variance

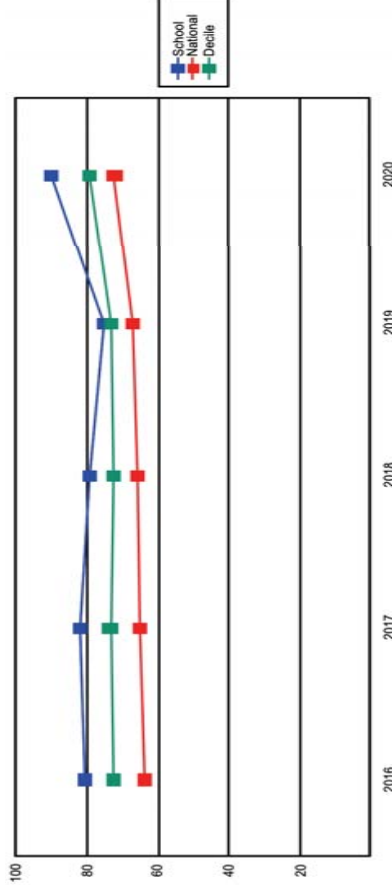


**MOUNT ALBERT
GRAMMAR SCHOOL**



Goal 1: 2020 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
2016	80.5%	64.2%	72.9%
2017	82.0%	65.5%	73.6%
2018	79.2%	66.1%	72.8%
2019	75.3%	67.3%	73.6%
2020	90.1%	72.3%	79.5%

Year 13 NCEA Level 3 – LRC comparison

	Excellence	Merit	Merit +	Overall (A+)
With LRC	17.5%	37.7%	55.2%	89.3%
No LRC	17.5%	33.6%	51.1%	80.7%
National	17.6%	26.6%	44.2%	71.4%
Decile 7	17.7%	28.5%	46.2%	78.6%
8 – 10	23.2%	32.6%	55.8%	79.9%

46 students gained NCEA Level 3 through the LRC credits

- National, Decile and 8 – 10 results include LRC credits

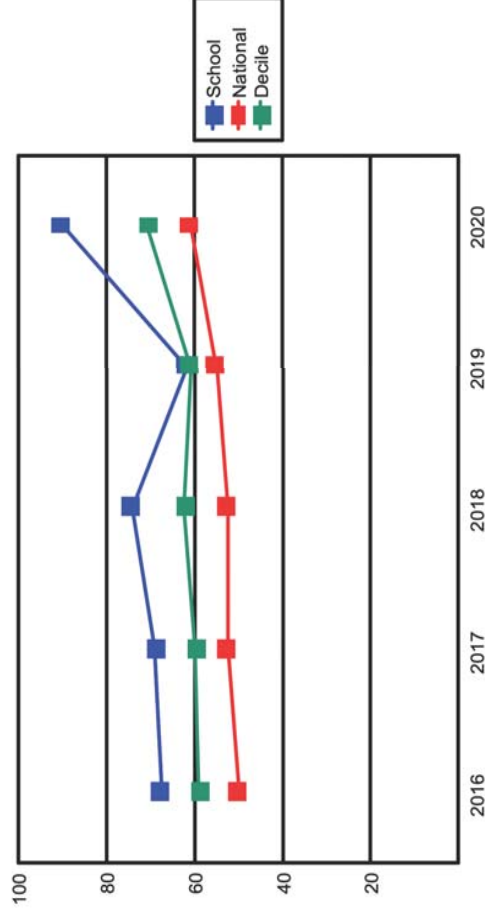
Commentary:

We were successful in achieving this Goal with 90.1% of all Year 13 students gaining NCEA Level 3 in 2020 (5.1% above the Target)

- This result was a significant increase on 2019 and the highest achieved in the past 5 years
- MAGS results were 10.6% above the Decile 7 data and 17.8% above National
- With the Learning Recognition Credits removed the overall pass rate dropped to 80.7% which is still above both the 2018 and 2019 data

Goal 2: 2020 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
2016	67.7%	50.2%	59.0%
2017	69.1%	52.6%	59.8%
2018	74.3%	52.9%	62.3%
2019	61.9%	55.1%	61.0%
2020	90.1%	61.0%	70.6%

Year 13 NCEA Level 3 – LRC comparison

	Overall (A+) Males	Overall (A+) Females	Pasifika	Māori
With LRC	82.9%	96.7%	79.8%	88.7%
No LRC	71.4%	91.3%	66.9%	74.6%
National	67.5%	75.0%	67.5%	59.9%
Decile 7	73.6%	83.6%	72.1%	69.7%
8 – 10	74.6%	85.0%	72.8%	71.7%

- National, Decile and 8-10 results include LRC credits

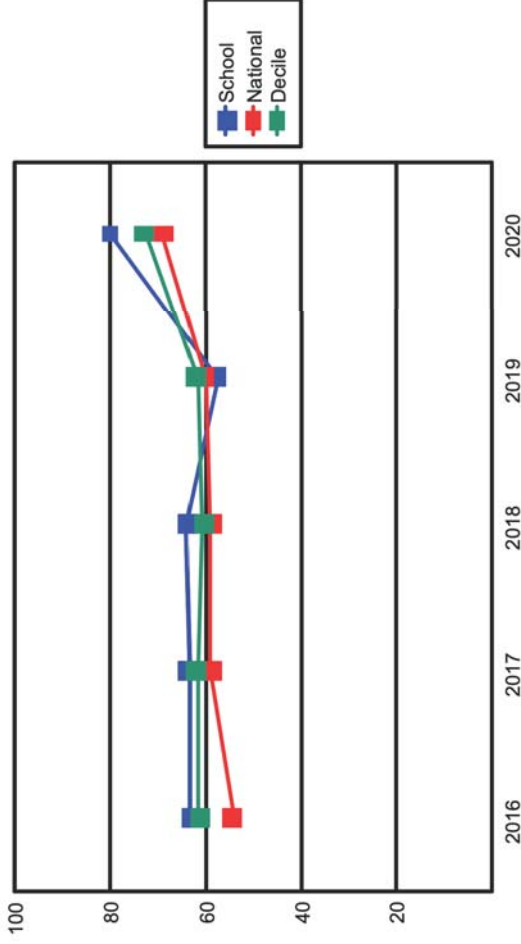
Commentary:

We were successful in achieving this Goal with 90.1% of Year 13 Māori students gaining NCEA Level 3 in 2020 (5.1% above the Target) which is in line with all Year 13 students achievement.

- This result was a significant increase on 2019 and the highest achieved in the past 5 years.
- MAGS results were 19.5% above the Decile 7 data and 29.1% above National.
- With the Learning Recognition credits removed the pass rate for Māori dropped to 74.6% but this is still the highest result for MAGS in 5 years.

Goal 3: 2020 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
2016	63.2%	54.2%	61.4%
2017	63.3%	58.9%	61.8%
2018	63.6%	58.9%	60.6%
2019	57.6%	60.3%	61.9%
2020	79.8%	68.8%	72.7%

Year 13 NCEA Level 3 – LRC comparison

	Overall (A+) Males	Overall (A+) Females	Pasifika	Māori
With LRC	82.9%	96.7%	79.8%	88.7%
No LRC	71.4%	91.3%	66.9%	74.6%
National	67.5%	75.0%	67.5%	59.9%
Decile 7	73.6%	83.6%	72.1%	69.7%
8 – 10	74.6%	85.0%	72.8%	71.7%

- National, Decile and 8-10 results include LRC credits

Commentary:

We did not quite manage to achieve the aspirational target for 85% of Year 13 Pasifika students gaining NCEA Level 3.

We did however gain our best results in five years with 79.8% which is an outstanding achievement on an aspirational goal.

- This result was a significant increase on 2019 results - 22.2% and this highest result achieved for MAGS in five years
- MAGS results were 7.1% above the Decile 7 data. Furthermore, MAGS results were 11% above National data
- With the Learning Recognition credits removed the pass rate for Pacific Peoples dropped to 74.6% but this is still the highest result in five years and still above both the National and Decile 7 results

Kiwisport Funding 2020

The amount given to MAGS for the above year was \$74072. The bulk of it, went into the school's sports administration as payment of wages of six personnel. Four people working full time for a total of 140 hours per week and two part time working 35 hours. The remaining contributed to the salaries of our 1st XV Rugby Boys and Girls, 1st XI Football Boys and Girls, Hockey and Rowing coaches.

We participated in 42 different sports all sanctioned by ASB College Sport of Auckland and NZSSSC. We still continued to increase the number of students participating, despite the disruption last year, with over 1700 students engaging in one or more sports in 2020.

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
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