MURRAYS BAY SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

School Directory

Ministry Number: 1387

Principal: Hayden Iles

School Address: 18 Clematis Avenue, Murrays Bay, Auckland

School Postal Address: PO Box 65 502, Mairangi Bay, Auckland

School Phone: (09) 478 6239

School Email: principal@murraysbay.school.nz

Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Michael Frith	Presiding Member	Elected	Dec 2023
Hayden Iles	Principal ex Officio		
Robert Maszkowski	Parent Representative	Elected	Sept 2022
Sheree Lacy-Goehring	Parent Representative	Elected	Sept 2022
David Kay	Parent Representative	Elected	Dec 2023
Brett Ingold	Parent Representative	Selected	Sept 2022
Amanda Casey	Parent Representative	Elected	May 2021
Joe Gong	Staff Representative	Elected	Sept 2022
Deb Buckle	Staff Representative	Elected	June 2021

Accountant / Service Provider:
Top Class Financial Management Services

MURRAYS BAY SCHOOL

Annual Report - For the year ended 31 December 2021

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Murrays Bay School

Statement of Responsibility

For the year ended 31 December 2021

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

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

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

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

MIKE FRITH
Full Name of Presiding Member

Signature of Presiding Member

23/5/2022
Date:

Haydon James Iles
Full Name of Principal

Signature of Principal

23/5/2022
Date:

Murrays Bay School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2021

	Notes	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Revenue				
Government Grants	2	6,195,996	6,412,446	6,415,460
Locally Raised Funds	3	409,350	494,143	417,383
Interest Income		7,728	10,000	14,773
International Students	4	88,139	50,956	140,583
		6,701,213	6,967,545	6,988,199
Expenses				
Locally Raised Funds	3	30,306	80,500	44,801
International Students	4	13,002	12,710	26,753
Learning Resources	5	4,217,744	4,428,681	4,206,048
Administration	6	285,533	333,933	299,787
Finance		3,800	4,000	4,418
Property	7	1,778,598	2,176,898	2,147,757
Depreciation	12	133,014	140,000	143,849
Loss on Disposal of Property, Plant and Equipment		2,041	-	8,681
		6,464,038	7,176,722	6,882,094
Net Surplus / (Deficit) for the year		237,175	(209,177)	106,105
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		237,175	(209,177)	106,105

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

Murrays Bay School
Statement of Financial Position
As at 31 December 2021

	Notes	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Current Assets				
Cash and Cash Equivalents	8	371,607	209,009	912,691
Accounts Receivable	9	309,800	276,000	247,552
GST Receivable		31,935	10,000	-
Prepayments		26,206	15,000	20,251
Inventories	10	288	200	234
Investments	11	803,516	500,000	521,484
		1,543,352	1,010,209	1,702,212
Current Liabilities				
GST Payable		-	-	45,349
Accounts Payable	13	495,061	332,813	391,945
Revenue Received in Advance	14	44,345	30,000	111,485
Provision for Cyclical Maintenance	15	149,555	-	-
Finance Lease Liability	16	25,931	25,000	23,909
Funds held for Capital Works Projects	17	23,277	-	462,859
		738,169	387,813	1,035,547
Working Capital Surplus/(Deficit)		805,183	622,396	666,665
Non-current Assets				
Property, Plant and Equipment	12	788,575	720,114	832,114
		788,575	720,114	832,114
Non-current Liabilities				
Provision for Cyclical Maintenance	15	82,956	286,440	238,440
Finance Lease Liability	16	20,926	20,000	15,092
		103,882	306,440	253,532
Net Assets		1,489,876	1,036,070	1,245,247
Equity		1,489,876	1,036,070	1,245,247

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

Murrays Bay School
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2021

	Notes	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Equity at 1 January		1,245,247	1,245,247	1,119,642
Total comprehensive revenue and expense for the year		237,175	(209,177)	106,105
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		7,454	-	19,500
Equity at 31 December		1,489,876	1,036,070	1,245,247

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.

Murrays Bay School
Statement of Cash Flows
For the year ended 31 December 2021

	Note	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Cash flows from Operating Activities				
Government Grants		1,442,712	1,312,142	1,418,712
Locally Raised Funds		341,300	499,143	446,086
International Students		39,366	(29,044)	110,236
Goods and Services Tax (net)		(77,284)	(30,000)	31,468
Payments to Employees		(1,016,910)	(1,089,198)	(1,062,132)
Payments to Suppliers		(476,533)	(749,627)	(538,409)
Interest Paid		(3,800)	(4,000)	(4,418)
Interest Received		7,885	11,000	16,643
Net cash from/(to) Operating Activities		256,736	(79,584)	418,186
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(55,730)	(16,136)	(58,166)
Purchase of Investments		(282,032)	-	(19,409)
Proceeds from Sale of Investments		-	100,000	
Net cash from/(to) Investing Activities		(337,762)	83,864	(77,575)
Cash flows from Financing Activities				
Furniture and Equipment Grant		7,454	-	19,500
Finance Lease Payments		(27,930)	(19,806)	(28,718)
Painting contract payments		-	-	(27,087)
Funds Administered on Behalf of Third Parties		(439,582)	-	197,540
Net cash from/(to) Financing Activities		(460,058)	(19,806)	161,235
Net increase/(decrease) in cash and cash equivalents		(541,084)	(15,526)	501,846
Cash and cash equivalents at the beginning of the year	8	912,691	224,535	410,845
Cash and cash equivalents at the end of the year	8	371,607	209,009	912,691

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.

Murrays Bay School
Notes to the Financial Statements
For the year ended 31 December 2021

1. Statement of Accounting Policies

a) Reporting Entity
Murrays Bay School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. The Board is of the view that the School is a public benefit entity for financial reporting purposes.

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

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

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

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

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

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

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

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

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

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 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 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. 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.

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.

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

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. These are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes.

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

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

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

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

d) 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.

e) 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.

f) 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.

g) 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.

h) Inventories
Inventories are consumable items held for sale and comprised 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.

i) 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.

j) 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:

Building improvements to Crown Owned Assets	10–40 years
Furniture and equipment	3–12 years
Information and communication technology	2–5 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	8 years

k) Impairment of property, plant, and equipment and intangible assets
The school does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

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

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

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

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

l) 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.

m) 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.

n) Revenue Received in Advance
Revenue received in advance relates to fees received from international and domestic 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.

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

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision is a reasonable estimate, based on an up to date 10 Year Property Plan (10YPP) or another appropriate source of evidence.

p) 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, finance lease liability, and painting contract liability. All of these financial liabilities are categorised as 'financial liabilities measured at amortised cost' for accounting purposes in accordance with financial reporting standards.

q) 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.

r) Budget Figures
The budget figures are extracted from the School budget that was approved by the Board.

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

2. Government Grants

	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Operational Grants	911,884	899,316	893,226
Teachers' Salaries Grants	3,178,999	3,300,000	3,121,585
Use of Land and Buildings Grants	1,558,027	1,850,798	1,850,798
Other MoE Grants	432,069	362,332	474,732
Other Government Grants	115,017	-	75,119
	6,195,996	6,412,446	6,415,460

3. Locally Raised Funds

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

	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Revenue			
Donations & Bequests	248,491	213,000	251,339
Fees for Extra Curricular Activities	124,542	186,643	136,510
Trading	1,686	3,000	1,972
Fundraising & Community Grants	34,631	91,500	27,562
	409,350	494,143	417,383
Expenses			
Extra Curricular Activities Costs	28,156	77,500	43,653
Trading	1,422	3,000	1,148
Fundraising and Community Grant Costs	728	-	-
	30,306	80,500	44,801
Surplus/ (Deficit) for the year Locally raised funds	379,044	413,643	372,582

4. International Student Revenue and Expenses

	2021 Actual Number	2021 Budget (Unaudited) Number	2020 Actual Number
International Student Roll	7	4	12

	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Revenue			
International Student Fees	88,139	50,956	140,583
Expenses			
Other Expenses	13,002	12,710	26,753
	13,002	12,710	26,753
Surplus/ (Deficit) for the year International Students	75,137	38,246	113,830

5. Learning Resources

	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Curricular	230,105	277,678	220,213
Equipment Repairs	-	1,000	715
Information and Communication Technology	36,526	40,500	18,057
Library Resources	3,777	5,700	5,613
Employee Benefits - Salaries	3,928,104	4,053,803	3,940,440
Staff Development	19,232	50,000	21,010
	4,217,744	4,428,681	4,206,048

6. Administration

	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Audit Fee	8,751	7,813	7,813
Board Fees	2,910	3,500	2,615
Board Expenses	19,012	16,800	13,090
Intervention Costs & Expenses	-	-	24,365
Communication	4,037	5,549	4,149
Consumables	5,747	7,730	6,937
Operating Lease	3,688	4,000	2,916
Legal Fees	-	-	6,000
Other	9,380	18,556	12,504
Employee Benefits - Salaries	202,205	241,295	192,529
Insurance	14,563	13,450	11,629
Service Providers, Contractors and Consultancy	15,240	15,240	15,240
	285,533	333,933	299,787

7. Property

	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Caretaking and Cleaning Consumables	15,966	22,500	17,873
Consultancy and Contract Services	63,104	60,000	60,982
Cyclical Maintenance Provision	(5,929)	48,000	38,773
Grounds	12,076	11,000	9,035
Heat, Light and Water	29,317	40,000	31,266
Repairs and Maintenance	27,762	40,500	37,753
Use of Land and Buildings	1,558,027	1,850,798	1,850,798
Security	7,406	10,000	7,395
Employee Benefits - Salaries	70,869	94,100	93,882
	1,778,598	2,176,898	2,147,757

In 2021, the Ministry of Education revised the notional rent rate from 8% to 5% to align it with the Government Capital Charge rate. This is considered to be a reasonable proxy for the market rental yield on the value of land and buildings used by schools. Accordingly in 2021, 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.

8. Cash and Cash Equivalents

	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Bank Accounts	371,607	209,009	762,691
Short-term Bank Deposits	-	-	150,000
Cash and cash equivalents for Statement of Cash Flows	371,607	209,009	912,691

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

Of the $371,607 Cash and Cash Equivalents, $24,425 is held by the School on behalf of the Ministry of Education. These funds have been provided for the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2021 on Crown owned school buildings.

Of the $371,607 Cash and Cash Equivalents, $4,000 of unspent grant funding is held by the School. This funding is subject to restrictions which specify how the grant is required to be spent. If these requirements are not met, the funds will need to be returned.

9. Accounts Receivable

	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Receivables	51,141	5,000	5,458
Interest Receivable	1,572	1,000	1,729
Teacher Salaries Grant Receivable	257,087	270,000	240,365
	309,800	276,000	247,552
Receivables from Exchange Transactions	52,713	6,000	7,187
Receivables from Non-Exchange Transactions	257,087	270,000	240,365
	309,800	276,000	247,552

10. Inventories

	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Stationery	288	200	234
	288	200	234

11. Investments

The School's investment activities are classified as follows:

	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Current Asset			
Short-term Bank Deposits	803,516	500,000	521,484
Total Investments	803,516	500,000	521,484

12. Property, Plant and Equipment

2021	Opening Balance (NBV) $	Additions $	Disposals $	Impairment $	Depreciation $	**Total (NBV) $**
Building Improvements	620,398	-	-	-	(49,354)	**571,044**
Furniture and Equipment	127,716	30,667	(788)	-	(30,779)	**126,816**
Information and Communication Technology	31,120	22,645	(653)	-	(25,156)	**27,956**
Leased Assets	26,774	37,264	(600)	-	(21,448)	**41,990**
Library Resources	26,106	940	-	-	(6,277)	**20,769**
Balance at 31 December 2021	832,114	91,516	(2,041)	-	(133,014)	**788,575**

The net carrying value of IT equipment held under a finance lease in the Information and Communication Technology category is $0 (2020: $605)
The net carrying value of photocopiers held under a finance lease in the Furniture and Equipment category is $1,122 (2020: $6,672)

	2021 Cost or Valuation $	**2021 Accumulated Depreciation $**	**2021 Net Book Value $**	**2020 Cost or Valuation $**	**2020 Accumulated Depreciation $**	**2020 Net Book Value $**
Building Improvements	869,780	(298,736)	**571,044**	869,780	(249,382)	**620,398**
Furniture and Equipment	688,542	(561,726)	**126,816**	662,094	(534,378)	**127,716**
Information and Communication T	311,200	(283,244)	**27,956**	334,275	(303,155)	**31,120**
Leased Assets	84,717	(42,727)	**41,990**	48,931	(22,157)	**26,774**
Library Resources	76,724	(55,955)	**20,769**	76,960	(50,854)	**26,106**
Balance at 31 December	2,030,963	(1,242,388)	**788,575**	1,992,040	(1,159,926)	**832,114**

13. Accounts Payable

	2021 Actual $	**2021 Budget (Unaudited) $**	**2020 Actual $**
Creditors	199,067	50,000	89,230
Accruals	23,961	7,813	32,415
Banking Staffing Overuse	-	-	20,258
Employee Entitlements - Salaries	257,087	270,000	240,365
Employee Entitlements - Leave Accrual	14,946	5,000	9,677
	495,061	332,813	391,945
Payables for Exchange Transactions	495,061	332,813	391,945
	495,061	332,813	391,945

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	$	$	$
Grants in Advance - Ministry of Education	4,000	-	-
International Student Fees in Advance	38,217	20,000	86,990
Other revenue in Advance	2,128	10,000	24,495
	44,345	30,000	111,485

15. Provision for Cyclical Maintenance

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	$	$	$
Provision at the Start of the Year	238,440	238,440	199,667
Increase/ (decrease) to the Provision During the Year	(5,929)	48,000	38,773
Provision at the End of the Year	232,511	286,440	238,440
Cyclical Maintenance - Current	149,555	-	-
Cyclical Maintenance - Term	82,956	286,440	238,440
	232,511	286,440	238,440

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:

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	$	$	$
No Later than One Year	28,824	27,000	26,398
Later than One Year and no Later than Five Years	22,351	22,000	15,882
Future Finance Charges	(4,318)	(4,000)	(3,279)
	46,857	45,000	39,001
Represented by			
Finance lease liability - Current	25,931	25,000	23,909
Finance lease liability - Term	20,926	20,000	15,092
	46,857	45,000	39,001

17. Funds Held for Capital Works Projects

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

	2021	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
		$	$	$	$	$
Canopy	*In Progress*	244,066	-	(242,914)	-	1,152
Field Drainage	*In Progress*	75,946	-	(52,673)	-	23,273
Pedestrian Walkway	*Completed*	10,329	8,357	(18,686)	-	-
Classroom Upgrade	*Completed*	(18,432)	31,544	(13,112)	-	-
Maker Space	*Completed*	150,950	-	(150,938)	(12)	-
Classroom Refurbishment	*In Progress*	-	-	(1,148)	-	(1,148)
Totals		462,859	39,901	(479,471)	(12)	23,277

Represented by:

Funds Held on Behalf of the Ministry of Education	24,425
Funds Due from the Ministry of Education	(1,148)
	23,277

	2020	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
		$	$	$	$	$
Canopy	*In Progress*	-	246,744	(2,678)	-	244,066
Field Drainage	*In Progress*	-	85,891	(9,945)	-	75,946
Pedestrian Walkway	*In Progress*	-	145,823	(135,494)	-	10,329
Roofing	*Completed*	20,272	2,642	(22,914)	-	-
Classroom Upgrade	*In Progress*	245,047	-	(263,479)	-	(18,432)
Maker Space	*In Progress*	-	224,718	(73,768)	-	150,950
Totals		265,319	705,818	(508,278)	-	462,859

18. 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.

19. Remuneration

Key management personnel compensation

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

	2021 Actual $	2020 Actual $
Board Members		
Remuneration	2,910	2,615
Leadership Team		
Remuneration	492,510	471,570
Full-time equivalent members	4	4
Total key management personnel remuneration	495,420	474,185

There are six members of the Board excluding the Principal. The Board had held eight full meetings of the Board in the year. The Board also has Finance (one member) and Property (one member) that meet monthly and quarterly respectively. As well as these regular meetings, including preparation time, the Chair and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal 1

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

Salaries and Other Short-term Employee Benefits:	2021 Actual $000	2020 Actual $000
Salary and Other Payments	160-170	150-160
Benefits and Other Emoluments	0-10	0-10
Termination Benefits	-	-

Other Employees

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

Remuneration $000	2021 FTE Number	2020 FTE Number
100-110	5.00	7.00
110-120	1.00	
	6.00	7.00

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

20. 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:

	2021 Actual	2020 Actual
Total	-	$5,000
Number of People	-	1

21. Contingencies

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

Holidays Act Compliance – schools payroll
The Ministry of Education performs payroll processing and payments on behalf of 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 2021, a contingent liability for the school may exist.

22. Commitments

(a) Capital Commitments

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

(a) $316,998 contract for Classroom and Toilet Upgrade to be completed in 2021, which was fully funded by the Ministry of Education. $316,847 has been received and $316,847 has been spent on the project. This is now complete; and
(b) $249,785 contract for Maker Space (Multi Space & Outdoor Learning Environment) to be completed in 2021, which was fully funded by the Ministry of Education. $224,718 has been received and spent $224,718 on the project. This is now completed; and
(c) $275,000 contract for a Canopy Project to be completed in 2022, which will be fully funded by the Ministry of Education. $246,744 has been received of which $245,592 has been spent on the project to date; and
(d) $95,435 contract for Field Drainage to be completed in 2022, which will be fully funded by the Ministry of Education. $85,891 has been received of which $62,618 has been spent on the project to date; and
(e) $162,026 contract for Pedestrian Walkway to be completed in 2021, which was fully funded by the Ministry of Education. $154,180 has been received and spent on the project to date. This is now complete; and
(f) $101,455 proposal for Classroom Refurbishment to be completed in 2021. It will be fully funded by the Ministry of Education. $0 has been received, however $1.148 has been spent on the project to date.

(Capital commitments at 31 December 2020: $1,099,244)

(b) Operating Commitments

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

(a) operating lease of a EFTPOS Machine;
(a) operating lease of a Vistab Machine;
(b) operating lease of IT equipment - lease extended;

	2021 Actual $	2020 Actual $
No later than One Year	4,827	5,222
	4,827	5,222

23. Financial Instruments

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

Financial assets measured at amortised cost	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Cash and Cash Equivalents	371,607	209,009	912,691
Receivables	309,800	276,000	247,552
Investments - Term Deposits	803,516	500,000	521,484
Total Financial assets measured at amortised cost	1,484,923	985,009	1,681,727
Financial liabilities measured at amortised cost			
Payables	495,061	332,813	391,945
Finance Leases	46,857	45,000	39,001
Total Financial Liabilities Measured at Amortised Cost	541,918	377,813	430,946

24. Events After Balance Date

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

25. Comparatives

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

26. COVID 19 Pandemic on going implications

Impact of Covid-19
During 2021 the country moved between alert levels. During February and March 2021 Auckland was placed into alert levels 3 and 2 and other parts of the country moved into alert level 2.

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

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

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

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

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

William Buck

Independent Auditor's Report

To the Readers of Murrays Bay School's Financial Statements

For the Year Ended 31 December 2021

The Auditor-General is the auditor of Murrays Bay School (the School). The Auditor-General has appointed me, Darren Wright, using the staff and resources of William Buck Audit (NZ) Limited, 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 18, that comprise the statement of financial position as at 31 December 2021, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

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

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

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report. We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report

to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- We assess the risk of material misstatement arising from the school payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the information included in the annual report being the Kiwisport Report, the Members of the Board of Trustees and the Analyses of Variance, but does not include the financial statements, and our auditor's report thereon.

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

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

Independence

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

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

Darren Wright
William Buck Audit (NZ) Limited
On behalf of the Auditor-General
Auckland, New Zealand