



MELLONS BAY SCHOOL

LEARNING TO NAVIGATE  OUR CHANGING WORLD

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

School Directory

Ministry Number:	1371
Principal:	Colleen Margison
School Address:	140 Mellons Bay Road, Howick, Auckland
School Postal Address:	140 Mellons Bay Road, Howick, Auckland
School Phone:	09 534 4363
School Email:	admin@mellonsbay.school.nz
Accountant / Service Provider:	Canterbury Education Services (CES)

Mellons Bay School

Members of the Board

For the year ended 31 December 2022

Name	Position	How Position Gained	Term Expires
Rita Williamson	Presiding Member	Re-elected Sept 2025	June 2025
David Hulley	Vice Presiding Member	Re-elected Sept 2025	June 2025
Mark Steele	Treasurer	Re-elected Sept 2025	June 2025
Colleen Margison	Principal	Ex officio	
Ed Cook	Parent Representative	Re-elected Sept 2025	June 2025
April Fang	Parent Representative	Elected Sept 2025	June 2025
Terina Jacob	Staff Representative	Elected Sept 2025	June 2025

Name	Position	How Position Gained	Term Expired
Matt Ward	Presiding Member	Elected	2022
Roy Sun	Parent Representative	Elected	2022
Karyn Bell	Staff Representative	Elected	2022

MELLONS BAY SCHOOL

Annual Report - For the year ended 31 December 2022

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Mellons Bay School

Statement of Responsibility

For the year ended 31 December 2022

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 2022 fairly reflects the financial position and operations of the school.

The School's 2022 financial statements are authorised for issue by the Board.

Rita Williamson

Full Name of Presiding Member

DocuSigned by:
Rita Williamson
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Signature of Presiding Member

04 June 2023

Date:

Colleen Margison

Full Name of Principal

DocuSigned by:
Colleen Margison
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Signature of Principal

31 May 2023

Date:

Mellons Bay School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Revenue				
Government Grants	2	4,232,022	4,669,261	4,407,868
Locally Raised Funds	3	328,513	267,450	292,949
Interest Income		10,578	3,300	10,638
Total Revenue		4,571,113	4,940,011	4,711,455
Expenses				
Locally Raised Funds	3	75,372	63,075	64,901
Learning Resources	4	3,156,564	2,850,871	3,060,161
Administration	5	257,599	206,156	214,761
Finance		1,268	4,253	1,635
Property	6	1,044,473	1,849,758	1,404,103
Loss on Disposal of Property, Plant and Equipment		547	-	-
		4,535,823	4,974,113	4,745,561
Net Surplus / (Deficit) for the year		35,290	(34,102)	(34,106)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		35,290	(34,102)	(34,106)

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

Mellons Bay School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Equity at 1 January		1,753,892	1,753,889	1,787,998
Total comprehensive revenue and expense for the year		35,290	(34,102)	(34,106)
Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		11,521	-	-
Equity at 31 December		1,800,703	1,719,787	1,753,892
Accumulated comprehensive revenue and expense		1,800,703	1,719,787	1,753,892
Equity at 31 December		1,800,703	1,719,787	1,753,892

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.

Mellons Bay School

Statement of Financial Position

As at 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Current Assets				
Cash and Cash Equivalents	7	288,116	233,124	476,510
Accounts Receivable	8	229,499	206,846	206,846
GST Receivable		23,123	-	-
Prepayments		9,036	5,523	5,523
Investments	9	329,940	329,940	329,940
Funds Receivable for Capital Works Projects	15	44,545	-	25,024
		<u>924,259</u>	<u>775,433</u>	<u>1,043,843</u>
Current Liabilities				
GST Payable		-	12,477	12,477
Accounts Payable	11	251,840	246,268	248,740
Revenue Received in Advance	12	3,377	-	-
Provision for Cyclical Maintenance	13	58,986	9,378	133,711
Finance Lease Liability	14	11,963	11,190	10,109
Funds held for Capital Works Projects	15	32,334	-	290,678
		<u>358,500</u>	<u>279,313</u>	<u>695,715</u>
Working Capital Surplus/(Deficit)		565,759	496,120	348,128
Non-current Assets				
Property, Plant and Equipment	10	1,333,512	1,307,892	1,449,826
		<u>1,333,512</u>	<u>1,307,892</u>	<u>1,449,826</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	13	76,635	61,753	41,400
Finance Lease Liability	14	21,933	22,472	2,662
		<u>98,568</u>	<u>84,225</u>	<u>44,062</u>
Net Assets		<u>1,800,703</u>	<u>1,719,787</u>	<u>1,753,892</u>
Equity		<u>1,800,703</u>	<u>1,719,787</u>	<u>1,753,892</u>

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

Mellons Bay School

Statement of Cash Flows

For the year ended 31 December 2022

	Note	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Cash flows from Operating Activities				
Government Grants		945,661	816,510	881,560
Locally Raised Funds		328,278	267,450	292,949
International Students		3,612	-	-
Goods and Services Tax (net)		(35,600)	8,105	8,105
Payments to Employees		(607,073)	(463,248)	(598,298)
Payments to Suppliers		(503,344)	(378,796)	(389,459)
Interest Paid		(1,268)	(4,253)	(1,635)
Interest Received		1,084	1,182	8,520
Net cash from/(to) Operating Activities		131,350	246,950	201,742
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		(547)	-	-
Purchase of Property Plant & Equipment (and Intangibles)		(49,755)	(8,370)	(265,132)
Purchase of Investments		-	(100,000)	-
Net cash from/(to) Investing Activities		(50,302)	(108,370)	(265,132)
Cash flows from Financing Activities				
Furniture and Equipment Grant		11,521	-	-
Finance Lease Payments		(3,098)	(13,905)	(11,658)
Funds Administered on Behalf of Third Parties		(277,865)	-	153,585
Net cash from/(to) Financing Activities		(269,442)	(13,905)	141,927
Net increase/(decrease) in cash and cash equivalents		(188,394)	124,675	78,537
Cash and cash equivalents at the beginning of the year	7	476,510	108,449	397,973
Cash and cash equivalents at the end of the year	7	288,116	233,124	476,510

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.

Mellons Bay School

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

a) Reporting Entity

Mellons 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 statements have been prepared for the period 1 January 2022 to 31 December 2022 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 expense 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 best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition. During the year, the Board assesses the reasonableness of its painting maintenance plan on which the provision is based. Cyclical maintenance is disclosed at note 13.

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 10.

Critical Judgements in applying accounting policies

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

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised. Finance lease liability disclosures are contained in note 14.

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.

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

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

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

Other Grants where conditions exist

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Finance Lease Payments

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

e) Cash and Cash Equivalents

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

f) Accounts Receivable

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

g) 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.

h) Property, Plant and Equipment

Land and buildings owned by the Crown are excluded from these financial statements. The Board's use of the land and buildings as 'occupant' is based on a property occupancy document.

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

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

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Building improvements	10–40 years
Board Owned Buildings	10–75 years
Furniture and equipment	10–23 years
Information and communication technology	3–5 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

i) 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.

j) Employee Entitlements*Short-term employee entitlements*

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

Long-term employee entitlements

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

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

k) Revenue Received in Advance

Revenue received in advance relates to fees received from international students 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.

l) Funds held for Capital works

The school directly receives funding from the Ministry of Education for capital works projects that are included in the School five year capital works agreement. These funds are held on behalf and for a specified purpose as such these transactions are not recorded in the Statement of Revenue and Expense.

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

m) Provision for Cyclical Maintenance

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

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision is a reasonable estimate, based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition.

The school carries out painting maintenance of the whole school over a 6 to 14 year period, the economic outflow of this is dependent on the plan established by the school to meet this obligation and is detailed in the notes and disclosures of these accounts.

n) 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 initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

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

o) 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.

p) Budget Figures

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

q) 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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Government Grants - Ministry of Education	950,064	796,440	915,550
Teachers' Salaries Grants	2,447,188	2,227,920	2,333,530
Use of Land and Buildings Grants	834,770	1,644,901	1,158,788
	<u>4,232,022</u>	<u>4,669,261</u>	<u>4,407,868</u>

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

3. Locally Raised Funds

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Revenue			
Donations & Bequests	174,306	162,000	176,088
Fees for Extra Curricular Activities	74,157	56,250	59,599
Trading	24,552	24,500	9,356
Fundraising & Community Grants	55,263	24,700	47,906
International Student Fees	235	-	-
	<u>328,513</u>	<u>267,450</u>	<u>292,949</u>
Expenses			
Extra Curricular Activities Costs	68,347	58,950	63,173
Trading	4,517	4,125	1,728
Fundraising and Community Grant Costs	1,523	-	-
Other Locally Raised Funds Expenditure	985	-	-
	<u>75,372</u>	<u>63,075</u>	<u>64,901</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>253,141</u>	<u>204,375</u>	<u>228,048</u>

4. Learning Resources

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Curricular	61,453	85,690	50,019
Information and Communication Technology	31,609	34,668	38,539
Library Resources	3,095	2,500	5,270
Employee Benefits - Salaries	2,856,512	2,505,679	2,721,195
Staff Development	13,603	37,500	41,550
Depreciation	190,292	184,834	203,588
	<u>3,156,564</u>	<u>2,850,871</u>	<u>3,060,161</u>

5. Administration

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	6,750	7,763	6,550
Board Fees	2,980	555	1,975
Board Expenses	11,423	11,000	6,782
Communication	5,750	6,000	5,381
Consumables	5,485	2,000	-
Other	51,865	30,822	36,265
Employee Benefits - Salaries	153,056	129,487	137,747
Insurance	7,272	4,629	7,604
Service Providers, Contractors and Consultancy	13,018	13,900	12,457
	<u>257,599</u>	<u>206,156</u>	<u>214,761</u>

6. Property

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	13,553	14,000	11,165
Consultancy and Contract Services	51,712	51,000	53,456
Cyclical Maintenance Provision	24,963	29,731	62,096
Grounds	12,355	12,500	12,814
Heat, Light and Water	28,136	29,000	22,866
Repairs and Maintenance	18,553	15,860	22,254
Use of Land and Buildings	834,770	1,644,901	1,158,788
Security	4,663	5,000	4,156
Employee Benefits - Salaries	55,768	47,766	56,508
	<u>1,044,473</u>	<u>1,849,758</u>	<u>1,404,103</u>

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

7. Cash and Cash Equivalents

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Accounts	288,116	233,124	476,510
Cash and cash equivalents for Statement of Cash Flows	<u>288,116</u>	<u>233,124</u>	<u>476,510</u>

Of the \$288,116 Cash and Cash Equivalents, \$32,334 is held by the School on behalf of the Ministry of Education. These funds have been provided by the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2023 on Crown owned school buildings.

8. Accounts Receivable

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables from the Ministry of Education	4,403	-	-
Interest Receivable	11,612	2,118	2,118
Teacher Salaries Grant Receivable	213,484	204,728	204,728
	<u>229,499</u>	<u>206,846</u>	<u>206,846</u>
Receivables from Exchange Transactions	11,612	2,118	2,118
Receivables from Non-Exchange Transactions	217,887	204,728	204,728
	<u>229,499</u>	<u>206,846</u>	<u>206,846</u>

9. Investments

The School's investment activities are classified as follows:

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	329,940	329,940	329,940
	<u>329,940</u>	<u>329,940</u>	<u>329,940</u>

10. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2022	\$	\$	\$	\$	\$	\$
Building Improvements	790,440	-	-	-	(24,687)	765,753
Furniture and Equipment	530,403	20,292	-	-	(129,793)	420,902
Information and Communication Technology	53,128	19,961	(547)	-	(16,487)	56,055
Leased Assets	10,299	33,088	-	-	(10,983)	32,404
Library Resources	65,556	2,345	(1,162)	-	(8,342)	58,397
Balance at 31 December 2022	<u>1,449,826</u>	<u>75,686</u>	<u>(1,709)</u>	<u>-</u>	<u>(190,292)</u>	<u>1,333,511</u>

The net carrying value of ICT equipment held under a finance lease is **\$32,404 (2021: \$10,299)**

	2022	2022	2022	2021	2021	2021
	Cost or	Accumulated	Net Book	Cost or	Accumulated	Net Book
	Valuation	Depreciation	Value	Valuation	Depreciation	Value
	\$	\$	\$	\$	\$	\$
Building Improvements	1,152,151	(386,398)	765,753	1,152,151	(361,711)	790,440
Furniture and Equipment	1,366,811	(945,909)	420,902	1,346,519	(816,116)	530,403
Information and Communication Technology	332,395	(276,339)	56,056	624,906	(571,778)	53,128
Leased Assets	97,581	(65,176)	32,405	73,358	(63,059)	10,299
Library Resources	208,203	(149,807)	58,396	209,573	(144,017)	65,556
Balance at 31 December	<u>3,157,141</u>	<u>(1,823,629)</u>	<u>1,333,512</u>	<u>3,406,507</u>	<u>(1,956,681)</u>	<u>1,449,826</u>

11. Accounts Payable

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Creditors	8,465	12,657	12,652
Accruals	11,796	24,340	24,340
Employee Entitlements - Salaries	226,619	204,728	207,205
Employee Entitlements - Leave Accrual	4,960	4,543	4,543
	<u>251,840</u>	<u>246,268</u>	<u>248,740</u>
Payables for Exchange Transactions	251,840	246,268	248,740
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>251,840</u>	<u>246,268</u>	<u>248,740</u>

The carrying value of payables approximates their fair value.

12. Revenue Received in Advance

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
International Student Fees in Advance	3,377	-	-
	<u>3,377</u>	<u>-</u>	<u>-</u>

13. Provision for Cyclical Maintenance

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Provision at the Start of the Year	175,111	175,111	113,015
Increase to the Provision During the Year	24,963	29,731	62,096
Use of the Provision During the Year	(64,453)	(133,711)	-
Provision at the End of the Year	<u>135,621</u>	<u>71,131</u>	<u>175,111</u>
Cyclical Maintenance - Current	58,986	9,378	133,711
Cyclical Maintenance - Non current	76,635	61,753	41,400
	<u>135,621</u>	<u>71,131</u>	<u>175,111</u>

14. Finance Lease Liability

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
No Later than One Year	14,475	11,190	10,848
Later than One Year and no Later than Five Years	23,870	22,472	2,893
Future Finance Charges	(4,449)		(970)
	<u>33,896</u>	<u>33,662</u>	<u>12,771</u>
Represented by			
Finance lease liability - Current	11,963	11,190	10,109
Finance lease liability - Non current	21,933	22,472	2,662
	<u>33,896</u>	<u>33,662</u>	<u>12,771</u>

15. Funds Held for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects. The amount of cash held on behalf of the Ministry for capital works project is included under cash and cash equivalents in note 7.

2022	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
MOE - SIP Funding	(25,024)	41,791	(23,542)	-	(6,775)
MOE 5YA Block 3 ILE	256,658	-	(288,972)	-	(32,314)
MOE 5YA Drainage	1,686	-	(7,142)	-	(5,456)
MOE 5YA Electrical Upgrade	32,334	-	-	-	32,334
Totals	<u>265,654</u>	<u>41,791</u>	<u>(319,656)</u>	<u>-</u>	<u>(12,211)</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	32,334
Funds Receivable from the Ministry of Education	(44,545)

2021	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
MOE - SIP Funding	(3,055)	74,876	(96,845)	-	(25,024)
MOE 5YA Block 3 ILE	(3,728)	295,000	(34,614)	-	256,658
MOE 5YA Drainage	69,265	-	(67,578)	-	1,686
MOE 5YA Electrical Upgrade	70,515	-	(38,181)	-	32,334
Totals	<u>132,997</u>	<u>369,876</u>	<u>(237,218)</u>	<u>-</u>	<u>265,654</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	290,678
Funds Receivable from the Ministry of Education	(25,024)

16. 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.

17. Remuneration

Key management personnel compensation

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

	2022 Actual \$	2021 Actual \$
<i>Board Members</i>		
Remuneration	2,980	1,975
<i>Leadership Team</i>		
Remuneration	483,626	469,413
Full-time equivalent members	4	4
Total key management personnel remuneration	<u>486,606</u>	<u>471,388</u>

There are 6 members of the Board excluding the Principal. The Board had held 8 full meetings of the Board in the year. As well as these regular meetings, including preparation time, the Presiding member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal

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

	2022 Actual \$000	2021 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	150 - 160	150 - 160
Benefits and Other Emoluments	1 - 5	1 - 5

Other Employees

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

Remuneration \$000	2022 FTE Number	2021 FTE Number
100 - 110	5.00	4.00
	<u>5.00</u>	<u>4.00</u>

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

18. 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:

	2022 Actual	2021 Actual
Total	\$0	\$7,500
Number of People	0	1

19. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at **31 December 2022** (Contingent liabilities and assets at **31 December 2021**: 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 2022, a contingent liability for the school may exist.

In 2022 the Ministry of Education provided additional funding for both the Support Staff in Schools' Collective Agreement (CA) Settlement and the Teacher Aide Pay Equity Settlement. The School is still yet to receive a final wash up that adjusts the estimated quarterly instalments for the actual teacher aides employed in 2022. The Ministry is in the process of determining the amount of the final wash up payment for the year ended 31 December 2022. Even though the payment is probable, the amount to be received is not known with a high level of certainty. The School has therefore not recognised the expected receipt (asset) and income in its financial statements. The payment is expected to be received in July 2023.

20. Commitments

(a) Capital Commitments

As at 31 December 2022 the Board has the following capital commitments:

- (a) Contract for SIP Projects to be completed in 2023, which will be fully funded by the Ministry of Education. \$128,216 has been received of which \$134,992 has been spent on the project to date; and
- (b) Contract for Block 3 ILE \$429,095. This project is fully funded by the Ministry and \$295,000 has been received of which \$327,314 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments at 31 December 2021: \$236,454)

21. 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

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Cash and Cash Equivalents	288,116	233,124	476,510
Receivables	229,499	206,846	206,846
Investments - Term Deposits	329,940	329,940	329,940
Total Financial assets measured at amortised cost	<u>847,555</u>	<u>769,910</u>	<u>1,013,296</u>

Financial liabilities measured at amortised cost

Payables	251,840	246,268	248,740
Finance Leases	33,896	33,662	12,771
Total Financial Liabilities Measured at Amortised Cost	<u>285,736</u>	<u>279,930</u>	<u>261,511</u>

22. Events After Balance Date

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

23. Comparatives

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

Independent Auditor's Report

To the readers of Mellons Bay School's Financial statements For the year ended 31 December 2022

The Auditor-General is the auditor of Mellons Bay School (the School). The Auditor-General has appointed me, Jason Stinchcombe, using the staff and resources of RSM Hayes Audit, 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 2-17, that comprise the statement of financial position as at 31 December 2022, 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 2022; 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 (PBE) Standards Reduced Disclosure Regime.

Our audit was completed on 7 June 2023. 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 of opinion

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

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

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

Responsibilities of the Board for the financial statements

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

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

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

The Board's responsibilities, in terms of the requirements of the Education and Training Act 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 arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information includes the statement of responsibility, board member list, analysis of variance, compliance with good employer requirements, 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 Mellons Bay School.

A handwritten signature in blue ink that reads 'Jason Stinchcombe'.

Jason Stinchcombe
RSM Hayes Audit
On behalf of the Auditor-General
Auckland, New Zealand

Analysis of Variance Reporting



School Name:	Mellons Bay	School Number:	1371												
Strategic Aim: Analysis report	We are confident learners who take risks, are responsible, resilient and strive for personal best.														
Annual Aim:	Strengthen assessment for learning by growing learner agency [in Writing - 2022 Target].														
Target:	To build assessment for learning practices with our learners to improve achievement in writing														
Baseline Data:	<p>Overall Teacher Judgement initial data 2022 term 2 2022 The OTJ's are supported by the MBS writing progressions and across school moderation processes</p> <p>Initial 2022 Writing Data: Term 2 After 2 years of a disrupted start to school those students who had moved from the junior school into Year 3, 4 and 5 the data showed greatest impact in writing here. With a focus on strengthening learner agency including wellbeing we are tracking all students writing progress and work towards shifting achievement in writing as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>Year 3</th> <th>Year 4</th> <th>Year 5</th> </tr> </thead> <tbody> <tr> <td>Below expectation</td> <td>24% [18]</td> <td>31% [33]</td> <td>49% 23</td> </tr> <tr> <td>End of year target</td> <td colspan="3">To shift at least 10% of those below to at the expected curriculum level</td> </tr> </tbody> </table>				Year 3	Year 4	Year 5	Below expectation	24% [18]	31% [33]	49% 23	End of year target	To shift at least 10% of those below to at the expected curriculum level		
	Year 3	Year 4	Year 5												
Below expectation	24% [18]	31% [33]	49% 23												
End of year target	To shift at least 10% of those below to at the expected curriculum level														



Tātaritanga raraunga



non-negotiables of teaching & learning practice at MBS	<ul style="list-style-type: none"> ● PLG and coaching conversations enhanced teacher's understanding of needs how to extend best practice based on AfL 	used staff needed a shared understanding of how to use progressions and models to support learning conversations.	the MBS Non-Negotiables across other learning areas.
Child-speak goal-setting progressions trialed	<ul style="list-style-type: none"> ● Exemplar booklet for Writing was put together for the teachers to use (this was mainly used as a moderation tool) 	We were looking at online tools rather than focusing in on how progressions could be used to support learning.	Still developing and collecting data on how the progression trial is going. Next: Continue to collect feedback and adjust for best use.
Investigated using Spotlight as a tool	<ul style="list-style-type: none"> ● Empower agentic learners. ● Explored online tools to develop learning pathway conversations for our students e.g. PACT, Spotlight ● Provided PLD to support this journey 	Spotlight - hybrid learner and PACT tool, didn't meet the needs of community and explored other tools	PACT tool - where to next? Assessment and Reporting audit, criteria for use, develop sharing understanding of purpose and audience, how to use our assessment tools for learning, further develop written report for Whanau.
Implement and develop a sustainable approach to structured literacy practice	<ul style="list-style-type: none"> ● PLD for Leads, teachers and LAs. ● Year 1 to 5 teachers capabilities continued to grow ● SLT action plan implemented to support the goal ● Year 3 teachers confident at using SLT to support post covid gaps 	<p>Year 3 teachers closed gaps across the cohort. 10%</p> <p>This cohort has never had a full year at school.</p> <p>Some Year 4 to 6 teachers feel uncertain about what is happening in the junior school.</p>	We are clear of our next steps. Next step: giving middle and senior teachers opportunities to see how literacy skills are developed in the juniors. Essence statement for Structured Literacy at MBS. Develop specific school wide expectations of teaching handwriting.



Kiwi Sports Funding 2022

In Term 3 2022 Mellons Bay School had a focus on dance as part of our Physed programme. Footsteps Dance Company worked in the school one day a week throughout the term. All classes received ten dance lessons throughout the term. Dance is an important part of learning, it supports our children to be creative and interact with each other while expressing themselves. Sir Ken Robertson states that "dance improves students' relationship, memory, concentration and classroom behaviour." We also know music and movement impact positively on people's wellbeing

The Kiwi Sports Money \$7230 was used to subsidise the cost of the lessons. This meant the cost per pupil was \$2.00 per session rather than \$3.00. This enabled all our students to take part in the dance lessons each week. It also meant that our teachers were receiving PD each week as they worked with the students. This allowed our teachers to take further lessons with the children throughout the week.

The children also had the opportunity to work in groups and create their own dances which they shared with their classes and teams.

Paul Harder
Deputy Principal

Compliance with Education and Training Act 2020 requirements to be a good employer for the year ending 31 December 2022.

The following questions address key aspects of compliance with a good employer policy:

Reporting on the principles of being a Good Employer	
How have you met your obligations to provide good and safe working conditions?	<p><i>EEO officer- Terina Jacob</i></p> <p><i>Teachers fill out a check list each Term which enables property managers to review the state of our classrooms and identify any issues that may be a risk to students and teachers within the classroom. This checklist is actioned accordingly.</i></p> <p><i>Health and Safety is included in the minutes of every meeting as well as a section for pastoral care</i></p>
<p>What is in your equal employment opportunities programme?</p> <p>How have you been fulfilling this programme?</p>	<p><i>We have been following policy and its forefront of employment decisions. This comes through the Board of Trustees, it is reviewed and provides assurance.</i></p>
How do you practise impartial selection of suitably qualified persons for appointment?	<p><i>Advertisements -A range of platforms</i></p> <p><i>Police vetting/checks for all staff</i></p> <p><i>Competitive process of interviewing</i></p>
<p>How are you recognising,</p> <ul style="list-style-type: none"> - The aims and aspirations of Maori, - The employment requirements of Maori, and <p>- Greater involvement of Maori in the Education service?</p>	<p><i>Completing our community Community Consultation in 2022 and register</i></p> <p><i>Equality - each individual or group of people is given the same resources or opportunities. Best person suited for the position, taking into account their skills and experience and qualifications.</i></p> <p><i>→ Maori employees have the opportunities to grow as a leaders</i></p> <p><i>→ Room to be themselves and share cultural taonga with the rest of the staff.</i></p> <p><i>Engagement with community, open door approach</i></p> <p><i>Kapa Haka - Tutors from Macleans College</i></p>
How have you enhanced the abilities of individual employees?	<p><i>Providing recognition of the mahi involved and success</i></p> <p><i>Units that are available within Mellons Bay School</i></p> <p><i>Professional Learning Growth discussions</i></p> <p><i>Coaching between staff members</i></p>

How are you recognising the employment requirements of women?	<i>Responding to feedback of staff→ Providing solutions to the staff bathrooms. Air fresheners(automatic and cans)</i> <i>Moisturisers available</i> <i>Sanitary bins provided</i> <i>Meeting dietary needs for shared morning teas or any other occasion where kai is provided</i>
How are you recognising the employment requirements of persons with disabilities?	<i>Accessibility -Ramps, new building has an elevator</i> <i>Gates around the kura</i> <i>Ability to utilise Ministry of Education occupational therapists, Speech Language Therapists and physiotherapists,</i> <i>Access to Resource Teachers: Learning and Behaviour (RTLBs)</i>

Good employer policies should include provisions for an Equal Employment Opportunities (EEO) programme/policy . The Ministry of Education monitors these policies:

Reporting on Equal Employment Opportunities (EEO) Programme/Policy	YES	NO
Do you operate an EEO programme/policy?	•	
Has this policy or programme been made available to staff?	•	
Does your EEO programme/policy include training to raise awareness of issues which may impact EEO?	•	
Has your EEO programme/policy appointed someone to coordinate compliance with its requirements?	•	
Does your EEO programme/policy provide for regular reporting on compliance with the policy and/or achievements under the policy?	•	
Does your EEO programme/policy set priorities and objectives?	•	

-Addressing pastoral care and health and safety in minutes

-Prioritise needs

-Utilisation of school docs and reviews done by BOT.