ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

School Directory	
Ministry Number:	401
Principal:	Katherine Luoni
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Solutions & Services
Collaborative School Administration

MENZIES COLLEGE

Annual Report - For the year ended 31 December 2022

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Menzies College

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.

Rachel Wilkinson

Full Name of Presiding Member

Signed by: Rachel Wilkinson 12F4915176276046

Signature of Presiding Member

Date: 08/05/2023

Kath Luoni

Full Name of Principal

Signed by: Kath Luoni 864BEEEFE7EB636E

Signature of Principal

Date: 09/05/2023

Menzies College
Members of the Board
For the year ended 31 December 2022

Name	Position	How Position Gained	Term Expired/ Expires
Rachel Wilkinson	Presiding Member	Elected	Mar 2025
Katherine Luoni	Principal	ex Officio	
Yvonne Stewart	Parent Representative	Elected	Feb 2022
Allister Gauldie	Parent Representative	Elected	Mar 2025
Rosemary Crump	Parent Representative	Co-opted Elected	Sep 2022 Mar 2025
Pamela Yorke	Parent Representative	Elected	Mar 2025
Andrew Roy	Parent Representative	Elected	Mar 2025
Josh Bucknell	Parent Representative	Elected	Feb 2022
Jo Brand	Parent Representative	Co-opted	Mar 2025
Sue Crighton	Staff Representative	Appointed	Aug 2023
Alazhe Meihana-te-whata	Student Representative	Appointed	Aug 2023
Jake Kiernan	Student Representative	Appointed	Aug 2022

Menzies College
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	5,609,285	5,356,948	5,173,897
Locally Raised Funds	3	325,092	181,350	346,288
Interest Income		19,644	10,000	9,124
		5,954,021	5,548,298	5,529,309
Expenses				
Locally Raised Funds	3	208,861	114,420	192,638
Learning Resources	4	3,955,953	3,557,154	3,884,313
Administration	5	577,291	611,347	388,924
Finance		2,536	-	1,227
Property	6	1,159,236	1,263,902	1,054,137
Loss on Disposal of Property, Plant and Equipment		11,089	-	2,248
		5,914,966	5,546,823	5,523,487
Net Surplus / (Deficit) for the year		39,055	1,475	5,822
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		39,055	1,475	5,822

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

Menzies College
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		762,185	762,185	733,390
Total comprehensive revenue and expense for the year		39,055	1,475	5,822
Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		1,875	-	22,973
Equity at 31 December		803,115	763,660	762,185
Accumulated comprehensive revenue and expense		803,115	763,660	762,185
Equity at 31 December		803,115	763,660	762,185

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.

Menzies College
Statement of Financial Position
As at 31 December 2022

	Notes	2022 Actual $	2022 Budget (Unaudited) $	2021 Actual $
Current Assets				
Cash and Cash Equivalents	7	387,618	304,874	304,399
Accounts Receivable	8	279,321	286,377	286,377
GST Receivable		32,298	13,058	13,058
Prepayments		26,573	17,159	17,159
Inventories	9	24,846	27,018	27,018
Investments	10	406,421	571,141	571,141
Funds Receivable for Capital Works Projects	16	230,190	4,435	4,435
		1,387,267	1,224,062	1,223,587
Current Liabilities				
Accounts Payable	12	401,740	384,163	384,163
Revenue Received in Advance	13	25,899	17,497	17,497
Provision for Cyclical Maintenance	14	361,157	362,937	324,731
Finance Lease Liability	15	14,846	5,966	5,966
Funds held for Capital Works Projects	16	244,720	131,837	131,837
		1,048,362	902,400	864,194
Working Capital Surplus/(Deficit)		338,905	321,662	359,393
Non-current Assets				
Property, Plant and Equipment	11	605,215	530,892	529,892
		605,215	530,892	529,892
Non-current Liabilities				
Provision for Cyclical Maintenance	14	102,729	84,333	122,539
Finance Lease Liability	15	38,276	4,561	4,561
		141,005	88,894	127,100
Net Assets		803,115	763,660	762,185
Equity		803,115	763,660	762,185

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

Menzies College
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		1,723,909	1,649,257	1,441,073
Locally Raised Funds		348,379	181,350	332,404
Goods and Services Tax (net)		(19,240)	-	(61,637)
Payments to Employees		(825,661)	(728,000)	(775,836)
Payments to Suppliers		(1,101,477)	(1,019,132)	(865,678)
Interest Received		16,735	10,000	8,966
Net cash from/(to) Operating Activities		142,645	93,475	79,292
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment		(104,947)	(93,000)	(55,264)
Purchase of Investments		164,720	-	-
Proceeds from Sale of Investments		-	-	149,179
Net cash from/(to) Investing Activities		59,773	(93,000)	93,915
Cash flows from Financing Activities				
Furniture and Equipment Grant		1,875	-	22,973
Finance Lease Payments		(8,202)	-	(25,010)
Funds Administered on Behalf of Third Parties		(112,872)	-	(295,860)
Net cash (to)/from Financing Activities		(119,199)	-	(297,897)
Net increase/(decrease) in cash and cash equivalents		83,219	475	(124,690)
Cash and cash equivalents at the beginning of the year	7	304,399	304,399	429,089
Cash and cash equivalents at the end of the year	7	387,618	304,874	304,399

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.

Menzies College
Notes to the Financial Statements
For the year ended 31 December 2022

1. Statement of Accounting Policies

1.1. Reporting Entity
Menzies College (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.

1.2. 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 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 whole 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 14.

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 11.

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 15. Future operating lease commitments are disclosed in note 21b.

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.

1.3. 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 to which they relate. 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 to which they relate. 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 recognised as 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.

1.4. 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.

1.5. 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.

1.6. 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.

1.7. Accounts Receivable
Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (uncollectable debts). The school's 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.

1.8. 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.

1.9. 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.

1.10. 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 Statement of Comprehensive Revenue and Expense 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	10–50 years
Furniture and equipment	5 - 20 years
Information and communication technology	3-10 years
Motor vehicles	5 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

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

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

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

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

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the Statement of Comprehensive Revenue and Expense.

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

1.12. 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.

1.13. 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, 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 Statement of Comprehensive Revenue and Expense in the period in which they arise.

1.14. Revenue Received in Advance
Revenue received in advance relates to fees received from 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.

1.15. 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 Comprehensive Revenue and Expense.

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

1.16. 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 of the School, makes up the most significant part of the Board's responsibilities outside the 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 variety of periods in accordance with the conditional assessment of each area of the school. 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.

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

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

1.18. 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.

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

1.20. 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	1,302,174	1,203,975	1,224,717
Teachers' Salaries Grants	3,175,255	2,845,602	3,073,258
Use of Land and Buildings Grants	704,873	862,089	630,323
Healthy Lunches Grant	384,434	406,000	172,404
Other Government Grants	42,549	39,282	73,195
	5,609,285	5,356,948	5,173,897

The School has opted in to the donations scheme for this year. Total amount received was $50,250 (2021: $47,100).

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	85,531	31,700	88,138
Curriculum related Activities - Purchase of goods and services	9	-	35
Fees for Extra Curricular Activities	103,492	47,150	84,125
Trading	49,334	20,500	82,723
Fundraising & Community Grants	15,582	9,000	9,870
Other Revenue	71,144	73,000	81,397
	325,092	181,350	346,288
Expenses			
Extra Curricular Activities Costs	112,621	56,220	87,080
Trading	47,465	19,200	79,419
Fundraising & Community Grant Costs	33	1,000	320
Other Locally Raised Funds Expenditure	48,742	38,000	25,819
	208,861	114,420	192,638
Surplus for the year Locally raised funds	116,231	66,930	153,650

4. Learning Resources

	2022 Actual $	2022 Budget (Unaudited) $	2021 Actual $
Curricular	240,579	206,852	227,481
Equipment Repairs	1,716	7,500	6,185
Library Resources	574	2,700	311
Employee Benefits - Salaries	3,626,204	3,234,602	3,552,234
Staff Development	10,428	13,500	5,603
Depreciation	76,452	92,000	92,499
	3,955,953	3,557,154	3,884,313

5. Administration

	2022 Actual $	2022 Budget (Unaudited) $	2021 Actual $
Audit Fee	6,921	7,000	6,719
Board Fees	4,085	5,500	4,985
Board Expenses	7,341	8,000	6,098
Communication	4,216	4,700	3,617
Consumables	27,702	17,000	20,338
Operating Lease	777	1,000	868
Healthy Lunches Expenses	299,533	354,147	129,881
Other	25,123	29,000	30,245
Employee Benefits - Salaries	183,690	169,000	171,433
Insurance	10,933	9,000	8,220
Service Providers, Contractors and Consultancy	6,970	7,000	6,520
	577,291	611,347	388,924

6. Property

	2022 Actual $	2022 Budget (Unaudited) $	2021 Actual $
Caretaking and Cleaning Consumables	14,182	10,000	13,055
Consultancy and Contract Services	-	-	14,370
Cyclical Maintenance Provision	33,752	64,313	79,563
Grounds	38,613	22,000	30,695
Heat, Light and Water	122,008	107,000	121,371
Rates	16,009	14,000	13,612
Repairs and Maintenance	36,146	13,000	(7,426)
Use of Land and Buildings	704,873	862,089	630,323
Security	4,538	1,500	1,781
Employee Benefits - Salaries	189,115	170,000	156,793
	1,159,236	1,263,902	1,054,137

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 Actual $	2022 Budget (Unaudited) $	2021 Actual $
Bank Accounts	87,618	304,874	304,399
Short-term Bank Deposits	300,000	-	-
Cash and Cash Equivalents for Statement of Cash Flows	387,618	304,874	304,399

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

Of the $387,618 Cash and Cash Equivalents, $244,720 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 2023 on Crown owned school buildings.

8. Accounts Receivable

	2022 Actual $	2022 Budget (Unaudited) $	2021 Actual $
Receivables	5,606	20,491	20,491
Receivables from the Ministry of Education	-	6,358	6,358
Interest Receivable	5,659	2,750	2,750
Teacher Salaries Grant Receivable	268,056	256,778	256,778
	279,321	286,377	286,377
Receivables from Exchange Transactions	11,265	23,241	23,241
Receivables from Non-Exchange Transactions	268,056	263,136	263,136
	279,321	286,377	286,377

9. Inventories

	2022 Actual $	2022 Budget (Unaudited) $	2021 Actual $
Stationery	2,874	3,282	3,282
School Uniforms	21,972	20,142	20,142
Canteen	-	3,594	3,594
	24,846	27,018	27,018

10. Investments

The School's investment activities are classified as follows:

	2022 Actual $	2022 Budget (Unaudited) $	2021 Actual $
Current Asset			
Short-term Bank Deposits	406,421	571,141	571,141
Total Investments	406,421	571,141	571,141

11. Property, Plant and Equipment

2022	Opening Balance (NBV) $	Additions $	Disposals $	Impairment $	Depreciation $	Total (NBV) $
Land	14,200	-	-	-	-	**14,200**
Building Improvements	292,752	10,963	-	-	(13,049)	**290,666**
Furniture and Equipment	138,029	73,397	-	-	(26,147)	**185,279**
Information and Communication Technology	34,073	24,074	-	-	(18,101)	**40,046**
Motor Vehicles	21,741	-	-	-	(6,489)	**15,252**
Leased Assets	10,411	53,736	-	-	(11,630)	**52,517**
Library Resources	18,686	694	(11,089)	-	(1,036)	**7,255**
Balance at 31 December 2022	529,892	162,864	(11,089)	-	(76,452)	**605,215**

The net carrying value of furniture and equipment held under a finance lease is $52,517 (2021: $10,411)

Restrictions
With the exception of the contractual restrictions relating to the above noted finance leases, there are no other restrictions over the title of the school's property, plant and equipment, nor are any property, plant and equipment pledged as security for liabilities.

	2022 Cost or Valuation $	2022 Accumulated Depreciation $	2022 Net Book Value $	2021 Cost or Valuation $	2021 Accumulated Depreciation $	2021 Net Book Value $
Land	14,200	-	**14,200**	14,200	-	**14,200**
Building Improvements	500,788	(210,122)	**290,666**	489,824	(197,072)	**292,752**
Furniture and Equipment	1,056,711	(871,432)	**185,279**	983,317	(845,288)	**138,029**
Information and Communication Technology	317,660	(277,614)	**40,046**	293,586	(259,513)	**34,073**
Motor Vehicles	55,108	(39,856)	**15,252**	55,109	(33,368)	**21,741**
Leased Assets	68,074	(15,557)	**52,517**	20,001	(9,590)	**10,411**
Library Resources	33,290	(26,035)	**7,255**	80,173	(61,487)	**18,686**
Balance at 31 December	2,045,831	(1,440,616)	**605,215**	1,936,210	(1,406,318)	**529,892**

12. Accounts Payable

	2022 Actual $	2022 Budget (Unaudited) $	2021 Actual $
Creditors	35,640	25,912	25,912
Accruals	6,921	6,719	6,719
Employee Entitlements - Salaries	284,220	272,188	272,188
Employee Entitlements - Leave Accrual	74,959	79,344	79,344
	401,740	384,163	384,163
Payables for Exchange Transactions	401,740	384,163	384,163
	401,740	384,163	384,163

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2022 Actual $	2022 Budget (Unaudited) $	2021 Actual $
Other Revenue in Advance	25,899	17,497	17,497
	25,899	17,497	17,497

14. Provision for Cyclical Maintenance

	2022 Actual $	2022 Budget (Unaudited) $	2021 Actual $
Provision at the Start of the Year	447,270	447,270	384,447
Increase to the Provision During the Year	62,958	64,313	64,313
Other Adjustments	(29,206)	-	15,250
Use of the Provision During the Year	(17,136)	(64,313)	(16,740)
Provision at the End of the Year	463,886	447,270	447,270
Cyclical Maintenance - Current	361,157	362,937	324,731
Cyclical Maintenance - Non current	102,729	84,333	122,539
	463,886	447,270	447,270

The School's cyclical maintenance schedule details annual painting & other significant cyclical maintenance work to be undertaken. The costs associated with this annual work will vary depending on the requirements during the year. This plan is based on the School's most recent 10 Year Property plan, adjusted as identified and confirmed appropriate by the Board, to other reliable sources of evidence.

15. 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	18,283	6,731	6,731
Later than One Year and no Later than Five Years	42,995	4,846	4,846
Future Finance Charges	(8,156)	(1,050)	(1,050)
	53,122	10,527	10,527
Represented by:			
Finance lease liability - Current	14,846	5,966	5,966
Finance lease liability - Non-current	38,276	4,561	4,561
	53,122	10,527	10,527

16. 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 $
Roof replacement - Stage 2 - #213467	106,672	114,887	(423,567)	-	(202,008)
Boundary Fences - #224460	(4,435)	-	(23,747)	-	(28,182)
Admin Upgrade - #219906-#221444	25,165	219,712	(98,132)	-	146,745
Infrastructure upgrades (5YA) - #234439	-	142,071	(59,820)	-	82,251
Pool Roof Cladding - #213467	-	15,724	-	-	15,724
Auger Project - #239347	-	6,720	(6,720)	-	-
Totals	127,402	499,114	(611,986)	-	14,530
Represented by:					
Funds Held on Behalf of the Ministry of Education					244,720
Funds Receivable from the Ministry of Education					(230,190)

2021	Opening Balances $	Receipts from MoE $	Payments $	Board Contributions $	Closing Balances $
Roof replacement - Stage 2 - #213467	199,740	1,158,000	(1,251,068)	-	106,672
Boundary Fences - #224460	223,522	197,113	(425,070)	-	(4,435)
Admin Upgrade #219906-#221444	-	30,565	(5,400)	-	25,165
Key Replacement #227881	-	13,587	(13,587)	-	-
Totals	423,262	1,399,265	(1,695,125)	-	127,402
Represented by:					
Funds Held on Behalf of the Ministry of Education					131,837
Funds Receivable from the Ministry of Education					(4,435)

17. 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.

18. Remuneration

Key management personnel compensation

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

	2022 Actual $	2021 Actual $
Board Members		
Remuneration	4,085	4,985
Leadership Team		
Remuneration	411,807	391,422
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	415,892	396,407

There are eight members of the Board excluding the Principal. The Board had held nine 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:

Salaries and Other Short-term Employee Benefits:	2022 Actual $000	2021 Actual $000
Salary and Other Payments	150 - 160	140 - 150
Benefits and Other Emoluments	0 -10	0 - 10
Termination Benefits	0 - 0	0 - 0

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	6.00	9.00
110 -120	3.00	2.00
120 - 130	2.00	1.00
	11.00	12.00

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

19. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be trustees, committee members, or employees during the financial year in relation to that cessation and the number of persons to whom all or part of that total was payable was as follows:

	2022 Actual	2021 Actual
Total	$ -	$ -
Number of People	-	-

20. Contingencies

There are no contingent liabilities and no contingent assets except as noted below 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.

Additional funding wash up payment

The Ministry of Education provided additional funding for the Support Staff in Schools' Collective Agreement (CA) Settlements 2019 and 2022, the Teacher Aide Pay Equity Settlement and the Administration Pay Equity Settlement. The School has not been notified of the final wash up calculation relating to 31 December 2022. The final calculation's impact on the financial statements is unable to be determined at the date of reporting.

21. Commitments

(a) Capital Commitments

As at 31 December 2022 the Board has entered into the following contract agreements for capital works.

(a) The school has contracted for an admin upgrade project. The total cost of this project is estimated to be $311,458, which the school has contracted into with several contractors as agent for the Ministry of Education. The project is fully funded by the Ministry. An amount of $250,277 has been received from the Ministry for this project, of which $103,532 has been spent on the project to balance date. This project has been approved by the Ministry.

(b) The school has contracted for infrastructure upgrade design fees. The total cost of this design project is estimated to be $142,071, which the school has contracted into with several contractors as agent for the Ministry of Education. The project is fully funded by the Ministry. An amount of $142,071 has been received from the Ministry for this project, of which $59,820 has been spent on the project to balance date. This project has been approved by the Ministry.

(c) The school has contracted for pool roof design fees. The total cost of this design project is estimated to be $15,724, which the school has contracted into with several contractors as agent for the Ministry of Education. The project is fully funded by the Ministry. An amount of $15,724 has been received from the Ministry for this project, of which none has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments in relation to Ministry projects at 31 December 2021: $127,402)

(b) Operating Commitments

As at 31 December 2022 the Board has not entered into any operating contracts.

(Operating commitments at 31 December 2021: nil)

22. 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 Actual $	2022 Budget (Unaudited) $	2021 Actual $
Cash and Cash Equivalents	387,618	304,874	304,399
Receivables	279,321	286,377	286,377
Investments - Term Deposits	406,421	571,141	571,141
Total Financial assets measured at amortised cost	1,073,360	1,162,392	1,161,917

Financial liabilities measured at amortised cost

Payables	401,740	384,163	384,163
Finance Leases	53,122	10,527	10,527
Total Financial liabilities measured at amortised Cost	454,862	394,690	394,690

23. Events After Balance Date

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

24. Comparatives

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

Measurable Target Variance Report for 2022

Measurable Target 1:

100% achievement of NCEA Level 1 Literacy and Numeracy.

Numeracy

Year 11: Of the cohort 92.5% gained Numeracy. Early leavers, non-attenders and a student working at Level 2 of the curriculum on an IEP accounted for the 7.5% of students who didn't gain Numeracy. Every student who remained on the roll attending school gained Numeracy.

Year 12: Of the cohort 94.6% have gained Numeracy. The 5.4% who have not gained Numeracy represent two students, one who attended Alternative Education and gained a Level 3 NZQA qualification. The other student was excluded following a second drug related incident at school.

Year 13: Of this cohort 100% have gained Numeracy.

Literacy

Year 11: Of the cohort 88.7% gained Literacy. Early leavers, non-attenders, a student working at Level 2 of the curriculum on an IEP and two other students who have returned as Year 12 students accounted for the 11.3% of students who didn't gain Literacy. The two students who have returned to school are Priority Learners with a mentor in place.

Year 12: Of the cohort 94.6% have gained Literacy. The 5.4% who have not gained Literacy represent two students, one who attended Alternative Education and gained a Level 3 NZQA qualification. The other student was excluded following a second drug related incident at school.

Year 13: Of this cohort 100% have gained Literacy.

Measurable Target 2:

Strengthen systems for engaging with parents about social and academic progress by aiming for 80% attendance at any one of our engagement opportunities.

We have prioritised reconnecting with the community with a focus on learning, following the lifting of Covid restrictions. The four planned engagement opportunities were:

- Course confirmation in late January for Year 11-13
    - There were 131 meetings conducted with parents/caregivers from 122 families that attended, unfortunately a record of who these families were was not kept. This represents 93% attendance of whanau.
- Meet the staff mid Term 1 for all the community but usually only attended by parents with students entering the school
    - This was poorly attended with more staff than parents present. No data was saved.
- Subject based meetings in June Term 2 for everyone
    - Parents/caregivers from 80 families attended, unfortunately a record of who these whanau were was not kept.
- Whanau based meetings in September Term 3 for everyone. There were 98 whanau in attendance representing 136 students. Our student population at that time was 316. The attendance rate at this interview was 43%

Due to poor data keeping we cannot establish if the target was met. We need to be more targeted at the whanau we don't get to engage with over learning and mindful of storing the data.

The 2023 target will remain the same.

Kiwisport

Kiwisport is a government funded initiative to support student's participation in organised sport. In 2022 the school received a total of $7090.30 (excluding GST) to assist with the delivery of sport in our school. The funding was used to provide our sports coordinator with administration support. This support included liason with teams and coaches, organising transport, lunch time sports activities and ensure we entered tournaments and local sporting competitions.

The number of Menzies students from year 7 to13 participating in organised school sport records an average of 57%. Female students engaged in sport for the college account for 59% and boys 55%. Girls participation has decreased by 7% and boys participation has decreased by 20%. This aligns with struggles to find enough students in the senior school to field rugby teams in each grade. Staff involvement is 35% with staff coaching at 18%, this is a 14% drop from the previous year. Boys and girls Basketball has gained momentum as has Hockey and Cricket. Football has declined for both boys and girls.

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INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF MENZIES COLLEGE'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The Auditor-General is the auditor of Menzies College (the School). The Auditor-General has appointed me, Aaron Higham, using the staff and resources of BDO Invercargill, 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 3 to 18, 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 Standards, Reduced Disclosure Regime.

Our audit was completed on 9 May 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 for our opinion

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

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

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

Responsibilities of the Board for the financial statements

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

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

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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.

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- 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 is responsible for the other information. The other information comprises the information included on page 2 and on pages 19 to 21, 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.

Aaron Higham
BDO Invercargill
On behalf of the Auditor-General
Invercargill, New Zealand