

Al-Madinah School

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

Ministry Number:	544
Principal:	Asin Ali
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Accountant / Service Provider:	School Finance Hub

Al-Madinah School

Annual Financial Statements - For the year ended 31 December 2023

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Al-Madinah School

Statement of Responsibility

For the year ended 31 December 2023

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

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

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

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

ASHWAT KHAN
Full Name of Presiding Member


Signature of Presiding Member

30/5/24.
Date:

ASIN ALI
Full Name of Principal


Signature of Principal

30/05/24
Date:

Al-Madinah School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Revenue				
Government Grants	2	5,771,288	5,430,158	5,443,532
Locally Raised Funds	3	206,141	162,300	136,495
Use of Proprietor's Land and Buildings		510,000	510,000	510,000
Interest		33,974	10,000	7,497
Total Revenue		6,521,403	6,112,458	6,097,524
Expense				
Locally Raised Funds	3	176,413	116,500	132,149
Learning Resources	4	5,185,403	4,793,070	4,638,412
Administration	5	391,950	391,837	375,887
Interest		3,376	4,800	4,959
Property	6	920,997	862,795	898,582
Loss on Disposal of Property, Plant and Equipment		1,212	-	1,019
Total Expense		6,679,351	6,169,002	6,051,008
Net Surplus / (Deficit) for the year		(157,948)	(56,544)	46,516
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		(157,948)	(56,544)	46,516

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

Al-Madinah School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Equity at 1 January		1,712,890	1,712,890	1,666,374
Total comprehensive revenue and expense for the year		(157,948)	(56,544)	46,516
Equity at 31 December		1,554,942	1,656,346	1,712,890
Accumulated comprehensive revenue and expense		1,554,942	1,656,346	1,712,890
Equity at 31 December		1,554,942	1,656,346	1,712,890

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.

Al-Madinah School

Statement of Financial Position

As at 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Current Assets				
Cash and Cash Equivalents	7	1,075,878	1,045,063	1,120,827
Accounts Receivable	8	468,005	370,000	391,766
GST Receivable		33,276	25,000	27,151
Prepayments		6,822	6,500	6,520
Inventories	9	92,374	75,000	121,288
		<u>1,676,355</u>	<u>1,521,563</u>	<u>1,667,552</u>
Current Liabilities				
Accounts Payable	11	616,095	454,500	451,935
Borrowings	12	11,935	11,935	11,935
Revenue Received in Advance	13	36,127	5,000	7,267
Provision for Cyclical Maintenance	14	11,553	-	11,318
Finance Lease Liability	15	18,874	17,400	25,231
		<u>694,584</u>	<u>488,835</u>	<u>507,686</u>
Working Capital Surplus/(Deficit)		981,771	1,032,728	1,159,866
Non-current Assets				
Property, Plant and Equipment	10	680,831	726,994	666,994
		<u>680,831</u>	<u>726,994</u>	<u>666,994</u>
Non-current Liabilities				
Borrowings	12	8,951	8,951	20,886
Provision for Cyclical Maintenance	14	90,977	87,261	70,521
Finance Lease Liability	15	7,732	7,164	22,563
		<u>107,660</u>	<u>103,376</u>	<u>113,970</u>
Net Assets		<u>1,554,942</u>	<u>1,656,346</u>	<u>1,712,890</u>
Equity		<u>1,554,942</u>	<u>1,656,346</u>	<u>1,712,890</u>

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

Al-Madinah School

Statement of Cash Flows

For the year ended 31 December 2023

	Note	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Cash flows from Operating Activities				
Government Grants		1,649,822	1,856,630	1,624,611
Locally Raised Funds		200,501	160,033	141,631
International Students		21,739	-	-
Goods and Services Tax (net)		(6,125)	2,151	(15,003)
Payments to Employees		(1,104,609)	(1,114,401)	(893,313)
Payments to Suppliers		(618,222)	(715,212)	(653,790)
Interest Paid		(3,376)	(4,800)	(4,959)
Interest Received		33,974	10,000	7,497
Net cash from/(to) Operating Activities		173,704	194,401	206,674
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		-	(84,011)	-
Purchase of Property Plant & Equipment (and Intangibles)		(185,530)	(140,989)	(137,644)
Net cash from/(to) Investing Activities		(185,530)	(225,000)	(137,644)
Cash flows from Financing Activities				
Finance Lease Payments		(21,188)	(33,230)	(24,334)
Repayment of Loans		(11,935)	(11,935)	(11,935)
Net cash from/(to) Financing Activities		(33,123)	(45,165)	(36,269)
Net increase/(decrease) in cash and cash equivalents		(44,949)	(75,764)	32,761
Cash and cash equivalents at the beginning of the year	7	1,120,827	1,120,827	1,088,066
Cash and cash equivalents at the end of the year	7	1,075,878	1,045,063	1,120,827

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

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

Al-Madinah School

Notes to the Financial Statements

For the year ended 31 December 2023

1. Statement of Accounting Policies

a) Reporting Entity

Al-Madinah 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 2023 to 31 December 2023 and in accordance with the requirements of the Education and Training Act 2020.

Basis of Preparation

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

Financial Reporting Standards Applied

The Education and Training Act 2020 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards 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 Proprietor'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 10.

Al-Madinah School

Notes to the Financial Statements (cont'd)

For the year ended 31 December 2023

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 20.

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 Proprietor. 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. This expense is based on an assumed market rental yield on the 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) Operating Lease Payments

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

e) Finance Lease Payments

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

Al-Madinah School

Notes to the Financial Statements (cont'd)

For the year ended 31 December 2023

f) Cash and Cash Equivalents

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

g) Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for 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.

h) Inventories

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

i) Investments

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is material.

j) Property, Plant and Equipment

Land and buildings owned by the Proprietor 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 Proprietor 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	50 years
Furniture and equipment	5-10 years
Information and communication technology	5 years
Motor vehicles	5-10 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value

Al-Madinah School

Notes to the Financial Statements (cont'd)

For the year ended 31 December 2023

k) 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 for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

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

In determining fair value less costs to sell, the School engages an independent valuer to assess market value based on the best available information. The valuation is based on the valuer's approach to determining market value.

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

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

l) Accounts Payable

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

m) Employee Entitlements

Short-term employee entitlements

Employee entitlements that are expected to be settled within 12 months after the end of the reporting period in which the employees provide the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date and 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 surplus or deficit in the period in which they arise.

n) Revenue Received in Advance

Revenue received in advance relates to fees received from Scholarship Fund and PSPA funds where there are unfulfilled obligations for the School to provide services in the future. The fees and grants are recorded as revenue as the obligations are fulfilled and the fees and grants are earned.

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

o) Funds Held for Capital Works

The School directly receives funding from the Ministry of Education for capital works projects that are included in the School's 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.

Al-Madinah School

Notes to the Financial Statements (cont'd)

For the year ended 31 December 2023

p) Provision for Cyclical Maintenance

The property from which the School operates is owned by the Proprietor. The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

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

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

q) 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 and finance lease liability. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in surplus or deficit.

r) Borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the School has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

s) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

t) Budget Figures

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

u) 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.

Al-Madinah School

Notes to the Financial Statements (cont'd)

For the year ended 31 December 2023

2. Government Grants

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Government Grants - Ministry of Education	1,713,534	1,785,158	1,693,883
Teachers' Salaries Grants	4,026,397	3,600,000	3,713,243
Other Government Grants	31,357	45,000	36,406
	<u>5,771,288</u>	<u>5,430,158</u>	<u>5,443,532</u>

The school has opted in to the donations scheme for this year. Total amount received was \$84,766.

3. Locally Raised Funds

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

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Revenue			
Donations & Bequests	616	-	1,628
Fees for Extra Curricular Activities	63,620	31,300	32,581
Trading	130,620	121,000	102,286
Fundraising & Community Grants	11,285	10,000	-
	<u>206,141</u>	<u>162,300</u>	<u>136,495</u>
Expense			
Extra Curricular Activities Costs	65,423	35,500	54,889
Trading	109,868	78,500	77,260
Fundraising and Community Grant Costs	1,122	2,500	-
	<u>176,413</u>	<u>116,500</u>	<u>132,149</u>
Surplus / (Deficit) for the year Locally Raised Funds	<u>29,728</u>	<u>45,800</u>	<u>4,346</u>

4. Learning Resources

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Curricular	136,151	161,500	99,769
Equipment Repairs	28,798	27,000	31,697
Information and Communication Technology	1,066	-	1,316
Library Resources	-	-	3,628
Employee Benefits - Salaries	4,824,172	4,396,570	4,282,569
Staff Development	22,396	30,000	30,920
Overseas Travel	2,689	3,000	-
Depreciation	170,131	175,000	188,513
	<u>5,185,403</u>	<u>4,793,070</u>	<u>4,638,412</u>

The Principal travelled to Fiji on 22 September and returned 3 October 2023. This was approved at the meeting on 20 September. The trip was to promote the school and recruit international students. The travel included his Wellbeing activities. The school paid for airfares, local travel, accommodation and meals. Any balance or unspent of his wellbeing budget for the year will be carried forward to next year's budget. No funds were locally raised for the travel.

Al-Madinah School

Notes to the Financial Statements (cont'd)

For the year ended 31 December 2023

5. Administration

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Audit Fees	9,778	9,000	9,270
Board Fees	1,215	5,000	-
Board Expenses	6,756	18,000	6,388
Intervention Costs & Expenses	54,356	55,000	54,839
Communication	11,298	9,000	9,307
Consumables	40,133	38,000	38,141
Legal Fees	7,985	2,000	1,665
Other	21,852	32,800	27,705
Employee Benefits - Salaries	216,786	204,037	209,232
Insurance	13,016	10,000	10,865
Service Providers, Contractors and Consultancy	8,775	9,000	8,475
	<u>391,950</u>	<u>391,837</u>	<u>375,887</u>

6. Property

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Caretaking and Cleaning Consumables	20,680	13,500	15,250
Consultancy and Contract Services	99,356	100,000	93,712
Cyclical Maintenance	20,691	20,000	44,401
Grounds	6,147	6,000	6,179
Heat, Light and Water	61,374	43,000	47,674
Repairs and Maintenance	72,597	49,000	57,686
Use of Land and Buildings	510,000	510,000	510,000
Security	10,746	7,000	8,222
Employee Benefits - Salaries	119,406	114,295	115,458
	<u>920,997</u>	<u>862,795</u>	<u>898,582</u>

The use of land and buildings figure represents 5% of the school's total property value. This is used as a 'proxy' for the market rental of the property.

Al-Madinah School

Notes to the Financial Statements (cont'd)

For the year ended 31 December 2023

7. Cash and Cash Equivalents

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Bank Accounts	1,075,878	1,045,063	1,120,827
Cash and cash equivalents for Statement of Cash Flows	<u>1,075,878</u>	<u>1,045,063</u>	<u>1,120,827</u>

8. Accounts Receivable

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Receivables from the Ministry of Education	24,342	-	-
Banking Staffing Underuse	55,604	-	26,472
Teacher Salaries Grant Receivable	388,059	370,000	365,294
	<u>468,005</u>	<u>370,000</u>	<u>391,766</u>
Receivables from Exchange Transactions	-	-	-
Receivables from Non-Exchange Transactions	468,005	370,000	391,766
	<u>468,005</u>	<u>370,000</u>	<u>391,766</u>

9. Inventories

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Stationery	2,666	5,000	2,686
School Uniforms	89,708	70,000	118,602
	<u>92,374</u>	<u>75,000</u>	<u>121,288</u>

Al-Madinah School

Notes to the Financial Statements (cont'd)

For the year ended 31 December 2023

10. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2023	\$	\$	\$	\$	\$	\$
Building improvements - Crown	14,092	17,190	-	-	(3,772)	27,510
Furniture and Equipment	400,675	39,345	-	-	(78,417)	361,603
Information and Communication Technology	131,837	112,042	-	-	(52,135)	191,744
Leased Assets	42,830	4,650	-	-	(24,769)	22,711
Library Resources	77,560	11,953	(1,212)	-	(11,038)	77,263
Balance at 31 December 2023	666,994	185,180	(1,212)	-	(170,131)	680,831

The net carrying value of furniture and equipment held under a finance lease is \$24,836 (2022: \$42,830)

Restrictions

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

	2023	2023	2023	2022	2022	2022
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Building improvements - Crown	56,788	(29,278)	27,510	39,598	(25,506)	14,092
Furniture and Equipment	1,534,599	(1,172,996)	361,603	1,495,254	(1,094,579)	400,675
Information and Communication Technology	1,042,854	(851,110)	191,744	930,811	(798,974)	131,837
Motor Vehicles	76,511	(76,511)	-	84,011	(84,011)	-
Leased Assets	93,231	(70,520)	22,711	151,133	(108,303)	42,830
Library Resources	207,049	(129,786)	77,263	198,193	(120,633)	77,560
Balance at 31 December 2023	3,011,032	(2,330,201)	680,831	2,899,000	(2,232,006)	666,994

11. Accounts Payable

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Creditors	142,758	30,000	32,872
Accruals	9,421	7,500	7,270
Employee Entitlements - Salaries	417,622	372,000	368,243
Employee Entitlements - Leave Accrual	46,294	45,000	43,550
	616,095	454,500	451,935
Payables for Exchange Transactions	616,095	454,500	451,935
	616,095	454,500	451,935

The carrying value of payables approximates their fair value.

Al-Madinah School

Notes to the Financial Statements (cont'd)

For the year ended 31 December 2023

12. Borrowings

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Loans due in one year	11,935	11,935	11,935
Loans due after one year	8,951	8,951	20,886
	<u>20,886</u>	<u>20,886</u>	<u>32,821</u>

The School has borrowings at 31 December 2023 of \$20,886 (31 December 2022 \$32,821). This loan is from Energy Efficiency and Conservation Authority for the purpose of Electrical Upgrade. The loan is unsecured, and is payable without interest in equal quarterly instalments of \$2,984.

13. Revenue Received in Advance

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Grants in Advance - Ministry of Education	12,761	-	-
International Student Fees in Advance	21,739	-	-
Other Revenue in Advance	1,627	5,000	7,267
	<u>36,127</u>	<u>5,000</u>	<u>7,267</u>

14. Provision for Cyclical Maintenance

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Provision at the Start of the Year	81,839	70,521	37,438
Increase to the Provision During the Year	20,691	20,000	44,401
Use of the Provision During the Year	-	(3,260)	-
Provision at the End of the Year	<u>102,530</u>	<u>87,261</u>	<u>81,839</u>
Cyclical Maintenance - Current	11,553	-	11,318
Cyclical Maintenance - Non current	90,977	87,261	70,521
	<u>102,530</u>	<u>87,261</u>	<u>81,839</u>

The School's cyclical maintenance schedule details annual painting 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 10 Year Property plan.

Al-Madinah School

Notes to the Financial Statements (cont'd)

For the year ended 31 December 2023

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:

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
No Later than One Year	20,341	17,400	29,058
Later than One Year and no Later than Five Years	8,318	7,164	25,589
Future Finance Charges	(2,053)	-	(6,853)
	<u>26,606</u>	<u>24,564</u>	<u>47,794</u>
Represented by			
Finance Lease Liability - Current	18,874	17,400	25,231
Finance Lease Liability - Non current	7,732	7,164	22,563
	<u>26,606</u>	<u>24,564</u>	<u>47,794</u>

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.

The Proprietor of the School (IED Trust) is a related party of the Commissioner/Board because the Proprietor appoints representatives to the Board, giving the Proprietor significant influence over the Commissioner/Board. Any services or contributions between the Commissioner and Proprietor have been disclosed appropriately. If the Proprietor collects fund on behalf of the School (or vice versa), the amounts are disclosed. The Principal is also a board member of the Trust that is the Proprietor of the school.

The Proprietor provides land and buildings free of charge for use by the School Board as noted in Note 1(c). The estimated value of this use during the current period is included in the Statement of Comprehensive Revenue and Expense as 'Use of Land and Buildings'.

Al-Madinah School

Notes to the Financial Statements (cont'd)

For the year ended 31 December 2023

17. Remuneration

Key management personnel compensation

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

	2023 Actual \$	2022 Actual \$
Commissioner Remuneration	55,571	54,839
Leadership Team Remuneration Full-time equivalent members	800,068 6	- -
Total key management personnel remuneration	855,639	54,839

There are 7 members of the Board excluding the Principal. The Board has held 3 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:

	2023 Actual \$000	2022 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	180 - 190	170 - 180
Benefits and Other Emoluments	1 - 5	1 - 5
Termination Benefits	-	-

Other Employees

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

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

Remuneration \$000	2023 FTE Number	2022 FTE Number
130 - 140	2.00	-
120 - 130	3.00	1.00
110 - 120	4.00	3.00
100 - 110	10.00	7.00
	19.00	11.00

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:

	2023 Actual	2022 Actual
Total Number of People	-	-

Al-Madinah School

Notes to the Financial Statements (cont'd)

For the year ended 31 December 2023

19. Contingencies

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

Holidays Act Compliance – Schools Payroll

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

The Ministry continues to review the Schools Sector Payroll to ensure compliance with the Holidays Act 2003. An initial remediation payment has been made to some current school employees. The Ministry is continuing to perform detailed analysis to finalise calculations and the potential impacts of specific individuals, as such, this is expected to resolve the liability for school boards.

Pay equity settlement wash-up amounts

In 2023 the Ministry of Education provided additional funding for non-teaching collective and pay equity agreements. The school is yet to receive a final wash-up that adjusts the estimated quarterly instalments for the actual eligible staff members employed in 2023. The Ministry is in the process of determining wash-up payments or receipts for the year ended 31 December 2023. However, as at the reporting date, this amount had not been calculated and therefore is not recorded in these financial statements.

20. Commitments

(a) Capital Commitments

As at 31 December 2023 the Board has entered into no contract agreements for capital works (2022: Nil)

(b) Operating Commitments

As at 31 December 2023, the Board has no operating commitments (2022: Nil)

21. Financial Instruments

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

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Financial assets measured at amortised cost			
Cash and Cash Equivalents	1,075,878	1,045,063	1,120,827
Receivables	468,005	370,000	391,766
Total financial assets measured at amortised cost	<u>1,543,883</u>	<u>1,415,063</u>	<u>1,512,593</u>
Financial liabilities measured at amortised cost			
Payables	616,095	454,500	451,935
Borrowings - Loans	20,886	20,886	32,821
Finance Leases	26,606	24,564	47,794
Total financial liabilities measured at amortised cost	<u>663,587</u>	<u>499,950</u>	<u>532,550</u>

22. Events After Balance Date

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

Independent Auditor's Report

To the Readers of Al-Madinah's Financial Statements

For the Year Ended 31 December 2023

The Auditor-General is the auditor of Al-Madinah (the School). The Auditor-General has appointed me, Bonita Swanepoel, using the staff and resources of William Buck Audit (NZ) Limited, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 18, that comprise the statement of financial position as at 31 December 2023, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2023; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with PBE Accounting Standards (PBE IPSAS) Reduced Disclosure Regime.

Our audit was completed on 31 May 2024. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

Responsibilities of the Board for the financial statements

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

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the school payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the information included in the annual report being the Kiwisport Report, Statement of Compliance with Employment Policy, Members of the Board of Trustees, evaluation of the school's students' progress and achievement, report on how the school has given effect to Te Tiriti o Waitangi and Statement of Variance, but does not include the financial statements, and our auditor's report thereon.

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

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

Independence

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

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



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