

# Bailey Road School

## Financial Statements for the year ended 31 December 2017

<b>School Address:</b>	19 Bailey Rd, Mt Wellington, Auckland
<b>School Postal Address:</b>	19 Bailey Rd, Mt Wellington, Auckland
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<b>Ministry Number:</b>	1216

# Bailey Road School

## Financial Statements

For the year ended 31 December 2017

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**Bailey Road School**  
**Statement of Responsibility**  
For the year ended 31 December 2017

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2017 fairly reflects the financial position and operations of the school.


The School's 2017 financial statements are authorised for issue by the Board.

Max Guptill  
Full Name of Board Chairperson

  
Signature of Board Chairperson

21 May 2018  
Date:

Jody Hayes  
Full Name of Principal

  
Signature of Principal

21 May 2018  
Date:

**Bailey Road School**  
**Statement of Comprehensive Revenue and Expense**

For the year ended 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Revenue</b>				
Government Grants	2	3,801,939	3,080,500	3,417,686
Local Raised Funds	3	157,786	107,500	135,163
Interest Earned		4,345	3,000	3,065
		<u>3,964,070</u>	<u>3,191,000</u>	<u>3,555,914</u>
<b>Expenses</b>				
Local Raised Funds	3	66,223	43,000	64,646
Learning Resources	4	2,397,587	2,110,850	2,313,190
Administration	5	196,558	197,000	190,769
Finance Costs		1,858	-	778
Property	6	1,131,895	723,250	933,211
Depreciation	7	125,910	114,344	119,967
Loss on Disposal of Property, Plant and Equipment		6,814	-	1,362
		<u>3,926,845</u>	<u>3,188,444</u>	<u>3,623,923</u>
<b>Net Surplus / (Deficit)</b>		<b>37,225</b>	<b>2,556</b>	<b>(68,009)</b>
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u><u>37,225</u></u>	<u><u>2,556</u></u>	<u><u>(68,009)</u></u>

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes.

## Bailey Road School

### Statement of Changes in Net Assets/Equity

For the year ended 31 December 2017

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Balance at 1 January</b>	<u>792,107</u>	<u>792,107</u>	<u>860,116</u>
Total comprehensive revenue and expense for the year	37,225	2,556	(68,009)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	20,384	-	-
<b>Equity at 31 December</b>	<u>849,716</u>	<u>794,663</u>	<u>792,107</u>
Retained Earnings	849,716	794,663	792,107
<b>Equity at 31 December</b>	<u>849,716</u>	<u>794,663</u>	<u>792,107</u>

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes.

**Bailey Road School**  
**Statement of Financial Position**

As at 31 December 2017

		2017	2017	2016
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Current Assets</b>				
Cash and Cash Equivalents	8	328,003	228,136	150,670
Accounts Receivable	9	134,160	112,500	143,925
GST Receivable		15,855	3,000	3,693
Prepayments		19,788	15,000	17,038
Inventories	10	802	1,000	790
		<u>498,608</u>	<u>359,636</u>	<u>316,116</u>
<b>Current Liabilities</b>				
Accounts Payable	12	194,094	141,000	139,386
Revenue Received in Advance	13	-	-	385
Provision for Cyclical Maintenance	14	12,480	-	13,500
Finance Lease Liability - Current Portion	15	13,700	6,592	6,060
Funds Held for Capital Works Projects	16	41,196	-	-
		<u>261,470</u>	<u>147,592</u>	<u>159,331</u>
<b>Working Capital Surplus/(Deficit)</b>		237,138	212,044	156,785
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	672,470	628,929	673,323
		<u>672,470</u>	<u>628,929</u>	<u>673,323</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	14	42,801	42,801	27,900
Finance Lease Liability	15	17,091	3,509	10,101
		<u>59,892</u>	<u>46,310</u>	<u>38,001</u>
<b>Net Assets</b>		<u>849,716</u>	<u>794,663</u>	<u>792,107</u>
<b>Equity</b>		<u>849,716</u>	<u>794,663</u>	<u>792,107</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

**Bailey Road School**  
**Statement of Cash Flows**

For the year ended 31 December 2017

	2017	2017	2016
Note	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Cash flows from Operating Activities</b>			
Government Grants	917,535	782,500	810,316
Locally Raised Funds	156,278	107,500	134,251
Goods and Services Tax (net)	(12,162)	2,000	(6,793)
Payments to Employees	(371,400)	(348,300)	(449,638)
Payments to Suppliers	(459,775)	(485,009)	(542,864)
Interest Paid	(1,858)	-	(778)
Interest Received	4,376	4,500	4,655
<b>Net cash from / (to) the Operating Activities</b>	<b>232,994</b>	<b>63,191</b>	<b>(50,851)</b>
<b>Cash flows from Investing Activities</b>			
Purchase of PPE (and Intangibles)	(104,479)	(77,643)	(87,961)
Proceeds from Sale of Investments	-	-	156,675
<b>Net cash from / (to) the Investing Activities</b>	<b>(109,067)</b>	<b>(77,643)</b>	<b>68,714</b>
<b>Cash flows from Financing Activities</b>			
Furniture and Equipment Grant	20,384	-	-
Finance Lease Payments	(8,174)	10,101	(2,843)
Funds Administered on Behalf of Third Parties	-	-	(127,040)
Funds Held for Capital Works Projects	41,196	(20,000)	-
<b>Net cash from / (to) Financing Activities</b>	<b>53,406</b>	<b>(9,899)</b>	<b>(129,883)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>177,333</b>	<b>(24,351)</b>	<b>(112,020)</b>
Cash and cash equivalents at the beginning of the year	8 150,670	252,487	262,690
<b>Cash and cash equivalents at the end of the year</b>	<b>8 328,003</b>	<b>228,136</b>	<b>150,670</b>

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 omitted.

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

## Bailey Road School

# Notes to the Financial Statements

For the year ended 31 December 2017

### 1. Statement of Accounting Policies

#### **Reporting Entity**

Bailey Road School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

#### **Basis of Preparation**

##### ***Reporting Period***

The financial reports have been prepared for the period 1 January 2017 to 31 December 2017 and in accordance with the requirements of the Public Finance Act 1989.

##### ***Basis of Preparation***

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

##### ***Financial Reporting Standards Applied***

The Education Act 1989 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as "having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders".

##### ***PBE Accounting Standards Reduced Disclosure Regime***

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

##### ***Measurement Base***

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

##### ***Presentation Currency***

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

##### ***Specific Accounting Policies***

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

##### ***Critical Accounting Estimates And Assumptions***

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

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

##### ***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.



## Bailey Road School

# Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

### *Critical Judgements in applying accounting policies*

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

#### *Classification of leases*

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 15.

#### *Recognition of grants*

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carryforward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

### **Revenue Recognition**

#### ***Government Grants***

The School receives funding from the Ministry of Education. The following are the main types of funding that the School receives;

Operational grants are recorded as revenue when the School has the rights to the funding, which is in the year that the funding is received.

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

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

#### ***Other Grants***

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

#### ***Donations, Gifts and Bequests***

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

#### ***Interest Revenue***

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

#### ***Use of Land and Buildings Expense***

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

#### ***Operating Lease Payments***

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

#### ***Finance Lease Payments***

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

## Bailey Road School

# Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

### Cash and Cash Equivalents

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

### Accounts Receivable

Accounts Receivable represents items that the School has issued invoices for or accrued for, but has not received payment for at year end. Receivables are initially recorded at fair value and subsequently recorded at the amount the School realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the School will not be able to collect all amounts due. The amount that is uncollectable (the provision for uncollectibility) is the difference between the amount due and the present value of the amounts expected to be collected.

### Inventories

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

### Investments

Bank term deposits for periods exceeding 90 days are classified as investments and are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. After initial recognition bank term deposits are measured at amortised cost using the effective interest method less impairment.

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards. Share investments are recognised initially by the School at fair value plus transaction costs. At balance date the School has assessed whether there is any evidence that an investment is impaired. Any impairment, gains or losses are recognised in the Statement of Comprehensive Revenue and Expense.

After initial recognition any investments categorised as available for sale are measured at their fair value without any deduction for transaction costs the School may incur on sale or other disposal.

The School has met the requirements under Schedule 6 Section 28 of the Education Act 1989 in relation to the acquisition of investment securities.

### Property, Plant and Equipment

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

Improvements to buildings owned by the Crown are recorded at cost, less accumulated depreciation and impairment losses.

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

Property, plant and equipment acquired with individual values under \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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.

## Bailey Road School

# Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

### **Leased Assets**

Leases where the School assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets acquired by way of finance lease are measured at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Leased assets and corresponding liability are recognised in the Statement of Financial Position and leased assets are depreciated over the period the School is expected to benefit from their use or over the term of the lease.

### **Depreciation**

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

The estimated useful lives of the assets are:

Buildings	20 years
Furniture and equipment	10 years
Information and communication technology	5 years
Leased assets held under a Finance Lease	3-5 years
Library resources	12.5% Diminishing value

### **Impairment of property, plant, and equipment and intangible assets**

The School does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

#### *Non cash generating assets*

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

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

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

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

### **Accounts Payable**

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

### **Employee Entitlements**

#### *Short-term employee entitlements*

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

## Bailey Road School

# Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

### *Long-term employee entitlements*

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

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

### **Provision for Cyclical Maintenance**

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

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

### **Financial Assets and Liabilities**

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are categorised as "loans and receivables" for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise accounts payable and finance lease liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

### **Goods and Services Tax (GST)**

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

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

Commitments and contingencies are disclosed exclusive of GST.

### **Budget Figures**

The budget figures are extracted from the School budget that was approved by the Board at the start of the year.

### **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.

**Bailey Road School**

**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2017

**2 Government Grants**

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operational grants	743,801	685,000	729,304
Teachers' salaries grants	1,943,760	1,720,000	1,815,576
Use of Land and Buildings grants	975,672	578,000	756,766
Resource teachers learning and behaviour grants	1,168	1,000	1,030
Other MoE Grants	82,387	75,000	90,678
Other government grants	55,151	21,500	24,332
	<u>3,801,939</u>	<u>3,080,500</u>	<u>3,417,686</u>

**3 Locally Raised Funds**

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Revenue</b>			
Donations	46,405	30,000	33,228
Fundraising	14,379	12,000	22,194
Trading	24,304	25,200	11,208
Activities	67,439	37,600	66,013
Curriculum Recoveries	5,259	2,700	2,520
	<u>157,786</u>	<u>107,500</u>	<u>135,163</u>
<b>Expenses</b>			
Activities	29,139	12,300	29,600
Trading	26,136	24,500	24,660
Fundraising (costs of raising funds)	10,948	6,200	10,386
	<u>66,223</u>	<u>43,000</u>	<u>64,646</u>
<i>Surplus for the year Locally Raised Funds</i>	<u>91,563</u>	<u>64,500</u>	<u>70,517</u>

**4 Learning Resources**

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Curricular	78,644	87,550	64,292
Information and communication technology	30,549	29,500	28,746
Library resources	3,388	5,800	3,574
Employee benefits - salaries	2,229,322	1,948,800	2,144,912
Resource/attached teacher costs	324	-	14,368
Staff development	55,360	39,200	57,298
	<u>2,397,587</u>	<u>2,110,850</u>	<u>2,313,190</u>

**Bailey Road School**

**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2017

**5 Administration**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited) \$	\$
Audit Fee	5,831	7,000	5,750
Board of Trustees Fees	4,070	5,000	4,593
Board of Trustees Expenses	15,588	11,800	14,000
Communication	11,528	3,300	2,458
Consumables	20,240	19,500	17,110
Operating Lease	730	650	735
Postage	670	750	1,902
Other	7,396	8,050	5,137
Employee Benefits - Salaries	109,814	117,500	120,302
Insurance	11,470	14,000	11,876
Service Providers, Contractors and Consultancy	9,221	9,450	6,906
	<u>196,558</u>	<u>197,000</u>	<u>190,769</u>

**6 Property**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited) \$	\$
Caretaking and Cleaning Consumables	9,969	10,950	10,151
Consultancy and Contract Services	50,373	52,000	49,496
Cyclical Maintenance Provision	14,976	15,400	14,004
Grounds	1,069	3,200	2,083
Heat, Light and Water	18,574	21,000	17,788
Rates	26,636	22,000	20,649
Repairs and Maintenance	28,641	13,700	54,828
Use of Land and Buildings	975,672	578,000	756,766
Security	5,985	7,000	7,446
	<u>1,131,895</u>	<u>723,250</u>	<u>933,211</u>

The use of land and buildings figure represents 8% of the school's total property value. This is used as a 'proxy' for the market rental of the property. 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 Depreciation of Property, Plant and Equipment**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited) \$	\$
Buildings - School	17,535	17,385	17,219
Furniture and Equipment	51,034	48,129	45,433
Information and Communication Technology	47,528	46,020	53,400
Leased Assets	5,701	-	-
Library Resources	4,112	2,810	3,915
	<u>125,910</u>	<u>114,344</u>	<u>119,967</u>

**Bailey Road School**

**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2017

**8 Cash and Cash Equivalents**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	200	200	200
Bank Current Account	324,633	97,936	92,310
Bank Call Account	3,170	130,000	58,160
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>328,003</u>	<u>228,136</u>	<u>150,670</u>

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

Of the \$328,003 Cash and Cash Equivalents, \$42,000 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2018 on Crown owned school buildings under the School's Five Year Property Plan.

**9 Accounts Receivable**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	3,677	2,000	2,554
Interest Receivable	-	500	31
Bank Staffing Underuse	-	-	35,028
Teacher Salaries Grant Receivable	130,483	110,000	106,312
	<u>134,160</u>	<u>112,500</u>	<u>143,925</u>
Receivables from Exchange Transactions	3,677	2,500	2,585
Receivables from Non-Exchange Transactions	130,483	110,000	141,340
	<u>134,160</u>	<u>112,500</u>	<u>143,925</u>

**10 Inventories**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	802	1,000	790
	<u>802</u>	<u>1,000</u>	<u>790</u>

Bailey Road School

**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2017

**11 Property, Plant and Equipment**

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
<b>2017</b>	\$	\$	\$	\$	\$	\$
Buildings	186,305	10,597	(773)	-	(17,535)	178,594
Furniture and equipment	314,976	78,080	(1,956)	-	(51,034)	340,066
Information and communication technology	125,637	14,899	(1,860)	-	(47,528)	91,148
Leased assets	19,004	22,804	-	-	(5,701)	36,107
Library resources	27,401	5,492	(2,226)	-	(4,112)	26,555
<b>Balance at 31 December 2017</b>	<b>673,323</b>	<b>131,872</b>	<b>(6,815)</b>	<b>-</b>	<b>(125,910)</b>	<b>672,470</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
<b>2017</b>	\$	\$	\$
Buildings	360,777	(182,183)	178,594
Furniture and equipment	653,104	(313,038)	340,066
Information and communication technology	378,799	(287,651)	91,148
Leased assets	69,980	(33,873)	36,107
Library resources	57,307	(30,752)	26,555
<b>Balance at 31 December 2017</b>	<b>1,519,967</b>	<b>(847,497)</b>	<b>672,470</b>

The net carrying value of equipment held under a finance lease is \$36,108 (2016: \$19,004).

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
<b>2016</b>	\$	\$	\$	\$	\$	\$
Buildings	201,487	2,037	-	-	(17,219)	186,305
Furniture and equipment	310,105	50,304	-	-	(45,433)	314,976
Information and communication technology	161,598	27,132	(9,692)	-	(53,401)	125,637
Leased assets	-	19,004	-	-	-	19,004
Library resources	25,687	6,991	(1,362)	-	(3,915)	27,401
<b>Balance at 31 December 2016</b>	<b>698,877</b>	<b>105,468</b>	<b>(11,054)</b>	<b>-</b>	<b>(119,968)</b>	<b>673,323</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
<b>2016</b>	\$	\$	\$
Buildings	351,217	(164,912)	186,305
Furniture and equipment	580,537	(265,561)	314,976
Information and communication technology	420,687	(295,050)	125,637
Leased assets	47,176	(28,172)	19,004
Library resources	57,167	(29,766)	27,401
<b>Balance at 31 December 2016</b>	<b>1,456,784</b>	<b>(783,461)</b>	<b>673,323</b>



**Bailey Road School**

**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2017

**12 Accounts Payable**

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operating creditors	22,376	25,000	21,645
Accruals	5,830	-	-
Banking staffing overuse	25,000	-	-
Employee Entitlements - salaries	131,797	110,000	112,272
Employee Entitlements - leave accrual	9,091	6,000	5,469
	<u>194,094</u>	<u>141,000</u>	<u>139,386</u>
Payables for Exchange Transactions	194,094	141,000	139,386
	<u>194,094</u>	<u>141,000</u>	<u>139,386</u>

The carrying value of payables approximates their fair value.

**13 Revenue Received in Advance**

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Other	-	-	385
	<u>-</u>	<u>-</u>	<u>385</u>

**14 Provision for Cyclical Maintenance**

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Provision at the Start of the Year	41,400	41,400	93,660
Increase to the Provision During the Year	14,976	15,400	14,004
Adjustment to the Provision	(1,095)	-	-
Use of the Provision During the Year	-	(13,999)	(66,264)
Provision at the End of the Year	<u>55,281</u>	<u>42,801</u>	<u>41,400</u>
Cyclical Maintenance - Current	12,480	-	13,500
Cyclical Maintenance - Term	42,801	42,801	27,900
	<u>55,281</u>	<u>42,801</u>	<u>41,400</u>

**15 Finance Lease Liability**

The school has entered into a number of finance lease agreements for computer equipment.  
Minimum lease payments payable (includes interest portion):

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
No Later than One Year	16,069	6,592	7,244
Later than One Year and no Later than Five Years	18,483	3,509	10,866
	<u>34,552</u>	<u>10,101</u>	<u>18,110</u>

Bailey Road School

**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2017

**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:

		Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
	2017	\$	\$	\$		\$
Boiler	<i>in progress</i>	-	72,000	30,804	-	41,196
Totals		-	72,000	30,804	-	41,196

**Represented by:**

Funds Held on Behalf of the Ministry of Education	41,196
	<u>41,196</u>

		Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
	2016	\$	\$	\$	\$	\$
5 Yr Plan	<i>completed</i>	127,040	151,513	332,468	53,915	-
Totals		127,040	151,513	332,468	53,915	-

**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.

**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2017

**18 Remuneration***Key management personnel compensation*

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

	2017 Actual \$	2016 Actual \$
<i>Board Members</i>		
Remuneration	4,070	4,593
Full-time equivalent members	0.55	0.82
<i>Leadership Team</i>		
Remuneration	598,107	663,703
Full-time equivalent members	6.00	6.00
Total key management personnel remuneration	602,177	668,296
Total full-time equivalent personnel	6.55	6.82

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

*Principal*

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

	2017 Actual \$000	2016 Actual \$000
<i>Salaries and Other Short-term Employee Benefits:</i>		
Salary and Other Payments	110-120	140-150
Benefits and Other Emoluments	-	-
Termination Benefits	-	-

*Other Employees*

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

Remuneration \$000	2017 FTE Number	2016 FTE Number
100-110	1	-
	1.00	0.00

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

**19 Compensation and Other Benefits Upon Leaving**

There were no compensation or other benefits paid or payable to persons upon leaving.

**20 Contingencies**

There are no contingent liabilities and no contingent assets as at 31 December 2017.

(Contingent liabilities and assets as at 31 December 2016: nil)

## Bailey Road School

# Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

### 21 Commitments

#### (a) Capital Commitments

As at 31 December 2017 the Board has entered into contract agreements for capital works as follows:

(a) A contract for a boiler to be completed in 2018 which will be fully funded by the Ministry of Education. \$72,000 has been received of which \$30,000 has been spent on the project to date; and

(Capital commitments as at 31 December 2016: nil)

#### (b) Operating Commitments

As at 31 December 2017 the Board has entered into the following contracts:

- operating leases For TELA laptops
- operating lease for office equipment

	2017 Actual \$	2016 Actual \$
No later than One Year	730	6,605
Later than One Year and No Later than Five Years	426	1,157
	<u>1,156</u>	<u>7,762</u>

### 22 Managing Capital

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

### 23 Financial Instruments

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Loans and Receivables</b>			
Cash and Cash Equivalents	328,003	228,136	150,670
Receivables	134,160	112,500	143,925
Total Loans and Receivables	<u>462,163</u>	<u>340,636</u>	<u>294,595</u>
<b>Financial liabilities measured at amortised cost</b>			
Payables	194,094	141,000	139,386
Finance Leases	30,791	10,101	16,161
Total Financial Liabilities Measured at Amortised Cost	<u>224,885</u>	<u>151,101</u>	<u>155,547</u>

### 24 Events After Balance Date

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

### 25 Prior Year Comparatives

Comparative figures included in the financial statements relate to the financial year ended 31 December 2016. Where necessary these figures have been reclassified on a basis consistent with current disclosure for the year ended 31 December 2017.