

Bailey Road School

Audit Closing Report to the Members of the Board
Year ended 31 December 2024

William Buck

Ray Kelly



Principal Tumuaki
Bailey Road School
25 June 2025

Steve Doran



Presiding Member
Bailey Road School
Board of Trustees
25 June 2025



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Audit summary

Bailey Road School

We are pleased to present our report for the audit of Bailey Road School for the year ended 31 December 2024.

We'd like to express our appreciation for the cooperation and assistance which we received during the course of our audit from all the staff at the school and from the team at your accounting service provider.

This report summarises our audit approach and findings as well as providing any recommendations for areas of improvement identified during the audit process. Our examination may not have identified, and should not be relied upon to identify, all control weaknesses that may exist.

Independence

Our independence has been confirmed by all engagement team members.

Audit Opinion

We issued an unmodified audit opinion over the financial report for the year ended 31 December 2024.

Responsibility for the Financial Report

The Board is responsible for preparing financial statements in accordance with the Public Benefit Entity International Public Sector Accounting Standards Reduced Disclosure Regime (PBE IPSAS RDR).

The responsibility for producing the financial report and ensuring adequate internal controls and sound business practices is the responsibility of management and is a part of management's overall responsibility for the ongoing activities of the School.

Audit Focus Areas Identified

- Management override of controls
- Cyclical Maintenance provision
- Fraud risk in revenue
- Probity of expenses

Areas of improvement

- Auditor appointment not minuted
- Review of payroll Activity History report
- High Annual leave
- Professional Development and Wellbeing allowance

Our audit work does not examine all transactions of the School. We test significant transactions and select a sample of other transactions. We apply a principle of materiality throughout our testing.

We trust that you find this report informative, and we appreciate the opportunity to be of service to you.

If you have any queries or wish to discuss any issues further, please do not hesitate to contact me.

Nāku noa, nā

Myriam Gros

Myriam Gros
Partner
21/05/2025.



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Audit focus areas

We identified the following risk areas within the financial report. We have summarised areas with significant risk or material adjustments below:


Focus area	Risk	Management judgement	Material adjustment	Area of improvement
Management override of controls	Significant	✓	-	-
Cyclical Maintenance provision	Higher	✓	-	-
Fraud risk in revenue	Higher	-	-	-
Probity of expenses	Higher	✓	-	-

Legend

Significant	Higher
Matters identified which had a high impact on the financial statements and/or audit.	Matters identified which had a moderate impact on the financial statements and/or audit.


Focus areas

MANAGEMENT OVERRIDE OF CONTROLS

Description of risk		
Risk of management override of controls includes how those charged with governance exercise oversight of management's processes for identifying and responding to risk of fraud and the internal control that management has established to mitigate these risks. Journals, by nature, are higher risk because they can be posted to the general ledger to manipulate the accounting records, potentially to conceal errors, fraudulent behaviour or budget overspends. Many Schools contract out the accounting function to third party service providers, but ultimately it is the Board Members that are responsible for the School's accounting function.		
Audit approach	Testing approach	Summary of results
<p>Our procedures include:</p> <ul style="list-style-type: none">— Obtain a list of all Journal Entries for the year, from both the School and external providers.— Test the list for completeness.— Review the School's internal controls over the Journal Entry process.— Focus on year-end journal entries.— Test large, unusual, or non-recurring journal entries.— Examine supporting documentation for Journal Entries.	<div><div>Purely Substantive</div><div>Purely Control</div></div> <p><i>A purely substantive approach, uses William Buck sample methodology to select samples for testing to supporting documents combined with analytical procedures which identify unexpected variances and changes year on year.</i></p> <p><i>A more controls-based approach, uses William Buck sample methodology to test key controls over significant risk items.</i></p>	<p>We have identified no material deficiencies in the School's system of internal controls surrounding Journal entries. The School should be aware that Journal Entries can easily be subject to fraud and errors.</p>


Focus areas

CYCLICAL MAINTENANCE PROVISION

Description of risk		
One of the key areas of audit focus from the Office of the Audit General (OAG) is Cyclical Maintenance Provision (CMP). This is a key subjective item in the financial statements which requires annual assessment by both School Management and the Board.		
Audit approach	Testing approach	Summary of results
<p>Our procedures include:</p> <ul style="list-style-type: none">— Testing the methodology and calculations— Reviewing experts' opinions— Testing for completeness— Testing of underlying assumptions— Analysis of recent maintenance expenditure— Review the Schools 10 year property plan— Reviewing the Boards assessment of the Cyclical Maintenance programme	<p>Purely Substantive</p>  <p>Purely Control</p>	<p>The CMP is not based on the schools 10 Year Property plan. We recommend that in future, the CMP is updated based on the approved 10YPP.</p> <p>The CMP is based on the MOE approved property expert's knowledge of the school, and has been prepared and reviewed in the last 3 years.</p> <p>The CMP is based on recent quotes received from a painter.</p> <p>No matters were identified in the course of the audit to report to you.</p> <p>Based on our testing we did not note any material error in the CMP at 31 December 2024.</p>


Focus areas

FRAUD RISK IN REVENUE

Description of risk		
It is the obligation of the Board Members to ensure that management have established appropriate systems of internal controls to ensure the completeness of all income - regardless of source. This means that all funds due to, and paid to, the School are correctly and appropriately banked in the School's bank accounts and appropriately recorded. We consider that the risk for Schools relates to non-MOE items such as School donations, activity fees (if School did not opt into the Donation Scheme) and fundraising activities.		
Audit approach	Testing approach	Summary of results
<p>We perform the following procedures:</p> <ul style="list-style-type: none">— Examine the Schools system of internal controls to ensure that all revenue due to the School is appropriately recorded.— Audit the systems, processes and policies— Complete Substantive Analytical Review procedures where applicable.— Testing of reconciliations and other supporting information/documentation maintained by the School.— Validation of revenue through expense testing.	<p>Purely Substantive  Purely Control</p>	<p>No audit adjustments were identified as a result of our testing of Locally Raised Funds.</p> <p>No matters were identified in the course of the audit to report to you.</p>

Focus areas

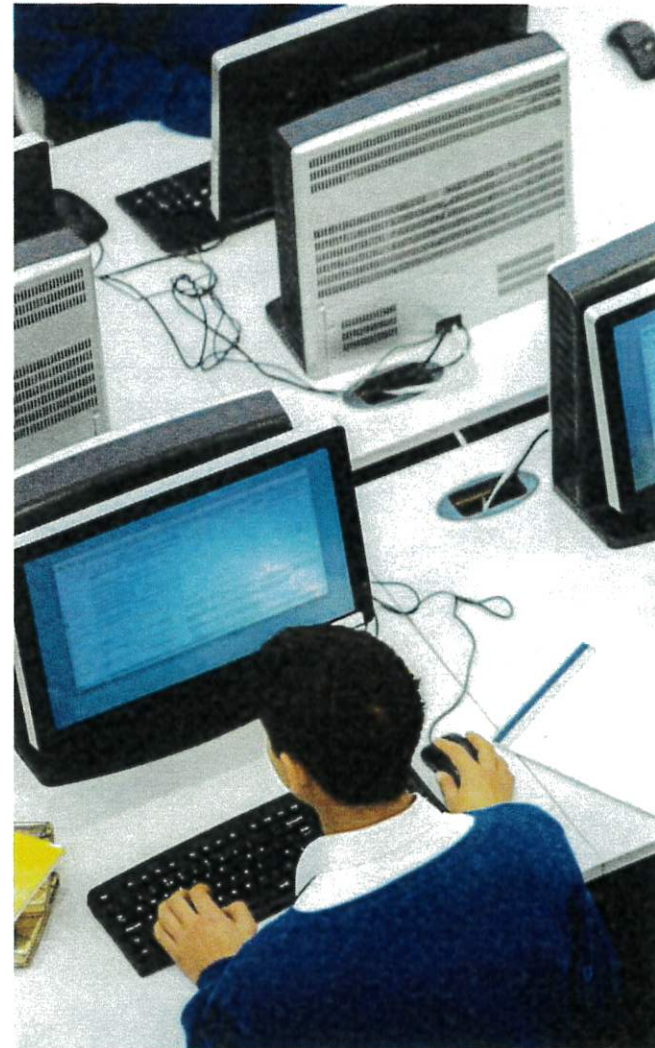
PROBITY OF EXPENSES

Description of risk		
Whilst carrying out our audit, on behalf of the Office of the Controller and Auditor General ("OAG"), we have been asked to consider whether any approved payments could be considered extravagant or wasteful or show a lack of probity or financial prudence. One of the internal control objectives, and key audit risks, relates to Sensitive Expenditure.		
Audit approach	Testing approach	Summary of results
<p>Our audit approach includes significant focus on testing of the probity of expenditure. We pay particular attention to:</p> <ul style="list-style-type: none">— Sensitive expense categories— Credit card payments— Payments to the Principal— Staff reimbursements— Expense claims— Payments to consultants.	<p>Purely Substantive  Purely Control</p>	<p>We have completed a detailed review of all sensitive expense categories and inspected numerous detailed supporting documentation.</p> <p>We did not have any audit adjustments arising from our testing of sensitive expenditure.</p> <p>No matters were identified in the course of the audit to report to you.</p>

Summary of audit reclassifications

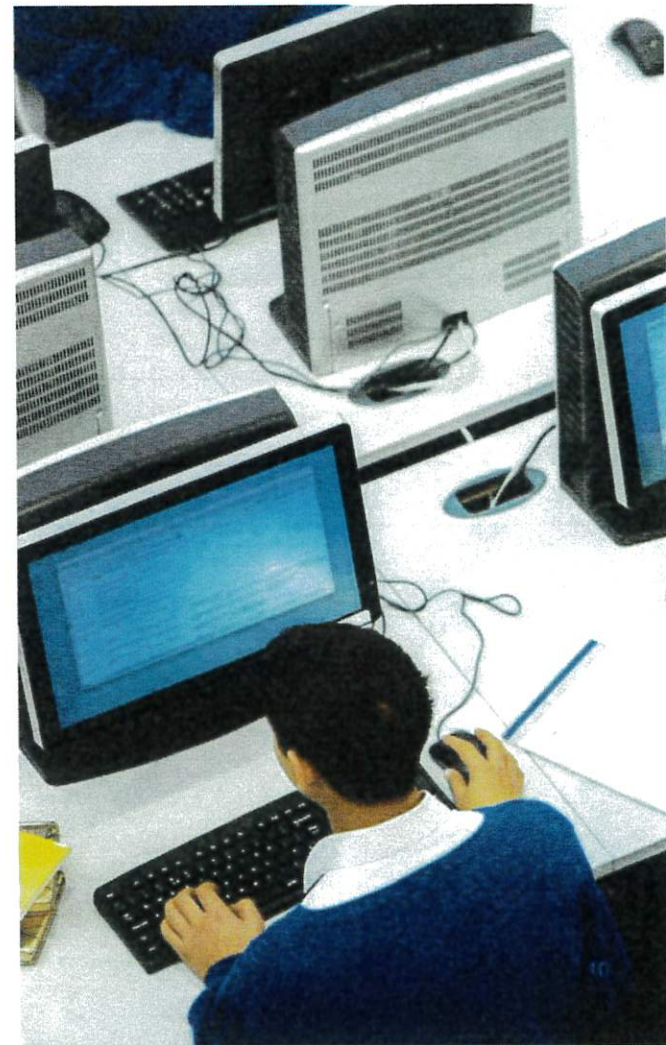
Name	Debit	Credit
Short-term Bank Deposits with a Maturity of Less than 3 months		-500,000
Short-term deposits with maturities greater than 3 months	500,000	
Reclassification from cash and cash equivalent to investment - Term deposit		

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Summary of unadjusted audit differences

Description	Assets	Liabilities	Equity	Income	Expenses
SUD - MOE Journal Revenue received	-	(8,062)	-	8,062	-
SUD - Q4 Healthy Lunches per MOE	-	-	-	(54,826.05)	54,826.05
	-	(8,062)	-	(46,764.05)	54,826.05
Understated/(Overstated)	-	(8,062)	-	(46,764.05)	54,826.05



A photograph of a classroom. On the left, there are large windows looking out onto a green landscape. In the center and right, there are several rectangular tables with blue chairs. On the right wall, there is a long, colorful banner with numbers and small illustrations. The ceiling has a grid pattern with some recessed lighting.

Areas of improvement

William Buck

Areas of improvement



Observations

Matter 1 - Auditor appointment not minuted

Minutes of the Board of Trustees did not document the appointment of the auditor. The audit appointment should be documented in the Boards minutes.

Matter 2 - Review of payroll Activity History report

From enquiries of management we noted that there is no independent (i.e. by someone who does not have access to the payroll system) review of the activity history reports conducted at the School.

The activity history report details payroll transactions processed through the Edpay system as well as any changes to employee financial details (e.g. bank accounts, Kiwisaver, tax etc). This is a key control recommended by the Ministry of Education to ensure appropriate oversight of payroll transactions.

The absence of regular review by both the Principal and Board member increases the risk of undetected errors and unexpected changes in payroll going unnoticed. We wish to point out that nothing from our enquiries has led us in any way to question the integrity of any employees.



Recommendations

Ensure all future minutes of the Board document the appointment of the auditor each contract round (i.e. every three years).

We recommend that the school implement a formal process to ensure the Edpay activity history report is reviewed and signed off every fortnight by the Principal and an independent party prior to payroll being processed. This will help strengthen internal controls, support accurate payroll processing, and demonstrate sound financial governance.

Areas of improvement



Observations



Recommendations

Matter 3 - High Annual leave

We noted that there are some situations where the level of accrued annual leave was high.

We appreciate that it can be difficult to facilitate annual leave; however high annual leave balances have several implications as follows:

- it places a significant burden on the Company's liabilities;
- when leave is taken or paid out, the rate of pay is the current one at the time the leave is taken or paid, not the time at which it was accrued. This becomes an extra up-front cost for the Company;
- not taking a break from work for a lengthy period, may have adverse effects on the employees' well-being and, consequently, their productivity. In serious cases, a potential claim for stress could follow later on; and
- not taking annual leave is one of the characteristics of fraud or trying to conceal something. We wish to point out that nothing in our audit has led us in any way to question the integrity of these or any other employees, nor have we identified or been notified of any circumstances of fraud resulting from high annual leave.

We would recommend that this situation be reviewed in order to reduce these levels of annual leave accrual, by agreed reduction through annual leave taken (we suggest having forced leave with a minimum of two weeks per year to reduce the levels).

It is also important to have someone else on your team able to perform the tasks of these people and doing so regularly, particularly when the person takes leave.

Matter 4 - Professional Development and Wellbeing allowance

We noted that no budget had been submitted, and no approval sought from the board prior to the uptake and use of the funding.

Principals are required to get the approval of their Board regarding their uptake and use of the funding. The approval should happen prior to the funds being used.

Communication of other matters



Required communications with management and governance

Disagreements with management or significant difficulties

There have been no disagreements with management in completing the audit.

Other communications with management

There have been no other significant discussions with management that have not been reported to you or included in this report.

Fraud

During the audit we have not identified or been notified by your office of any circumstances of fraud.

Use of other auditors and specialists

William Buck did not require the assistance of another audit firm or specialist in performing the audit of the School.

Independence

The engagement team and others in the firm as appropriate, the firm and network firms are independent in accordance with relevant ethical requirements and any regulatory requirements that apply to the audit engagement.

Non-audit fees

We have not charged any non-audit related fees to the School in the period under review. Any other services, which we may provide from time to time, at your request, are distinct from our function as auditors. These additional services can only be provided where they do not impair our independence.

We have implemented policies and procedures designed to deliver high quality services in line with our professional obligations. Our [Transparency Report](#) describes our Systems of Quality Management.

Going concern

During the audit there have been no material uncertainties that may cast significant doubt on the School's ability to continue as a going concern and require further consideration or disclosure within the financial report.

Laws and regulations

During the audit there has been no evidence that the School has not complied with laws and regulations pertaining to the School.

Communication of other matters



Required communications with management and governance

Annual Report

The Education and Training Act 2020 requires you to publish your Annual Report online. Your Annual Report contains your audited annual financial statements including our audit opinion, analysis of variance, list of Board Members, Kiwisport statement and Good Employer compliance. Making your Annual Report accessible to the School community is important for transparency and accountability. The expectation is that your Annual Report is published as soon as possible after your audit is completed, as the value of good accountability lessens over time.

Please ensure that once your 2024 Annual Report is submitted to the Ministry it is also published on your website. If you do not have a website, contact the Ministry of Education for guidance.

Good Employer

Section 597 of the Education and Training Act requires the Board to have an employment policy that complies with the principle of being a good employer. The Board must make the policy available to employees, ensure its compliance with the policy, and report on the extent of that compliance in its annual report.

Related Parties - Conflict of Interest

The risk of conflicts of interest in small communities, which many schools operate in, is inherently high, because the Board, Principal, and other employees are often living in the same communities their school services. There is a particular risk of conflict in the decision-making processes used to appoint new employees and contractors, as well as the purchase of goods and services. However, having a conflict of interest does not necessarily mean you have done anything wrong, what is important is how the conflict is managed.

The Office of the Auditor-General have a good practice guide on [managing conflicts of interest](#) as well as other resources, available on its website. We encourage you to make use of these resources.

Helpful resources



Resources for management and governance

Cyclical Maintenance

The Ministry have published the updated cyclical maintenance guidance/tools [on its website](#) and the information in the Financial Information for Schools Handbook has also been updated. The updated guidance includes resources to help schools complete their cyclical maintenance provision calculations and provides guidance on what supporting documentation to retain as evidence for a school's annual audit.

Segregation of duties

The Ministry have also recently published an internal control checklist and a segregation of duties matrix which schools may find useful when assessing the adequacy of their internal controls - [Managing school finances - internal control resources](#). Further guidance on internal controls can be found in section 7.7.1 of the Financial Information for Schools Handbook.

Your payroll system is allowing you to view the history activity report. This report should now be used and reviewed in a timely basis for further guidance can be found on the [Ministry of Education Website](#).

Fraud Risk

[Discouraging fraud - Office of the Auditor-General New Zealand \(oag.parliament.nz\)](#)

Sensitive Expenditure

More information can be found in the Office of the Auditor-General's good practice guide on [Controlling sensitive expenditure: Guide for public organisations](#) which includes practical guidance on specific types of sensitive expenditure.

Principles-based approach:

[The basics - Office of the Auditor-General New Zealand \(oag.parliament.nz\)](#)

We recommend the Board consider these principles when making decisions about sensitive expenditure. We highlight to the Board Members the importance of ensuring appropriate controls over Sensitive Expenditure, and to remain up to date with Ministry of Education ("MOE") guidelines.

WB

Ngā Mihi

This report is prepared on the basis of the limitations set out below.

This report is prepared solely for the information of those charged with governance and is not intended for any other purposes. We accept no responsibility to a third party who uses this report. The matters raised in this report are only that came to our attention during the course of the audit and are not necessarily a comprehensive statement of all the weaknesses that exist or improvements that might be made.

We cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud. Accordingly, management should not rely on our report to identify all weaknesses that may exist in the systems and procedures reviewed, or potential instances of fraud that may exist. Our comments should be read in the context of the scope of our work. Findings within this report may have been prepared on the basis of management representations. Suggestions for improvement should be assessed by the entity for their full commercial impact before they are implemented.

This report has been prepared solely for your use as management of the entity and should not be quoted in whole or in part without prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose.



BAILEY ROAD SCHOOL

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

School Directory

Ministry Number: 1216

Principal: Raymond (Ray) Kelly

School Address: 19 Bailey Road, Mt Wellington, Auckland 1060

School Postal Address: 19 Bailey Road, Mt Wellington, Auckland 1060

School Phone: 09 579 4619

School Email: office@baileyroad.school.nz

Accountant / Service Provider: Ask Accounting Ltd

Members of the Board:

Name	Position	How Position Gained	Term Expired/ Expires
Stephen (Steve) Doran	Presiding Member	Elected	Aug-25
Raymond Kelly	Principal ex Officio	Principal	
Max Guptill	Parent Rep/ Deputy Chairperson	Elected	Aug-25
Leon Mallard	Parent Rep	Elected	Aug-25
Natalia Solomon	Parent Rep	Elected	Aug-25
Liz Lombard	Parent Rep	Elected	Aug-25
Maua Collins-Kamuhemu	Parent Rep	Co-opted	Aug-25
Michelle Love	Staff Rep	Elected	Aug-25

BAILEY ROAD SCHOOL

Annual Financial Statements - For the year ended 31 December 2024

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	Independent Auditor's Report

Bailey Road School

Statement of Responsibility

For the year ended 31 December 2024

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 2024 fairly reflects the financial position and operations of the School.

The School's 2024 financial statements are authorised for issue by the Board.

Stephen (Steve) Doran

Full Name of Presiding Member

Signature of Presiding Member

19.05.2025

Date:

Raymond Kelly

Full Name of Principal

Signature of Principal

19.05.2025

Date:

Bailey Road School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2024

	Notes	2024 Actual \$	2024 Budget (Unaudited) \$	2023 Actual \$
Revenue				
Government Grants	2	4,594,680	4,092,113	4,496,150
Locally Raised Funds	3	99,775	115,500	84,464
Interest		36,465	25,000	34,466
Other Revenue		-	-	11,659
Total Revenue		4,730,870	4,232,613	4,626,739
Expense				
Locally Raised Funds	3	65,587	55,000	30,332
Learning Resources	4	3,030,590	2,870,069	2,747,879
Administration	5	606,229	243,521	752,461
Interest		5,374	2,000	2,106
Property	6	1,033,359	1,044,104	1,162,182
Loss on Disposal of Property, Plant and Equipment		504	-	1,490
Total Expense		4,741,643	4,214,694	4,696,450
Net Surplus / (Deficit) for the year		(10,773)	17,919	(69,711)
Total Comprehensive Revenue and Expense for the Year		(10,773)	17,919	(69,711)

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

Bailey Road School
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2024

	Notes	2024 Actual \$	2024 Budget (Unaudited) \$	2023 Actual \$
Equity at 1 January		954,066	954,066	969,191
Total comprehensive revenue and expense for the year		(10,773)	17,919	(69,711)
Contribution - Furniture and Equipment Grant		-	-	54,586
Equity at 31 December		943,293	971,985	954,066
Accumulated comprehensive revenue and expense		943,293	971,985	954,066
Equity at 31 December		943,293	971,985	954,066

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.

Bailey Road School
Statement of Financial Position
As at 31 December 2024

	Notes	2024 Actual \$	2024 Budget (Unaudited) \$	2023 Actual \$
Current Assets				
Cash and Cash Equivalents	7	102,531	244,898	97,110
Accounts Receivable	8	254,967	77,000	72,111
GST Receivable		5,523	16,000	16,757
Prepayments		24,865	30,000	30,107
Inventories	9	3,031	2,600	2,626
Investments		500,000	500,000	500,000
Funds Receivable for Capital Works Projects	16	-	-	5,396
		890,917	870,498	724,107
Current Liabilities				
Accounts Payable	12	312,893	91,500	86,467
Revenue Received In Advance	13	8,062	12,000	11,932
Provision for Cyclical Maintenance	14	51,272	204,119	154,820
Finance Lease Liability	15	23,256	24,177	24,105
		395,483	331,796	277,324
Working Capital Surplus/(Deficit)		495,434	538,702	446,783
Non-current Assets				
Property, Plant and Equipment	11	558,851	533,971	644,783
		558,851	533,971	644,783
Non-current Liabilities				
Provision for Cyclical Maintenance	14	78,146	71,744	84,379
Finance Lease Liability	15	32,846	28,944	53,121
		110,992	100,688	137,500
Net Assets		943,293	971,985	954,066
Equity		943,293	971,985	954,066

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

Bailey Road School
Statement of Cash Flows
For the year ended 31 December 2024

	Note	2024 Actual \$	2024 Budget (Unaudited) \$	2023 Actual \$
Cash flows from Operating Activities				
Government Grants		1,207,028	1,172,553	1,195,080
Locally Raised Funds		100,992	49,000	90,312
Goods and Services Tax (net)		11,234	13,000	(12,996)
Payments to Employees		(728,457)	(603,477)	(675,182)
Payments to Suppliers		(538,986)	(443,184)	(608,698)
Interest Paid		(5,374)	(2,000)	(2,106)
Interest Received		36,966	14,000	29,119
Net cash from/(to) Operating Activities		83,153	199,892	15,529
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(56,634)	-	(170,512)
Purchase of Investments		-	(35,118)	-
Proceeds from Sale of Investments		-	-	52,898
Net cash from/(to) Investing Activities		(56,634)	(35,118)	(117,614)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	54,586
Finance Lease Payments		(24,432)	(22,982)	(18,200)
Funds Administered on Behalf of Other Parties		8,334	5,396	(5,398)
Net cash from/(to) Financing Activities		(21,098)	(16,986)	30,990
Net increase/(decrease) in cash and cash equivalents		5,421	147,788	(71,095)
Cash and cash equivalents at the beginning of the year	7	97,110	97,110	168,205
Cash and cash equivalents at the end of the year	7	102,531	244,898	97,110

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.

Bailey Road School

Notes to the Financial Statements

For the year ended 31 December 2024

1. Statement of Accounting Policies

a) 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 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 2024 to 31 December 2024 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 with reference to generally accepted accounting practice. The financial statements have been prepared with reference to 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 \$33 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

The 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.

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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

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

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

Other Grants where conditions exist

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Operating Lease Payments

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

e) Finance Lease Payments

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

f) Cash and Cash Equivalents

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

g) Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for 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 are 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 Crown are excluded from these financial statements. The Board's use of the land and buildings as 'occupant' is based on a property occupancy document.

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

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

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Building Improvements	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

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 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. 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.

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 surplus or deficit.

The reversal of an impairment loss is recognised in 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

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) Provision for Cyclical Maintenance

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

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

The School carries out painting maintenance of the whole school over a 7 to 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.

o) 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.

Investments that are shares are categorised as 'financial assets at fair value through other comprehensive revenue and expense' for accounting purposes in accordance with financial reporting standards. On initial recognition of an equity investment that is not held for trading, the School may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive revenue and expense. This election has been made for investments that are shares. Subsequent to initial recognition, these assets are measured at fair value. Dividends are recognised as income in surplus or deficit unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive revenue and expense and are never reclassified to surplus or deficit.

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

p) 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.

q) Budget Figures

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

r) 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

	2024 Actual	2024 Budget (Unaudited)	2023 Actual
	\$	\$	\$
Government Grants - Ministry of Education	1,131,487	1,108,795	1,127,043
Teachers' Salaries Grants	2,199,926	2,185,214	1,994,276
Use of Land and Buildings Grants	804,884	730,104	754,646
Ka Ora, Ka Ako - Healthy School Lunches Programme	390,854	-	552,148
Other Government Grants	67,499	68,000	68,037
	<u>4,594,630</u>	<u>4,092,113</u>	<u>4,496,150</u>

3. Locally Raised Funds

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

	2024 Actual	2024 Budget (Unaudited)	2023 Actual
	\$	\$	\$
Revenue			
Donations and Bequests	1,720	-	2,806
Fees for Extra Curricular Activities	44,398	25,500	18,877
Trading	10,293	10,000	9,903
Fundraising and Community Grants	10,100	50,000	23,131
Other Revenue	33,264	30,000	29,727
	<u>99,775</u>	<u>115,500</u>	<u>84,464</u>
Expense			
Extra Curricular Activities Costs	53,480	44,000	22,593
Trading	8,714	10,000	7,739
Fundraising and Community Grant Costs	3,393	1,000	-
	<u>65,587</u>	<u>55,000</u>	<u>30,332</u>
Surplus/ (Deficit) for the year Locally Raised Funds	<u><u>34,188</u></u>	<u><u>60,500</u></u>	<u><u>54,132</u></u>

4. Learning Resources

	2024 Actual	2024 Budget (Unaudited)	2023 Actual
	\$	\$	\$
Curricular	43,780	48,110	92,952
Information and Communication Technology	45,573	72,788	42,413
Employee Benefits - Salaries	2,768,859	2,577,241	2,436,810
Staff Development	24,145	25,000	30,371
Depreciation	147,499	145,930	144,578
Other Learning Resources	784	1,000	755
	<u>3,030,590</u>	<u>2,870,069</u>	<u>2,747,879</u>

5. Administration

	2024 Actual	2024 Budget (Unaudited)	2023 Actual
	\$	\$	\$
Audit Fees	7,759	7,500	7,570
Board Fees and Expenses	12,601	19,000	15,340
Operating Leases	666	700	4,218
Other Administration Expenses	38,883	50,371	36,131
Employee Benefits - Salaries	125,156	136,450	110,321
Insurance	20,746	20,000	17,490
Service Providers, Contractors and Consultancy	9,564	9,500	9,303
Ka Ora, Ka Ako - Healthy School Lunches Programme	390,854	-	552,148
	606,229	243,521	752,461

6. Property

	2024 Actual	2024 Budget (Unaudited)	2023 Actual
	\$	\$	\$
Consultancy and Contract Services	72,843	70,000	69,408
Cyclical Maintenance	(50,424)	40,000	66,225
Heat, Light and Water	26,725	22,000	21,496
Rates	38,138	26,000	25,744
Repairs and Maintenance	52,106	48,000	117,897
Use of Land and Buildings	804,884	730,104	754,646
Employee Benefits - Salaries	65,059	75,000	74,374
Other Property Expenses	29,028	33,000	32,892
	1,033,359	1,044,104	1,162,182

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

	2024 Actual	2024 Budget (Unaudited)	2023 Actual
	\$	\$	\$
Bank Accounts	102,531	244,898	97,110
Cash and cash equivalents for Statement of Cash Flows	102,531	244,898	97,110

Of the \$102,531 Cash and Cash Equivalents, \$8,062 of unspent grant funding is held by the School. This funding is subject to conditions which specify how the grant is required to be spent. If these conditions are not met, the funds will need to be returned.

8. Accounts Receivable

	2024 Actual	2024 Budget (Unaudited)	2023 Actual
	\$	\$	\$
Receivables	12,809	26,000	26,478
Interest Receivable	11,152	11,000	11,053
Teacher Salaries Grant Receivable	231,006	40,000	34,580
	254,967	77,000	72,111
Receivables from Exchange Transactions	23,961	37,000	37,531
Receivables from Non-Exchange Transactions	231,006	40,000	34,580
	254,967	77,000	72,111

9. Inventories

	2024 Actual	2024 Budget (Unaudited)	2023 Actual
Stationery	\$ 3,031	\$ 2,600	\$ 2,626
	<u>3,031</u>	<u>2,600</u>	<u>2,626</u>

10. Investments

The School's investment activities are classified as follows:

	2024 Actual	2024 Budget (Unaudited)	2023 Actual
Current Asset Short-term Bank Deposits	\$ 500,000	\$ 500,000	\$ 500,000
Total Investments	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2024	\$	\$	\$	\$	\$	\$
Buildings	72,324	-	-	-	(13,835)	58,489
Furniture and Equipment	406,623	33,583	-	-	(75,305)	364,901
Information and Communication Technology	76,076	23,174	-	-	(31,043)	68,207
Leased Assets	78,305	3,308	-	-	(25,696)	55,917
Library Resources	11,455	2,006	(504)	-	(1,620)	11,337
	<u>644,783</u>	<u>62,071</u>	<u>(504)</u>	<u>-</u>	<u>(147,499)</u>	<u>558,851</u>

The net carrying value of furniture and equipment held under a finance lease is \$55,917 (2023: \$78,305).

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.

	2024 Cost or Valuation	2024 Accumulated Depreciation	2024 Net Book Value	2023 Cost or Valuation	2023 Accumulated Depreciation	2023 Net Book Value
	\$	\$	\$	\$	\$	\$
Buildings	360,776	(302,287)	58,489	360,776	(288,452)	72,324
Furniture and Equipment	1,100,182	(735,281)	364,901	1,066,600	(659,977)	406,623
Information and Communication Technology	599,222	(531,015)	68,207	576,049	(499,873)	76,076
Leased Assets	96,236	(40,319)	55,917	94,247	(15,942)	78,305
Library Resources	39,049	(27,712)	11,337	38,747	(27,292)	11,455
	<u>2,195,465</u>	<u>(1,636,614)</u>	<u>558,851</u>	<u>2,136,419</u>	<u>(1,491,636)</u>	<u>644,783</u>

12. Accounts Payable

	2024 Actual	2024 Budget (Unaudited)	2023 Actual
	\$	\$	\$
Creditors	18,100	80,000	19,780
Accruals	5,759	-	5,070
Employee Entitlements - Salaries	264,754	26,000	35,874
Employee Entitlements - Leave Accrual	24,280	5,500	25,749
	<u>312,893</u>	<u>91,500</u>	<u>86,467</u>

Payables for Exchange Transactions

312,893	91,500	86,467
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<u>312,893</u>	<u>91,500</u>	<u>86,467</u>
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The carrying value of payables approximates their fair value.

13. Revenue Received In Advance

	2024 Actual	2024 Budget (Unaudited)	2023 Actual
	\$	\$	\$
Grants In Advance - Ministry of Education	8,062	-	-
Other revenue In Advance	-	12,000	11,932
	<u>8,062</u>	<u>12,000</u>	<u>11,932</u>

14. Provision for Cyclical Maintenance

	2024 Actual	2024 Budget (Unaudited)	2023 Actual
	\$	\$	\$
Provision at the Start of the Year	239,199	239,199	217,373
Increase to the Provision During the Year	(50,424)	40,000	43,278
Use of the Provision During the Year	(59,357)	(3,336)	(44,399)
Other Adjustments	-	-	22,947
Provision at the End of the Year	<u>129,418</u>	<u>275,863</u>	<u>239,199</u>
Cyclical Maintenance - Current	51,272	204,119	154,820
Cyclical Maintenance - Non current	78,146	71,744	84,379
	<u>129,418</u>	<u>275,863</u>	<u>239,199</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.

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:

	2024 Actual \$	2024 Budget (Unaudited) \$	2023 Actual \$
No Later than One Year	27,259	24,177	29,378
Later than One Year and no Later than Five Years	37,230	28,944	61,053
Future Finance Charges	(8,387)	-	(19,205)
	<u>56,102</u>	<u>53,121</u>	<u>77,226</u>
Represented by:			
Finance lease liability - Current	23,256	24,177	24,105
Finance lease liability - Non current	<u>32,846</u>	<u>28,944</u>	<u>53,121</u>
	<u>56,102</u>	<u>53,121</u>	<u>77,226</u>

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 projects is included under cash and cash equivalents in note 7, and includes retentions on the projects, if applicable.

	2024	Opening Balances \$	Receipts from MOE \$	Payments \$	Board Contributions \$	Closing Balances \$
Block 6 Roof & Flashings Replacement - PN 211964		(3,334)	3,334	-	-	-
Admin Switchboard Upgrade - PN 242890		(1,609)	-	-	1,609	-
Heat Pumps - PN 242891		(453)	-	-	453	-
Block 13 Flexible Learning Space - PN 246578		-	65,286	(65,286)	-	-
Totals		<u>(5,396)</u>	<u>68,620</u>	<u>(65,286)</u>	<u>2,062</u>	<u>-</u>

Represented by:

Funds Held on Behalf of the Ministry of Education

Funds Receivable from the Ministry of Education

	2023	Opening Balances \$	Receipts from MOE \$	Payments \$	Board Contributions \$	Closing Balances \$
Block 6 Roof & Flashings Replacement		-	46,768	(50,102)	-	(3,334)
Admin Switchboard Upgrade		-	12,555	(14,164)	-	(1,609)
Heat Pumps		-	42,040	(42,493)	-	(453)
Totals		<u>-</u>	<u>101,363</u>	<u>(106,759)</u>	<u>-</u>	<u>(5,396)</u>

Represented by:

Funds Held on Behalf of the Ministry of Education

Funds Receivable from the Ministry of Education

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 conditions 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 Board members, Principal, Deputy Principals and Heads of Departments.

	2024 Actual \$	2023 Actual \$
Board Members Remuneration	3,443	3,046
Leadership Team Remuneration Full-time equivalent members	597,273 5	800,627 7
Total key management personnel remuneration	600,716	803,673

There are 7 members of the Board excluding the Principal. The Board has held 11 full meetings of the Board in the year. The Board also has Finance (3 members) and Property (3 members) committees that meet when required. 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 1

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

	2024 Actual \$000	2023 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	160-170	150-160
Benefits and Other Emoluments	0-5	0-5

Other Employees

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

Remuneration \$000	2024 FTE Number	2023 FTE Number
100-110	3	3
110-120	2	1
120-130	-	1
	5	5

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 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:

	2024 Actual	2023 Actual
Total Number of People	-	-

20. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2024 (Contingent liabilities and assets at 31 December 2023: 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 and Collective Agreement Funding Wash-up

In 2024 the Ministry of Education provided additional funding for both the Support Staff in Schools' Collective Agreement (CA) Settlement and the Teacher Aide Pay Equity Settlement. At the date of signing the financial statements the School's final entitlement for the year ended 31 December 2024 has not yet been advised. The School has therefore not recognised an asset or a liability regarding this funding wash-up, which is expected to be settled in July 2025.

21. Financial Instruments

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

Financial assets measured at amortised cost

	2024 Actual	2024 Budget (Unaudited)	2023 Actual
	\$	\$	\$
Cash and Cash Equivalents	102,531	244,898	97,110
Receivables	254,967	77,000	72,111
Investments - Term Deposits	500,000	500,000	500,000
Total financial assets measured at amortised cost	857,498	821,898	669,221

Financial liabilities measured at amortised cost

	2024	2024	2023
	312,893	91,500	86,467
Payables	56,102	53,121	77,226
Finance Leases			
Total financial liabilities measured at amortised cost	368,995	144,621	163,693

22. Events After Balance Date

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

23. Comparatives

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

Independent Auditor's Report

To the Readers of Bailey Road School's Financial Statements

For the Year Ended 31 December 2024

The Auditor-General is the auditor of Bailey Road School (the School). The Auditor-General has appointed me, Myriam Gros, 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 16, that comprise the statement of financial position as at 31 December 2024, 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 2024; 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 21 May 2025. 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, Bailey Road School Annual Implementation Plan 2025, Members of the Board of Trustees and Statement of Variance reporting, but does not include the financial statements, and our auditor's report thereon.

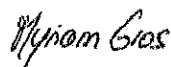
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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.



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