

# Bailey Road School

## Annual Report for the year ended 31 December 2019

<b>Ministry Number:</b>	1216
<b>Principal:</b>	Ray Kelly
<b>School Address:</b>	19 Bailey Road, Mt Wellington, Auckland 1060
<b>School Postal Address:</b>	19 Bailey Road, Mt Wellington, Auckland 1060
<b>School Phone:</b>	09 579 4619
<b>School Email:</b>	r.kelly@baileyroad.school.nz
<b>Service Provider:</b>	Edtech Financial Services Ltd

Name	Title	Date Started	Expiry Term	Occupation
Stephen Doran	Chairman	July 2016	June 2022	General Manager
Fia Salesa	Acting Principal	May 2019	Jul-19	Deputy Principal
Ray Kelly	Principal	22 July 2019	June 2022	Principal
Michelle Love	Staff Trustee	Dec 2017	June 2022	Teacher
Kerry Bell	Parent Trustee	May 2013	June 2022	Senior Tutor
Max Guptill	Deputy Chairma	June 2006	June 2022	Community Pastor
Leon Mallard	Parent Trustee	June 2019	June 2022	Fireman
Natalia Solomon	Parent Trustee	June 2019	June 2022	
Liz Lombard	Co-Opted Trustee	28 August 2019	June 2022	Financial Controller
<b>Secretary:</b>				
Michelle Ginders				

# Bailey Road School

## Annual Report

For the year ended 31 December 2019

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**Bailey Road School**  
**Statement of Responsibility**  
For the year ended 31 December 2019


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 2019 fairly reflects the financial position and operations of the school.

The School's 2019 financial statements are authorised for issue by the Board.

Stephen Doran  
Full Name of Board Chairperson

  
Signature of Board Chairperson

5.06.2020  
Date:

Raymond Edward Kelly  
Full Name of Principal

  
Signature of Principal

5.6.2020  
Date:

## Bailey Road School

# Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
<b>Revenue</b>				
Government Grants	2	3,882,373	3,810,790	3,737,497
Locally Raised Funds	3	125,151	76,500	155,157
Interest Income		14,673	4,000	8,942
		<hr/>	<hr/>	<hr/>
		4,022,197	3,891,290	3,901,596
<b>Expenses</b>				
Locally Raised Funds	3	50,747	17,000	60,567
Learning Resources	4	2,399,092	2,361,350	2,224,481
Administration	5	185,427	181,950	146,589
Finance		1,907	1,130	2,404
Property	6	1,160,416	1,198,263	1,117,827
Depreciation	7	125,152	120,767	127,160
Loss on Disposal of Property, Plant and Equipment		15,400	-	1,620
		<hr/>	<hr/>	<hr/>
		3,938,141	3,880,460	3,680,648
<b>Net Surplus / (Deficit) for the year</b>		84,056	10,830	220,948
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		84,056	10,830	220,948

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 2019

	2019	2019	2018
Notes	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
<b>Balance at 1 January</b>	1,086,221	1,086,221	849,717
Total comprehensive revenue and expense for the year	84,056	10,830	220,948
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	15,556
<b>Equity at 31 December</b>	1,170,277	1,097,051	1,086,221
Retained Earnings	1,170,277	1,097,051	1,086,221
<b>Equity at 31 December</b>	1,170,277	1,097,051	1,086,221

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 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	767,034	437,140	481,526
Accounts Receivable	9	164,642	163,000	184,205
GST Receivable		31,789	14,000	13,064
Prepayments		17,761	13,000	12,799
Inventories	10	1,353	2,200	2,291
Investments	11	-	100,000	-
		<u>982,579</u>	<u>729,340</u>	<u>693,885</u>
<b>Current Liabilities</b>				
Accounts Payable	13	242,146	192,700	196,640
Provision for Cyclical Maintenance	14	13,292	16,227	7,080
Finance Lease Liability - Current Portion	15	11,440	6,275	11,774
Funds Held for Capital Works Projects	16	96,849	-	-
		<u>363,727</u>	<u>215,202</u>	<u>215,494</u>
<b>Working Capital Surplus/(Deficit)</b>		618,852	514,138	478,391
<b>Non-current Assets</b>				
Property, Plant and Equipment	12	623,131	630,862	656,129
		<u>623,131</u>	<u>630,862</u>	<u>656,129</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	14	62,687	47,541	41,616
Finance Lease Liability	15	9,019	408	6,683
		<u>71,706</u>	<u>47,949</u>	<u>48,299</u>
<b>Net Assets</b>		<u>1,170,277</u>	<u>1,097,051</u>	<u>1,086,221</u>
<b>Equity</b>	22	<u>1,170,277</u>	<u>1,097,051</u>	<u>1,086,221</u>

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 2019

	2019	2019	2018
	Actual	Budget	Actual
Note	\$	(Unaudited)	\$
	\$	\$	\$
<b>Cash flows from Operating Activities</b>			
Government Grants	931,695	868,362	878,748
Locally Raised Funds	153,465	82,564	127,770
Goods and Services Tax (net)	(18,725)	(936)	2,791
Payments to Employees	(381,895)	(357,460)	(339,683)
Payments to Suppliers	(407,941)	(432,512)	(372,228)
Interest Paid	-	(1,130)	(2,404)
Interest Received	14,673	4,000	8,942
Net cash from Operating Activities	<u>291,272</u>	<u>162,888</u>	<u>303,936</u>
<b>Cash flows from Investing Activities</b>			
Purchase of PPE (and Intangibles)	(95,964)	(166,955)	(110,964)
Proceeds from Sale of Investments	-	(100,000)	-
Net cash from Investing Activities	<u>(95,964)</u>	<u>(266,955)</u>	<u>(110,964)</u>
<b>Cash flows from Financing Activities</b>			
Furniture and Equipment Grant	-	-	15,556
Finance Lease Payments	(6,649)	59,681	(13,809)
Funds Held for Capital Works Projects	96,849	-	(41,196)
Net cash from Financing Activities	<u>90,200</u>	<u>59,681</u>	<u>(39,449)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u><u>285,508</u></u>	<u><u>(44,386)</u></u>	<u><u>153,523</u></u>
Cash and cash equivalents at the beginning of the year	8 481,526	481,526	328,003
<b>Cash and cash equivalents at the end of the year</b>	8 <u><u>767,034</u></u>	<u><u>437,140</u></u>	<u><u>481,526</u></u>

The statement of cash flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries and the use of land and buildings grant and expense have been excluded.

The above Cash Flow Statement 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 2019

## 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 2019 to 31 December 2019 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".

#### Standard Early Adopted

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 25.

#### 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 12.

## Bailey Road School

# Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

### ***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. 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.

#### ***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.

### **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.

#### ***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.

#### ***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.

## Bailey Road School

# Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

### Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for credit losses. The school applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

### Prior Year Policy

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 are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

### Prior Year Policy

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 2019

### **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:

Buildings - School	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**

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

#### *Non cash generating assets*

Property, plant, and equipment held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 2019

### 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 2019

### 2 Government Grants

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	734,395	735,180	729,245
Teachers' Salaries Grants	2,028,827	1,975,000	1,878,851
Use of Land and Buildings Grants	927,784	990,000	929,326
Resource Teachers Learning and Behaviour Grants	-	-	1,739
Other MoE Grants	129,088	80,610	170,932
Other Government Grants	62,279	30,000	27,404
	<u>3,882,373</u>	<u>3,810,790</u>	<u>3,737,497</u>

### 3 Locally Raised Funds

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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Revenue</b>			
Donations	19,227	24,500	54,003
Activities	66,727	47,500	71,137
Trading	23,693	1,500	22,346
Fundraising	15,504	3,000	7,671
	<u>125,151</u>	<u>76,500</u>	<u>155,157</u>
<b>Expenses</b>			
Activities	22,811	14,500	36,099
Trading	23,220	-	20,217
Fundraising (Costs of Raising Funds)	4,716	2,500	4,251
	<u>50,747</u>	<u>17,000</u>	<u>60,567</u>
	<u>74,404</u>	<u>59,500</u>	<u>94,590</u>

*Surplus/ (Deficit) for the year Locally Raised Funds*

### 4 Learning Resources

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	67,108	74,350	67,091
Information and Communication Technology	30,093	36,000	31,802
Library Resources	2,731	4,500	1,845
Employee Benefits - Salaries	2,280,964	2,207,500	2,095,684
Staff Development	18,196	39,000	28,059
	<u>2,399,092</u>	<u>2,361,350</u>	<u>2,224,481</u>

**Bailey Road School**

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

For the year ended 31 December 2019

**5 Administration**

	<b>2019</b>	<b>2019</b>	<b>2018</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Audit Fee	6,185	6,000	8,505
Board of Trustees Fees	4,235	5,000	3,175
Board of Trustees Expenses	26,649	20,000	13,839
Communication	13,267	6,500	2,566
Consumables	9,109	19,500	16,221
Operating Lease	4,218	4,600	726
Other	8,308	11,550	7,005
Employee Benefits - Salaries	88,837	84,000	86,502
Insurance	16,711	14,600	504
Service Providers, Contractors and Consultancy	7,908	10,200	7,546
	<u>185,427</u>	<u>181,950</u>	<u>146,589</u>

**6 Property**

	<b>2019</b>	<b>2019</b>	<b>2018</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Caretaking and Cleaning Consumables	13,475	12,500	8,961
Consultancy and Contract Services	61,248	55,000	54,175
Cyclical Maintenance Expense	27,283	25,763	(6,585)
Grounds	1,820	2,500	2,794
Heat, Light and Water	17,937	22,500	20,577
Rates	23,817	23,000	22,775
Repairs and Maintenance	40,061	26,000	36,198
Use of Land and Buildings	927,784	990,000	929,326
Security	8,239	7,000	7,003
Employee Benefits - Salaries	38,752	34,000	42,603
	<u>1,160,416</u>	<u>1,198,263</u>	<u>1,117,827</u>

The use of land and buildings figure represents 8% of the school's total property value. Property values are established as part of the nationwide revaluation exercise that is conducted every 30 June for the Ministry of Education's year end reporting purposes.

**7 Depreciation**

	<b>2019</b>	<b>2019</b>	<b>2018</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Buildings - School	17,711	17,710	17,712
Furniture and Equipment	57,977	56,852	53,618
Information and Communication Technology	37,111	36,590	43,641
Leased Assets	9,835	9,615	8,436
Library Resources	2,518	-	3,753
	<u>125,152</u>	<u>120,767</u>	<u>127,160</u>

**Bailey Road School**

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

For the year ended 31 December 2019

**8 Cash and Cash Equivalents**

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Cash on Hand	200	200	200
Bank Current Account	761,813	431,940	476,330
Bank Call Account	5,021	5,000	4,996
Cash and cash equivalents for Cash Flow Statement	<u>767,034</u>	<u>437,140</u>	<u>481,526</u>

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

Of the \$767,034 Cash and Cash Equivalents, \$96,849 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2020 on Crown owned school buildings under the School's Five Year Property Plan.

**9 Accounts Receivable**

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Receivables	2,750	25,000	31,064
Receivables from the Ministry of Education	-	3,000	3,762
Bank Staffing Underuse	14,793	-	21,810
Teacher Salaries Grant Receivable	147,099	135,000	127,569
	<u>164,642</u>	<u>163,000</u>	<u>184,205</u>
Receivables from Exchange Transactions	2,750	25,000	31,064
Receivables from Non-Exchange Transactions	161,892	138,000	153,141
	<u>164,642</u>	<u>163,000</u>	<u>184,205</u>

**10 Inventories**

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Stationery	1,353	2,200	2,291
	<u>1,353</u>	<u>2,200</u>	<u>2,291</u>

**11 Investments**

The School's investment activities are classified as follows:

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	-	100,000	-
Total Investments	<u>-</u>	<u>100,000</u>	<u>-</u>



**Bailey Road School**

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

For the year ended 31 December 2019

**12 Property, Plant and Equipment**

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2019</b>						
Buildings	160,883	-	-	-	(17,711)	<b>143,172</b>
Furniture and Equipment	343,844	57,026	-	-	(57,977)	<b>342,893</b>
Information and Communication Technology	95,984	32,660	-	-	(37,111)	<b>91,533</b>
Leased Assets	29,145	16,201	(7,602)	-	(9,835)	<b>27,909</b>
Library Resources	26,273	1,667	(7,798)	-	(2,518)	<b>17,624</b>
<b>Balance at 31 December 2019</b>	<b>656,129</b>	<b>107,554</b>	<b>(15,400)</b>	<b>-</b>	<b>(125,152)</b>	<b>623,131</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2019</b>			
Buildings	360,778	(217,606)	<b>143,172</b>
Furniture and Equipment	767,527	(424,634)	<b>342,893</b>
Information and Communication Technology	459,934	(368,401)	<b>91,533</b>
Leased Assets	68,650	(40,741)	<b>27,909</b>
Library Resources	43,087	(25,463)	<b>17,624</b>
<b>Balance at 31 December 2019</b>	<b>1,699,976</b>	<b>(1,076,845)</b>	<b>623,131</b>

The Board considers that no assets have suffered an impairment during the year.

The net carrying value of equipment held under a finance lease is \$27,909 (2018: \$29,145).

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2018</b>						
Buildings	178,594	-	-	-	(17,711)	<b>160,883</b>
Furniture and Equipment	340,066	57,397	-	-	(53,619)	<b>343,844</b>
Information and Communication Technology	91,148	48,477	-	-	(43,641)	<b>95,984</b>
Leased Assets	36,107	1,474	-	-	(8,436)	<b>29,145</b>
Library Resources	26,555	5,090	(1,619)	-	(3,753)	<b>26,273</b>
<b>Balance at 31 December 2018</b>	<b>672,470</b>	<b>112,438</b>	<b>(1,619)</b>	<b>-</b>	<b>(127,160)</b>	<b>656,129</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2018</b>			
Buildings	360,777	(199,894)	<b>160,883</b>
Furniture and Equipment	710,502	(366,658)	<b>343,844</b>
Information and Communication Technology	427,274	(331,290)	<b>95,984</b>
Leased Assets	71,455	(42,310)	<b>29,145</b>
Library Resources	58,904	(32,631)	<b>26,273</b>
<b>Balance at 31 December 2018</b>	<b>1,628,912</b>	<b>(972,783)</b>	<b>656,129</b>

**Bailey Road School**

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

For the year ended 31 December 2019

**13 Accounts Payable**

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	74,371	40,000	44,405
Accruals	6,185	8,000	8,006
Employee Entitlements - Salaries	148,416	135,000	134,821
Employee Entitlements - Leave Accrual	13,174	9,700	9,408
	<u>242,146</u>	<u>192,700</u>	<u>196,640</u>
Payables for Exchange Transactions	242,146	192,700	196,640
	<u>242,146</u>	<u>192,700</u>	<u>196,640</u>

The carrying value of payables approximates their fair value.

**14 Provision for Cyclical Maintenance**

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	48,696	48,696	55,281
Increase/(decrease) to the Provision During the Year	27,283	25,763	(6,585)
Use of the Provision During the Year	-	(10,691)	-
Provision at the End of the Year	<u>75,979</u>	<u>63,768</u>	<u>48,696</u>
Cyclical Maintenance - Current	13,292	16,227	7,080
Cyclical Maintenance - Term	62,687	47,541	41,616
	<u>75,979</u>	<u>63,768</u>	<u>48,696</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):

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	12,781	6,275	13,018
Later than One Year and no Later than Five Years	9,690	408	7,034
	<u>22,471</u>	<u>6,683</u>	<u>20,052</u>

## Bailey Road School

# Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

### 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
	2019	\$	\$	\$		\$
Block 8/10 Refurbishment	<i>In progress</i>	-	461,700	366,590	-	95,110
Upgrade Alarm System	<i>In progress</i>	-	13,500	11,761	-	1,739
Field Drainage	<i>completed</i>	-	9,700	9,700	-	-
Totals		-	484,900	388,051	-	96,849

#### Represented by:

Funds Held on Behalf of the Ministry of Education	96,849
	<u>96,849</u>

		Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
	2018	\$	\$	\$	\$	\$
Boiler	<i>Completed</i>	41,196	3,762	45,762	(804)	-
Totals		41,196	3,762	45,762	(804)	-

### 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.

**Bailey Road School**

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

For the year ended 31 December 2019

**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.

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	4,235	3,175
Full-time equivalent members	0.35	0.49
<i>Leadership Team</i>		
Remuneration	581,527	564,397
Full-time equivalent members	6.00	6.00
Total key management personnel remuneration	585,762	567,572
Total full-time equivalent personnel	6.35	6.49

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:

	2019 Actual \$000	2018 Actual \$000
<i>Principal 1</i>		
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	60-70	-
Benefits and Other Emoluments	1-2	-
Termination Benefits	-	-
<i>Principal 2</i>		
Salary and Other Payments	30-40	125-135
Benefits and Other Emoluments	0-1	3-4
Termination Benefits	-	-

*Other Employees*

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
110-120	1	-
100-110	1	-
	2	-

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.

## Bailey Road School

# Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

### 20 Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2019.  
(Contingent liabilities and assets as at 31 December 2018: nil)

#### Holidays Act Compliance – schools payroll

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

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance. The Ministry has recognised an estimated provision based on the analysis of sample data, which may not be wholly representative of the total dataset for Teacher and Support Staff Entitlements. A more accurate estimate will be possible after further analysis of non-compliance has been completed, and this work is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2019, a contingent liability for the school may exist.

### 21 Commitments

#### (a) Capital Commitments

As at 31 December 2019 the Board has entered into contract agreements for capital works as follows:

(a) A contract for Block 8/10 Refurbishment to be completed in 2020 which will be fully funded by the Ministry of Education. \$461,700 has been received of which \$366,590 has been spent on the project to date.

(b) A contract for Alarm System Upgrades to be completed in 2020 which will be fully funded by the Ministry of Education. \$13,500 has been received of which \$11,761 has been spent on the project to date.

(Capital commitments as at 31 December 2018: nil)

#### (b) Operating Commitments

As at 31 December 2019 the Board has entered into the following contracts:

- operating lease of office equipment

No later than One Year

	2019 Actual \$	2018 Actual \$
	-	122
	-	122

### 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.

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

### 23 Financial Instruments

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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Financial assets measured at amortised cost (2018: Loans and receivables)</b>			
Cash and Cash Equivalents	767,034	437,140	481,526
Receivables	164,642	163,000	184,205
Investments - Term Deposits	-	100,000	-
Total Financial assets measured at amortised cost	<u>931,676</u>	<u>700,140</u>	<u>665,731</u>
<b>Financial liabilities measured at amortised cost</b>			
Payables	242,146	192,700	196,640
Finance Leases	20,459	6,683	18,457
Total Financial Liabilities Measured at Amortised Cost	<u>262,605</u>	<u>199,383</u>	<u>215,097</u>

### 24 Events After Balance Date

On March 11, 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26 March, New Zealand increased its' COVID-19 alert level to level 4 and a nationwide lockdown commenced. As part of this lockdown all schools were closed. Subsequently all schools and kura reopened on the 18th of May 2020.

At the date of issuing the financial statements, the school has been able to absorb the majority of the impact from the nationwide lockdown as it was decided to start the annual Easter School holidays early. In the periods the school is open for tuition, the school has switched to alternative methods of delivering the curriculum, so students can learn remotely.

At this time the full financial impact of the COVID-19 pandemic is not able to be determined, but it is not expected to be significant to the school. The school will continue to receive funding from the Ministry of Education, even while closed.

### 25 Adoption of PBE IFRS 9 Financial Instruments

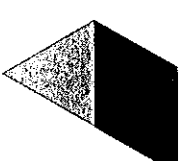
In accordance with the transitional provisions of PBE IFRS 9, the school has elected not to restate the information for previous years to comply with PBE IFRS 9. Adjustments arising from the adoption of PBE IFRS 9 are recognised in opening equity at 1 January 2019. Accounting policies have been updated to comply with PBE IFRS 9. The main updates are:

- Note 9 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.
- Note 11 Investments: Term deposits: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

Upon transition to PBE IFRS9 there were no material adjustments to these financial statements

### 26 Comparatives

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



# Analysis of Variance Reporting

School Name: Bailey Road School

School Number: 1216

**Strategic Aim:** **Student Progress and Achievement:** Ensure that our students make academic progress and achieve to their personal potential.

**Annual Aim:** The Bailey Road School annual aims for 2019:

- 1] To improve mathematical outcomes for our akonga and in upskilling teachers to deliver more effective pedagogy to this end.
- Jo Bolan and Roberta Hunter's research will be used to develop a 'Bailey Road' way of teaching and learning in mathematics.
- The Progress and Consistency Tool [PACT] will be used to further inform this work
- 2] To begin to use the Relationship Based Learning [RBL] model for teacher impact coaching across the school – and gain 100% student ability to articulate what they are learning and their next steps in literacy and mathematics.
- 3] To Work with Cluster 8 Resource Teacher for Learning and Behaviour [RTLBI] on a pilot project for Ready, Steady, Fuel and Launch to accelerate the learning for students with tier two and three learning needs.

**Target:** **GOAL 1]** Mathematics: By the end of 2019 65% of students in Year 5 and 50% of students in Year 8 will be working at the expected curriculum level in mathematics.  
**GOAL 2]** Relationship Based Learning 100% of students to be able to articulate what they are learning and what their next step is in literacy and mathematics.  
**GOAL 3]** Accelerate learning for students with tier two and tier three learning needs

**Baseline Data:**

End of Year 2018 Maths At or Above Expectations: Year 7 40%
End of Year 2019 Maths At or Above Expectations: Year 8 56% [Target goal 50%]
End of Year 2018 Maths At or Above Expectations: Year 4 54%
End of Year 2019 Maths At or Above Expectations: Year 5 60% [Target goal 65%]
End of Year 2018 Reading At or Above Expectations: ALL 71%

End of Year 2019 Reading At or Above Expectations: ALL 74.4%

End of Year 2018 Writing At or Above Expectations: ALL 64%

End of Year 2019 Writing At or Above Expectations: ALL 66%

End of Year 2018 Maths At or Above Expectations: ALL 64%

End of Year 2019 Maths At or Above Expectations: ALL 68%



<b>Actions</b> <i>What did we do?</i>	<b>Outcomes</b> <i>What happened?</i>	<b>Reasons for the variance</b> <i>Why did it happen?</i>	<b>Evaluation</b> <i>Where to next?</i>
<p><b>Goal 1 Maths</b> – the most substantive impediment to achieving both of these goals was having three separate Principals over the course of 2019.</p> <p>The work with Jo Bolar and Roberta Hunter did not really gain traction due to changes in leadership. Saying this, the motivated teachers at Bailey Road did an excellent job and still managed to show movement in maths and the other two curriculum areas measured here.</p> <p>All students not working at expected levels were identified at the beginning of 2019.</p> <p>An achievement target was set for each student.</p> <p>It was planned to meet with students and whānau to co-construct goals.</p> <p>It was planned to decide on appropriate teaching approaches to help students achieve their goals.</p> <p>It was planned for all teachers to have a clear understanding of what the expectation for each year level looked like.</p> <p>Anna Voyce and Jody Hayes [Principal Term 1] participated in the PACT funded school's support network.</p>	<p>Senior leadership changes were detrimental to progress with the maths programme. The Principal changes came about by a Principal on exit, an acting Principal and finally a beginning Principal.</p> <p>Teachers were primed and did their best with these initiatives – 2020 has launched successfully with such programmes.</p> <p>There was some progress gained in maths through this process.</p> <p>Leadership changes means this initiative did not reach potential.</p> <p>This did not occur for the above reasons.</p> <p>This did not occur for the above reasons.</p> <p>This did not occur for the above reasons.</p> <p>Anna Voyce has diligently continued this PD journey. Georgia Reid replaced Jody Hayes.</p>	<p>Maths student achievement progress did occur with movement in both the targeted year level groups, even though one of the target goals was not achieved.</p> <p>The effect of three leadership changes in 2019 cannot be underestimated in regards to all strategic goals embarked upon in 2019.</p> <p>The RBL progress was encouraging and largely due to the determined attitude of the remaining Senior Leadership Team to not lose momentum with this very promising programme.</p>	<p>In 2020 Roberta Hunter's DMIC [Developing Mathematical Inquiry Communities] is underway at Bailey Road School. Our striving for maths improvement is supported by a Maths Support Teacher [MST] and two teachers being trained as Accelerated Learning in Maths [ALIM]</p> <p>The new Senior Leadership Team is undertaking numerous structural changes from timetabling to behaviour management to ensure that programmes are robustly planned, executed and assessed.</p> <p>While Maths is cause for concern it will remain a paramount focus. However, the Senior Leadership team fully appreciates RBL and DMIC are actually pedagogy growth tools at their core and it is fully expected that results will be forthcoming in all areas of our tamariki as learners.</p> <p>RBL has become and will remain the cornerstone of Bailey Road School's pedagogical growth from now and into the future.</p>

<p>Spirals of inquiry were launched and shared to enhance understanding of what has been successful and what has not for our maths learners.</p> <p><b>Goal 2 Relationship Based Learning</b> – This programme also suffered, but less so from the change in Leadership but still managed to run as planned until the end of term 3.</p> <p>The leadership grew their skills in Impact Coaching from work begun in 2018.</p> <p>Student voice was collected to inform practice.</p> <p>Meetings took place at least once a term to strengthen understanding of Impact Coaching practice.</p> <p>Handbook to introduce new staff and provide clarity for existing staff on Impact Coaching was produced and distributed.</p> <p>PB4L was promoted in Term 2 through a hui evening and regular newsletter inserts.</p> <p><b>Goal 3 Accelerated Learning for tier two and three students</b> – Due to senior leadership changes this programme never launched successfully.</p>	<p>The spirals of inquiry were used to ascertain the success of programmes.</p> <p>Various PD sessions occurred with Laurayne Tafa and the SLT to achieve this.</p> <p>This was done to support the SLT PD.</p> <p>These took place. The last happening in Term 3.</p> <p>The Handbook was used by all staff as they deemed necessary.</p> <p>PB4L has been researched in the Bailey Road context and the programme has been developed to suit our circumstances.</p> <p>There was no progress in this project in 2019 to report.</p>		
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## Planning for next year:

The Board has appointed a new Principal who outlined a set of initiatives he planned to put into place to bring about real and significant change. The issues around sluggish student outcome results were recognised not to result from the quality of the professional development provided, or a lack of quality in the staff but as the result of an inconsistent systemic approach, staff turnover, staff morale issues that interfered with the core role of some staff members, a lack of effective communication, classroom management strategy and so forth.

In 2020 Maths programmes have been initiated and launched and are being tracked closely. The addition of a Learning Support Coordinator [LSC] teacher and Maths Support Teacher [MST] (released three days each week to concentrate on this role) will result in the outcomes that might have been expected from a less disrupted 2019.

Relationship based Learning is continuing and gaining even greater influence over the Bailey Road pedagogical approach. The goal with this programme is to have significant numbers of staff members fully trained to carry on the initiative independently of outsourced professional development providers.

27 March 2020

To whom it may concern,

Kiwisport is a government funded initiative to support students participation in organised sport. In 2020 the school received total Kiwisport funding of \$6756.70 [including GST].

Auckland Sport receives the funding as part of The Tamaki Cluster Sports Initiative, to implement a school wide coaching programme within schools.

All students at Bailey Road School participate in the Kiwisports programme.

Sincerely



Ray Kelly  
Principal  
Bailey Road School

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