

BAILEY ROAD SCHOOL

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

Accountant / Service Provider: Ask Accounting Ltd

BAILEY ROAD SCHOOL

Annual Financial Statements - For the year ended 31 December 2023

Index

Page	Statement
<u>1</u>	Statement of Responsibility
<u>2</u>	Statement of Comprehensive Revenue and Expense
<u>3</u>	Statement of Changes in Net Assets/Equity
<u>4</u>	Statement of Financial Position
<u>5</u>	Statement of Cash Flows
<u>6 - 17</u>	Notes to the Financial Statements
	Independent Auditor's Report

Bailey Road School

Statement of Responsibility

For the year ended 31 December 2023

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

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

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

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

Stephen Doran

Full Name of Presiding Member



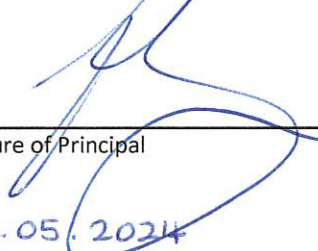
Signature of Presiding Member

27.05.2024

Date:

Raymond Kelly

Full Name of Principal



Signature of Principal

27.05.2024

Date:

Bailey Road School
Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Revenue				
Government Grants	2	4,496,150	3,915,400	4,309,104
Locally Raised Funds	3	84,464	101,000	146,696
Interest		34,466	7,000	11,696
Other Revenue		11,659	-	11,021
Total Revenue		4,626,739	4,023,400	4,478,517
Expense				
Locally Raised Funds	3	30,332	14,500	51,629
Learning Resources	4	2,747,879	2,889,787	2,968,717
Administration	5	752,461	222,900	605,399
Interest		2,106	396	1,789
Property	6	1,162,182	1,012,449	1,041,780
Loss on Disposal of Property, Plant and Equipment		1,490	-	10,540
Total Expense		4,696,450	4,140,032	4,679,854
Net Surplus / (Deficit) for the year		(69,711)	(116,632)	(201,337)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		(69,711)	(116,632)	(201,337)

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 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Equity at 1 January		969,191	969,190	1,170,528
Total comprehensive revenue and expense for the year		(69,711)	(116,632)	(201,337)
Contributions from / (Distributions to) the Ministry of Education		-	-	-
Contribution - Furniture and Equipment Grant		54,586	-	-
Equity at 31 December		954,066	852,558	969,191
Accumulated comprehensive revenue and expense		954,066	852,558	969,191
Equity at 31 December		954,066	852,558	969,191

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 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Current Assets				
Cash and Cash Equivalents	7	97,110	216,354	168,205
Accounts Receivable	8	72,111	214,400	208,892
GST Receivable		16,757	3,700	3,761
Prepayments		30,107	16,900	16,985
Inventories	9	2,626	1,300	1,323
Investments		500,000	300,000	552,898
Funds Receivable for Capital Works Projects	16	5,396	-	-
		<u>724,107</u>	<u>752,654</u>	<u>952,064</u>
Current Liabilities				
Accounts Payable	12	86,467	288,950	290,413
Revenue Received in Advance	13	11,932	-	-
Provision for Cyclical Maintenance	14	154,820	160,673	24,898
Finance Lease Liability	15	24,105	11,712	11,552
		<u>277,324</u>	<u>461,335</u>	<u>326,863</u>
Working Capital Surplus/(Deficit)		446,783	291,319	625,201
Non-current Assets				
Property, Plant and Equipment	11	644,783	627,176	546,354
		<u>644,783</u>	<u>627,176</u>	<u>546,354</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	84,379	56,700	192,475
Finance Lease Liability	15	53,121	9,237	9,889
		<u>137,500</u>	<u>65,937</u>	<u>202,364</u>
Net Assets		<u>954,066</u>	<u>852,558</u>	<u>969,191</u>
Equity		<u>954,066</u>	<u>852,558</u>	<u>969,191</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 2023

	Note	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Cash flows from Operating Activities				
Government Grants		1,195,080	1,062,047	1,079,781
Locally Raised Funds		90,312	101,035	145,989
Goods and Services Tax (net)		(12,996)	61	13,754
Payments to Employees		(675,182)	(636,540)	(782,646)
Payments to Suppliers		(608,698)	(484,113)	(445,157)
Interest Paid		(2,106)	(396)	(1,789)
Interest Received		29,119	7,006	8,674
Net cash from/(to) Operating Activities		15,529	49,100	18,606
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(170,512)	(248,741)	(105,954)
Purchase of Investments		-	-	(2,898)
Proceeds from Sale of Investments		52,898	252,898	-
Net cash from/(to) Investing Activities		(117,614)	4,157	(108,852)
Cash flows from Financing Activities				
Furniture and Equipment Grant		54,586	-	-
Finance Lease Payments		(18,200)	(5,108)	(13,336)
Funds Administered on Behalf of Other Parties		(5,396)	-	-
Net cash from/(to) Financing Activities		30,990	(5,108)	(13,336)
Net increase/(decrease) in cash and cash equivalents		(71,095)	48,149	(103,582)
Cash and cash equivalents at the beginning of the year	7	168,205	168,205	271,787
Cash and cash equivalents at the end of the year	7	97,110	216,354	168,205

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 2023

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

Basis of Preparation

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

Financial Reporting Standards Applied

The Education and Training Act 2020 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as 'having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders'.

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical maintenance

A school recognises its obligation to maintain the 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) 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.

e) 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.

f) Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (uncollectable debts). The schools 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.

g) Inventories

Inventories are consumable items held for sale and are comprised of stationery. 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.

h) 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.

i) 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

j) Impairment of property, plant, and equipment and intangible assets

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

Non cash generating assets

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

k) 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.

l) 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.

m) Revenue Received in Advance

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

n) Funds held for Capital works

The school directly receives funding from the Ministry of Education for capital works projects that are included in the School five year capital works agreement. These funds are held on behalf and for a specified purpose. As such, these transactions are not recorded in the Statement of Comprehensive Revenue and Expense.

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

o) 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.

p) Financial Instruments

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

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

q) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

r) Budget Figures

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

s) 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

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Government Grants - Ministry of Education	1,679,191	1,021,047	1,409,904
Teachers' Salaries Grants	1,994,276	2,123,241	2,099,810
Use of Land and Buildings Grants	754,646	730,112	779,853
Other Government Grants	68,037	41,000	19,537
	<u>4,496,150</u>	<u>3,915,400</u>	<u>4,309,104</u>

The school has opted in to the donations scheme for this year. Total amount received was \$59,644.

3. Locally Raised Funds

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

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Revenue			
Donations & Bequests	2,806	-	260
Fees for Extra Curricular Activities	18,877	3,500	41,742
Trading	9,903	10,000	9,055
Fundraising & Community Grants	23,151	59,000	66,715
Other Revenue	29,727	28,500	28,924
	<u>84,464</u>	<u>101,000</u>	<u>146,696</u>
Expense			
Extra Curricular Activities Costs	22,593	2,500	41,752
Trading	7,739	10,000	9,877
Fundraising and Community Grant Costs	-	2,000	-
	<u>30,332</u>	<u>14,500</u>	<u>51,629</u>
<i>Surplus/ (Deficit) for the year Locally Raised Funds</i>	<u>54,132</u>	<u>86,500</u>	<u>95,067</u>

4. Learning Resources

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Curricular	92,952	87,358	50,061
Information and Communication Technology	42,413	58,760	55,429
Library Resources	755	300	1,483
Employee Benefits - Salaries	2,436,810	2,539,241	2,702,088
Staff Development	30,371	31,593	27,312
Depreciation	144,578	172,535	132,344
	<u>2,747,879</u>	<u>2,889,787</u>	<u>2,968,717</u>

5. Administration

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Audit Fees	7,570	5,000	7,350
Board Fees	3,046	4,500	3,065
Board Expenses	12,294	16,500	17,610
Communication	3,768	2,200	2,508
Consumables	16,666	12,000	13,600
Operating Leases	4,218	4,400	4,218
Other	15,697	12,750	21,944
Healthy School Lunch Programme	552,148	-	349,660
Employee Benefits - Salaries	110,321	136,550	160,166
Insurance	17,430	20,000	16,026
Service Providers, Contractors and Consultancy	9,303	9,000	9,252
	<u>752,461</u>	<u>222,900</u>	<u>605,399</u>

6. Property

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Caretaking and Cleaning Consumables	15,703	12,100	11,527
Consultancy and Contract Services	69,408	59,000	66,554
Cyclical Maintenance	66,225	35,067	47,674
Grounds	3,005	3,000	1,632
Heat, Light and Water	21,496	18,000	17,277
Rates	25,744	24,000	24,616
Repairs and Maintenance	117,897	44,170	33,576
Use of Land and Buildings	754,646	730,112	779,853
Security	13,684	10,000	12,711
Employee Benefits - Salaries	74,374	77,000	46,360
	<u>1,162,182</u>	<u>1,012,449</u>	<u>1,041,780</u>

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

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Bank Accounts	97,110	216,354	168,205
Cash and cash equivalents for Statement of Cash Flows	<u>97,110</u>	<u>216,354</u>	<u>168,205</u>

8. Accounts Receivable

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Receivables	26,478	8,700	8,735
Interest Receivable	11,053	5,700	5,706
Teacher Salaries Grant Receivable	34,580	200,000	194,451
	72,111	214,400	208,892
Receivables from Exchange Transactions	37,531	14,400	14,441
Receivables from Non-Exchange Transactions	34,580	200,000	194,451
	72,111	214,400	208,892

9. Inventories

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Stationery	2,626	1,300	1,323
	2,626	1,300	1,323

10. Investments

The School's investment activities are classified as follows:

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Current Asset			
Short-term Bank Deposits	500,000	300,000	552,898
Total Investments	500,000	300,000	552,898

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2023	\$	\$	\$	\$	\$	\$
Buildings	90,036	-	-	-	(17,712)	72,324
Furniture and Equipment	346,170	139,201	-	-	(78,748)	406,623
Information and Communication Technology	77,397	28,901	-	-	(30,222)	76,076
Leased Assets	21,692	73,985	(1,112)	-	(16,260)	78,305
Library Resources	11,059	2,410	(378)	-	(1,636)	11,455
Balance at 31 December 2023	546,354	244,497	(1,490)	-	(144,578)	644,783

The net carrying value of furniture and equipment held under a finance lease is \$79,895 (2022: \$21,692)

Restrictions

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

	2023	2023	2023	2022	2022	2022
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Buildings	360,776	(288,452)	72,324	360,776	(270,740)	90,036
Furniture and Equipment	1,066,600	(659,977)	406,623	965,502	(619,332)	346,170
Information and Communication Technology	576,049	(499,973)	76,076	547,148	(469,751)	77,397
Leased Assets	94,247	(15,942)	78,305	68,417	(46,725)	21,692
Library Resources	38,747	(27,292)	11,455	37,623	(26,564)	11,059
Balance at 31 December 2023	2,136,419	(1,491,636)	644,783	1,979,466	(1,433,112)	546,354

12. Accounts Payable

	2023	2023	2022
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Creditors	19,780	15,600	15,622
Accruals	5,070	5,350	5,350
Employee Entitlements - Salaries	35,874	248,000	248,446
Employee Entitlements - Leave Accrual	25,743	20,000	20,995
	86,467	288,950	290,413
Payables for Exchange Transactions	86,467	288,950	290,413
	86,467	288,950	290,413

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Other revenue in Advance	11,932	-	-
	<u>11,932</u>	<u>-</u>	<u>-</u>

14. Provision for Cyclical Maintenance

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Provision at the Start of the Year	217,373	217,373	169,699
Increase to the Provision During the Year	43,278	35,067	47,674
Use of the Provision During the Year	(44,399)	-	-
Other Adjustments	22,947	(35,067)	-
Provision at the End of the Year	<u>239,199</u>	<u>217,373</u>	<u>217,373</u>
Cyclical Maintenance - Current	154,820	160,673	24,898
Cyclical Maintenance - Non current	84,379	56,700	192,475
	<u>239,199</u>	<u>217,373</u>	<u>217,373</u>

The school's cyclical maintenance schedule details annual painting to be undertaken. The costs associated with this annual work will vary depending on the requirements during the year. This plan is based on the property expert's knowledge of the school, and has been prepared and reviewed in the last 3 years.

15. Finance Lease Liability

The School has entered into a number of finance lease agreements for computers and other ICT equipment. Minimum lease payments payable:

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
No Later than One Year	29,378	11,712	12,948
Later than One Year and no Later than Five Years	61,053	9,237	10,615
Later than Five Years	(13,205)	-	(2,122)
	<u>77,226</u>	<u>20,949</u>	<u>21,441</u>
Represented by			
Finance lease liability - Current	24,105	11,712	11,552
Finance lease liability - Non current	53,121	9,237	9,889
	<u>77,226</u>	<u>20,949</u>	<u>21,441</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.

2023	Opening Balances \$	Receipts from MOE \$	Payments \$	Board Contributions \$	Closing Balances \$
Block 6 Roof & Flashings Replacement - Project Number 211964	-	46,768	(50,102)	-	(3,334)
Admin Switchboard Upgrade - Project Number 242890	-	12,555	(14,164)	-	(1,609)
Heat Pumps - Project Number 242891	-	42,040	(42,493)	-	(453)
Totals	-	101,363	(106,759)	-	(5,396)

Represented by:

Funds Held on Behalf of the Ministry of Education

Funds Receivable from the Ministry of Education

-

(5,396)

2022	Opening Balances \$	Receipts from MOE \$	Payments \$	Board Contributions \$	Closing Balances \$
SIP Swimming Pool Area - 234951	-	23,126	(23,126)	-	-
Totals	-	23,126	(23,126)	-	-

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.

	2023 Actual \$	2022 Actual \$
<i>Board Members</i> Remuneration	3,046	3,065
<i>Leadership Team</i> Remuneration Full-time equivalent members	800,627 7	476,257 3.6
Total key management personnel remuneration	803,673	479,322

There are 7 members of the Board excluding the Principal. The Board has held 10 full meetings of the Board in the year. The Board also has Finance (2 members) and Property (3 members) committees that meet monthly and quarterly respectively. As well as these regular meetings, including preparation time, the Presiding member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal

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

	2023 Actual \$000	2022 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	150-160	140-150
Benefits and Other Emoluments	4-5	4-5

Other Employees

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

Remuneration \$000	2023 FTE Number	2022 FTE Number
100-110	3	1
110-120	1	1
120-130	1	-
	5	2

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

19. Contingencies

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

Holidays Act Compliance – Schools Payroll

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

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

20. Commitments

(a) Capital Commitments

At 31 December 2023, the Board had capital commitments of \$14,438 (2022: nil) as a result of entering the following contracts:

Contract Name	Contract Amount	Spend To Date	Remaining Capital Commitment
	\$	\$	\$
Block 6 Roof & Flashings Replacement	56,986	50,102	6,884
Admin Switchboard Upgrade	17,500	14,164	3,336
Heat Pumps	46,711	42,493	4,218
Total	121,197	106,759	14,438

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

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Cash and Cash Equivalents	97,110	216,354	168,205
Receivables	72,111	214,400	208,892
Investments - Term Deposits	500,000	300,000	552,898
Total financial assets measured at amortised cost	669,221	730,754	929,995

Financial liabilities measured at amortised cost

Payables	86,467	288,950	290,413
Finance Leases	77,226	20,949	21,441
Total financial liabilities measured at amortised cost	163,693	309,899	311,854

22. Events After Balance Date

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

Independent Auditor's Report

To the Readers of Bailey Road School's Financial Statements

For the Year Ended 31 December 2023

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

In our opinion the financial statements of the School:

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

Our audit was completed on 29 May 2024. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

Responsibilities of the Board for the financial statements

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

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

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

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

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

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the information included in the annual report being the School Annual Implementation Plan 2024, Analysis of Variance, Kiwisport Report, Compliance with Education and Training Act 2020 requirements to be a good employer and Members of the Board of Trustees, 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