

PALMERSTON NORTH BOYS' HIGH SCHOOL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

School Address: 263 Featherston Street, Palmerston North
School Postal Address: PO Box 4049, Palmerston North
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Ministry Number: 202



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VISION

To develop educated men of outstanding character.

MISSION STATEMENT

To educate young men by challenging and extending them in academic, sporting and cultural activities to develop the required knowledge, skills, values and character they need to succeed in their lives.

PHILISOPHY

The school seeks to provide young men with an intellectual and moral education which will enable them to make a valuable contribution to society.

The school aims to develop all students in terms of providing the widest opportunities in academic, sporting and cultural activities in an environment which fosters the awareness of growth in personal and social relationships.

The school will achieve its aims by:

- Offering young men a comprehensive range of educational, vocational and recreational experiences.
- Emphasising the successful development of the skills of communication, literacy and numeracy.
- Preparing young men for experiences and NCEA assessments and future career opportunities.
- Presenting young men with firm and reasonable guidelines to responsible behaviour.
- Actively encouraging and developing the qualities of reliability, honesty, concern for others and leadership.
- Offering young men a wide range of sporting and cultural opportunities (recreational and competitive) and encouraging them to assume life-long responsibility for their own fitness and health.

VALUES

Young men who join the Palmerston North Boys' High School community are expected to live by the school values in and out of the classroom.

These are:

Integrity, Courage, Pride, Respect, Industry and Humility

PALMERSTON NORTH BOYS' HIGH SCHOOL

Board of Trustees and Senior Management

For the year ended 31 December 2017

Board of Trustees

Name	Position	How position on board gained	Occupation	Term Expired / Expires
Michael Lawrence	Chairperson & Old Boys' Assn Rep	Re-elected May 2016	Accountant	May 2019
Grant Watts	Parent Rep	Re-elected May 2016	Police Officer	May 2019
John Stewart	Parent Rep	Re-elected May 2016	Manager	May 2019
Michael Abbiss	Co-opted	Re-elected May 2016	Farmer	Resigned May 2016
Simon O'Connor	Parent Rep	Re-elected May 2016	Director	May 2019
Tania Harris	Parent Rep	Re-elected May 2016	Manager	May 2019
Craig Purdy	Parent Rep	Elected May 2016	Accountant	May 2019
David Bovey	Rector	Appointed October 2012	Rector	
Junius Ong	Student Rep	Elected Nov 2017	Student	November 2018
Jack Seibert	Staff Rep	Re-elected May 2016	Teacher	May 2019
Alan Kirk	Student Rep	Elected Nov 2016	Student	Resigned Dec 2017

Senior Management

David Bovey	Rector
Gerard Atkins	Deputy Rector
Peter Truter	Senior Master
Grant Sinclair	Senior Master
Howard Pinder	Senior Master
Paul Gibbs	Director of Teaching & Learning

PALMERSTON NORTH BOYS' HIGH SCHOOL

Report from the Chairman

For the year ended 31 December 2017

Education at Palmerston North Boys' High School is about setting standards and achieving the best that each young man can. We live by our School values of:

- Integrity
- Courage
- Pride
- Respect
- Industry
- Humility

There is a pressure in society to accept we live in a world where “*anything goes*” and therefore change should be automatic and not considered with reference to a “*value*” framework. A moral compass that spins in any direction is not a compass and does not provide a direction or a reference on how to behave

Our School roll started the year over 1800 and we know we have the support of you, our parents, in our approach. Education is a shared commitment between dedicated teachers, motivated students and enthusiastic parents with high expectations.

Sporting, cultural and academic successes have been numerous and continuous throughout 2017. The depth of achievement across such a wide range of areas continues to be a source of pride and an indication we are providing the right structure.

These opportunities are not always available in all schools but this is a fundamental value for PNBHS and we will not waiver from providing these opportunities.

Young men, set your goals high, then look at those goals, and set them even higher again. “*Nihil Boni Sine Labore*”.

A key attribute coming under scrutiny for our young men is character. Life is full of tests for your character. During 2017, the School commissioned a study of character and thank you to the students and parents who have participated in that study.

Character is tested under pressure and the response to set back or failure is to see it as an opportunity to learn. Parents have a major part to play in guiding your son through these challenges. We constantly hear from Old Boys who have succeeded in their chosen field and they remember their school days fondly but surprisingly it is the challenges they faced and overcame that come to mind, not always their successes.

Intelligence plus character – that is the goal of a true education.

The outcomes we achieve at Boys' High are a reflection of the quality of the inputs. It starts with the young men and the shaping, encouraging and discipline provided by quality teachers we have at the School. For every one of us that succeeds it is because there is somebody there to show you the way.

There are some areas of School life that have a significant impact on a young man – the inspiring teacher who creates a memorable impression, the learning support department, the gentle and sometimes assertive guidance given by our student support centre. The Resource Teacher of Learning Behaviour, the counsellor, careers advisor, the deans, the leadership director or staff in the various offices – they all contribute.

We have almost 150 teachers and support staff whose commitment is huge, both in the classroom and on the sporting and cultural stages. The number of these activities that we can offer is a direct reflection of the willingness of the staff to provide their time and enthusiasm. It should not be taken for granted; it should be appreciated and rewarded with thanks.

This year has been a very difficult one for our staff with the passing of two respected staff members. Brent Costley who passed in January. Brent was a life-long servant to the School, hugely respected and much admired. Jimmy Crosswell lost his battle in April and, while he had been at School a relatively short time, he had already started to influence the lives of many young men. We mourn the passing of Brent and Jimmy and express our heartfelt sympathy to their families.

2017 sees us farewell two long standing staff members. Terry Meldrum has been at the School for 33 years - teaching countless pupils Science and Biology in that time, and is a much respected teacher among his peers. Terry, a much deserved retirement and sincere thanks for your career at PNBHS.

Paul King came to PNBHS from the army and he returns there to continue his career. Having established our Leadership Programme 12 years ago, it has now become the envy of many schools in New Zealand. Thank you Paul for your legacy that we will take on and continue to grow leaders for the future.

2017 saw the Education Review Office visit the School as it does every 3 years. While we believe the education we provide at PNBHS is of a high calibre, getting ERO to see it the same way has never been easy. It is however pleasing to note that despite being slow learners they have recognised what we have always known and we have been allocated a 4/5 year review. This is a testament to the management and staff and we congratulate you all on providing such a quality outcome for the young men who pass through Palmy Boys.

Teaching is the profession that teaches all of the other professions and the best teachers are those who open the door, but you must enter by yourself.

The Board of Trustees has decided to continue its annual staff scholarship in 2018 and we are pleased to offer a scholarship for a staff member to visit a college in China in 2018. The recipient of that scholarship is Chis Burton.

Also for 2018, McVerry Crawford Hyundai, have continued to offer a scholarship for a staff member to spend three weeks at a college in Thailand. The recipient of the McVerry Crawford Hyundai scholarship is Grant Miller.

Further, our thanks are extended to Tom McVerry and his team at McVerry Crawford Hyundai for providing five paid berths on the Spirit of Adventure annually. This is a wonderful opportunity for interested and committed young men to truly test their character.

The apex of our staff is our School Rector. In David Bovey we have an experienced leader who challenges us to be better than we are. He is an inspiration to his team and ensures decisions are made for the collective good. Leadership is where the ultimate buck stops. In making decisions, the focus is always on what is right, not what is most comfortable. His commitment comes with huge unerring support from his wife, Victoria, and his family who must do without his presence on many occasions while he attends to the demands of his role.

Our Deputy Rector, Gerry Atkin, and the Senior Management Team have a passion for the School that places the greater good above personal achievement. There is no doubt the outcome of our ERO review is in large partly due to the effort of this team.

We are fortunate to have a board / management team working relationship that knows the boundaries but works to achieve the goals we all aspire to.

Board Trustees during 2017 have been Tania Harris, Simon O'Connor, Craig Purdy, John Stewart and Grant Watts. The contributions of staff representative Jack Siebert and student representative, Alan Kirk, are acknowledged as they provide valuable perspective.

Trustees provide a significant contribution and it is done with such passion and effort in order to make a difference in so many young men's lives and set them up for their future.

Our buildings and facilities are well maintained and our upgrades are carefully planned to utilise our limited resources. What we achieve in the space we have is an absolute testament to our staff in this area. In Tom Abbott and Kevin McNulty (along with their capable team), we have a most committed group and their ability to keep our facilities at the current level is hugely appreciated, given it is a boys' environment.

Our property is aging and we hope that our 10-year property plan will be approved by the Ministry at the beginning of 2018 so we can commence the next vital upgrades to our facilities.

We are looking towards 2018 and beyond to enhance our facilities with the assistance of our Old Boys' network.

There is a group of past pupils who share a passion for the School they attended and a desire to see the young men who currently attend the School to have access to opportunities those Old Boys enjoyed.

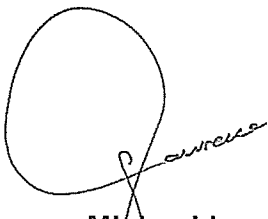
College House is an establishment that we can be proud of. The efforts to improve those facilities on an ongoing basis under our College House Committee are making it a very sought after facility for parents from our wider region. The quality of those facilities will see us commence 2018 with our highest numbers ever.

Matt and Tracey Davidson, as Head of College House, do a tremendous job with the young men under their charge and they, along with their staff, are a key reason for the popularity of College House. We know it is the premier boarding establishment in the lower North Island as the demand for places confirms that.

To the Year 13's, you finish at the School for the last time as a student, but your bond with the School will never be broken. Your memories should be a mixture of positive and challenging, but that is life.

Albert Einstein provided 10 valuable life lessons to consider:

1. Follow your curiosity
2. Perseverance is priceless
3. Focus on the present
4. The imagination is powerful
5. Make mistakes
6. Live in the moment
7. Create value
8. Don't expect different results
9. Knowledge comes from experience
10. Learn the rules and then play better.



Michael Lawrence
CHAIRMAN

PALMERSTON NORTH BOYS' HIGH SCHOOL

Report from the Rector

For the year ended 31 December 2017

I am pleased to report that the year concluded with a full school celebration with parents and friends of the school attending the 2017 prizegiving at Arena Manawatu on Thursday 7 December. The impressive achievements of the young men of the school reflected the significant involvement of the students of Palmerston North Boys' High School in a wide range of activities, be they academic, cultural or sporting.

What follows is a review of the achievements of the young men of PNBHS during the year. It is a long list, as it always is – so many of our young men achieve at very high levels. The school yearbook, *The Palmerstonian*, records the significant range of activities and achievements from throughout the year. The continued excellence in cultural activities such as the performing arts has been great to see and goes against the apparent perception that boys' schools do not value the arts.

Our school's vision is 'To develop educated men of outstanding character.' This remains of paramount importance throughout the year and our teaching programmes and resourcing continues to be aligned with this vision. The vision is well-supported by our values: integrity, courage, pride, respect, industry and humility.

The student achievement-focused goals and objectives were specific and the outcomes at the senior level in 2017 were, in the main, positive. We will continue, with a focus on student achievement levels, to review and analyse data – and continue to aim for improvement.

Activities outside of the classroom continue play an important part in the school. Levels of involvement continue to be high and in some areas there was a noticeable increase in participation. The school competed well at both

local and regional level, as well as some commendable results at a national level. The level of involvement has a clearly positive impact on the young men involved and enables the forging of relationships between staff and young men, relationships which carry over into the classroom.

In recent years in this report I have noted, with some dismay, the growing number of schools who manipulate the NCEA system in order to present to the unsuspecting public results that are, at best, inaccurate. The 'league table' system, that has caused similar issues in the United Kingdom, whereupon a school's results are published, is mired in a murky - almost cloak and dagger, certainly smoke and mirror – world of half-truths. As Benjamin Disraeli once said, "there are three kinds of lies: lies, damned lies, and statistics". There are schools who withdraw pupils from sitting standards lest they affect pass-rates, there are schools who corral groups of pupils into a classroom and provide countless opportunities to gather any credits in any area so as to boost pass rates, and there are even schools who deliberately pass work of an inferior standard to reach a desired outcome. That the system allows that to happen is clearly the system's fault, but an increasing number of NCEA qualifications are not worth the paper they are printed on.

While that assessment may sound harsh, it has become more of a talking point in recent times, where pupils have commented that traditional academic subjects that require academic rigour, are on a similar level to making a cup of tea or picking up leaves. The inconsistencies make for a system that makes comparing results between subjects, and between schools, a pointless exercise. It will be interesting to see the outcomes from the new governments review of NCEA.

Student Achievement – Academic

The school continues to emphasise the attainment of an academic qualification as its priority for each young man in the school. This emphasis is important to the school's vision for young men to leave the school educated.

While we do consider the importance of a balanced, all-round education, every other aspect of school life must remain secondary.

NCEA, through the New Zealand Qualification Framework, remains the primary qualification at this school. The school continues to provide the opportunity to study Massey University papers as part of the senior accelerate programme, and a growing number of distance-learning options have become available through a relationship with Waikato University.

The accelerate programme and learning support programmes are in place to aid learning and to create enrichment opportunities so that young men can reach their potential.

New Zealand Qualification Framework

Palmerston North Boys' High School uses the National Certificate of Educational Achievement as its core qualification. Subjects are expected to use Achievement Standards, unless vocational. In 2017 all courses were expected to provide a minimum of eighteen to twenty credits with external assessment compulsory where available, although the number of assessments offered in senior academic courses has been reviewed and subsequently reduced.

As noted in recent reports, workload issues continue to be of concern. We are currently reviewing the importance and relevance of NCEA Level 1 and our curriculum committee is looking at alternatives in this regard. The simple fact of the matter is that teacher workload, and pupil workload has reached a tipping point. NCEA is assessment-driven; it does not, we believe, reflect the NZ curriculum – a case of the tail wagging the dog. It could well be that in the years to come NCEA Level 1 becomes less of a focus.

My comments in this forum last year still hold true: the teaching profession is at a crossroads. Clearly Auckland has significant issues in many regards, but some subject areas are becoming increasingly difficult to staff. The Education

Council will need to review its criteria for teacher training if it is to mitigate some of these issues. We have been fortunate to appoint some outstanding young teachers in recent years – but the significant number of teachers leaving within the first five years of their career is a real concern. Workload issues, the poor behaviour of some pupils, over the top political correctness and poor remuneration are some of the contributing factors at play.

Palmerston North Boys' High School staff are expected to be involved in at least one co-curricular activity – we deem such activities to be part of an all-round education so have deemed them 'co' rather than extracurricular – and despite that expectation there are some who would rather not be involved. Who can blame them? If a teacher has three senior classes with assessments that need to be marked at the same time, why would they want to be standing on the side of a hockey turf, for example, on a miserable Palmerston North winter evening watching their 9th XI play?

Scholarship results from 2017 were very disappointing. The school recognises that in some regards, the top academic pupils are focused on their Massey University papers, and so scholarship becomes less of a focus, but 27 for the year was a poor outcome. However, Finlay McRae did exceptionally well: the 2017 Dux Litterarum achieved five scholarship passes, three of which were 'Outstanding'. He was a Premier Award winner and was Top Scholar in Physics. Proxime Accessit Ryan Adams achieved three scholarships, including one at Outstanding level. Denzel Chung repeated last year's effort of an Outstanding scholarship in English; he also achieved another scholarship to give him two. William Hunter, Stanley Jackson and Emmanuel Joseph Shaji also achieved two. Year 12 pupils Jarod Govers and Ronan Carroll achieved scholarship passes, both in English.

The summary of 2017 results are as follows:

74.6% of Year 11 students gained NCEA Level 1 (National 73.4%)

10% of Year 11 students gained NCEA Level 2	(National 1.3%)
80.2% of Year 12 students gained NCEA Level 2	(National 78.9%)
14.7% of Year 12 students gained NCEA Level 3	(National 1.6%)
65.6% of Year 13 students gained NCEA Level 3	(National 65.8%)
53.3% of Year 13 students gained University Entrance	(National 47.9%)

The school continues to have a valuable relationship with Massey University. A total of 37 accelerate students were enrolled in 136 papers across a range of subjects. The 2017 results were again impressive in terms of A grade passes, with 72 A grades (A+, A, A-), including 27 A+ grades. The top performers were Ryan Adams with five A+ grades, Finlay McRae and William Hunter with four and Stanley Jackson with three.

The list of co-curricular activities is again a long and impressive one. So many of our young men are involved in one of the many activities on offer and involvement here often complements success in the classroom. It is crucial for young men to be involved in either a sport or cultural activity for a number of reasons. The staff at PNBHS, as mentioned earlier in this report, are expected to be involved in an activity outside the classroom. The school does have a reputation for getting its "pound of flesh" from its staff, and the very fact that teachers from other schools use that phrase proves how reluctant some are to get themselves involved. In 2017 the school again had 160 teams or groups involved in a wide range of activities. Some staff devote a significant amount of time to these co-curricular activities, many, many hours per week on top of their teaching load. Those staff who show such dedication to this important component of school life are to be thanked and admired. It is those teachers who also reap the rewards of establishing positive relationships with the young men of the school, and with it the flow-on effect in the classroom.

The top sporting teams have continued to be competitive in regional and national tournaments. The young men of Palmerston North Boys' High School achieved the following this year:

At the 2017 New Zealand Secondary Schools' Athletic Championships in Hastings Brayden Popow was third in the Open Walk while other top ten finishes came from Andre Le Pine-Day (6th in the Junior 800m), Guy Petersen (7th in Junior Javelin), VJ Tauli (8th in Junior Long Jump), Reuben Brown (6th in Senior Long Jump), Jack Nesdale (9th in Senior Shot Put). The 4x400m team finished fourth.

At the 2017 Manawatu Secondary School Athletics event, the school won 27 events. Individual highlights included Benjamin Wall winning the Albert Pootjes Memorial Trophy for Athlete of the Meet after record wins in the 1500m and 3000m races. 14 PNBHS pupils were selected to represent Manawatu at the NISS Championships. Harrison Porritt won the Senior 800/1500m double while Benjamin Wall won the Junior 800/1500m double.

The school remains fortunate to have Mr Doyle on staff, whose countless hours of training and nationally recognised expertise enables our young men to succeed at the level they do. For many years now Mr Doyle has been a significant contributor to PNBHS sport and we thank him sincerely for his efforts.

The Senior A Badminton team competed strongly in the Super Eight competition, successfully defending their title. They continued their competitive approach to nationals where due to a ranking points system they were forced to play in the B Division which they won comfortably to regain their spot in the top tier for 2018. The Senior B team finished fourth in the same division at the tournament to show the depth in the school at present.

Boxing championships are an annual feature of the school calendar of events. This year the preliminaries were in term four, with numbers down on recent years, but still with close to 90 young men competing in the 2018 championships, culminating in a competitive finals afternoon and evening. We remain fortunate to have the expertise of Mr Billy Meehan and his team who give freely of their time to run the championships and provide a safe standard of boxing.

Basketball numbers have exploded in recent years. In 2017, 44 teams were involved in regular competition. The Premier A team had another successful season, winning the Manawatu Senior Men's competition for the second year in a row, as well as winning the local Manawatu Secondary Schools league. The team won the Super Eight tournament for the first time since 2009 and also won the regional tournament to qualify for the National Secondary Schools tournament in Palmerston North. At the Nationals, the team performed creditably, finishing fifth. Callum McRae was selected in the NZ Junior Tall Blacks team, and was subsequently named the school's Dux Ludorum for 2017; Oscar Oswald, Cooper Boyce-Towler and Tama Fa'amusili were selected in the NZ U18 squad; Rangimarie Mita was selected for the NZ U18 3x3 team; Jake McKinlay was selected for the NZ U17 team and Xzavia Mason for the NZ U16 team.

Canoe Polo enjoyed another successful season, although finishing runners-up at the NZSS National Championships in Feilding early in the year after winning the title in 2016. Tom Whale, Patrick Bould and Josh Vivian were named in the NZ U18 team, with Bede Skinner-Vennell named in the B team. Thanks go to Mr Lane for the significant time he has committed to Canoe Polo.

The Senior A Chess Team had a successful season and once again won the Manawatu Regional Competition. The team won the Super Eight tournament in Hamilton for the second year in a row but did not compete at the national tournament.

The 1st XI Cricket team had another busy year and achieved some success. They finished runners-up third equal at the Super Eight tournament, losing to Hamilton BHS in the final for the third time in four years in a very close match. The annual fixture with Auckland Grammar was a tense affair, with a draw the final result on an absorbing final day where all three results were possible going into the final hour of the game. The team won the regional qualifying tournament and therefore qualified for the NZSS 1st XI Championships,

previously known to all and sundry as the Gillette Cup. Cricket numbers continued to be solid and my thanks go to all cricket team coaches for the significant time they have contributed this year. My thanks in particular go to Mr Gibbs, Mr Retemeyer, Mr Davidson, Mr Siebert and Mr Truter.

During the season opening bowler Jack Harris played for the Manawatu Senior Men's team, while Thomas Walshe was selected for the Wanganui Senior Men's team.

The Cross Country team again finished runners-up at Super Eight, and won all three categories (junior, intermediate and senior) at the Manawatu Secondary Schools event.

Despite losing a number of exceptional cyclists from last year, cycling continues to be strong at School. At the NISS Road Cycling Championships, the team won the overall title, with the Junior A team winning the U16 Time Trial. Madi Hartley-Brown had a superb year, winning both the U20 Road Race and the U20 Points Race at the NZSS Championships, where the team finished third overall. Madi, Dylan Simpson and Angus Claasen were all selected for national honours during the year.

A young 1st XI football team finished fourth in the Horizons Senior Men's Premiership and played some fine football during the season but found it difficult translating that form into results. They finished fourth at the Super Eight tournament but at the NZSS Tournament, again despite playing some good football, they finished a disappointing 30th. Jaeden Shaw was selected in the NZ U19 Football team.

The Senior A Golf Team won the Manawatu/Wanganui Intercollegiate golf tournament and finished runners-up at the Super Eight tournament. The team qualified for nationals where they finished seventh. Greg Shaw finished eighth at the NZ U19 championships. My thanks to Mr Retemeyer for his commitment to the Senior A golf team this year.

Hockey enjoyed a most successful season. The 1st XI had a tough time of it in the local Senior Men's competition, but they performed creditably at a very competitive Super Eight tournament team where they finished third. They performed well at the NZSS Rankin Cup, where after a series of wins in extra-time, they finished third in the country – a great result. The 2nd XI successfully defended the Galletly Cup, a competition for 2nd XIs from throughout the country, while the U15 Colts won the Tanner Cup, a very competitive tournament comprised of teams from throughout NZ. Matt Peel and Tom Tremain were named in the NZ U18 Development Squad.

The 1st XV rugby team had another mixed season. The overall win/loss record was superior to that of last season but the team was on the receiving end of three significant defeats and those results will no doubt be the abiding memory for many. Following these calamitous results against some of the best teams in the country, the team showed plenty of character to win some important fixtures and made it through to the Hurricanes region semi-finals. A final position of sixth in the Super Eight represented an improvement from 2016.

James Stratton was selected for the NZSS Barbarians team while 1st XV co-captain Stewart Cruden was selected for the NZ Maori U18 side.

The Clay Target shooters continue to perform well. This year they finished fourth in a very close Super Eight competition which was followed by a commendable fifth-eighth grouping at the NZSS competition. Max Edwards won the South Island Points Score and along with Richard Simpson was selected for the Wellington regional team. Max and Tate Ferguson won the South Island two-man teams event. Max was named in the NZSS Clay Target team.

The Smallbore Shooting team performed well at regional and national level, with Lachie McNair selected for the NZSS team after some strong performances saw him finish third at the NZSS Championships.

Squash continues to be strong at PNBHS, with some encouraging results throughout the year. After finishing fourth for the past three years, the Senior A team improved one place to finish third at this year's NZSS Championships. Corbin Faint was selected as captain of the NZSS team for the second year in a row, an outstanding achievement.

PNBHS swimmers had another busy and successful year. Xavier Hill, in particular, enjoyed an excellent year, setting a number of records in the process. Xavier won two silver and two bronze medals at the NZ Short Course Championships. Both Xavier and Ryan Cutler represented NZ at the Australian Inter-state Championships in Canberra. At the Manawatu SS Championships PNBHS took out overall honours.

Table tennis continues to be popular with a number teams involved in local competitions this year. The Senior A table tennis team had a successful season, again winning the Manawatu SS Premier competition and finishing in seventh place at the NZSS Championships.

The Senior A Tennis team were runners-up at the Super Eight tournament. They were unable to qualify for the NZSS finals after finishing third at their annual quadrangular tournament.

The triathlon team performed well at the NZSS Championships.

The Senior A Volleyball Team again finished third at the Super Eight tournament. Through regionals the team qualified for nationals where they finished 27th. Joseph Mafi was selected in the NZ Junior Men's team which played in the United States while Leejean Engu was named in the NZSS team that competed in Australia.

Water polo numbers continue to be encouraging under Mr Ross whose commitment is irrefutable although the results this year were not as good as in 2016. The Senior A team finished seventh in Division II at Nationals. Cam Pomana was selected in the NZ U17 team that competed overseas.

40 young men from the school had been selected for national representation in a wide variety of sporting codes in 2017. Alongside those mentioned earlier were the following:

Liam Bassick – NZ U17 Emerging Sox Softball team; Wade Bennett – NZ Shito Ryu Karate team; Lucas Dreyer – NZ National Karate team; Waldo Dreyer – NZ National Karate team; Usaia Fonogoloa – NZ U17 Rugby League team; Michan Hunter – NZ U17 Beach Handball; Cameron Kerr – NZ U14 AFL team; Adam Martin – NZ U19 Triathlon team; Wade McNabb – NZ U14 AFL team; Alex Petrovich – NZ Junior Taekwondo team; Bradyn Popow – NZ Junior Athletics team; Jack Scrimshaw – NZSS Wrestling; Jack Watson – NZ Junior Taekwondo team.

This year's major production was 'Footloose' and yet again Mr Burton and his team produced another outstanding show. The cast and crew from PNBHS and Palmerston North Girls' High School put in a huge amount of work to ensure the production is of the highest quality. My thanks go to all who were involved throughout the process; the standard is consistently high and this year's effort was an entertaining and well-attended show.

Alongside the major production, this year's Dramafest was held in term 3 and strong performances were produced from classes taking Level 1, 2 and 3 Drama. The junior production and the junior performing arts programme also provide opportunities for those from Years 9 and 10 to make a foray into the world of dramatic theatre.

Debating continues to have good numbers involved with junior and senior teams competing in a variety of competitions. A number of teams found success in the local competitions while the Senior A team finished runners-up at the Super Eight Cultural Festival.

The Palmerston North Boys' High School Kapa Haka group performed with distinction at a number of occasions this year. I would like to thank Mr

Strickland for all his efforts in this regard. A number of our young men were involved in the combined Te Piringa group and they performed with distinction at regional and national level. At the Super Eight competition, the Kapa Haka group finished fourth.

The number of talented musicians at the school continues to grow. The consistently excellent Stage Band continues to impress and had another outstanding year.

The standard of our musicians continues to be very high. The Stage Band, a real showpiece of the school's music programme, performed with distinction throughout the year. At the Manawatu Jazz Festival they were named as Best Manawatu Big Band and Best Big Band Overall. The Concert Band performed with credit during the year, winning a bronze award at the Hawke's Bay Festival of Bands. The development of the Junior Concert Band has been notable in recent years and a number of talented young musicians have been identified through this programme.

The annual School Concert was again a success, showcasing the talents of a significant number of our performing arts pupils, with some star turns from the staff. Mr Young and Mr Dredge continue to do a superb job in the Music department. Mr Lauridsen, Mr Hoare and Mrs Dearlove all put in a significant amount of time and we are fortunate to have such a dedicated team.

OK Chorale, the elite choir, were again superb this year. Such was their ability that five of the group were selected for the NZSS Choir – a level of representation unheard of from one school: Keun Hee Lee, Josiah Nevell, Carson Taare, Robin Park and Daniel Hodgetts. They won the Best a Cappella award at the Regional Big Sing competition and were named Best Overall, but rather perplexingly did not qualify for the National event. The Regional event also featured meritorious performances from the SOAP Choir and the Pasifika Choir.

The Barbershop Quartet qualified for the NZSS Competition where they finished a creditable eighth.

Along with the five named above in the NZSS Choir, others to gain national recognition were Nathan Lau, who was again named in the NZSS Orchestra, while Joe Inman was named in the NZSS Brass Band, an outstanding achievement for a Year 9 pupil.

At this year's Manawatu Secondary Schools' Pasifika Fusion Festival Michael Ioane won the Solo Male Performance category, while Isaac Fonua won the Visual Arts category. A number of other young men achieved top three places across a range of cultural activities and the school finished third overall.

This year saw a number of overseas tours take place. These tours provide our young men with an opportunity to see parts of the world they may have only ever dreamed about, to see what they are learning in class come to life; to see other countries and cultures - opportunities that they may never have the chance to take up if they were not available here at school. While we acknowledge these tours are costly, they can prove inspiring and even life-changing for some. Mark Twain's oft-quoted remark is worth remembering: "Travel is fatal to prejudice, bigotry, and narrow-mindedness, and many of our people need it sorely on these accounts. Broad, wholesome, charitable views of men and things cannot be acquired by vegetating in one little corner of the earth all one's lifetime."

The Commerce Tour to the United States saw the group visit some high profile organisations and gave the young men on the tour the chance to see the inner-workings of some of the most influential companies in the United States. Mr Turnock and his Commerce Department staff did a fine job in creating a rich and varied itinerary.

Mrs Dickinson and Mr Richards led the French Culture and Language Tour, where young men were able to stay with local families and attend schools. The Renaissance Tour travelled to Croatia and Italy, led by Mr Benn and Mr

Drake, where they were able to immerse themselves in the rich history of European civilisation. The rugby tour to the United Kingdom and Ireland was also a success, giving 44 young men the chance to play against some of the best schools from across the Home Nations.

These tours require an enormous amount of organisation and as a school we are indebted to the staff who work tirelessly to provide our young men with these opportunities. For the staff, these are not holidays – traveling abroad with a group of teenage boys could never be described thus – and we appreciate them giving up their time, time spent away from home and their families. We are often contacted from people who come into contact with these groups who comment on what fine ambassadors the young men are for both their school and their country.

Student Achievement – Annual Targets (Analysis of Variance)

National Certificate of Educational Achievement

The school's continuing focus is to improve academic achievement levels for all students. This can often be difficult, often depending on the strength of particular cohorts, and a refusal to water programmes down to make the stats look good. Mentoring programmes for Year 11 and 12 pupils continue to have very positive outcomes.

The school does recognise that through time there will be variances within year groups. That said, the focus of our teaching staff is to use this data to motivate student's levels of achievement.

The reality between 2016 and 2017 is as follows:

NCEA	LEVEL	2016	2017	RESULT
Year 11	1	82.3%	74.6%	7.7% decrease
Year 11	2	13.5%	10%	3.5% decrease
Year 12	2	85.1%	80.2%	4.9% decrease

Year 12	3	14.6%	14.7%	0.1% increase
Year 13	3	63.8%	65.8%	2% increase
Scholarship		38	27	11 decrease

The tracking of the school's progress has been occurring since 2004.

The points of interest for our teachers and school are:

- NCEA results at Levels 1, 2 and 3 have been reasonable over the last few years, although the Level 1 results in 2017 were disappointing. The cohort is weak and the decrease was not unexpected but perhaps not to that extent.
- The students in the Year 11 and Year 12 accelerate programmes continue to produce excellent results. Their efforts and ability are well recognised. The programme is serving its purpose for this group of young men. The number involved in these programmes varies depending on the strength of the cohort.
- The school's NCEA Level 3 results were up slightly on last year. A decent cohort, although scholarship results suggest the top pupils were fewer. The development of vocational programmes means a number of Year 13 pupils are not sitting a full Level 3 programme; the same applies to those in the scholarship and Massey University programmes offered to our accelerated students.
- The scholarship programme continues to be refined by Heads of Department and will be a focus for 2018 after the disappointing results last year.

Literacy 2018

The school continues to recognise that literacy is essential for successful teaching and learning to occur. Having a whole school approach to literacy enables students and teachers to recognise what reading and writing strategies should be used when approaching a particular text. Generic literacy skills teaching will only take students so far, as they begin to develop subject

based expertise. Teaching literacy across the curriculum has three major aims:

- To broaden the students command of literacy skills by giving them a range of contexts in which to use and practise their skills
- To teach the literacy skills central to a particular subject
- To enhance students understanding of a particular subject and therefore improve their motivation.

The school recognises that vocabulary is an essential element of literacy in any subject and, because of this measurable targets are set for the whole school.

The school used the Paul Nation Vocabulary tests as follows:

Year 9 and 10 students 2000, 3000, 5000 and 10,000 word tests

Year 11, 12 and 13 students 10,000, academic and university word tests

The students were tested in March and November. The testing methodology changes continue to motivate the students to pass and to provide data that is more accurate.

For the junior school the target of 5% improvement from Test 1 to Test 2 was exceeded for all four tests by Year 9 students. Year 10 narrowly failed to meet this target for two of the four tests. In 2017 the biggest improvement for Year 9 was in the 5000 word test. The passing percentage for this test was improved by 25.2% for Year 9 whereas it was only 4.7 for Year 10. The total students passing the 10000 word tests was greater than the total students passing the 5000 words test. (76% versus 49.9%. This discrepancy is difficult to explain.

The passing percentage by ethnicity also showed a greater than 5% improvement.

The Maori, Pasifika and Asian 10000 word test results were especially pleasing. Maori had a 10.1% improvement, Pasifika a 7.8% and Asian 9.1%. At the 10000 level Maori results were the best of the four ethnic groups. This means that these students are more likely to have the vocabulary necessary to pass NCEA Level 1.

The junior school results are shown in the tables and graphs in the appendix.

The ambitious target for the Senior School of 5% was exceeded for two of the three tests. However, it is of concern that the 10000 words test, which is the vocabulary required to sit NCEA, still has a passing percentage below 50% (48.7%). However this is a more than 2% increase on 2016 (46.1%)

Exposure to wide reading through the Sustained Silent Reading Programme is a school based initiative to contribute to vocabulary development.

However, an improved percentage pass rate for the 10,000 will need still more cross-curricular discussion of words and ways to use context clues to make educated guesses for unknown words. Many departments are now making a concerted effort to improve both subject specific vocabulary, as well as general vocabulary, as they recognise the importance of vocabulary development to academic success.

The targets for academic and university tests were both exceeded in the senior school. 10000 words still needs work.

Maori were the ethnic group who showed the largest percentage improvement for all three of the tests sat in the senior school. This group did not exceed the target percentage increase for academic vocabulary, which is taught in all subject areas. It is a concern that they are not improving at the same rates as the other ethnic groups. Maori were also the lowest percentage improvement for 10,000 words. In 2017 the whanau homework group will be spoken to try some initiatives to improve this percentage.

The school entry tests continue to provide evidence that larger numbers of students continue to be less literate when they enter Secondary School. As a consequence of this the school will continue to focus on literacy across the curriculum in 2018. The emphasis will vary depending on choices made in each department. These choices will be based on perceived need but will include reading strategies and writing reports.

Summary

The passing of Mr James Crosswell, the fourth member of staff to pass away in the last two years, meant 2017 was again a tough year. The staff continued to be supportive and worked through another difficult period in an exceptional manner.

2017 presented a number of other challenges. The development of the school's 10-Year Property Plan moved at a glacial pace which proved frustrating. It is hoped that we can begin at least one of the major projects in 2018.

I would like to recognise the efforts of all staff, both teaching and support staff, and especially the members of the senior management team who have been of considerable support and assistance throughout the year. The management team works well together and ensures the standards of the school continue to be upheld with the co-operation of the whole staff.

Mr Davidson continues to do a fine job at College House and I would like to thank him and Mrs Davidson, and their team, for all they have done for the young men in their care this year. It has been a tough year – Mr Crosswell's passing had a significant effect on the College House community.

The school is fortunate to have an outstanding Board of Trustees. I would like to thank each and every one of the Board, especially Chairman Mr Michael Lawrence, for all they do to support the school. Mr Lawrence's expertise in governance is most appreciated, and under his guidance the Board is committed to providing the young men of the school with a high quality education.

The PTA, chaired by Alison Kinghorn, continues to support the school, its staff and students. The committee and its supporters have explored and pursued fundraising ventures and have continued to offer support for the development of the curriculum and co-curricular activities.

The Old Boys Association continues to develop and the support we continue to receive from the Old Boy community is most appreciated. A number of get-togethers have been held, throughout the country and indeed in other parts of the world, and it is encouraging to see these functions growing in number. We have also hosted a number of reunions at school during the year and it is always a pleasure to have Old Boys of a range of vintages, revisit their old school. I would like to thank the President of the OBA, Mr Simon O'Connor, whose unique blend of enthusiasm and contemporary vocabulary is much appreciated.

Thanks are extended to Mr Bill Kermode as Chair of the PNBHS Educational Foundation Trust during the year. My thanks are extended to all Trustees who have been positive in the development of a number of initiatives and who continue to support the young men of the school.

Congratulations to Head Prefect, Patrick Takurua, on an outstanding year. As always, the role is an extremely busy one, one which brings with it many demands on one's time, and Patrick has negotiated his way through the year in positive fashion. Patrick is a fine young man who became something of an internet sensation this year following a fantastic musical presentation in assembly, and he was able to lead his team of prefects, the largest group in recent memory, most effectively. With Greg Shaw, his Deputy Head Boy, the school had excellent student leaders in 2017.

Palmerston North Boys' High School is a good place to be. It is a positive place for young men, especially those who so readily support the school's vision. This report reflects on the school year of 2017 and enables us to look ahead, to focus on using what we have learned in 2017, to utilise data, resources and staffing levels to positively impact on achievement levels in 2018.



D M Bovey
RECTOR

2017 Vocab Test - Overall Summary Juniors

Passing Percentage			
Vocab Level	Previous	Test 1	Test 2
2000 Words	42.1%	43.5%	6.5%
3000 Words	37.4%	36.3%	11.2%
5000 Words	3.9%	24.1%	21.9%
10000 Words	30.0%	24.1%	21.9%

Improvement			
Vocab Level	Students	Increase	% Increase
2000 Words	42	3.76	12.5%
3000 Words	94	3.49	11.6%
5000 Words	189	4.62	15.4%
10000 Words	396	2.94	9.8%

Passing Percentage - By Ethnicity															
Ethnicity	2000 Words				3000 Words				5000 Words				10000 Words		
	Previous	Test 1	Test 2	Total	Previous	Test 1	Test 2	Total	Previous	Test 1	Test 2	Total	Test 1	Test 2	Total
NZ European/Pakeha	41.2%	38.7%	4.5%	84.3%	37.8%	33.1%	8.7%	79.6%	30.2%	23.5%	19.9%	73.6%	8.3%	10.5%	22.4%
Maori	41.9%	34.8%	9.0%	85.8%	32.9%	27.1%	17.4%	77.4%	24.5%	16.8%	21.9%	63.2%	1.9%	7.1%	12.3%
Pacific Islander	22.2%	52.8%	11.1%	86.1%	13.9%	25.0%	19.4%	58.3%	8.3%	13.9%	19.4%	41.7%	0.0%	2.8%	2.8%
Asian	29.7%	34.7%	7.9%	72.3%	28.7%	30.7%	6.9%	66.3%	25.7%	15.8%	18.8%	60.4%	7.9%	12.9%	26.7%

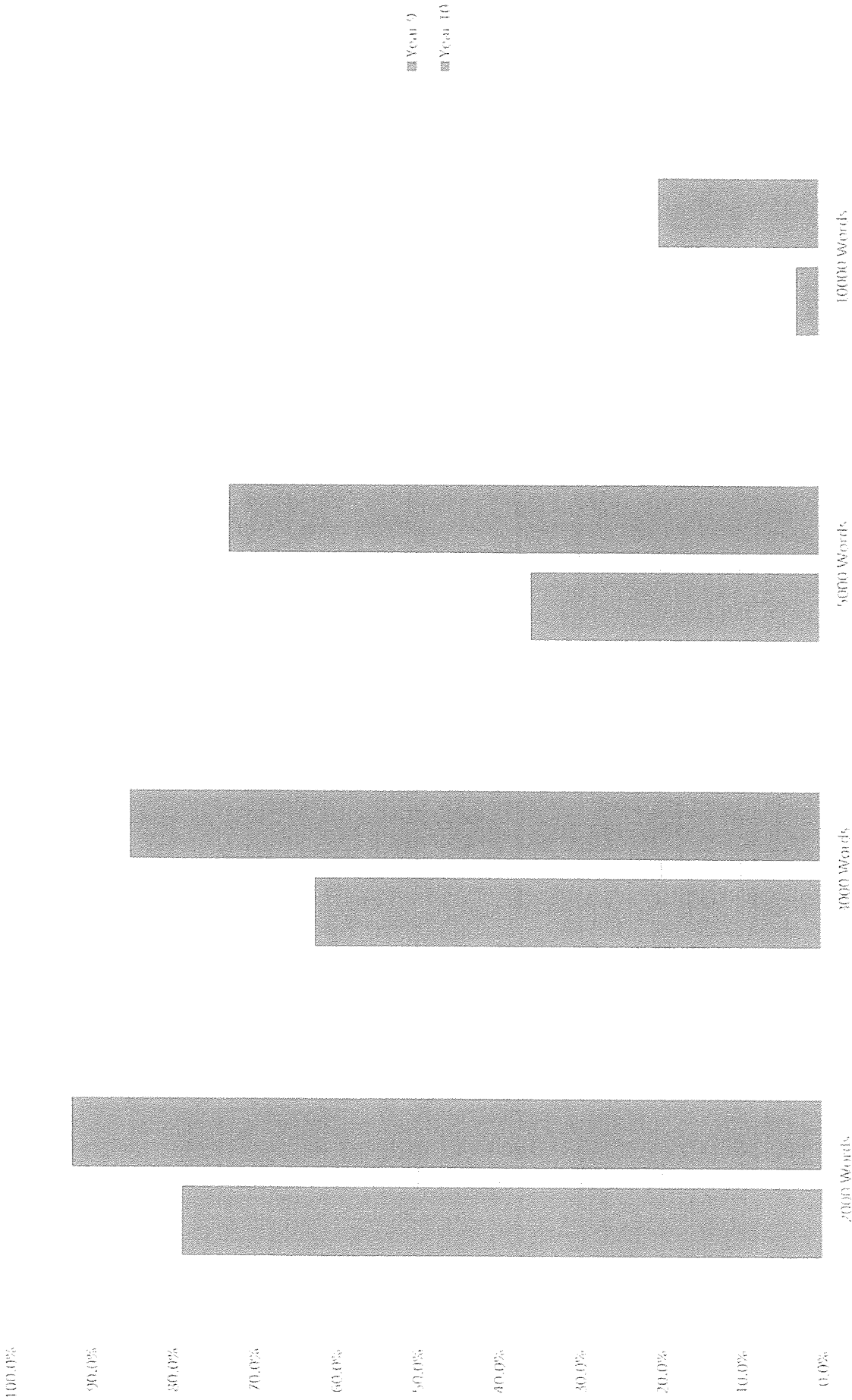
Improvement for Those who Sat the test twice - by Ethnicity											
Ethnicity	2000 Words		3000 Words		5000 Words		10000 Words				
	Increase	%	Increase	%	Increase	%	Increase	%			
NZ European/Pakeha	3.3	10.9%	3.9	13.0%	4.6	15.3%	3.0	10.0%			
Maori	4.5	15.0%	4.0	13.5%	4.1	13.8%	3.0	10.1%			
Pacific Islander	8.2	27.2%	4.3	14.4%	4.5	15.0%	2.3	7.8%			
Asian	1.8	6.0%	1.2	3.8%	4.9	16.2%	2.7	9.1%			

Passing Percentage - By Year Level												
Year Level	2000 Words			3000 Words			5000 Words			10000 Words		
	Test 1	Test 2	Total	Test 1	Test 2	Total	Test 1	Test 2	Total	Test 1	Test 2	Total
Year 9	79.0%	10.8%	89.8%	62.7%	18.1%	80.8%	36.0%	28.3%	64.3%	2.9%	6.8%	9.7%
Year 10	92.5%	1.9%	94.5%	85.4%	3.9%	89.2%	73.2%	15.2%	88.4%	20.2%	15.5%	35.6%

Improvement for Those who Sat the test twice - by Year Level														
Year Level	2000 Words				3000 Words				5000 Words				10000 Words	
	Increase	%	Increase	%	Increase	%	Increase	%	Increase	%	Increase	%	Increase	%
Year 9	4.7	15.8%	3.8	12.8%	7.6	25.2%	5.8	19.4%						
Year 10	1.3	4.4%	2.7	9.1%	1.4	4.7%	1.4	4.8%						

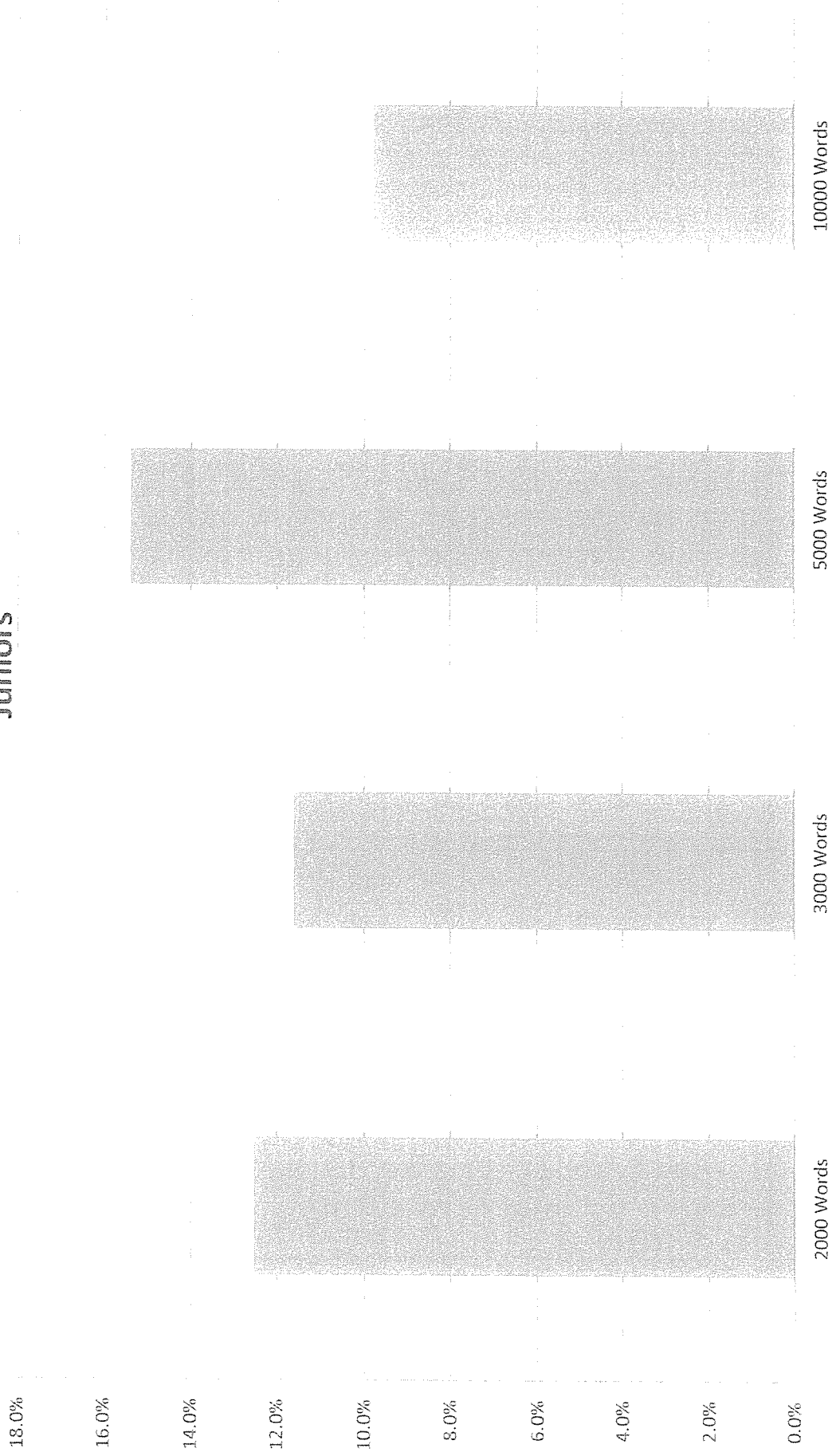
"Previous" refers to students who passed the test last year and are not required to sit that level again

Passing Percentage by Year Level - Juniors

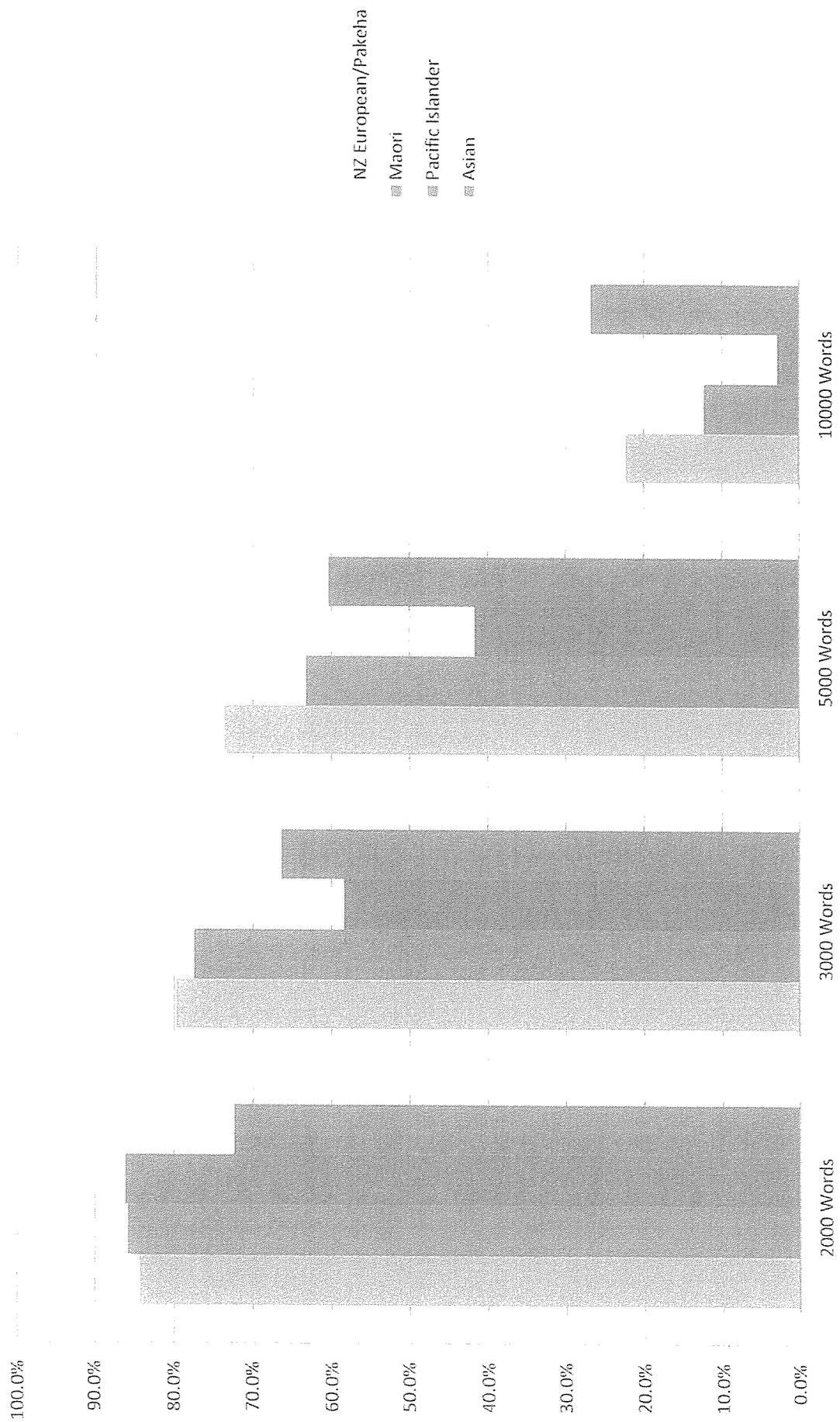


Percentage improvement on words known for students sitting the test twice -

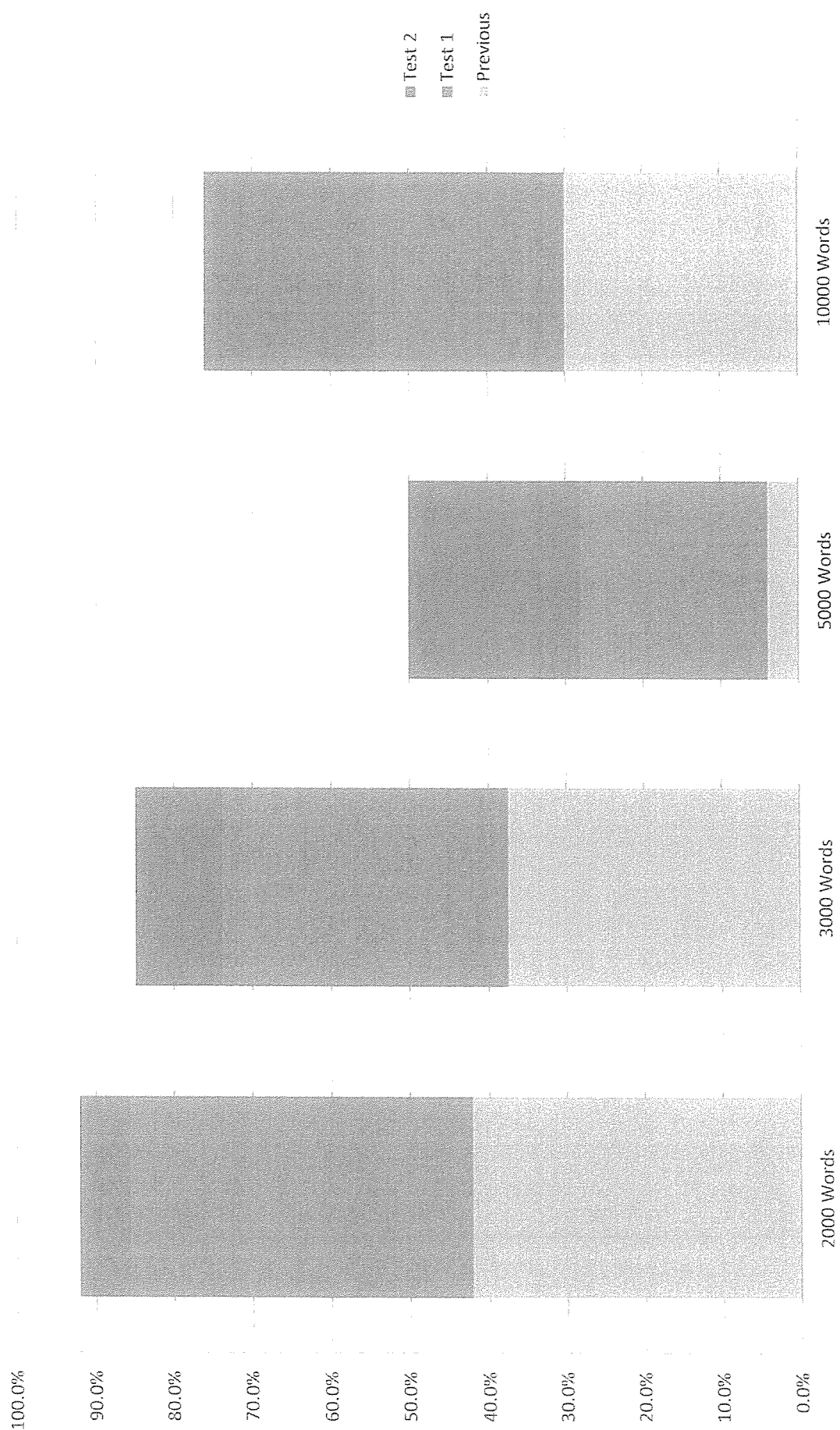
Juniors



Passing Percentage by Ethnicity - Juniors



Percentage of Junior Students passing



2017 Vocab Test - Overall Summary Seniors

Passin Percentage			
Vocab Level	Previous	Test 1	Test 2
Academic	49.0%	25.5%	8.7%
10000 Words	25.4%	13.7%	9.7%
University	28.7%	9.7%	9.1%
Total			47.4%

Improvement			
Vocab Level	Students	Increase	% Increase
Academic	160	2.16	7.2%
10000 Words	457	1.12	3.7%
University	453	2.00	11.1%

Passing Percentage - by Ethnicity

Ethnicity	Academic Vocab				10000 Words				University			
	Previous	Test 1	Test 2	Total	Previous	Test 1	Test 2	Total	Previous	Test 1	Test 2	Total
NZ European/Pakeha	53.5%	26.7%	8.8%	89.0%	28.4%	16.0%	9.9%	54.3%	31.6%	11.3%	9.6%	52.6%
Māori	39.5%	20.3%	11.0%	70.9%	19.2%	8.7%	9.3%	37.2%	24.4%	5.8%	9.9%	40.1%
Pacific Islander	44.7%	29.8%	6.4%	80.9%	14.9%	6.4%	8.5%	29.8%	19.1%	6.4%	4.3%	29.8%
Asian	42.6%	25.0%	6.1%	73.6%	23.0%	12.2%	9.5%	44.6%	24.3%	8.1%	7.4%	39.9%

Improvement for Those who Sat the test twice - by Ethnicity

Ethnicity	Academic				10000 Words				University			
	Increase	%	Increase	%	Increase	%	Increase	%	Increase	%	Increase	%
NZ European/Pakeha	1.9	6.3%	1.2	3.9%	2.0	10.8%						
Māori	3.0	10.1%	0.4	1.4%	1.8	9.9%						
Pacific Islander	-0.8	-2.7%	0.8	2.8%	3.0	16.7%						
Asian	2.5	8.2%	2.0	6.6%	2.2	12.1%						

2017 Vocab Test - Overall Summary Seniors

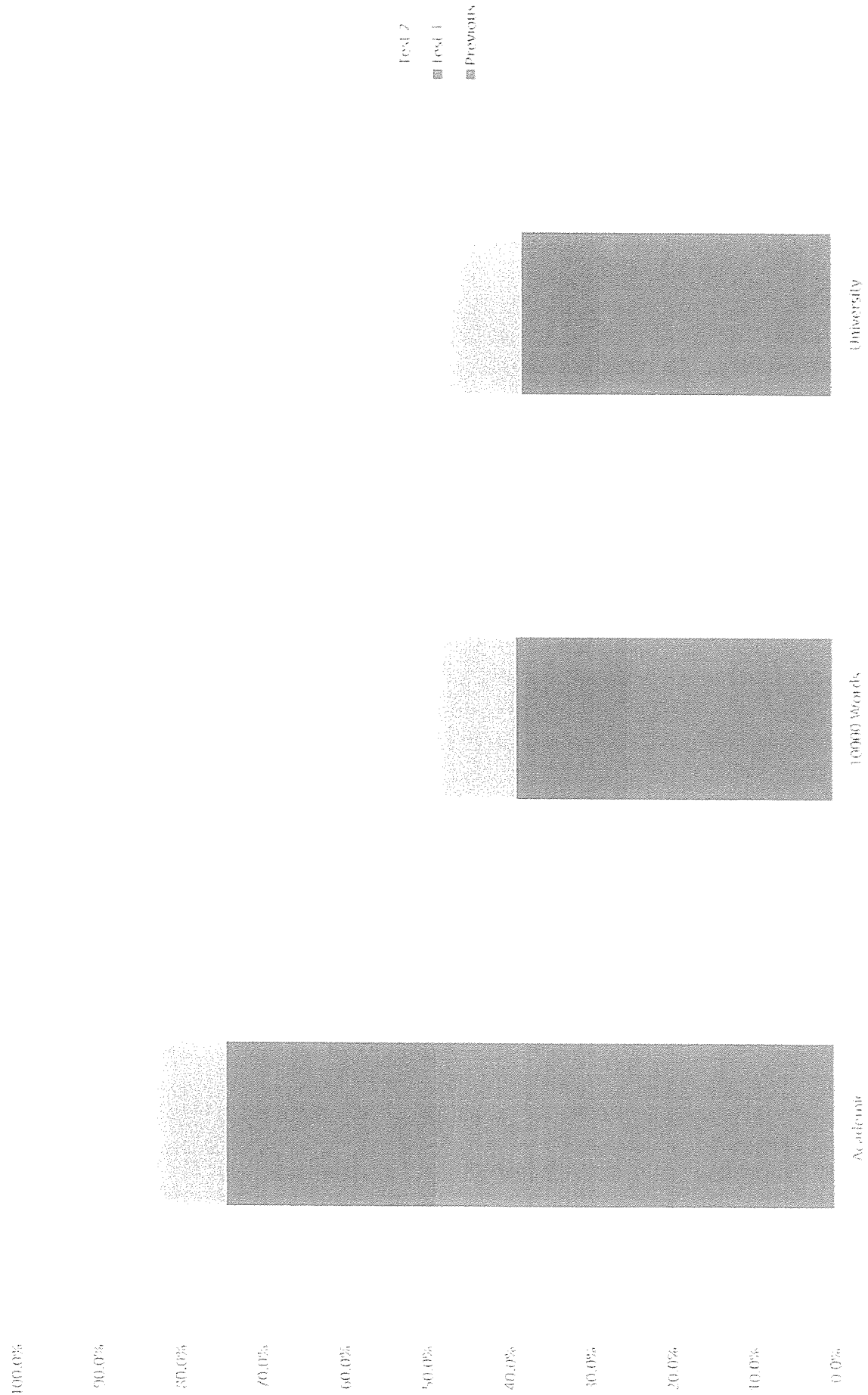
Passing Percentage - By Year Level

Year Level	Academic Vocab				10000 Words				University			
	Previous	Test 1	Test 2	Total	Previous	Test 1	Test 2	Total	Previous	Test 1	Test 2	Total
Year 11	57.3%	17.5%	74.8%		21.6%	11.6%	33.2%		0.0%	0.0%	0.0%	
Year 12	74.7%	5.5%	84.2%		6.0%	9.5%	48.0%		33.3%	17.0%	16.4%	66.7%
Year 13	88.7%	4.3%	94.5%		54.3%	12.1%	7.0%	73.4%	66.0%	14.5%	12.9%	93.4%

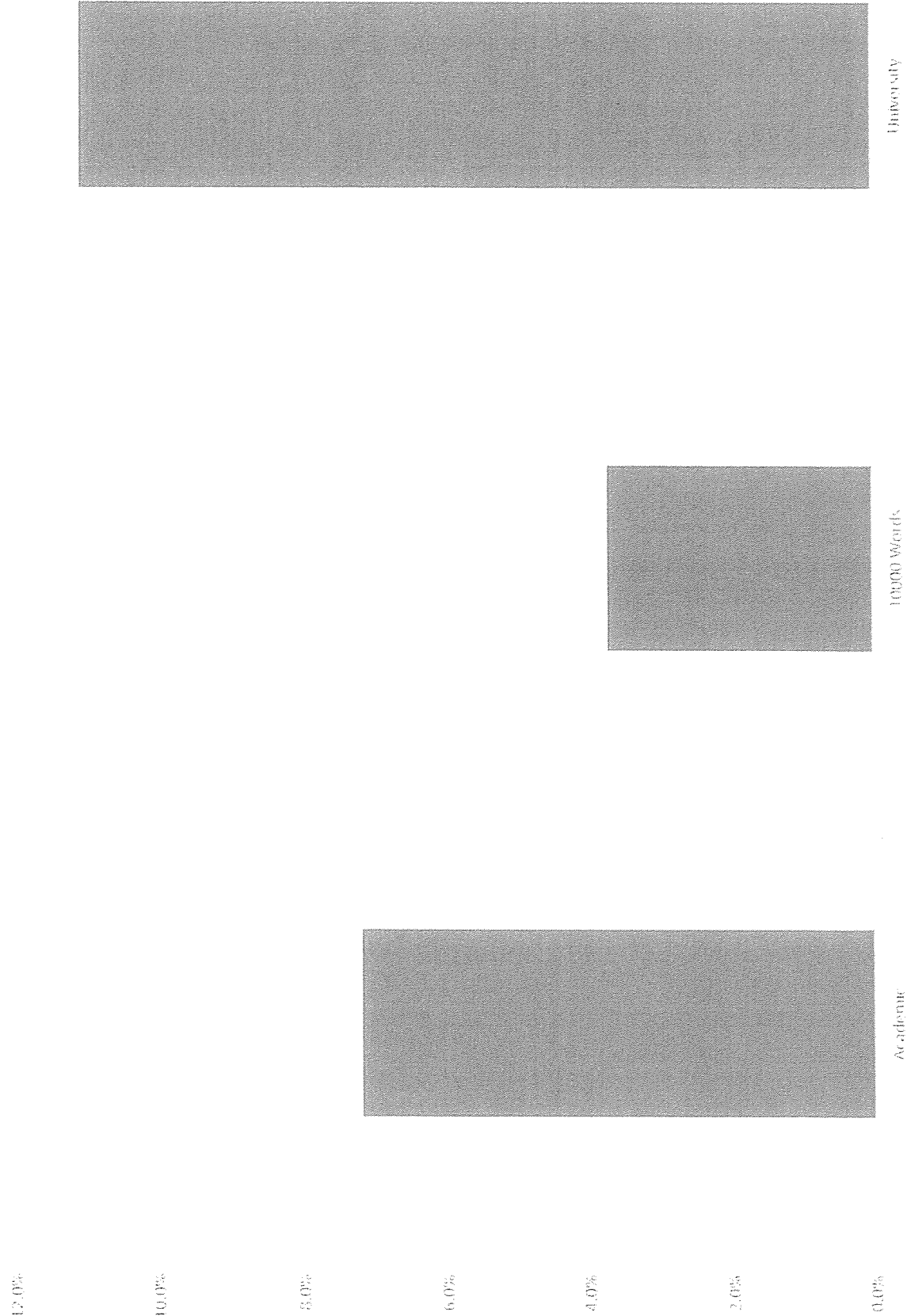
Improvement for Those who Sat the test twice - by Year Level

Year Level	Academic				10000 Words				University			
	Increase	%	Increase	%	Increase	%	Increase	%	Increase	%	Increase	%
Year 11	2.9	9.6%	1.1	3.7%	2.4	13.4%						
Year 12	0.5	1.8%	1.2	3.9%	1.4	7.5%						
Year 13	0.1	0.5%	1.0	3.2%	1.0	5.7%						

Percentage of Senior Students Passing

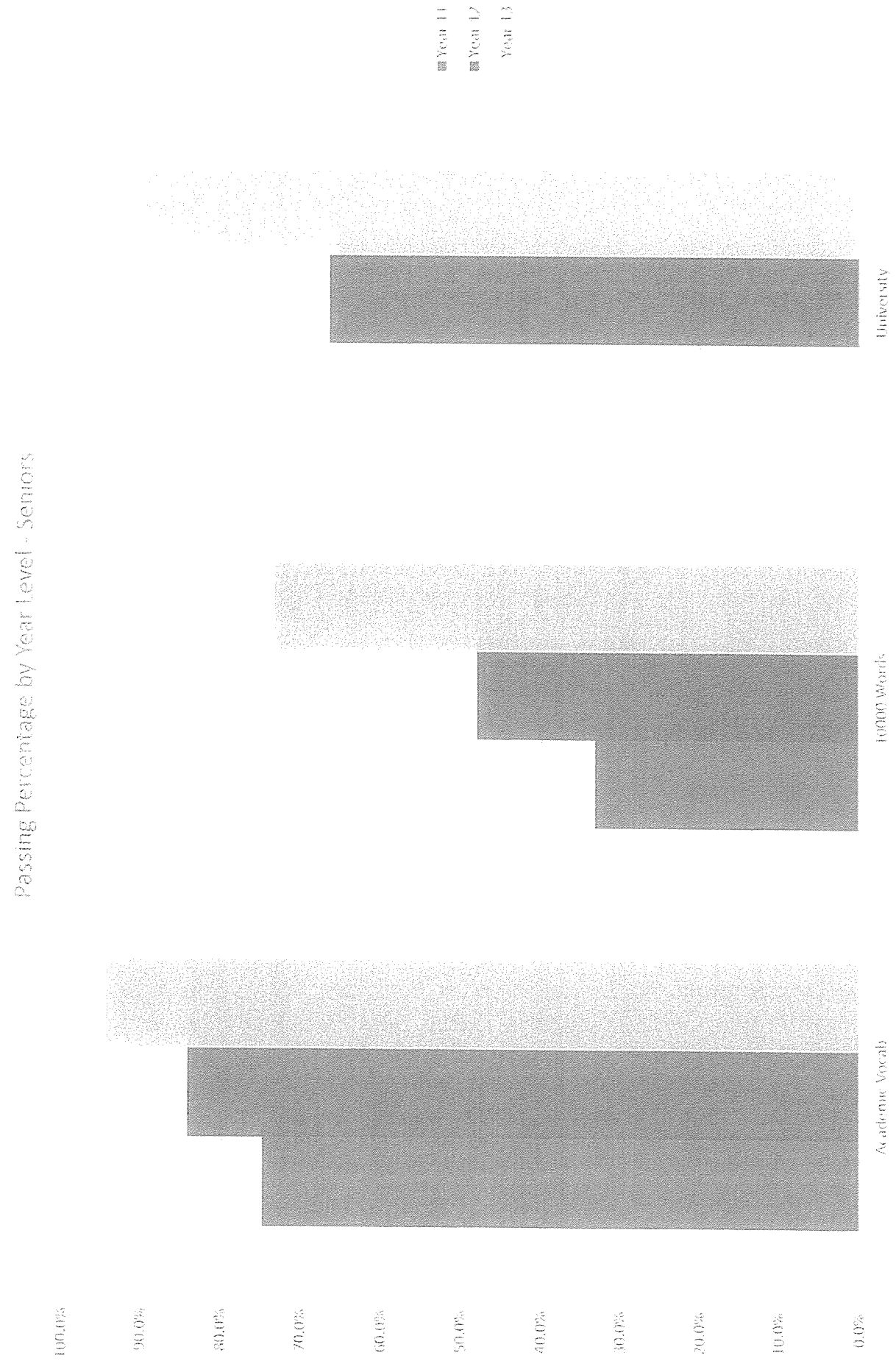


Percentage improvement on words known for students sitting the test twice



Passing Percentage by Ethnicity - Seniors





PALMERSTON NORTH BOYS' HIGH SCHOOL

Kiwisport Funding Statement

For the year ended 31 December 2017

Availability of Sporting Opportunities

The Sports Co-ordinator liaises with outside organisations with Sport Manawatu being the main community based organisation and other schools that we have long -standing relationships with. Active relationships with community organisations that either offer students sporting opportunities directly or administer sporting opportunities for students.

Most of these links include the use of community or club facilities. These links assist the students to continue their sporting interest after leaving school.

Sporting links include the following sports athletic, badminton, basketball, boxing, canoe polo, clay target shooting, cricket, cycling, football, golf, hockey, indoor cricket, Ki O Rahi, motor cross, mountain biking, orienteering, rugby, squash, swimming, table tennis, tennis, touch, volleyball and water polo.

The school offers 28 sports, this is maintained yearly, and staff are committed to the areas where they have an interest. All new students are informed of their options; students have opportunities to play at their skill level. The Sport Co-ordinator provides an administrative service to this network of sports.

Student Participation

With 72% of students involved in sport, this school aims to maintain this participation by offering sporting opportunities for all skill levels. School teams compete either locally or outside the region to get the most suitable competition. By offering this variety of sports students are more likely to remain in a sport where they are competitive or get enjoyment. The Sports Co-ordinator organises the sporting fixtures outside the region.

PALMERSTON NORTH BOYS' HIGH SCHOOL

Statement of Responsibility

For the year ended 31 December 2017

The Board of Trustees (the Board) has pleasure in presenting the annual report of Palmerston North Boys' High School, incorporating the financial statements and the auditor's report, for the year ended 31 December 2017.

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

The management (including the Rector 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, the annual financial statements for the financial year ended 31st December 2017 fairly reflect the financial position and operations of the school.

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

Michael Gordon Lawrence

Full Name of Board Chairperson

Dan Bovey

Full Name of Rector

Lawrence

Signature of Board Chairperson

Bovey

Signature of Rector

31/5/18

Date:

31/5/18

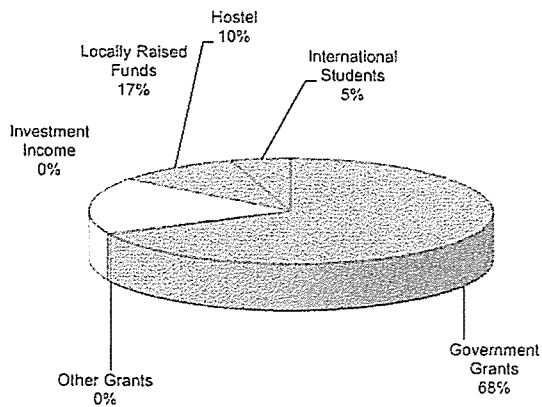
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PALMERSTON NORTH BOYS' HIGH SCHOOL

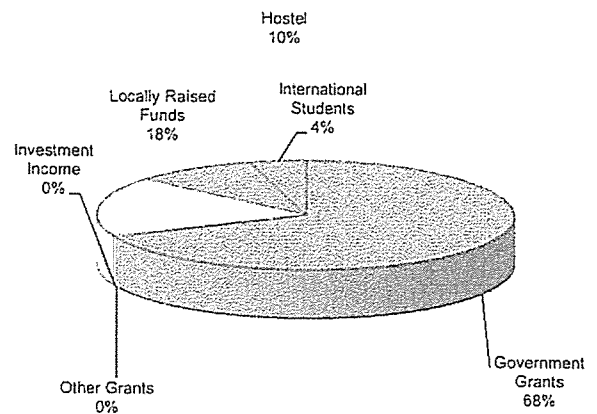
Performance Graphs

Comparing 2017 to 2016

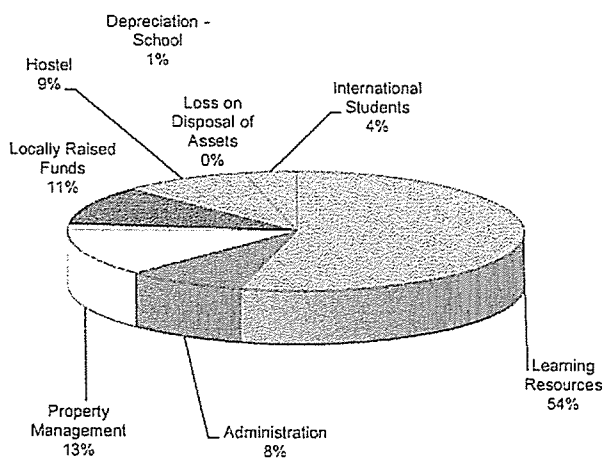
2017 Revenue Analysis



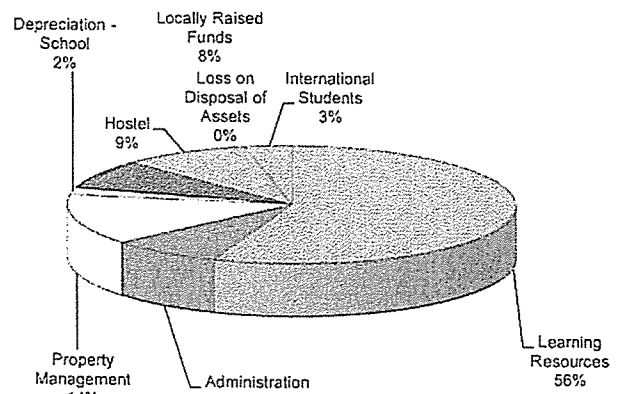
2016 Revenue Analysis



2017 Expenditure Analysis



2016 Expenditure Analysis

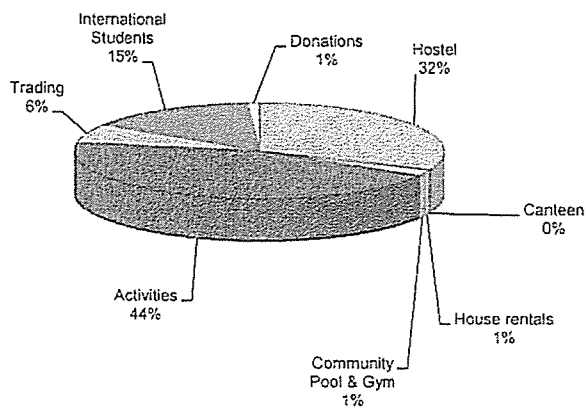


PALMERSTON NORTH BOYS' HIGH SCHOOL

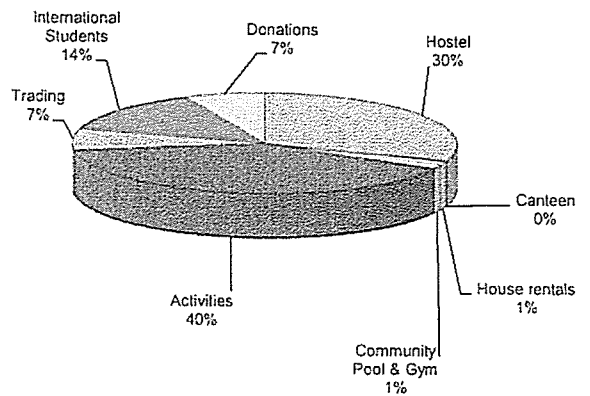
Locally Raised Funds Graphs

Comparing 2017 to 2016

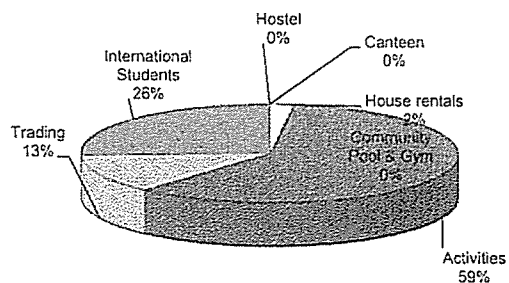
2017 Revenue Analysis



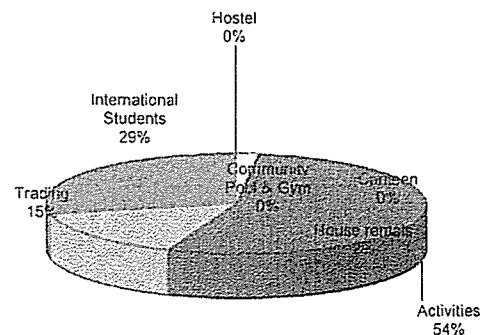
2016 Revenue Analysis



2017 Expenditure Analysis



2016 Expenditure Analysis



PALMERSTON NORTH BOYS' HIGH SCHOOL

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2017

		2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
	Notes			
Revenue				
Government Grants	1	14,279,208	13,545,768	13,902,950
Locally Raised Funds	2	3,631,089	3,268,082	3,608,989
Interest Earned		93,231	54,000	87,543
Gain on Sale of Property, Plant and Equipment		90,162	-	-
Hostel	3	2,126,789	2,118,256	1,950,001
International Students	4	1,018,873	1,085,250	886,481
Other Income		22,727	-	-
		<u>21,262,079</u>	<u>20,071,356</u>	<u>20,435,964</u>
Expenses				
Locally Raised Funds	2	2,204,424	1,953,019	1,646,043
Hostel	3	1,887,046	1,816,982	1,831,350
International Students	4	766,763	777,150	666,349
Learning Resources	5	11,155,493	10,642,107	11,066,210
Administration	6	1,737,359	1,565,595	1,595,669
Finance Costs	7	42,939	57,050	44,918
Property	8	2,605,823	2,484,616	2,723,582
Depreciation	9	313,501	396,328	362,479
Loss on Uncollectable Accounts Receivable		-	30,000	54,046
		<u>20,713,348</u>	<u>19,722,847</u>	<u>19,990,646</u>
Net Surplus / (Deficit)		548,730	348,508	445,318
Other Comprehensive Revenue and		-	-	-
Total Comprehensive Revenue and				
Expense for the Year		<u><u>\$ 548,730</u></u>	<u><u>\$ 348,508</u></u>	<u><u>\$ 445,318</u></u>

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



PALMERSTON NORTH BOYS' HIGH SCHOOL

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2017

	2017 Actual	2017 Budget (Unaudited)	2016 Actual
	\$	\$	\$
Balance at 1 January	11,616,986	10,712,000	11,171,668
Total comprehensive revenue and expenses for the year	548,730	348,508	445,318
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	92,099	259,877	-
Equity at 31 December	\$ 12,257,816	\$ 11,320,385	\$ 11,616,986
Retained Earnings	10,874,650	11,320,385	9,819,532
Reserves	1,367,867	-	1,352,137
Equity at 31 December 2017	\$ 12,257,816	\$ 11,320,385	\$ 11,616,986
Reserved Funds within Equity			
Reserved equity comprises funds that have been received by the School for specific purposes. The School guarantees to hold sufficient monies to enable the funds to be used for their intended purpose at any time. These funds arose from fundraising for extra-curricular activities, the art fund and the hockey turf project.			
Balance at 1 January	266,100	-	220,670
Extra-Curricular Activities	15,730	-	45,430
Closing Balance	\$ 281,830	\$ -	\$ 266,100
Net movement in reserves	15,730	-	45,430
Asset Revaluation Reserve within Equity			
Balance at 1 January	1,086,037	-	1,086,037
Increase in Reserve	-	-	-
Closing Balance	\$ 1,086,037	\$ -	\$ 1,086,037
Net Movement in Reserves	-	-	-

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

PALMERSTON NORTH BOYS' HIGH SCHOOL

Statement of Financial Position

As at 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
CURRENT ASSETS				
Cash and Cash Equivalents	10	226,021	140,490	265,411
Accounts Receivable	11	909,718	1,090,000	935,646
GST Receivable		90,696	165,000	145,845
Funds owed for Capital Works Projects	20	69,871	-	-
Prepayments		230,195	200,000	161,450
Inventories	12	424,553	442,500	449,700
Investments	13	3,550,000	3,000,000	3,000,000
		<u>5,501,054</u>	<u>5,037,990</u>	<u>4,958,052</u>
CURRENT LIABILITIES				
Accounts Payable	15	1,538,996	3,628,084	1,516,556
Borrowings - Due in one year	16	400,000	400,000	400,000
Revenue Received in Advance	17	1,166,709	380,000	1,257,905
Provision for Cyclical Maintenance	18	344,035	180,000	88,282
Funds held in Trust	19	203,319	-	201,063
Funds held for Capital Works Projects	20	-	-	40,128
Boarding Bonds		17,000	60,000	11,500
		<u>3,670,059</u>	<u>4,648,084</u>	<u>3,515,434</u>
WORKING CAPITAL SURPLUS / DEFICIT		1,830,995	389,906	1,442,618
NON-CURRENT ASSETS				
Property, Plant and Equipment	14	10,960,661	12,076,479	11,135,241
		<u>10,960,661</u>	<u>12,076,479</u>	<u>11,135,241</u>
NON-CURRENT LIABILITIES				
Borrowings - Due beyond one year	16	-	201,000	204,776
Provision for Cyclical Maintenance	18	382,078	780,000	602,756
Provision for Long Service & Retirement Leave		85,262	100,000	87,341
Boarding Bonds		66,500	65,000	66,000
		<u>533,840</u>	<u>1,146,000</u>	<u>960,873</u>
NET ASSETS		<u>\$ 12,257,816</u>	<u>\$ 11,320,385</u>	<u>\$ 11,616,986</u>
EQUITY		<u>\$ 12,257,816</u>	<u>\$ 11,320,385</u>	<u>\$ 11,616,986</u>

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



PALMERSTON NORTH BOYS' HIGH SCHOOL

Cash Flow Statement

As at 31 December 2017

	Note	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Government Grants		3,928,570	3,367,084	4,051,038
Locally Raised Funds		3,310,589	3,423,965	3,583,383
Hostel		2,160,788	2,118,256	1,950,001
International Students		1,234,732	1,085,250	1,220,638
Goods and Services Tax (net)		55,149	-	-
Payments to Employees		(3,425,011)	(3,307,240)	(3,494,867)
Payments to Suppliers		(6,315,995)	(4,657,919)	(5,730,665)
Interest Paid		(72,939)	(57,050)	(44,918)
Interest Received		86,706	83,897	85,787
Net cash from the Operating Activities		962,589	2,056,243	1,620,397
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from Sale of PPE (and Intangibles)		274,342	-	-
Purchase of PPE (and Intangibles)		(505,901)	(2,437,265)	(729,156)
Purchase of Investments		(550,000)	(3,776)	(1,291,938)
Net cash to the Investing Activities		(781,559)	(2,441,041)	(2,021,094)
CASH FLOWS FROM FINANCING ACTIVITIES				
Furniture and Equipment Grant		92,099	259,877	-
Loans Received/Repayments of Loans		(204,776)	-	-
Funds administered on Behalf of Third Parties		2,256	-	-
Funds Held for Capital Works Projects		(109,999)	-	-
Net Cash from Financing Activities		(220,420)	259,877	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(39,390)	(124,921)	(400,697)
Cash and cash equivalents at the beginning of the year		265,411	265,411	666,108
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	10	\$ 226,021	\$ 140,490	\$ 265,411

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

The above Statement of Cash Flows should be read in conjunction with the accompanying accounting policies and notes.



PALMERSTON NORTH BOYS' HIGH SCHOOL

Statement of Accounting Policies

As at 31 December 2017

a) Reporting entity

Palmerston North Boys' High 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 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 2017 to 31 December 2017 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial reporting standards applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement base

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



Presentation currency

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

Specific accounting policies

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

Critical Accounting Estimates and Assumptions

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

Estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 14.

Critical Judgements in applying accounting policies

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

Classification of Leases

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

Operating lease commitments are disclosed at note 24.

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 1.

c) Revenue Recognition

Government Grants Schools

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 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.

d) 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 received from the Ministry.

e) Operating Lease Payments

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

f) 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.

g) 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.

h) Accounts Receivable

Accounts Receivable represent 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.

i) Inventories

Inventories are consumable items held for sale, for example stationery and school uniform. 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 the 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.

j) Investments

Bank term deposits for periods exceeding 90 days are classified as investments and are initially measured at the amount invested.

Interest is subsequently accrued and added to the investment balance. After initial recognition bank term deposits are measured at amortised cost using the effective interest method less impairment.

k) 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 any 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.

Artworks are re-valued on a 3 yearly cycle and are carried at that value and not depreciated.

Property, plant and equipment acquired with individual values under \$1,000 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.

Leased Assets

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

Depreciation

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

The estimated useful lives/depreciation rates of the assets are:

Leasehold Improvements	10 - 50 years
Buildings - School	10 - 50 years
Leasehold improvements - Crown	10 - 75 years
Furniture and Fittings	10 - 15 years
Plant and Machinery	10 years
Information & Communication technology	4 - 5 years
Motor Vehicles	5 years
Textbooks	3 years
Musical Instruments	10 years
Sports Equipment	5 years
Other Minor Equipment	10 years
Library Resources	12.5% Diminishing value
Alternative Education	5 - 10 years
MCHS Assets	5 - 50 years
Truancy Assets	5 - 10 years

I) Intangible Assets

Software Costs

Computer software acquired by the School is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.



Computer software licenses with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software that the school receives from the Ministry of Education is normally acquired through a non-exchange transaction and is not of a material amount. Its fair value can be assessed at time of acquisition if no other methods lead to a fair value determination. Computer software purchased directly from suppliers at market rates are considered exchange transactions and the fair value is the amount paid for the software.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

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

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

Non cash generating assets

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

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

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

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

n) Accounts Payable

Accounts Payable represent 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.

o) Employee Entitlements

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.

Long-term employee entitlements

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

The calculations are based on:

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

p) Revenue Received in Advance

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

The School holds sufficient funds to enable the refund of unearned fees in relation to international students, should the School be unable to provide the service to which they relate.

q) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specific purpose or are being held on behalf of a third party. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

r) Provision for Cyclical Maintenance

The property from which the School operates is owned by the Crown, and is vested in the Ministry (with the exception of rooms P5, 6 & 7, PE Lab, F3, the Aquatic Sports Centre, the Speirs Centre, the Tennis Pavilion, Murray House, the 105 North Street property, the 109 North Street property, the 47 North Street property and College House, which are owned by the Board). 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 the 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).

s) 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 borrowings. All of these financial liabilities are categorised as "financial liabilities measured as amortised cost" for accounting purposes in accordance with financial reporting standards.

t) Borrowings

Borrowings are recognised at the amount borrowed. Borrowings are classified as current liabilities unless the School has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

u) 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.

v) Budget figures

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

w) 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.

PALMERSTON NORTH BOYS' HIGH SCHOOL

Notes to the Financial Statements

As at 31 December 2017

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
1 Government Grants			
Teachers' salaries grants	8,771,500	8,300,000	8,544,677
Operational grants	3,269,433	3,092,000	3,179,878
Alternative Education grants	416,561	415,456	430,106
Use of Land and Buildings grant	1,585,192	1,500,000	1,512,479
Manawatu Community High School grant	143,869	145,660	143,158
Truancy service grant	92,653	92,652	92,652
	<u>\$ 14,279,208</u>	<u>\$ 13,545,768</u>	<u>\$ 13,902,950</u>
2 Locally Raised Funds			
Local funds raised within the School's community are made up of:			
Revenue			
Donations	71,598	96,000	433,678
Activities	2,996,060	2,673,932	2,542,987
Canteen	17,040	17,040	17,040
Trading	425,637	350,000	431,483
House rentals	59,140	68,160	71,175
Community Pool and Gym	61,614	62,950	72,325
McCarthy Trust	-	-	10,300
Eastern & Central Community Trust	-	-	30,000
	<u>\$ 3,631,089</u>	<u>\$ 3,268,082</u>	<u>\$ 3,608,989</u>
Expenses			
Activities	1,767,524	1,599,080	1,247,245
Trading	377,253	307,700	354,216
House rentals	59,647	46,239	44,582
	<u>\$ 2,204,424</u>	<u>\$ 1,953,019</u>	<u>\$ 1,646,043</u>
Surplus for the Year Locally Raised Funds	<u>\$ 1,426,665</u>	<u>\$ 1,315,063</u>	<u>1,962,946</u>

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
3 Hostel Revenue and Expenses			
Hostel Financial Performance			
Hostel Full Boarders	166	165	154
Hostel Weekly Boarders	-	-	-
Revenue			
Hostel Fees	1,909,733	1,893,636	1,704,758
Sundry Income	58,994	64,320	74,798
Registration Fees	18,300	13,300	18,000
Letting	139,762	147,000	152,445
	<u>2,126,789</u>	<u>2,118,256</u>	<u>1,950,001</u>
Expenses			
Kitchen	407,991	385,600	360,057
Laundry	34,689	27,800	31,611
Welfare	102,196	98,400	112,782
Supervision	6,741	6,000	11,780
Administration	184,248	189,420	182,799
Property	333,328	319,500	334,194
Depreciation	182,802	194,712	185,162
Employee Benefits - Salaries	592,989	566,150	581,351
Letting	42,062	29,400	31,614
	<u>1,887,046</u>	<u>1,816,982</u>	<u>1,831,350</u>
Surplus for the year Hostel	<u><u>\$ 239,743</u></u>	<u><u>\$ 301,274</u></u>	<u><u>\$ 118,651</u></u>

4

International Student Revenue and Expenses

International Student Roll	51	50	52
Revenue			
International Student Fees	1,018,873	1,085,250	886,481
Expenses			
Marketing	78,331	95,000	71,191
Agent Commissions	72,958	105,000	46,212
International Student Levy	33,231	21,450	23,224
ESOL costs	1,330	1,800	969
Homestay Fees	318,547	276,000	289,996
Administration	36,195	44,050	38,632
Class Materials	25,518	38,850	29,016
Employee Benefits - Salaries	200,653	195,000	167,109
Total Expenditure	766,763	777,150	666,349
Surplus for the year	<u><u>\$ 252,110</u></u>	<u><u>\$ 308,100</u></u>	<u><u>\$ 220,132</u></u>
International Students'			



	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
5 Learning Resources			
Curricular	406,209	399,350	498,204
Teaching Resources	583,852	565,024	628,689
Alternative Education	321,889	321,408	325,709
Manawatu Community High School	5,123	8,385	4,346
Library Resources	7,622	6,160	5,602
Employee Benefits - Salaries	9,830,798	9,341,780	9,603,660
	<u>\$ 11,155,493</u>	<u>\$ 10,642,107</u>	<u>\$ 11,066,210</u>
6 Administration			
Audit Fee	12,925	13,500	12,730
Board of Trustees Fees	5,690	7,800	5,945
Board of Trustees Expenses	3,266	13,000	25,070
School Administration	474,034	393,276	433,361
Communication Expenses	45,987	40,950	40,863
Manawatu Community High School	24,399	20,760	29,167
Truancy Service	20,719	20,999	19,642
Employee Benefits - Salaries	1,150,339	1,055,310	1,028,891
	<u>\$ 1,737,359</u>	<u>\$ 1,565,595</u>	<u>\$ 1,595,669</u>
7 Finance			
Interest Paid	\$ 42,939	\$ 57,050	\$ 44,918
8 Property			
Caretaking & Cleaning Consumables	26,254	22,900	26,032
Cyclical Maintenance Expense	122,102	120,000	248,867
Grounds	22,543	24,500	28,494
Heat, Light and Water	213,412	216,600	218,171
Repairs & Maintenance	147,339	94,100	148,739
Use of Land and Buildings	1,585,192	1,500,000	1,512,479
Manawatu Community High School	58,535	57,516	52,267
Employee Benefits - Salaries	430,446	449,000	488,533
	<u>\$ 2,605,823</u>	<u>\$ 2,484,616</u>	<u>\$ 2,723,582</u>

The use of land and buildings figure represents 8% of the school's total property value. This is used as a 'proxy' for the market rental of the property. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.



	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
9 Depreciation of Property, Plant and Equipment			
Leasehold Improvements	17,483	17,160	17,205
Furniture and Fittings	46,007	45,840	41,945
Plant and Machinery	37,989	40,420	39,507
Information and Communication Technology	124,583	145,200	134,265
Motor Vehicles	15,872	20,448	19,057
Sports Equipment	7,391	8,280	8,499
Textbooks	45,419	55,200	48,206
Library Resources	8,378	8,400	8,194
Minor Equipment	2,411	2,436	2,433
Musical Instruments	10,014	9,060	9,304
Buildings	176,157	231,600	213,462
Alternative Education	-	2,520	1,051
Manawatu Community High School	3,067	2,940	2,963
Truancy Service	1,532	1,536	1,550
	<u>496,303</u>	<u>591,040</u>	<u>547,641</u>
Represented By:			
School	313,501	396,328	362,479
Trading	182,802	194,712	185,162
	<u>\$ 496,303</u>	<u>\$ 591,040</u>	<u>\$ 547,641</u>
10 Cash and Cash Equivalents			
Cash on Hand	490	490	490
Bank Current Account	94,962	40,000	(610)
Short-term Bank Deposits	130,569	100,000	265,531
Net Cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>\$ 226,021</u>	<u>\$ 140,490</u>	<u>\$ 265,411</u>

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

Of the \$226,021 Cash and Cash Equivalents and \$3,550,000 Investments, \$16,278 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2017 on Crown owned buildings under the School's Five Year Property Plan.

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
11 Accounts Receivable			
Receivables	360,088	290,000	348,157
Receivables from the Ministry of Education	55	-	6,109
Provision for Uncollectibility	(30,983)	(30,000)	(55,224)
Sundry Receivables	38,423	30,000	59,897
Teachers Salaries Grant Receivable	542,135	800,000	576,707
	<u>\$ 909,718</u>	<u>\$ 1,090,000</u>	<u>\$ 935,646</u>
Receivables from Exchange Transactions	367,528	290,000	352,830
Receivables from Non-Exchange Transactions	542,190	800,000	582,816
	<u>\$ 909,718</u>	<u>\$ 1,090,000</u>	<u>\$ 935,646</u>
12 Inventories			
School Blazers	10,851	10,500	10,851
School Uniforms	413,702	432,000	438,849
	<u>\$ 424,553</u>	<u>\$ 442,500</u>	<u>\$ 449,700</u>
13 Investments			
The School's investment activities are classified as follows:-			
Current Assets			
Short-term Bank Deposits	<u>\$ 3,550,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>



14 Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2017						
Land	1,438,160				-	1,438,160
Buildings	7,589,531	55,909	(182,000)		(176,157)	7,287,283
Leasehold Improvements	274,462	12,961			(17,483)	269,941
Plant and Machinery	168,131	46,254			(37,989)	176,396
Furniture and Fittings	191,783	41,696			(46,007)	187,472
Information and Communication Technology	-					
Technology	230,519	161,130			(124,583)	267,066
Motor Vehicles	11,117	43,343			(15,872)	38,587
Sports Equipment	13,000				(7,391)	5,609
Minor Equipment	9,910				(2,411)	7,499
Musical Instruments	60,610	3,072			(10,014)	53,668
Textbooks	86,815	32,686			(45,419)	74,082
Library Resources	57,360	11,849	(2,179)		(8,378)	58,652
Artworks	929,700				-	929,700
Work in Progress	48,055	94,736			-	142,791
Alternative Education	0				-	0
Manawatu Community High School	23,372	2,265			(3,067)	22,570
Truancy Service	2,716				(1,532)	1,184
Balance at 31 December 2017	\$ 11,135,241	\$ 505,901	\$ (184,179)	\$ -	\$ (496,303)	\$ 10,960,661

	Cost or Valuation \$	Accumulated Depreciation & Impairment \$	Net Book Value \$
2017			
Land	1,438,160	-	1,438,160
Buildings	11,045,802	(3,758,519)	7,287,283
Leasehold Improvements	377,317	(107,376)	269,941
Plant and Machinery	1,143,938	(967,542)	176,396
Furniture and Fittings	1,973,748	(1,786,276)	187,472
Information and Communication Technology	3,358,365	(3,091,300)	267,066
Motor Vehicles	184,078	(145,491)	38,587
Sports Equipment	581,009	(575,401)	5,609
Minor Equipment	156,469	(148,971)	7,499
Musical Instruments	485,479	(431,811)	53,668
Textbooks	225,746	(151,664)	74,082
Library Resources	252,219	(193,567)	58,652
Artworks	929,700	-	929,700
Work in Progress	143,670	-	143,670
Alternative Education	45,754	(45,754)	-
Manawatu Community High School	81,452	(59,762)	21,691
Truancy Service	14,883	(13,701)	1,184
Balance at 31 December 2017	\$ 22,437,796	\$ (11,477,135)	\$ 10,960,661



14 Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2016						
Land	1,438,160				-	1,438,160
Buildings	7,261,836	541,157			(213,462)	7,589,531
Leasehold Improvements	263,897	27,770			(17,205)	274,462
Plant and Machinery	174,264	33,374			(39,507)	168,131
Furniture and Fittings	190,533	43,195			(41,945)	191,783
Information and Communication Technology	316,341	48,443			(134,265)	230,519
Motor Vehicles	30,174				(19,057)	11,117
Sports Equipment	21,499				(8,499)	13,000
Minor Equipment	12,343				(2,433)	9,910
Musical Instruments	49,440	20,474			(9,304)	60,610
Textbooks	96,018	39,003			(48,206)	86,815
Library Resources	59,013	10,468	(3,927)		(8,194)	57,360
Artworks	929,700				-	929,700
Work in Progress	80,354		(32,299)		-	48,055
Alternative Education	1,051				(1,051)	0
Manawatu Community High School	24,836	1,499			(2,963)	23,372
Truancy Service	4,266				(1,550)	2,716
Balance at 31 December 2016	\$ 10,953,725	\$ 765,383	\$ (36,226)	\$ -	\$ (547,641)	\$ 11,135,241

	Cost or Valuation \$	Accumulated Depreciation & Impairment \$	Net Book Value \$
2016			
Land	1,438,160	-	1,438,160
Buildings	11,171,893	(3,582,362)	7,589,531
Leasehold Improvements	364,356	(89,894)	274,462
Plant and Machinery	1,097,684	(929,553)	168,131
Furniture and Fittings	1,932,052	(1,740,269)	191,783
Information and Communication Technology	3,191,915	(2,961,396)	230,519
Motor Vehicles	160,734	(149,617)	11,117
Sports Equipment	581,009	(568,009)	13,000
Minor Equipment	156,469	(146,559)	9,910
Musical Instruments	482,407	(421,797)	60,610
Textbooks	241,030	(154,215)	86,815
Library Resources	248,857	(191,497)	57,360
Artworks	929,700	-	929,700
Work in Progress	48,055	-	48,055
Alternative Education	45,754	(45,754)	-
Manawatu Community High School	81,452	(58,080)	23,372
Truancy Service	14,883	(12,167)	2,716
Balance at 31 December 2016	\$ 22,186,410	\$ (11,051,169)	\$ 11,135,241

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
15 Accounts Payable			
Operating Creditors	722,298	2,675,583	715,399
Accruals	66,986	62,500	62,239
Employee Benefits Payable - Salaries	589,465	780,000	576,707
Employee Benefits Payable - Leave Accrual	160,246	110,000	162,211
	<hr/>	<hr/>	<hr/>
	\$ 1,538,996	\$ 3,628,083	\$ 1,516,556
	<hr/>	<hr/>	<hr/>
Payables for Exchange Transactions	1,524,557	3,628,083	1,499,859
Payables for Non-exchange Transactions - Taxes payable (PAYE and Rates)	14,439	-	16,697
	<hr/>	<hr/>	<hr/>
	\$ 1,538,996	\$ 3,628,083	\$ 1,516,556
	<hr/>	<hr/>	<hr/>

The carrying value of payables approximates their fair value.

16 Borrowings

Due in One Year	400,000	400,000	400,000
Due Beyond One Year	-	201,000	204,776
	<hr/>	<hr/>	<hr/>
	\$ 400,000	\$ 601,000	\$ 604,776
	<hr/>	<hr/>	<hr/>

105 North Street, Palmerston North

The loan from College House Parents Education Trust for \$400,000 is secured by a registered mortgage over property situated at 105 North Street, Palmerston North. The interest rate is 7.50% (2016 7.5%) and the loan is interest only.

The interest cost of \$30,000 (2016 \$30,000) has been recorded within Locally Raised Funds Expenditure for the Hostel, included in Administration costs.

The loan is due for repayment 31st July 2018.

31 Edgeware Road, Palmerston North

The loan from Westpac Bank for \$204,776 was secured by a first mortgage over property situated at 31 Edgeware Road, Palmerston North.

This loan was repaid in full in November 2017.

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
17 Revenue Received in Advance			
International Student Fees	886,374	380,000	670,515
Fundraising and Trip Fees in Advance	280,335	-	587,390
	<u>\$ 1,166,709</u>	<u>\$ 380,000</u>	<u>\$ 1,257,905</u>
18 Provision for Cyclical Maintenance			
Provision at the start of the year	691,038	691,038	507,751
Increase in the provision during the year	89,881	388,962	273,287
Use of the provision During the Year	(54,806)	(120,000)	(90,000)
Provision at the end of the Year	<u>\$ 726,113</u>	<u>\$ 960,000</u>	<u>\$ 691,038</u>
Cyclical Maintenance - Current	344,035	180,000	88,282
Cyclical Maintenance - Term	382,078	780,000	602,756
	<u>\$ 726,113</u>	<u>\$ 960,000</u>	<u>\$ 691,038</u>
19 Funds Held in Trust			
Funds held on behalf of Third Parties	<u>\$ 203,319</u>	<u>-</u>	<u>\$ 201,063</u>



20 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:

		2017	Opening Balances	Receipts from MOE	Payments	School Expense / Asset	Closing Balances
			\$	\$	\$	\$	\$
Heating Pipe	<i>completed</i>	-	-	21,383	29,054	7,671	-
Art Suite	<i>completed</i>	(87,794)	(87,794)	270,503	189,650	6,941	-
Boiler Upgrade	<i>completed</i>	(33,451)	(33,451)	49,393	15,942	-	-
MCHS Roof	<i>in progress</i>	(20,001)	(20,001)	40,000	106,148	-	(86,149)
Admin Roof	<i>in progress</i>	181,374	181,374	277,422	442,518	-	16,278
			40,128	658,701	783,312	14,612	(69,871)

Represented By:

Funds Due from the Ministry of Education	(86,149)
Funds Held on Behalf of the Ministry of Education	16,278
	<u>(69,871)</u>

	2016					
Art Suite	<i>in progress</i>	21,472	1,122,348	1,231,614	-	(87,794)
Boiler Upgrade	<i>in progress</i>	299	302,696	336,446	-	(33,451)
MCHS Roof	<i>in progress</i>	-	-	20,001	-	(20,001)
Library Carpet Upgrade	<i>in progress</i>	43,994	1,439	45,433	-	-
Admin Roof	<i>in progress</i>	-	198,000	16,626	-	181,374
		65,765	1,624,483	1,650,120	-	40,128

21 Related Party Transactions

The school is an entity controlled by 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 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.

22 Remuneration

Key Management Personnel Compensation

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

	2017 Actual \$	2016 Actual \$
Board Members		
Remuneration	5,690	5,945
Full-time equivalent members	0.18	0.30
Leadership Team		
Remuneration	2,903,565	2,838,392
Full-time equivalent members	30	29
Total key management personnel remuneration	2,909,255	2,844,337
Total full-time equivalent personnel	30.18	29.30

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.

Rector

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

	2017 Actual \$000	2016 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	180 - 190	180 - 190
Benefits and Other Emoluments	28 - 29	28 - 29

Other Employees

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

Remuneration \$000	2017 FTE Number	2016 FTE Number
110 - 120	1.00	1.00
100 - 110	4.00	3.00
	5.00	4.00

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

23 Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2017 (Contingent liabilities and assets at 31 December 2016: Nil).

24 Commitments

(a) Capital Commitments

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

- (a) \$339,365 contract to have the MCHS Roof upgraded as agent for the Ministry of Education. This project is fully funded by the Ministry with funding of \$40,000 being received and \$126,148 being spent on the project to balance date.
- (b) \$475,421 contract to have the administration block roof upgraded as agent for the Ministry of Education. This project is fully funded by the Ministry with funding of \$475,421 being received and \$459,143 being spent on the project to balance date.

(Capital Commitments at 31 December 2016: \$490,314)

(b) Operating Commitments

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

- (a) Laptops for Teachers
- (b) Lease of Land from PN City Council

	2017 Actual \$	2016 Actual \$
No later than one year	7,734	12,380
Later than one year and No Later than 5 Years	5,630	6,093
	<hr/>	<hr/>
	\$ 13,364	\$ 18,473
	<hr/>	<hr/>

25 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.

26 Financial Instruments	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
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The carrying amount of financial assets and liabilities in each of the financial instrument categories are as follows:

Loans and receivables

Cash and Cash Equivalents	226,021	140,490	265,411
Receivables	909,718	1,090,000	935,646
Investments - Term Deposits	3,550,000	3,000,000	3,000,000
	<hr/>	<hr/>	<hr/>
Total Loans and Receivables	\$ 4,685,739	\$ 4,230,490	\$ 4,201,057
	<hr/>	<hr/>	<hr/>
Financial liabilities measured at amortised cost			
Payables	1,538,996	3,628,084	1,516,556
Borrowings - Loans	400,000	601,000	604,776
	<hr/>	<hr/>	<hr/>
Total Financial Liabilities Measured at Amortised Cost	\$ 1,938,996	\$ 4,229,084	\$ 2,121,332
	<hr/>	<hr/>	<hr/>

27 Breach of Section 4B of the Education Act 1989

There were 7 International Students who received tuition prior to fees being received in full. The outstanding portion of the fees owing were paid by 23rd February 2018.

28 Events After Balance Date

There have been no events after balance date that impact on these financial statements.

PALMERSTON NORTH BOYS' HIGH SCHOOL

Statement of Human Resources

As at 31 December 2017

STAFF	2017	2016
Teaching	133	132
Administration and Support	43	48
Hostel	18	21
	<hr/>	<hr/>
	194	201
	<hr/>	<hr/>

(Includes full and part-time staff)

STUDENTS

Roll number at 1 March

Year 9	372	376
Year 10	372	364
Year 11	357	400
Year 12	348	361
Year 13	295	295
	<hr/>	<hr/>
	1,744	1,796
	<hr/>	<hr/>

The School was open during the year for the following
number of half days

380	380
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PALMERSTON NORTH BOYS' HIGH SCHOOL

Statement of Physical Resources

As at 31 December 2017

BUILDINGS AND GROUNDS

The school buildings comprise:

- Eight classroom blocks (includes workshops, science laboratories and art rooms)
- Eleven relocatable classrooms
- Administration/Library/Staffroom block
- Hall/Drama Block
- New Gymnasium & Weights Room
- Old Gymnasium/Memorial Gallery
- Aquatic Sports Centre
- Eight artificial surface tennis courts
- Cricket Pavilion/Jubilee Room
- Groundsman Shed
- Small Garage
- Rugby Garage
- Six Maintenance garages
- Grandstand/Changing facilities
- Caretaker's House
- Tennis Pavilion
- Bicycle Security Area
- Staff Houses (5)
- Speirs Centre (Auditorium and Music Suite)
- Covered Canteen Area

College House buildings comprise Main Dormitory Block, The Colquhoun Wing, The Hart Dining Hall, Laundry, Computer Suite, Murray House and the properties at 105 and 109 North Street.

The school occupies 7.8 hectares of land which have been developed to include:

- Two artificial cricket pitches
- Two rugby fields
- Two soccer fields
- Tennis Courts (as above)
- Multipurpose grass area
- Eight cricket practice lanes

The ownership of the School buildings (with the exception of P5, P6, P7, F3, PE Lab, the Aquatic Sports Centre, the Tennis Pavilion, the staff houses, the Speirs Centre, the Covered Canteen Area, The Hart Dining Hall and the properties at 105 and 109 North Street) and land is vested in the Ministry of Education. The Board of Trustees is responsible for their property management.

The buildings are of differing ages and require various degrees of maintenance management.

The school has access (thanks to the Palmerston North City Council) to Coronation Park, Alexander Park, Monrad Park and Ongley park. It also has a contract governing the use of Waihikoa park. The school leases the Queen Elizabeth College fields during the winter sports season.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF PALMERSTON NORTH BOYS' HIGH SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

The Auditor-General is the auditor of Palmerston North Boys' High School (the School). The Auditor-General has appointed me, Matt Coulter, using the staff and resources of BDO Central (NI), 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 41 to 66, that comprise the statement of financial position as at 31 December 2017, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and cash flow statement 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 2017; 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 Public Sector - Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 31 May 2018. 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 of Trustees 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.

PARTNERS: David Pearson Ross Hadwin Glenn Fan-Robertson Heather Hallam Lisa Townshend Matt Coulter
ASSOCIATES: Cary Davis David Hopping Sheena Mason Billie Stanley Suzie Clifford
CONSULTANTS: Ron Eglinton

BDO New Zealand Ltd, a New Zealand limited liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO New Zealand is a national association of independent member firms which operate as separate legal entities.

Responsibilities of the Board of Trustees for the financial statements

The Board of Trustees 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 of Trustees 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 of Trustees is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board of Trustees 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 of Trustees' responsibilities arise from the Education Act 1989.

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 of Trustees.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees 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 Novopay 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 of Trustees 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 arise 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 this report, but does not include the financial statements, or our auditor's report thereon.

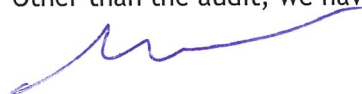
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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 (Revised): *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.



Matt Coulter
BDO Central (NI)
On behalf of the Auditor-General
Palmerston North, New Zealand