

PALMERSTON NORTH BOYS' HIGH SCHOOL

ANNUAL REPORT FOR THE YEAR ENDED 31 December 2018

School Directory

Ministry Number: 202
Rector: David M Bovey
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Members of the Board of Trustees

<u>Name</u>	<u>Position Held</u>	<u>How Position Gained</u>	<u>Term Expired/Expires</u>
Michael Lawrence	Chairman	Re-elected May 2016	May 2019
David Bovey	Rector	Appointed October 2012	
Grant Watts	Parent Rep	Re-elected May 2016	May 2019
John Stewart	Parent Rep	Re-elected May 2016	May 2019
Simon O'Connor	Parent Rep	Re-elected May 2016	May 2019
Tania Harris	Parent Rep	Re-elected May 2016	May 2019
Craig Purdy	Parent Rep	Elected May 2016	May 2019
Jack Siebert	Staff Rep	Re-elected May 2016	May 2019
Junius Ong	Student Rep	Elected November 2017	Resigned December 2018
David Kakrada	Student Rep	Elected November 2018	November 2019
Accountant:	BDO Central (NI)		

PALMERSTON NORTH BOYS' HIGH SCHOOL

Annual Report - For the year ended 31 December 2018

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PALMERSTON NORTH BOYS' HIGH SCHOOL

Statement of Responsibility

For the year ended 31 December 2018

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

The management (including the 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 that the annual financial statements for the financial year ended 31 December 2018 fairly reflects the financial position and operations of the school.

The School's 2018 financial statements are authorised for issue by the Board.

Michael Gordon Lawrence

Full Name of Board Chairperson



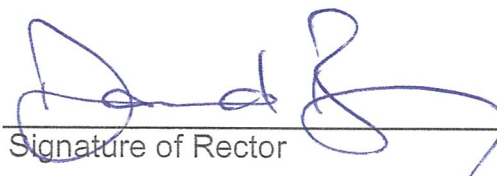
Signature of Board Chairperson

31/5/19

Date:

David Maurice Covey

Full Name of Rector



Signature of Rector

31/5/19

Date:

PALMERSTON NORTH BOYS' HIGH SCHOOL

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2018

		2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
	Notes			
Revenue				
Government Grants	2	14,630,518	14,199,503	14,279,208
Locally Raised Funds	3	2,998,314	3,105,006	3,631,090
Interest Earned		137,459	77,000	93,231
Gain on Sale of Property, Plant and Equipment		11,091	-	90,162
Hostel	4	2,239,075	2,283,597	2,126,789
International Students	5	1,204,405	1,222,775	1,018,873
Other Income		-	-	22,727
		<u>21,220,861</u>	<u>20,887,881</u>	<u>21,262,078</u>
Expenses				
Locally Raised Funds	3	1,594,784	1,792,044	2,204,424
Hostel	4	1,925,188	1,949,298	1,887,046
International Students	5	872,055	907,745	766,763
Learning Resources	6	11,490,612	11,240,606	11,155,493
Administration	7	1,715,826	1,633,139	1,735,180
Finance Costs	8	30,000	42,650	42,939
Property	9	2,798,949	2,576,816	2,605,822
Depreciation	10	336,515	372,384	313,501
Loss on Disposal of Assets		1,844	-	2,179
Loss on Uncollectable Accounts Receivable		65,370	30,000	-
		<u>20,831,143</u>	<u>20,544,682</u>	<u>20,713,348</u>
Net Surplus / (Deficit)		389,718	343,198	548,730
Increase in Asset Revaluation Reserve		159,250	-	-
Total Comprehensive Revenue and Expense for the Year		<u><u>\$ 548,968</u></u>	<u><u>\$ 343,198</u></u>	<u><u>\$ 548,730</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 2018

	2018 Actual	2018 Budget (Unaudited)	2017 Actual
	\$	\$	\$
Balance at 1 January	12,257,816	11,616,987	11,616,986
Total comprehensive revenue and expenses for the year	548,968	343,198	548,730
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	-	-	92,099
Equity at 31 December	\$ 12,806,785	\$ 11,960,185	\$ 12,257,816
Retained Earnings	11,265,850	11,960,185	10,874,650
Reserves	1,540,935	-	1,367,867
Equity at 31 December 2018	\$ 12,806,785	\$ 11,960,185	\$ 12,257,816
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, the quad redevelopment and the hockey turf project.			
Balance at 1 January	281,830	-	266,100
Extra-Curricular Activities	65,615	-	15,730
Gymnasium Upgrade	(51,797)	-	-
Closing Balance	\$ 295,648	\$ -	\$ 281,830
Net Movement in Reserved Funds	13,818	-	15,730
Asset Revaluation Reserve within Equity			
Balance at 1 January	1,086,037	-	1,086,037
Artwork Revaluation	159,250	-	-
Closing Balance	\$ 1,245,287	\$ -	\$ 1,086,037
Net Movement in Asset Revaluation Reserve	159,250	-	-

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 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
CURRENT ASSETS				
Cash and Cash Equivalents	11	325,295	140,490	226,021
Accounts Receivable	12	909,438	1,512,898	909,718
GST Receivable		130,593	240,000	90,696
Funds owed for Capital Works Projects	21	45,424	-	69,871
Prepayments		224,495	225,000	230,195
Inventories	13	448,656	433,000	424,553
Investments	14	4,250,000	4,500,000	3,550,000
Assets Held for Sale	30	243,435	-	-
		<u>6,577,336</u>	<u>7,051,388</u>	<u>5,501,054</u>
CURRENT LIABILITIES				
Accounts Payable	16	1,632,741	3,628,083	1,538,996
Borrowings - Due in one year	17	400,000	400,000	400,000
Revenue Received in Advance	18	1,392,217	500,000	1,166,709
Provision for Cyclical Maintenance	19	192,069	120,000	344,035
Funds held in Trust	20	269,858	-	203,319
Boarding Bonds		-	20,000	17,000
		<u>3,886,885</u>	<u>4,668,083</u>	<u>3,670,059</u>
WORKING CAPITAL SURPLUS / DEFICIT		2,690,450	2,383,305	1,830,995
NON-CURRENT ASSETS				
Property, Plant and Equipment ("PPE")	15	10,835,861	10,641,880	10,960,661
		<u>10,835,861</u>	<u>10,641,880</u>	<u>10,960,661</u>
NON-CURRENT LIABILITIES				
Provision for Cyclical Maintenance	19	551,890	900,000	382,078
Provision for Long Service & Retirement Leave		90,133	100,000	85,263
Boarding Bonds		77,500	65,000	66,500
		<u>719,523</u>	<u>1,065,000</u>	<u>533,841</u>
NET ASSETS		<u>\$ 12,806,788</u>	<u>\$ 11,960,185</u>	<u>\$ 12,257,815</u>
EQUITY		<u>\$ 12,806,785</u>	<u>\$ 11,960,185</u>	<u>\$ 12,257,816</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 2018

	Note	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Government Grants		3,873,842	3,550,064	3,928,570
Locally Raised Funds		3,277,072	2,917,908	3,310,589
Hostel		2,134,220	2,283,597	2,160,788
International Students		1,295,682	1,222,775	1,234,732
Goods and Services Tax (net)		(39,897)	(149,304)	55,149
Payments to Employees		(3,580,851)	(3,479,692)	(3,425,011)
Payments to Suppliers		(5,820,307)	(5,300,872)	(6,315,995)
Interest Paid		(60,000)	(42,650)	(72,939)
Interest Received		224,947	85,422	86,706
Net cash from the Operating Activities		1,304,708	1,087,248	962,589
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from Sale of PPE (and Intangibles)		12,935	-	274,342
Purchase of PPE (and Intangibles)		(469,613)	(222,779)	(505,901)
Purchase of Investments		(700,000)	(950,000)	(550,000)
Net cash to the Investing Activities		(1,156,678)	(1,172,779)	(781,559)
CASH FLOWS FROM FINANCING ACTIVITIES				
Furniture and Equipment Grant		-	-	92,099
Loans Received (Repayments of Loans)		-	-	(204,776)
Funds administered on Behalf of Third Parties		66,539	-	2,256
Funds Held for Capital Works Projects		(115,295)	-	(109,999)
Net Cash from Financing Activities		(48,756)	-	(220,420)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		99,274	(85,531)	(39,390)
Cash and cash equivalents at the beginning of the year		226,021	226,021	265,411
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	10	\$ 325,295	\$ 140,490	\$ 226,021

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

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



PALMERSTON NORTH BOYS' HIGH SCHOOL

Notes to the Financial Statements

As at 31 December 2018

1. Statement of Accounting Policies

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 reports have been prepared for the period 1 January 2018 to 31 December 2018 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 15.

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 operating or finance is appropriate and reflects the nature of the agreement in place.

Operating lease commitments are disclosed at note 25.

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.

Held for Sale

Non-current assets that are expected to be recovered primarily through sale rather than continuing use, are classified as held for sale. Immediately before classification as held for sale the assets are remeasured in accordance with the School's accounting policies. Thereafter, the assets are measured at the lower of their carrying amount and fair value less costs to sell. Once classified as held for sale, property, plant and equipment is no longer depreciated.

Depreciation

Property, plant and equipment except for land, library resources and artworks are depreciated over their estimated useful lives on a straight line basis. Library resources are depreciated on a diminishing value basis. Land and artworks are not depreciated. 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. It's 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 2018

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
2 Government Grants			
Teachers' salaries grants	8,893,201	8,700,000	8,771,500
Operational grants	3,170,592	3,245,527	3,269,433
Other MoE grants	58,953	-	-
Alternative Education grants	416,561	416,560	416,561
Use of Land and Buildings grant	1,840,772	1,600,000	1,585,192
Manawatu Community High School grant	157,788	144,764	143,869
Truancy service grant	92,651	92,652	92,651
	<u>\$ 14,630,518</u>	<u>\$ 14,199,503</u>	<u>\$ 14,279,208</u>
3 Locally Raised Funds			
Local funds raised within the School's community are made up of:			
Revenue			
Donations	741,622	686,870	726,952
Activities	1,404,256	1,883,266	2,340,707
Overseas Travel	335,286	-	-
Canteen	17,040	17,040	17,040
Trading	365,968	425,000	425,637
House rentals	29,600	29,880	59,140
Community Pool and Gym	72,702	62,950	61,613
McCarthy Trust	10,900	-	-
Grants	20,940	-	-
	<u>\$ 2,998,314</u>	<u>\$ 3,105,006</u>	<u>\$ 3,631,090</u>
Expenses			
Activities	895,080	1,383,140	1,767,524
Overseas Travel	335,286	-	-
Trading	322,571	360,600	377,253
House rentals	41,846	48,304	59,648
	<u>\$ 1,594,784</u>	<u>\$ 1,792,044</u>	<u>\$ 2,204,424</u>
Surplus for the Year Locally Raised Funds	<u>\$ 1,403,531</u>	<u>\$ 1,312,962</u>	<u>1,426,665</u>



PALMERSTON NORTH BOYS' HIGH SCHOOL

Notes to the Financial Statements

As at 31 December 2018

3 Locally Raised Funds (continued)

The following Overseas Travel occurred in the 2018 year.

A group of 18 students and 3 staff being Mr M Davidson, Mr B Kensington and Mr Blanks travelled to Singapore and the United Kingdom on a Hockey Development tour. They had the opportunity of playing hockey, visiting other schools and learning about the history and culture of both these countries. This trip was fully funded by the students.

A group of 18 Students and 3 staff being Mr P Gibbs, Mr J Siebert and Mr S Davidson travelled to Australia and South Africa on a Cricket Development Tour. They had the opportunity of playing cricket, visiting other schools and learning about the history and culture of both these countries. This trip was fully funded by the students.

A group of 18 Students and 2 staff being Mr S Dawson and Mr M Liddicoat travelled to Australia on a Football Development tour. They had the opportunity of playing football, visiting other schools and learning about the history and culture of the country. This trip was fully funded by the students.

A group of 30 students and 3 staff being Mr M Leighton, Mr S McFarland and Mr D Braddock travelled to Australia on a Commerce Tour. They visited major corporate businesses and gained valuable knowledge on how these corporations operate, are managed and succeed in the business world. This trip was fully funded by the students.

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
4 Hostel Revenue and Expenses			
Hostel Financial Performance			
Hostel Full Boarders	161	165	166
Hostel Weekly Boarders	-	-	-
Revenue			
Hostel Fees	1,972,439	2,058,977	1,909,733
Sundry Income	85,229	64,320	58,994
Registration Fees	15,250	13,300	18,300
Letting	166,156	147,000	139,762
	<u>2,239,075</u>	<u>2,283,597</u>	<u>2,126,789</u>
Expenses			
Kitchen	399,654	425,400	407,991
Laundry	21,898	30,800	34,689
Welfare	121,600	115,456	102,196
Supervision	8,512	6,000	6,741
Administration	215,013	239,916	184,248
Property	284,756	340,000	333,328
Depreciation	171,870	169,176	182,802
Employee Benefits - Salaries	658,733	593,150	592,989
Letting	43,153	29,400	42,061
	<u>1,925,188</u>	<u>1,949,298</u>	<u>1,887,046</u>
Surplus for the year Hostel	<u>\$ 313,887</u>	<u>\$ 334,299</u>	<u>\$ 239,743</u>

5 International Student Revenue and Expenses

International Student Roll	58	50	51
Revenue			
International Student Fees	1,204,405	1,222,775	1,018,873
Expenses			
Advertising	119,629	124,750	78,331
Commissions	85,897	117,975	72,958
International Student Levy	12,291	23,595	33,231
ESOL costs	1,392	2,000	1,330
Homestay Fees	360,290	338,100	318,547
Administration	45,712	49,175	36,195
Class Materials	18,844	41,650	25,518
Employee Benefits - Salaries	228,000	210,500	200,654
Total Expenditure	<u>872,055</u>	<u>907,745</u>	<u>766,763</u>
Surplus for the year International Students'	<u>\$ 332,350</u>	<u>\$ 315,030</u>	<u>\$ 252,109</u>

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
6 Learning Resources			
Curricular	397,433	443,350	406,209
Teaching Resources	692,301	594,465	583,852
Alternative Education	297,012	321,024	321,889
Manawatu Community High School	15,320	8,385	5,123
Library Resources	4,481	6,160	7,622
Employee Benefits - Salaries	10,084,065	9,867,222	9,830,798
	<u>\$ 11,490,612</u>	<u>\$ 11,240,606</u>	<u>\$ 11,155,493</u>

Overseas travel of \$10,129 was undertaken by Senior staff for Professional Development.

7 Administration			
Audit Fee	11,326	9,300	12,925
Board of Trustees Fees	6,455	7,800	5,690
Board of Trustees Expenses	10,320	13,000	3,266
Communication	32,675	42,800	45,987
Consumables	43,636	54,150	48,042
Operating Lease	16,129	16,400	14,808
Legal Fees	2,789	10,000	339
Other	259,856	235,830	299,460
Employee Benefits - Salaries	1,140,638	1,072,320	1,150,339
Insurance	68,536	68,532	55,061
Service Providers, Contractors and Consultancy	80,682	61,500	54,145
Manawatu Community High School	22,457	20,592	24,399
Truancy Service	20,327	20,915	20,719
	<u>\$ 1,715,826</u>	<u>\$ 1,633,139</u>	<u>\$ 1,735,180</u>

Overseas travel of \$16,388 was undertaken by the Rector for Professional Development.

8 Finance			
Interest Paid	\$ 30,000	\$ 42,650	\$ 42,939

9 Property			
Caretaking & Cleaning Consumables	26,113	23,900	26,254
Cyclical Maintenance Expense	87,639	120,000	122,102
Grounds	22,491	24,500	22,543
Heat, Light and Water	206,966	217,400	213,412
Repairs & Maintenance	148,551	99,000	147,339
Use of Land and Buildings	1,840,772	1,600,000	1,585,192
Manawatu Community High School	72,999	55,516	58,535
Employee Benefits - Salaries	393,418	436,500	430,446
	<u>\$ 2,798,949</u>	<u>\$ 2,576,816</u>	<u>\$ 2,605,822</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.



	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
10 Depreciation of Property, Plant and Equipment			
Leasehold Improvements	17,836	17,400	17,483
Furniture and Fittings	42,788	47,544	46,007
Plant and Machinery	37,978	38,232	37,989
Information and Communication Technology	108,404	119,640	124,583
Motor Vehicles	8,669	8,664	15,872
Sports Equipment	5,608	6,120	7,391
Textbooks	38,780	55,632	45,419
Library Resources	8,352	8,220	8,378
Minor Equipment	2,391	2,388	2,411
Musical Instruments	9,167	9,804	10,014
Buildings	223,779	223,380	176,157
Manawatu Community High School	3,449	3,000	3,067
Truancy Service	1,183	1,536	1,532
	<u>508,385</u>	<u>541,560</u>	<u>496,303</u>
Represented By:			
School	336,515	372,384	313,501
Hostel	171,870	169,176	182,802
	<u>\$ 508,385</u>	<u>\$ 541,560</u>	<u>\$ 496,303</u>
11 Cash and Cash Equivalents			
Cash on Hand	490	490	490
Bank Current Account	54,029	40,000	94,962
Short-term Bank Deposits	270,775	100,000	130,569
Cash and cash equivalents for Cash Flow Statement	<u>\$ 325,295</u>	<u>\$ 140,490</u>	<u>\$ 226,021</u>

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

Of the \$325,295 Cash and Cash Equivalents and \$4,250,000 Investments, \$24,935 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2019 on Crown owned buildings under the School's Five Year Property Plan.



	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
12 Accounts Receivable			
Operating Receivables	233,328	812,898	360,088
Receivables from the Ministry of Education	22,758	-	55
Provision for Uncollectibility	(48,750)	40,000	(30,983)
Sundry Receivables	72,315	60,000	38,423
Teachers Salaries Grant Receivable	629,787	600,000	542,135
	<u>\$ 909,438</u>	<u>\$ 1,512,898</u>	<u>\$ 909,718</u>
Receivables from Exchange Transactions	256,893	912,898	367,528
Receivables from Non-Exchange Transactions	652,545	600,000	542,190
	<u>\$ 909,438</u>	<u>\$ 1,512,898</u>	<u>\$ 909,718</u>
13 Inventories			
School Blazers	14,471	11,000	10,851
School Uniforms	434,186	422,000	413,702
	<u>\$ 448,656</u>	<u>\$ 433,000</u>	<u>\$ 424,553</u>
14 Investments			
The School's investment activities are classified as follows:-			
Current Assets			
Short-term Bank Deposits	<u>\$ 4,250,000</u>	<u>\$ 4,500,000</u>	<u>\$ 3,550,000</u>



15 Property, Plant and Equipment

	Opening Balance (NBV)	Additions & Revaluations	Disposals or Reclassification	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Land	1,438,160		(108,000)		-	1,330,160
Buildings	7,287,283	203,910	(135,435)		(223,779)	7,131,979
Leasehold Improvements	269,941	34,848			(17,836)	286,953
Plant and Machinery	176,396	23,273			(37,978)	161,691
Furniture and Fittings	187,472	25,908			(42,788)	170,593
Information and Communication Technology	267,066	38,403			(108,404)	197,066
Motor Vehicles	38,587	11,600			(8,669)	41,518
Sports Equipment	5,609				(5,608)	0
Minor Equipment	7,499				(2,391)	5,108
Musical Instruments	53,668	8,939			(9,167)	53,440
Textbooks	74,082	33,681			(38,780)	68,983
Library Resources	58,652	10,010	(1,844)		(8,352)	58,466
Artworks	929,700	159,250			-	1,088,950
Work in Progress	142,791	74,751			-	217,542
Manawatu Community High School	22,570	4,290			(3,449)	23,411
Truancy Service	1,184				(1,183)	2
Balance at 31 December 2018	\$ 10,960,661	\$ 628,863	\$ (245,279)	-	\$ (508,385)	\$ 10,835,861

	Cost or Valuation	Accumulated Depreciation & Impairment	Net Book Value
2018	\$	\$	\$
Land	1,330,160	-	1,330,160
Buildings	11,114,277	(3,982,298)	7,131,979
Leasehold Improvements	412,165	(125,213)	286,952
Plant and Machinery	1,167,211	(1,005,519)	161,692
Furniture and Fittings	1,999,656	(1,829,063)	170,593
Information and Communication Technology	3,396,768	(3,199,705)	197,064
Motor Vehicles	195,678	(154,160)	41,518
Sports Equipment	581,009	(581,010)	-
Minor Equipment	156,469	(151,362)	5,108
Musical Instruments	494,418	(440,978)	53,440
Textbooks	193,900	(124,917)	68,983
Library Resources	255,101	(196,635)	58,466
Artworks	1,088,950	-	1,088,950
Work in Progress	218,421	-	218,421
Alternative Education	45,754	(45,754)	-
Manawatu Community High School	85,742	(63,211)	22,531
Truancy Service	14,883	(14,883)	2
Balance at 31 December 2018	\$ 22,750,569	\$ (11,914,708)	\$ 10,835,861

Artwork was revalued in February 2019 by Wellington firm Dunbar Sloane.

The valuation was undertaken on the basis of insurance values.

The current valuation is \$1,088,950 which is an increase of \$159,250 for the period. The movement is reflected in reserves in the Statement of Changes in Net Assets/Equity.



15 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
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



	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
16 Accounts Payable			
Operating Creditors	800,641	2,675,583	722,298
Accruals	56,457	62,500	66,986
Employee Benefits Payable - Salaries	629,787	780,000	589,465
Employee Benefits Payable - Leave Accrual	145,856	110,000	160,246
	<u>\$ 1,632,741</u>	<u>\$ 3,628,083</u>	<u>\$ 1,538,996</u>
Payables for Exchange Transactions	1,616,274	3,628,083	1,524,557
Payables for Non-exchange Transactions - Taxes payable (PAYE and Rates)	16,467	-	14,439
	<u>\$ 1,632,741</u>	<u>\$ 3,628,083</u>	<u>\$ 1,538,996</u>

The carrying value of payables approximates their fair value.

17 Borrowings

Due in One Year	400,000	400,000	400,000
Due Beyond One Year	-	-	-
	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ 400,000</u>

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% (2017 7.5%) and the loan is interest only.

The interest cost of \$30,000 (2017 \$30,000) has been recorded within Locally Raised Funds Expenditure for the Hostel, included in Administration costs.

The loan was due for repayment 31st December 2018 and this is currently being renewed.



	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
18 Revenue Received in Advance			
International Student Fees	977,651	500,000	886,374
Fundraising and Trip Fees in Advance	414,566	-	280,335
	<u>\$ 1,392,217</u>	<u>\$ 500,000</u>	<u>\$ 1,166,709</u>
19 Provision for Cyclical Maintenance			
Provision at the start of the year	726,113	726,113	691,038
Increase in the provision during the year	105,485	413,887	89,881
Use of the provision During the Year	(87,639)	(120,000)	(54,806)
Provision at the end of the Year	<u>\$ 743,959</u>	<u>\$ 1,020,000</u>	<u>\$ 726,113</u>
Cyclical Maintenance - Current	192,069	120,000	344,035
Cyclical Maintenance - Term	551,890	900,000	382,078
	<u>\$ 743,959</u>	<u>\$ 1,020,000</u>	<u>\$ 726,113</u>
20 Funds Held in Trust			
Funds held on behalf of Third Parties	<u>\$ 269,858</u>	<u>-</u>	<u>\$ 203,319</u>



21 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:

		2018	Opening Balances	Receipts from MOE	Payments	School Expense / Asset	Closing Balances
			\$	\$	\$	\$	\$
Admin Roof	<i>completed</i>		16,278	-	16,278	-	-
MCHS Roof	<i>in progress</i>		(86,149)	356,013	305,470	-	(35,605)
MCHS Security & Electrical	<i>in progress</i>		-	-	612	-	(612)
Carpet C & M Block	<i>in progress</i>		-	39,659	41,885	-	(2,226)
Asbestos Roof Repairs	<i>in progress</i>		-	-	7,700	-	(7,700)
Sewer & Stormwater	<i>in progress</i>		-	-	11,559	-	(11,559)
Structural Strengthening Gym	<i>in progress</i>		-	-	12,657	-	(12,657)
Electrical Upgrade	<i>in progress</i>		-	31,885	6,950	-	24,935
			(69,871)	427,557	403,111	-	(45,424)

Represented By:

Funds Due from the Ministry of Education

(70,359)

Funds Held on Behalf of the Ministry of Education

24,935

(45,424)

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

22 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.



23 Remuneration

Key Management Personnel Compensation

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

	2018 Actual \$	2017 Actual \$
Board Members		
Remuneration	6,455	5,690
Full-time equivalent members	0.18	0.18
Leadership Team		
Remuneration	2,980,846	2,903,565
Full-time equivalent members	31	30
Total key management personnel remuneration	2,987,301	2,909,255
Total full-time equivalent personnel	31.18	30.18

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:

	2018 Actual \$000	2017 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	200 - 210	180 - 190
Benefits and Other Emoluments	29 - 30	28 - 29

Other Employees

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

Remuneration \$000	2018 FTE Number	2017 FTE Number
100 - 110	5.00	4.00
110 - 120	3.00	1.00
	8.00	5.00

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



24 Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2018 (Contingent liabilities and assets at 31 December 2017: Nil).

Holidays Act Compliance - schools payroll

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

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance, however the potential impact on any specific school or individual and any associated historical liability will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2018, a contingent liability for the school may exist.

25 Commitments

(a) Capital Commitments

As at 31 December 2018 the Board has entered into contract agreements for works as follows:

- (a) \$488,543 to have the MCHS Re-roofed and Internal Refurbishment completed as agent for the Ministry of Education. This project is fully funded by the Ministry with funding of \$396,013 being received and \$431,618 being spent on the project to balance date.
- (b) \$22,000 to have MCHS Security upgraded as agents for the Ministry of Education. This project is fully funded by the Ministry with \$612 being spent on the project to balance date.
- (c) \$81,440 to replace C & M Block carpet as agents for the Ministry of Education. This project is fully funded by the Ministry with funding of \$36,659 being received and \$41,885 being spent on the project to balance date.
- (d) \$31,885 for Phase Two Electrical Upgrade as agents for the Ministry of Education. This project is fully funded by the Ministry with funding of \$31,885 being received and \$6,950 being spent on the project to balance date.

(Capital Commitments at 31 December 2017: \$229,495)

(b) Operating Commitments

As at 31 December 2018 the Board has entered into the following contracts:

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

	2018 Actual \$	2017 Actual \$
No later than one year	14,651	7,734
Later than one year and No Later than 5 Years	13,849	5,630
Later than 5 Years	-	-
	<hr/>	<hr/>
	\$ 28,500	\$ 13,364
	<hr/>	<hr/>

26 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.

27 Financial Instruments	2018 Actual \$	2018 Budget (Unaudited) \$	2017 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	325,295	140,490	226,021
Receivables	909,438	1,512,898	909,718
Investments	4,250,000	4,500,000	3,550,000
	<hr/>	<hr/>	<hr/>
Total Loans and Receivables	\$ 5,484,732	\$ 6,153,388	\$ 4,685,739
	<hr/>	<hr/>	<hr/>

Financial liabilities measured at amortised cost

Payables	1,632,741	3,628,083	1,538,996
Borrowings	400,000	400,000	400,000
	<hr/>	<hr/>	<hr/>
Total Financial Liabilities Measured at Amortised Cost	\$ 2,032,741	\$ 4,028,083	\$ 1,938,996
	<hr/>	<hr/>	<hr/>



28 Breach of Section 4B of the Education Act 1989

There were 4 International Students who received tuition prior to fees being received in full. For two of these students the fees owing remain outstanding as at 29th March 2019.

29 Events After Balance Date

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

30 Assets Held for Sale

	2018 Actual \$	2017 Actual \$
Balance at 1 January	-	-
Transferred from Property, Plant and Equipment	243,435	-
	<hr/>	<hr/>
Balance at 31st December	\$ 243,435	\$ -
	<hr/>	<hr/>

The property available for sale includes two residential properties situated at 10 Invanhoe Terrace, Palmerston North and 19 Wellesbourne Street, Palmerston North. Conditional contracts are in place for the sale of these properties, which are subject to confirmation of boundaries.

31 Comparatives

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

PALMERSTON NORTH BOYS' HIGH SCHOOL

Report from the Rector

For the year ended 31 December 2018

I am pleased to report that the year concluded with a full school celebration with parents and friends of the school attending the 2018 prizegiving at Arena Manawatu on Wednesday 12 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 school has had a growing focus on the importance of character education and that will continue to develop in the coming years.

The student achievement-focused goals and objectives were specific and the outcomes at the senior level in 2018 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.

The school's co-curricular programme continues to play a vital role in the development of our young men. 'Co' rather than 'extra' as we believe that this programme is part of a well-rounded education and does not sit *outside* the parameters of providing an education.

We know that nearly 20% of our young men chose to attend Palmerston North Boys' High School because of the co-curricular programme, underlining the importance, particularly for young men, of those opportunities. In a year that saw much wailing and gnashing of teeth about school sport, particularly in Auckland around school rugby, as a school we continue to eschew the growing trend of recruiting, poaching, enticing, paying young people to attend school just so sports teams do well. Those schools who indulge in ethically questionable practices such as these have lost perspective – school is about everything we have to offer, not just a good 1st XV.

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 and Victoria University papers as part of the senior accelerate programme, and a growing number of distance-learning options have become available through relationships with Waikato and Canterbury Universities.

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 2018 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.

For 2019 we have made changes to the NCEA Level 1 programme. After considerable time planning and consulting with various groups, the decision was made to reduce the focus on assessment at Level 1. This means that a young man will not be able to achieve Level 1 in Year 11 but of course as he progresses in to Year 12 that will happen. Courses have been developed to take advantage of the extra teaching time created by the reduced assessment programme with a view to providing pupils with a more thorough preparation for the important NCEA Level 2 qualification.

It has been disheartening to see the continued manipulation of NCEA results at some schools, something I have commented on before in this forum. Some schools, quite frankly, cheat and lie in this regard. Some young people are achieving qualifications that on paper are well and good, but in reality they are not worth anything. Schools that offer reassessment opportunities over and over until a pupil has 'passed' abound, as are schools that withdraw pupils from courses who are failing just so it won't affect their statistics. I am even aware of schools that have told staff that certain pupils have to pass; thus, the books are accordingly cooked so this can happen.

Palmerston North Boys' High School staff are expected to be involved in at least one co-curricular activity – and despite that expectation there are some who would rather not be involved. There are those who find this burdensome, others who love it and find it the best part of the job. The workload (at a principals' meeting we estimated that NCEA had trebled teacher workload

since its inception) means that time is so precious and so taking a team, especially in a sport for which you have no interest, is the last thing some want to do. That said, however, our staff recognise that it is an important part of what we do at PNBHS and understand the impact it can have on positive relationships with the boys.

Scholarship results from 2018 were even more disappointing than the previous year. More so than in the past, the young men involved in the accelerate programme at Year 13 were more focused on their university papers and the advantage good results in those papers would give them heading into tertiary study upon leaving school. That said, 20 for the year was a poor outcome. Aidan Berkahn and Ronan Carroll each achieved three scholarships, while three young men in Year 12 achieved success. English was the most successful subject, while Science and Maths, so often the top performers, were particularly disappointing.

The summary of 2018 results are as follows:

72.3% of Year 11 students gained NCEA Level 1	(National 70.5%)
10.9% of Year 11 students gained NCEA Level 2	(National 1.2%)
77.3% of Year 12 students gained NCEA Level 2	(National 76.4%)
12.6% of Year 12 students gained NCEA Level 3	(National 1.0%)
63.2% of Year 13 students gained NCEA Level 3	(National 64.4%)
50.3% of Year 13 students gained University Entrance	(National 47.3%)

It should be noted that because of the school's accelerate programme, the statistics are affected by multi-level study: in total, 83.2% of our Year 11 pupils gained an NCEA qualification (national - 71.7%); 89.9% of Year 12 pupils (national - 76.4%); overall 71.8% of Year 13 pupils achieved Level 3, while 58.3% gained University Entrance (national – 47.3%).

The school continues to have a valuable relationship with Massey University, although there have been issues in 2018 which have seen a number of courses changed to other universities (Waikato, Victoria and Canterbury).

A total of 39 accelerate students were enrolled in 69 papers across a range of subjects. The 2018 results were again impressive in terms of A grade passes, with 37 A grades (A+, A, A-). The top performers were Jarod Govers with two A+ and two A- grades, Junius Ong and Dux Litterarum Finn Martin. The number of papers was down on previous years as several pupils were looking at studying at Otago University which does not recognize any tertiary results from concurrent study programmes.

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 2018 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.

It has been interesting to note this year in particular the number of times the school has been contacted regarding team selections, especially at the junior level. A young man may have not made an ‘A’ team and the indignation from some is quite remarkable. However, at least in some cases a parent has had the decency to contact a coach or selector, as opposed to those who simply do what seems to be *de rigueur* these days and complain vociferously online, often anonymously. That sets a poor example on how to cope with disappointment.

The cultural and performing arts side of the school continues to flourish contrary to perceptions of boys' schools and there are some remarkably talented young men in that regard at PNBHS.

This year's major production was "Anything Goes" and as he does every year, Mr Burton and his team produced another outstanding show. The young men and women from PNBHS and Girls' High School who made up the cast and crew did an outstanding job, their hard work in rehearsals paying off with an entertaining romp on the high seas. My thanks go to all who were involved throughout the process, staff from both schools, performers, crew and a number of supporters and helpers who every year give of their time and expertise to ensure such a wonderful production. We are incredibly fortunate to have such support from our community.

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. Numbers in this junior programme are on the rise which is certainly encouraging.

The theatre sports group also enjoyed a successful year, with a team led by the superb Finn Davidson winning the inaugural Manawatu Secondary School theatre sports competition. The senior team finished second at the Super Eight Cultural Festival, the juniors third.

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 both the Senior A and Junior A teams made the semi-finals at the Super Eight Cultural Festival.

The Palmerston North Boys' High School Kapa Haka group continues to perform with distinction on behalf of the school. I would like to thank Mr Strickland for all his efforts in this regard, and Mrs Ruwhiu who ably assisted

him this year. 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 achieved their best-ever placing of runners-up.

The school is fortunate to have a large number of very talented musicians and it is encouraging to see the number of outstanding junior pupils. As ever, the Stage Band, under the tutelage of Mr Neville Lauridsen, performed with distinction. They are consistently excellent, playing at a standard very few school bands in the country can match. At the Hawke's Bay Festival of Bands the Stage Band received a Gold Award and was named as Best School Band. At that same festival the Concert Band received a Silver Award. The Stage Band was named as Best Manawatu Big Band at the Manawatu Jazz Festival, and both the Stage and Concert Bands received Gold Awards at the Feilding Festival of Bands.

The string trio, *No Frets*, made up of Year 11 pupils Ray Su, Paul Teoh and Ciaran Carroll achieved first place at the Regional Chamber Music Competition. Year 10 pupil Joe Inman received a Gold Award at the National Concert Band competition while the saxophone group, the Sax Attack, received a Silver Award at the same competition.

The annual School Concert was again excellent, with a number of outstanding solo performances from some very talented young men, fine performances from a number of groups and some star turns from the staff. We are indeed fortunate to have Mr Young and Mr Dredge, who 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, performed creditably and despite an uncharacteristically flat turn at the Regional Big Sing, they made it through to the Nationals where their hard work paid off with a number of excellent numbers. They received a Silver Award which places the group amongst the

very best boys' choirs in the country. Robin Park and Carson Taare were again in the NZSS Choir. At the Regional Big Sing, Miracle Malu won the Manawatu Big Sing Spirit of the Festival Youth Ambassador Award for leadership and song arrangement with the Pasifika Choir.

Congratulations to Antariksh Nag, Oliver Inman, Sebastien Cave, Carlos Fung and Carson Taare who were named in the NZSS Choir for 2019. To have five named in that group is rare indeed.

At this year's Manawatu Secondary Schools' Pasifika Fusion Festival the school finished third overall. Telson Liuvaie won the Nuiean speech competition while the contemporary dance group won their category.

At the 2017 New Zealand Secondary Schools' Athletic Championships in Hastings the PNBHS athletes achieved a number of meritorious results. Bradyn Popow finished third in the 3000m Open Walk, while other top ten finishes came from Andre Le Pine-Day (sixth in the Junior 800m), Guy Petersen seventh in the Junior Javelin, VJ Tauli, eighth in the Junior Long Jump; in the Senior category (U20), Reuben Brown was sixth in the Long Jump and Jack Nesdale ninth in the Shot Put. In the 4x100 the team finished sixth and the 4x400 team fourth.

At the 2018 Manawatu Secondary School Athletics event, the school won 24 events with 22 seconds and 13 third places. 14 PNBHS pupils were selected to represent Manawatu at the NISS Championships in Wanganui. At that meet, Mark Seumanu won the Senior High Jump, Andre Le Pine-Day won the Intermediate 800m and 1500m events, while Angus Lyver finished second in the Junior High Jump and third in both the 100m and 200m events. Bradyn Popow finished second in the Open 3000m walk while Benjamin Wall finished third in the Senior 1500m and 3000m races.

Mr Doyle continues to make a significant contribution to athletics in the school and we are fortunate to have his experience and expertise. I would like to thank him for his contribution in this regard.

The Senior A Badminton team enjoyed a successful 2018. The Super Eight tournament was hosted this year in Palmerston North, and the team played superbly throughout to win the Super Eight title for the third year in a row. At the NZSS championships the A team finished fifth while the Senior B team performed creditably in division two. Badminton numbers continue to grow in the school and with a number of younger players in the A team returning the immediate future looks bright. Thanks must go to Mr Ong, who continues to do a superb job for badminton in the school.

The school boxing championships are an annual feature at PNBHS and have been for a long time. This year the preliminaries were again in term four, with over one hundred young men competing in this year's championships, culminating in two competitive finals evenings. 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.

The number of basketball teams the school was able to field in local competitions remained high after the significant growth of the sport in recent years. Again more than 40 teams were in action during the year and it is encouraging to see so many of our young men involved. The Premier A team performed creditably during the season after losing the entire starting five from 2017. They made the final of the Manawatu Senior Men's competition and successfully defended the Super Eight title won last year. At the regional qualifying tournament the team endured a horrific run of injuries and finished third with just six fit players for the final game. This meant they qualified for the NZSS Championships where they finished seventh after being defeated in the quarter-finals by Rosmini College, the eventual champions.

The Premier B team won the Schick Tournament in Wanganui against Senior A teams from around the region, an excellent achievement, while the Junior A team finished third at the regional tournament. Jake McKinlay was selected for the NZ U17 team that finished third at the FIBA Asian Championships and at the World Junior Championships in Argentina. He was also selected for the NZSS Nationals tournament team.

Canoe Polo enjoyed another successful season, with the Junior A team winning the national junior title at the NZSS Championships in Feilding. The Senior A team, who have been in the national final for the previous five years, were unable to achieve a top-two position this year.

The Senior A Chess Team had a successful season and once again won the Manawatu Regional Competition. The team finished runners-up in the Super Eight tournament, continuing the excellent results in recent years in that competition. Sol Ross was awarded the gold medal for Best Secondary School Player at the regionals and he was also Central Districts Junior Champion.

The 1st XI Cricket team had another busy year, which included a tour to Australia and South Africa in September/October. In December of last year the 1st XI finished fifth at the NZSS finals and have again qualified for the Gillette Cup for 2018 after winning the Central Districts tournament. The NZCT Junior XI won through to the national tournament after defending 73 in a tight match against New Plymouth BHS. At the NZCT Cup finals held in Palmerston North the team played consistently well to win that competition and so be crowned NZ Junior Champions for 2018.

It was also encouraging to see the number of young men involved in Saturday morning and afternoon competitions, including the resurgent Cake League competition. Again my thanks go to the staff who are involved with cricket teams; the amount of time and commitment required is significant and much appreciated.

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.

Cycling at PNBHS continues to be strong, and a number of young men achieved outstanding results throughout 2018. For the third year in a row the team won the overall title at the NISS Road Cycling Championships. At the

NZSS Track Championships, Angus Claasen won the U20 title while School was second in the Junior Sprint, first in the Senior Sprint and third in the Senior Team Pursuit. At the NZSS Road Cycling Championships in Christchurch the Senior A team finished second in the Time Trial, while Madi Hartley-Brown finished second in both the U20 Road Race and Points Race. Dylan Simpson was third in the U20 Points Race and the team was runners-up in the overall NZSS placings, another excellent result.

Madi, Dylan and Angus were all selected for national honours during the year, Angus winning two national titles on the track. In Mountain Biking Adam Francis was National U16 Champion, while the U16 team won the national title. Max Taylor and Caleb Bottcher were selected for the NZ team that competed at the World Junior Championships in Switzerland, with Max subsequently being selected for the NZ team for the Youth Olympics in Buenos Aires, where he finished sixth in the Cross Country Eliminator.

With a number of last year's team returning, the 1st XI football team won the Horizons Senior Men's Premiership following an early season tour to Australia. The team achieved some good results in inter-school fixtures and played some fine football during the season. The 1st XI finished third at the Super Eight tournament but again had a disappointing campaign at the NZSS Championships after qualifying in convincing fashion. Losing captain Jaeden Shaw with a broken leg, along with a number of other injuries prior to the tournament certainly didn't help and the team finished 26th. The Junior A team enjoyed a successful season, winning the local U16A Division at a canter and showing encouraging signs for the future.

The Senior A Golf Team won the Manawatu/Wanganui Intercollegiate golf tournament but had a poor Super Eight tournament where they finished sixth. The team qualified for nationals where they finished 10th.

After losing a number of players from last season, the 1st XI hockey team had a mixed season. The struggled in the local Senior Men's competition, but they performed creditably at a very competitive Super Eight tournament team

where they finished third. At the NZSS Rankin Cup, they finished 12th. The 2nd XI was third at the Galletly Cup, a competition for 2nd XIs from throughout the country, while the U15 Colts successfully defended the Tanner Cup, a very competitive tournament comprised of teams from throughout NZ won for the first time in 2017. The Year 9 Specials team won the local MSS Division 3, playing 1st and 2nd XIs from local schools.

The Hockey Development tour to Singapore, the United Kingdom and Ireland was a success, the team playing a number of strong sides and building depth at the top level.

The 1st XV rugby team had an improved season after a difficult 2017. The Super Eight competition was very competitive throughout, where agonisingly close losses to Hastings and Hamilton were encouraging, especially after the scorelines in last year's fixtures against these two teams. The team finished fifth in the Super Eight. The 2nd XV finished fourth in their Super Eight competition while the 3rd XV won the Manawatu SS Premier Two competition. The U15 Colts, U14A team and the Junior Four team also won local competitions.

Stewart Cruden was selected for the NZSS Barbarians team while Ruben Love was selected for the NZ Maori U18 side. Of note, Stewart played his 50th match for the 1st XV during the season, a rare feat.

The Clay Target shooters did not reach the same heights as they have in recent seasons although there were a number of individual highlights. The team finished fifth at Super Eight. Max Edwards and Reagan Shaw were selected for the Wellington Regional representative team and Max was selected for the North Island DTL team while Henry Bennik finished second in the South Island Skeet Championships.

The Smallbore Shooting team performed well at regional and national level, with a third placing at the NZSS Championships in Rangiora. All three members of the team, Shaun Jeffrey, Lachie McNair and David Murphy, were

selected for the North Island representative team, with Shaun also being selected for the NZSS team for a postal shoot against a Great Britain team. Shaun also won the trophy for the Top Boy at the nationals. Lachie was National Junior Champion and also won the NZ Outdoor Smallbore competition. He was subsequently selected for the NZ Junior team and the NZ Slazenger Open Grade Team.

The number of young men involved in squash remains high, with a number of teams representing the school throughout the year. The Senior A team again performed creditably at the NZSS Championships, finishing third for the second year in a row. The Senior A team has consistently finished in the top five at nationals for a number of years now.

PNBHS swimmers had another busy year. Ryan Cutler was selected for a NZ Age Group squad and won the 200m backstroke title at the NISS Championships. He also finished second in the 50m and 100m backstroke. Kokoro Frost and Michan Hunter also achieved podium finishes at the same meet, with Kokoro being selected later in the year for the Samoa swimming team for the 2019 South Pacific Games.

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 winning Division Two at the NZSS Championships.

The Senior A Tennis team were third at the Super Eight tournament. The team qualified for the NZSS finals where they finished seventh.

The triathlon team performed well at the NZSS Championships. Adam Martin finished fourth in the U19 race, with Nelson Doolan finishing third in the U14 event. Adam and Luke Scott were both selected for the NZ Triathlon team that competed at the ITU World Junior Championships on the Gold Coast in Australia. Adam finished fourth in the 16-19 Sprint category with Luke finishing eighth.

The Senior A Volleyball Team again finished fifth at the Super Eight tournament and were 23rd at the NZSS Championships, which were again held in Palmerston North during Summer Tournament Week.

The Senior A Water polo team finished 15th at both the NISS and NZSS Championships. The numbers at the junior level are strong and continue to grow under Mr Ross. Cam Pomana was selected for the NZ Men's Youth team that competed at the World Youth Championships in Hungary.

28 young men from the school were selected for national representation in a wide variety of sporting codes in 2018. Alongside those mentioned earlier were the following:

Liam Bassick – NZ U19 Black Sox softball team; Matt Curtis – NZ U16 Inline Hockey team; Nick Evans – NZ Archery team; Tavita Henare-Schuster - NZ U17 Rugby League team; Carson Hepi – NZ U18 Touch team; Rhys Jillings – NZ U14 motocross team; Zac Jillings – NZ U17 motocross team; Cameron Kerr – NZ U18 AFL team; Kalis Mason – NZ U17 Rugby League team Ihaia Mulholland – NZ U13 softball team; Jacahn Roberts – NZ U15 softball team; Jackson Rooney – NZ Kartsport team; Jack Scrimshaw – NZSS Wrestling; Joseph Simpson-Smith – NZ Development softball team.

As in recent years, a number of groups travelled overseas on international tours. The opportunities for our young men in this regard are many and varied and are not limited to sports tours. The experiences on these tours will leave indelible memories, and will enable our young men to see and appreciate different cultures, countries and people. In today's world, where digital and online experiences seem more prevalent than ever, real travel, as Gustav Flaubert once said, "makes one modest. You see what a tiny place you occupy in the world".

Messrs Davidson, Blanks and Kensington led the Hockey Development Tour to Singapore, the United Kingdom and Ireland where they enjoyed some very competitive matches and some outstanding facilities. The tour proved most

beneficial in terms of developing depth in school hockey and those who experienced the trip will have come back better players, aware of the requirements at 1st XI level.

A Commerce group travelled to Australia in the Term III holidays and visited a number of high profile and influential companies, universities and sporting organisations. It was wonderful to see a number of Old Boys who hosted the group at various locations. Messrs Leighton, McFarlane and Braddock led the tour and did an excellent job.

Mr Dawson and Mr Liddicoat led the Football Development Tour to Australia, where they played five matches against schools from throughout Queensland. The team played well and a number of younger players used the tour to push their cases for selection in the 1st XI team for the domestic season.

Mr Gibbs is an experienced tour leader and organiser, and with him Mr Siebert and Mr Scott Davidson led the Cricket Development Tour to Australia and South Africa where, like the hockey tour earlier in the year, the team played some very strong local schools, some of which had wonderful facilities. The strong competition the cricketers faced on this tour, against the very best South African schools in particular, will stand them in good stead for the coming seasons. The team was even able to attend an All Blacks test match in Pretoria that was won in the last minutes by the visiting side: an unforgettable experience for our young men who responded by performing an impromptu school haka for the All Blacks.

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 those who have not been involved in the organisation of such tours there is a perception that for staff it is a holiday. I can assure you it is anything but – I note on a regular basis that travelling with a large group of teenage boys is unequivocally not a holiday, but the staff are committed to providing these experiences. It was again heartening to be contacted by

people from overseas who had met with our group and who wanted to pass on how impeccably presented and behaved they were.

Summary

2018 was a positive year for the school, although the Tomorrow's Schools review unveiled at the end of the year was enough to give one a serious case of the squitters. While containing some valid points, a number of the recommendations in that report would have an utterly divisive ruinous effect on many schools. Wanting to achieve equity is laudable, but pulling the good schools down to the level of those schools who are struggling is not the answer.

Palmerston North Boys' High School is fortunate to have an excellent staff. In particular, we have been in the fortunate position of being able to appoint a number of very promising young teachers in recent times. One can only hope that these young teachers do not become part of the nearly 40% of teachers who leave the profession within the first five years of their career. The reasons for this are various, but clearly the lack of respect for the profession as a whole is a major contributing factor. So often we read in the media about how hard teaching is and all the other negatives, and the sector then wonders why we are not getting top people attracted to the profession. Why would they want to when all they hear is moaning? It's not rocket science.

Speaking of staff, I would like to thank those staff who are leaving for the commitment and support they have given our school. In particular, I would like to make special mention of Dr O'Connor, who has been at PNBHS since 1984 and who has been an outstanding Head of English. His intellectual and passionate approach to the subject has been inspirational to many, the Rector included.

I would like also to make mention of Mr Tom Abbott, the school's property manager. He has led his team superbly, and it can be a frustrating job maintaining the facilities in a school of 1,800 teenage boys. Mr Abbott's patience, often tested, his wisdom and his undoubted commitment to the school and its young men will be missed.

The Senior Management Team is a constant source of support and I would like to thank each of them for their work this year. Mr Atkin, who often provides the voice of reason in management meetings, continues to do an outstanding job. He particularly enjoys attending meetings in the Rector's stead in times of unavailability.

Mr Davidson continues to do a fine job at College House and it has been encouraging to see the development of the facilities and dorms in recent years. 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.

The school is in the enviable position of having a superb Board of Trustees. All members of the Board contribute to the effective governance of the school. I appreciate the time they give to the school and their commitment. Michael Lawrence, as Board Chair, does an outstanding job and we are fortunate to have such a wise and dedicated Chairman.

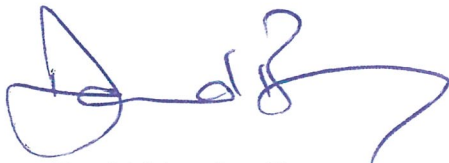
I would like to again thank the PTA, chaired by Alison Kinghorn, who continue to support the school, its staff and students. The committee are enthusiastic about contributing to both class and co-curricular activities and their assistance is very much appreciated.

The Old Boys Association is also an enthusiastic supporter of the school, and it has been encouraging to see the increased activity in this regard in recent times. Old Boys functions have been held in a number of towns and cities, both in New Zealand and overseas, and it is always good catching up with our former pupils. The support the school receives from our Old Boy community is much appreciated. President Mr Simon O'Connor continues to lead the OBA in an energetic manner.

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, Digby Werthmuller, on an outstanding year. Digby had an extremely busy first term given his role in the school production, and as Head Prefect of College House as well, but through excellent organisation he was able to perform his duties throughout the year admirably. He and Flynn Yates, his Deputy Head Prefect, made an effective pair of leaders for the 2018 prefect body who were a fine group of young men. 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.

Palmerston North Boys' High School is a fantastic school, I believe. This report reflects on another year at this traditional, and proud, boys' school. Guided by our traditions and history, but always looking to the future, we continue to develop and provide so many opportunities for our young men.



David Maurice Bovey
RECTOR

PALMERSTON NORTH BOYS' HIGH SCHOOL

Analysis of Variance

For the year ended 31 December 2018

Student Achievement – Annual Targets

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 2017 and 2018 is as follows:

NCEA	LEVEL	2017	2017	RESULT
Year 11	1	74.6%	72.3%	2.3% decrease
Year 11	2	10.0%	10.9%	0.9% increase
Year 12	2	80.2%	77.3%	2.9% decrease
Year 12	3	14.7%	12.6%	2.1% decrease
Year 13	3	65.8%	63.2%	2.6% decrease
Scholarship		27	20	7 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 when the results of the multi-level pupils are taken into account as discussed earlier in this report. The Level 1 cohort last year was particularly weak and

despite the results representing a decrease from the previous year we were pleasantly surprised that they were not any worse.

- 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 down 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 an even greater focus for 2019 after the disappointing results last year.

Literacy 2019

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 2,000, 3,000, 5,000 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.

In 2019 we are trialling the Year 12 and 13 students doing the test online. Education Perfect has helped to transfer the testing material and set up the test parameters.

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 also met this target this target but for 10,000 words it was only by 6.2% which was markedly lower than any of the other tests even though it met the 5% target. In 2018 the biggest improvement for Year 9 was, as in 2017, in the 5,000 word test. The passing percentage for this test was improved by 20.4% for Year 9 whereas it was only 8.3 % for Year 10. The total students passing the 10,000 word tests was pleasing as both Year 9 and 10 students that passed this test have the vocabulary necessary to succeed at Level 1 NCEA. The passing percentage by ethnicity also showed a greater than 5% improvement.

The Maori, Pasifika and Asian 10,000 word test results were especially pleasing. Maori had a 13.6% improvement, Pasifika a 14.3% and Asian 5.2%. At the 10000 level Pacific Island 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 below.

Key Result Area	Objective	Strategies	Measure	Outcome	Led By
LITERACY	To improve student <ul style="list-style-type: none"> - writing - vocabulary - reading 	<ul style="list-style-type: none"> • Spelling/referencing/ marking school wide approach • Academic word lists/ tests • SSR/book reviews/ Year 9 Library visits/ bookmarks/ peer mentors 	<ul style="list-style-type: none"> • Students using school systems • Test results Paul Nation Vocabulary test twice yearly • SSR audits undertaken 	<ul style="list-style-type: none"> • Improved test results: <ul style="list-style-type: none"> - 5% improvement for Year 9 and 10 from test 1 to test 2 - 2% improvement for Years 11 to 13 • Reduced number of students without an SSR book 	Kathryn Rankin

Key Result Area	Objective	Strategies	Measure	Outcome	Led By
ACADEMIA	<ul style="list-style-type: none"> To monitor junior student performance To reduce pastoral distractions that negatively impact on learning To establish good learning habits through holding students accountable. 	<ul style="list-style-type: none"> Junior school regular electronic report to parents To alter the learning structure to monitor student performance To use data generated to discuss student progress with parents and young men. 	<ul style="list-style-type: none"> To record the number of students receiving three or more 4/5 grades fortnightly To record the number of students receiving three or more 1/2 grades fortnightly 	<ul style="list-style-type: none"> To see a reduction in poor performance and attitude To see an increase in good performance and attitude To see an improvement in final end of year report attitude grades 	Junior Deans and Grant Sinclair
LITERACY <ul style="list-style-type: none"> Raising Academic Achievement 	<ul style="list-style-type: none"> To increase teachers' knowledge of subject specific literacy To understand the subject specific literacy demands of their subject To have teachers actively teaching subject specific literacy To have teachers using literacy data to inform teaching To have teachers identifying the literacy learning needs of individuals and group To improve writing speed of students 	<ul style="list-style-type: none"> Departmental analysis of literacy needs of their subject Science: Seniors: Writing-moving students a level with written responses to questions. Juniors: Improving reading comprehension Mathematics: Seniors: Improving report writing Juniors: Listening/following instructions. English: Strategies to improve reading comprehension. Social Studies: Improving extended essay writing. Modelling of literacy strategies Accessing, analysing and using literacy / numeracy data alongside subject data 	<ul style="list-style-type: none"> Literacy requirements of all subjects identified and planned for in units of work Literacy strategies implemented and deliberate instructional decisions made Students improve the number of words written/minute 	<ul style="list-style-type: none"> Improved awareness of the importance of literacy strategies Students can write more in examinations 	Kathryn Rankin

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% (Year 11 20.7% and Year 12 43.1 %). However, Year 13 students obtained the highest percentage pass rate for the 10000 words that the school has achieved since testing commenced (60.4%).

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.

Pasifika were the ethnic group who showed the largest percentage improvement for the academic vocabulary (18.9%) in the senior school. All groups exceeded the target percentage increase for academic vocabulary, which is taught in all subject areas. Asian and Maori exceeded the target for 10000 words and the only group that did not exceed 5% for university vocabulary was Pasifika.

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 2019. COL groups will also be looking at aspects of literacy learning. 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 report writing.

2018 Vocab Test - Overall Summary Seniors

Passing Percentage				
Vocab Level	Previous Test	Score	Total	Percent
Academic	51.3%	26.6%	7.8%	85.6%
Intermediate	26.6%	11.3%	2.1%	40.0%
University	31.4%	9.7%	9.1%	50.2%

Improvement			
Vocab Level	Students	Improvement	Score
Academic	134	2.14	7.1%
Intermediate	163	0.97	3.2%
University	331	2.46	13.7%

Passing Percentage - by Ethnicity												
Academic Vocab				10000 Words				University				
Ethnicity	Previous Test	Score	Total	Previous Test	Score	Total	Score	Previous Test	Score	Total	Score	Total
Academic/Intermediate	56.3%	26.5%	7.9%	90.8%	31.5%	12.0%	2.0%	45.5%	36.6%	11.2%	10.7%	58.5%
White	42.2%	24.9%	9.7%	76.8%	17.3%	5.9%	3.2%	26.5%	20.5%	8.1%	4.9%	33.5%
Black/Hispanic	48.6%	16.2%	10.8%	75.7%	5.4%	5.4%	16.2%	16.2%	8.1%	2.7%	27.0%	
Asian	43.3%	31.1%	4.3%	78.7%	23.8%	15.9%	0.6%	40.2%	28.0%	6.1%	9.1%	43.3%

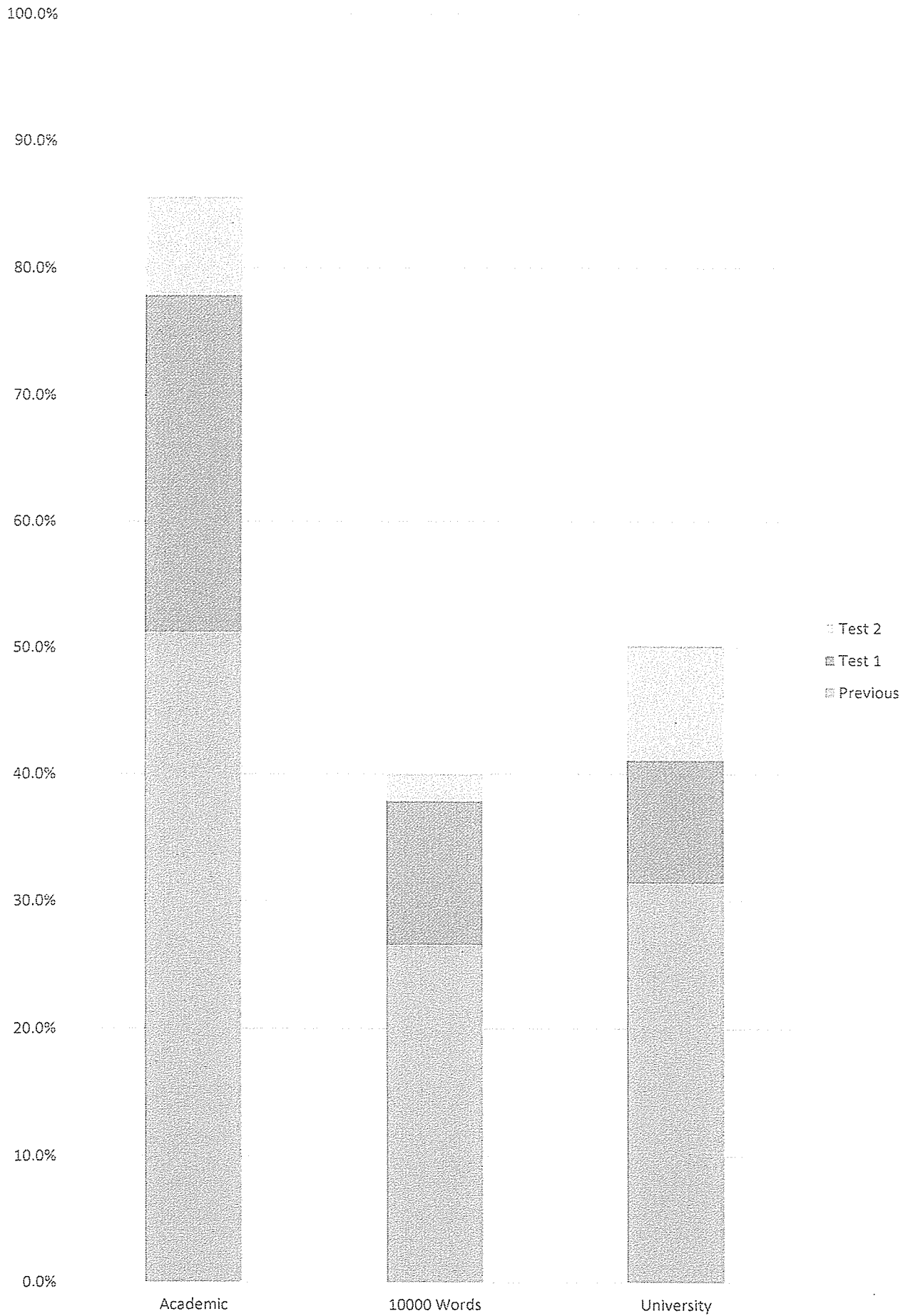
Improvement for Those Who Sat the test twice - by Ethnicity						
Ethnicity	Academic	10000 Words	University	Score	Improvement	Score
Academic/Intermediate	1.7	5.6%	0.5	1.5%	2.4	13.6%
White	2.3	7.6%	1.8	5.9%	2.4	13.3%
Black/Hispanic	5.7	18.9%	0.3	0.9%	0.5	2.6%
Asian	1.9	6.4%	1.8	5.9%	3.1	17.5%

2018 Vocab Test - Overall Summary Seniors

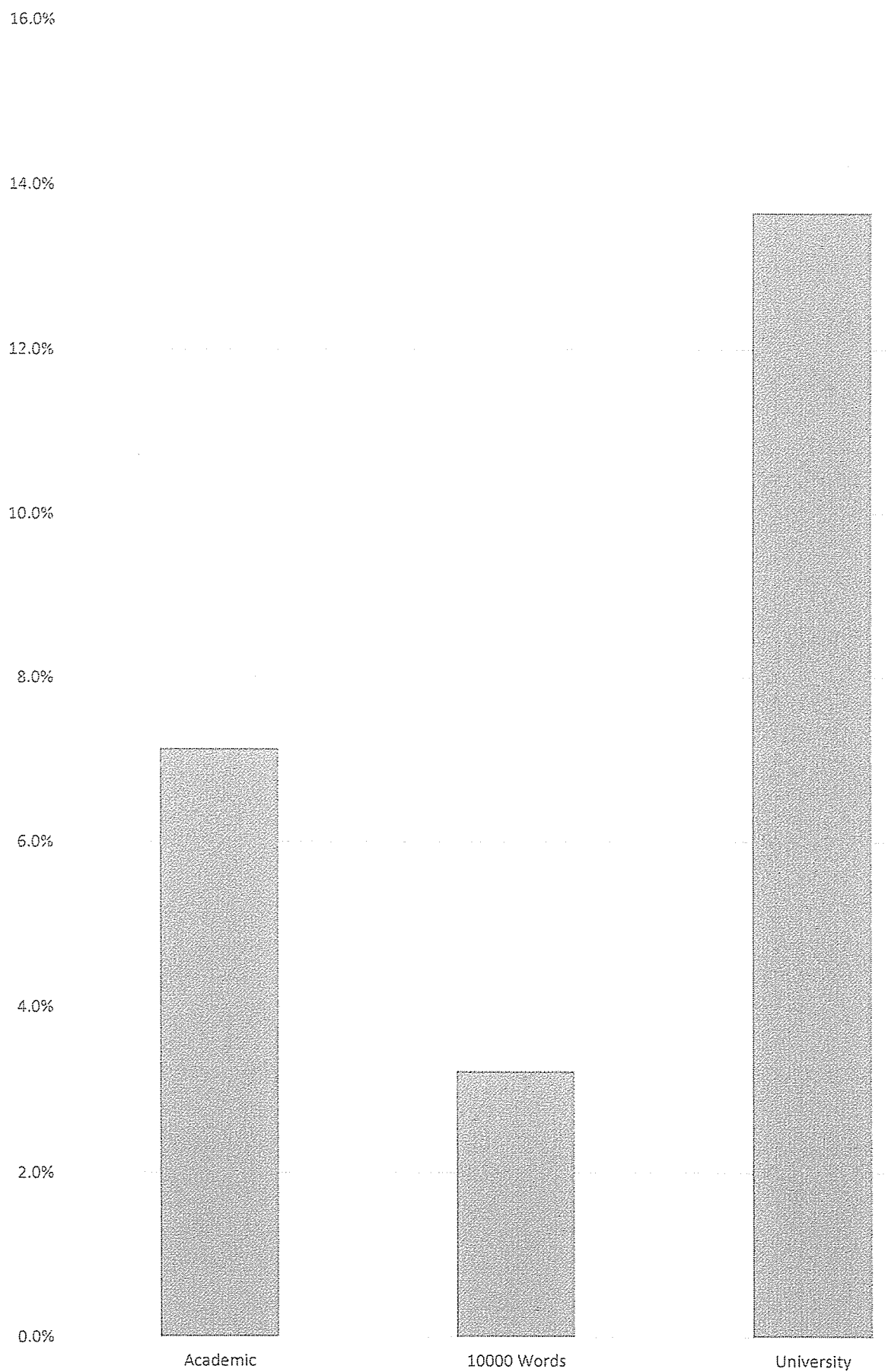
Passing Percentage - By Year Level														
Academic Vocab						10000 Words						University		
Year Level	Previous Test	Score	Total	Previous Test	Score	Total	Year Level	Previous Test	Score	Total	Year Level	Previous Test	Score	Total
Academic	-	59.8%	16.5%	76.3%	-	16.8%	3.9%	20.7%	-	7.4%	10.2%	17.6%		
Intermediate	77.3%	7.3%	87.7%	35.9%	5.9%	43.1%	41.2%	10.6%	8.1%	59.9%				
University	85.3%	7.7%	95.2%	49.8%	11.0%	61.5%	60.4%	11.4%	8.8%	80.6%				

Improvement for Those Who Sat the test twice - by Year Level						
Year Level	Academic	10000 Words	University	Score	Improvement	Score
Academic	1.8	6.0%	1.3	4.5%	2.6	14.3%
Intermediate	2.2	7.2%	-0.4	-1.5%	2.5	14.1%
University	5.8	19.3%	3.0	10.0%	1.3	7.1%

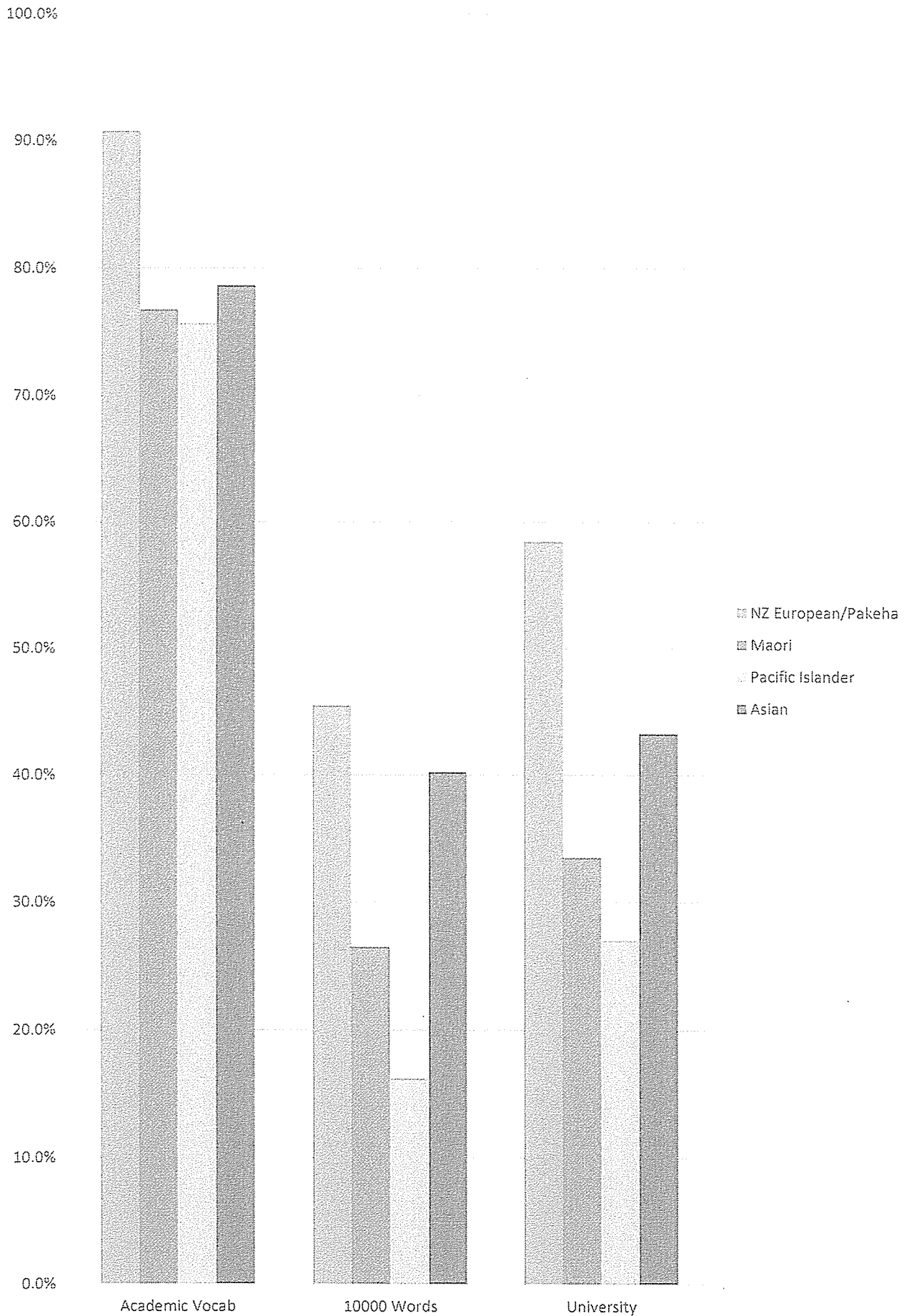
Percentage of Senior Students Passing



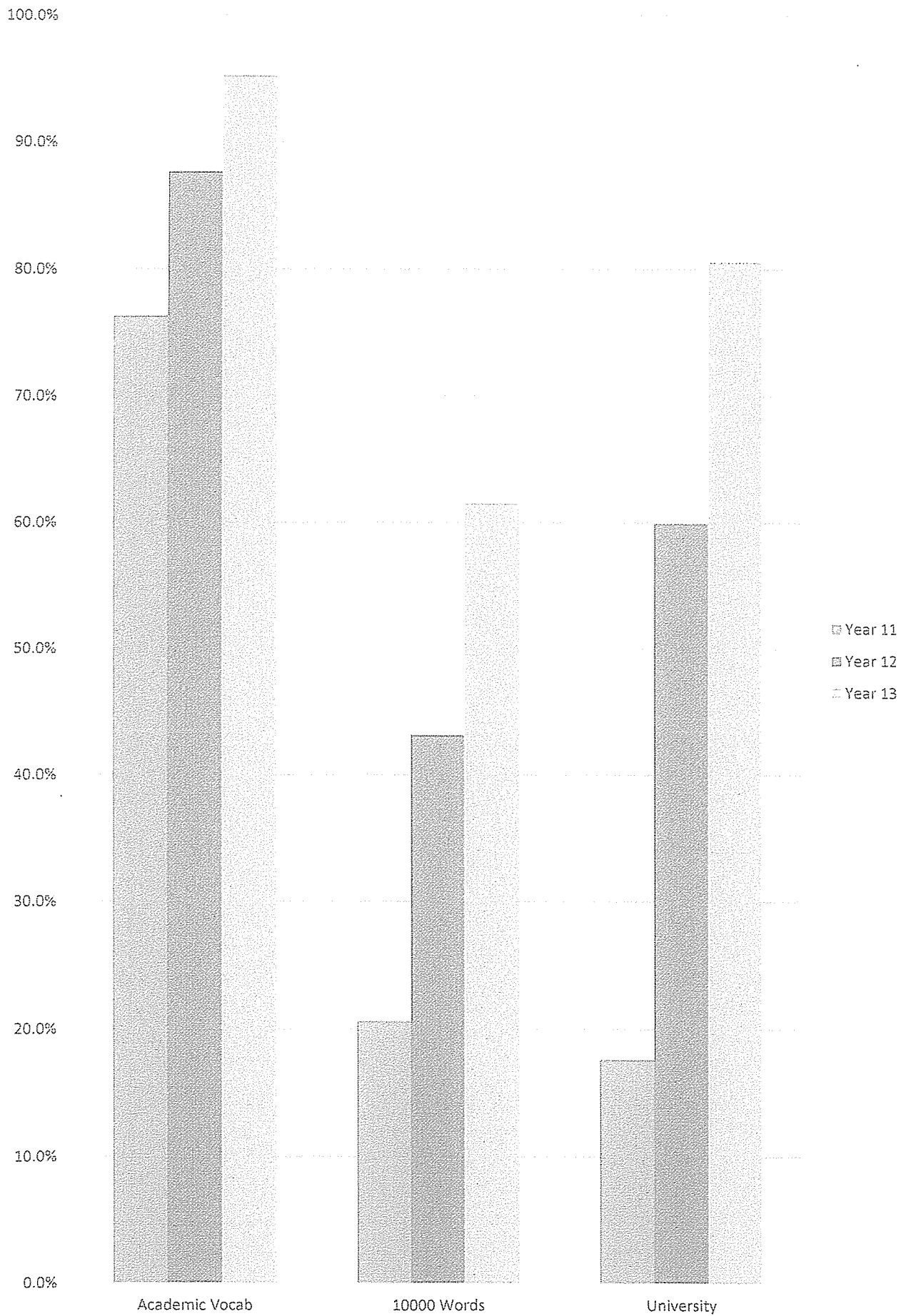
Percentage improvement on words known for students sitting the test twice



Passing Percentage by Ethnicity - Seniors



Passing Percentage by Year Level - Seniors



2018 Vocab Test - Overall Summary Juniors

Passing Percentage				
Year/Level	Previous	This Yr.	Target	Total
2000/Grade 5	42.5%	42.2%	8.1%	92.7%
2000/Grade 6	38.5%	38.6%	9.9%	87.0%
2000/Grade 7	4.8%	26.9%	14.7%	46.3%
2000/Grade 8	30.4%	26.9%	14.7%	72.0%

Improvement			
Academic Level	Students	Improvement	Percentage
2000-2001 Grade 5	61	4.72	15.7%
2000-2001 Grade 6	107	4.36	14.5%
2000-2001 Grade 7	176	5.17	17.2%
2000-2001 Grade 8	389	3.22	10.7%

Passing Percentage - By Ethnicity															
Ethnicity	2000 Words			3000 Words			5000 Words			10000 Words					
	Pass	Fail	Total	Pass	Fail	Total	Pass	Fail	Total	Pass	Fail	Total			
Asian/Asian/Pakistani	40.8%	38.8%	6.4%	86.0%	37.8%	35.3%	10.1%	83.3%	30.0%	24.5%	14.9%	69.5%	5.0%	4.4%	7.6%
Black	33.5%	44.5%	11.0%	89.0%	29.0%	39.4%	11.0%	79.4%	20.0%	31.0%	11.6%	62.6%	1.3%	5.2%	9.7%
British/White	50.0%	30.6%	13.9%	94.4%	36.1%	30.6%	13.9%	80.6%	25.0%	22.2%	11.1%	58.3%	2.8%	2.8%	5.6%
Other	28.0%	32.2%	5.9%	66.1%	25.4%	29.7%	3.4%	58.5%	22.0%	16.9%	10.2%	49.2%	2.5%	5.1%	9.3%

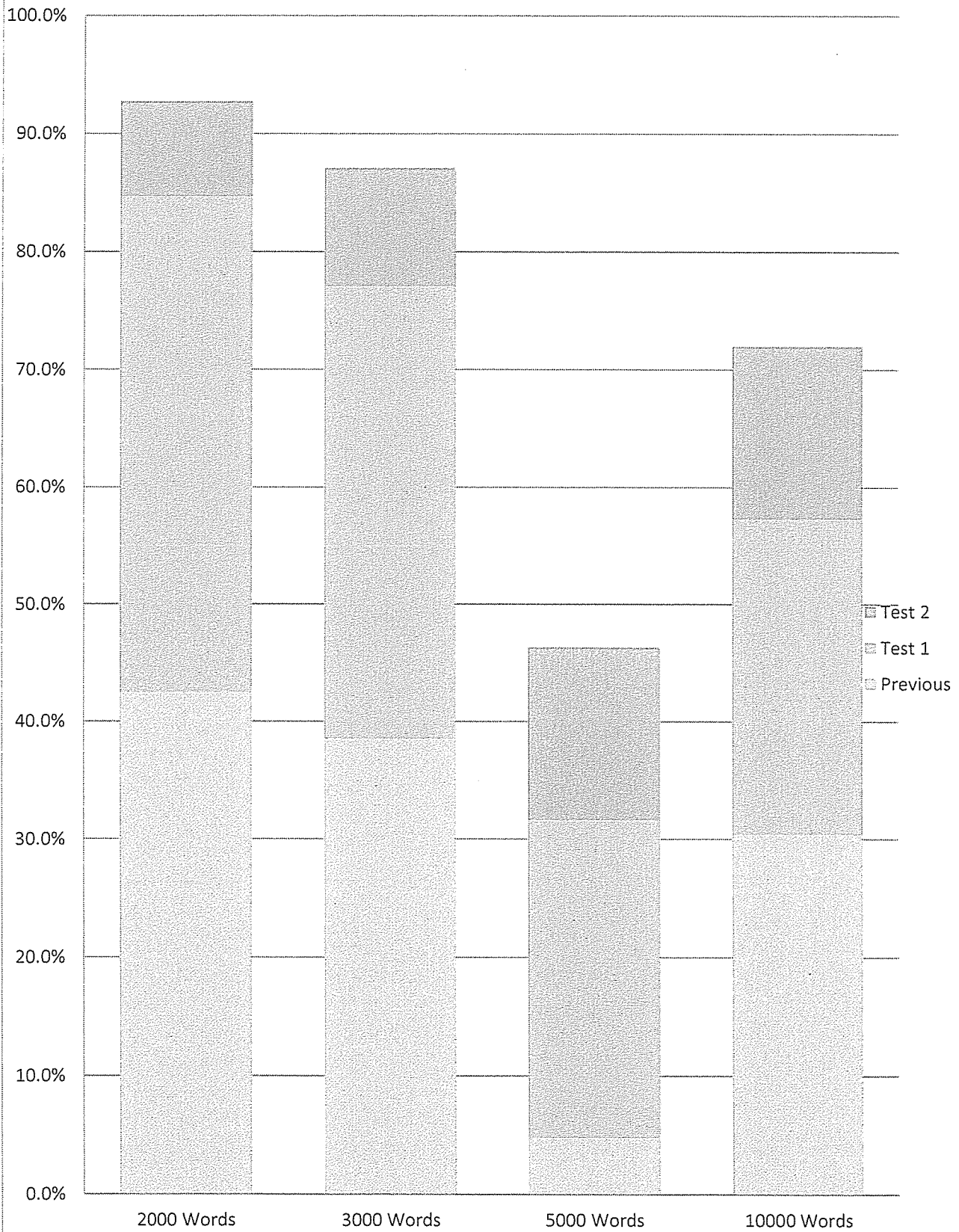
	2000 Words		3000 Words		5000 Words		10000 Words	
Ethnicity	Increase	%	Increase	%	Increase	%	Increase	%
Black/Caribbean	6.0	19.9%	4.4	14.8%	5.7	19.1%	3.2	10.6%
White	4.8	15.9%	4.3	14.4%	3.2	10.6%	4.1	13.6%
Asian/Indian	6.0	20.0%	6.3	21.1%	4.0	13.3%	4.3	14.3%
Other	1.3	4.4%	1.9	6.5%	4.6	15.5%	1.6	5.2%

Passing Percentage - By Year Level												
2000 Words				3000 Words				5000 Words				10000 Words
YearLevel	Test1	Test2	Total	Test1	Test2	Total	Test1	Test2	Total	Test1	Test2	Total
Year9	79.5%	13.6%	93.1%	69.4%	17.3%	86.7%	41.1%	22.9%	67.0%	6.1%	6.1%	12.2%
Year10	89.7%	2.6%	84.7%	84.7%	2.6%	87.4%	70.3%	6.6%	76.8%	13.7%	6.3%	20.0%

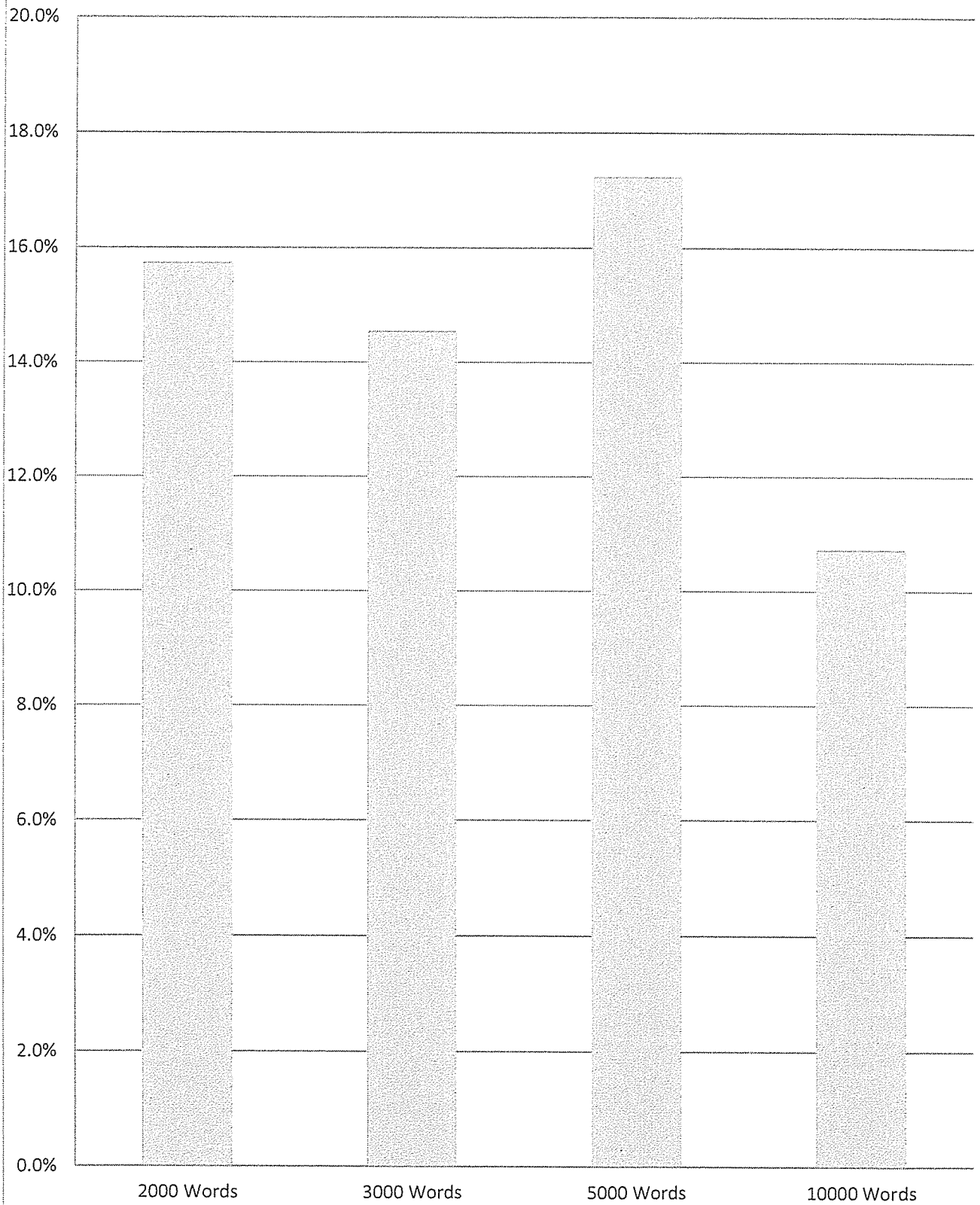
Improvement for Those who Sat the test twice - by Year Level									
	2000 Words		3000 Words		5000 Words		10000 Words		
	Increase	%	Increase	%	Increase	%	Increase	%	
1st Year Level	4.8	15.9%	4.3	14.3%	6.1	20.4%	4.8	16.1%	
2nd Year Level	4.5	14.8%	4.7	15.6%	2.5	8.3%	1.9	6.5%	

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

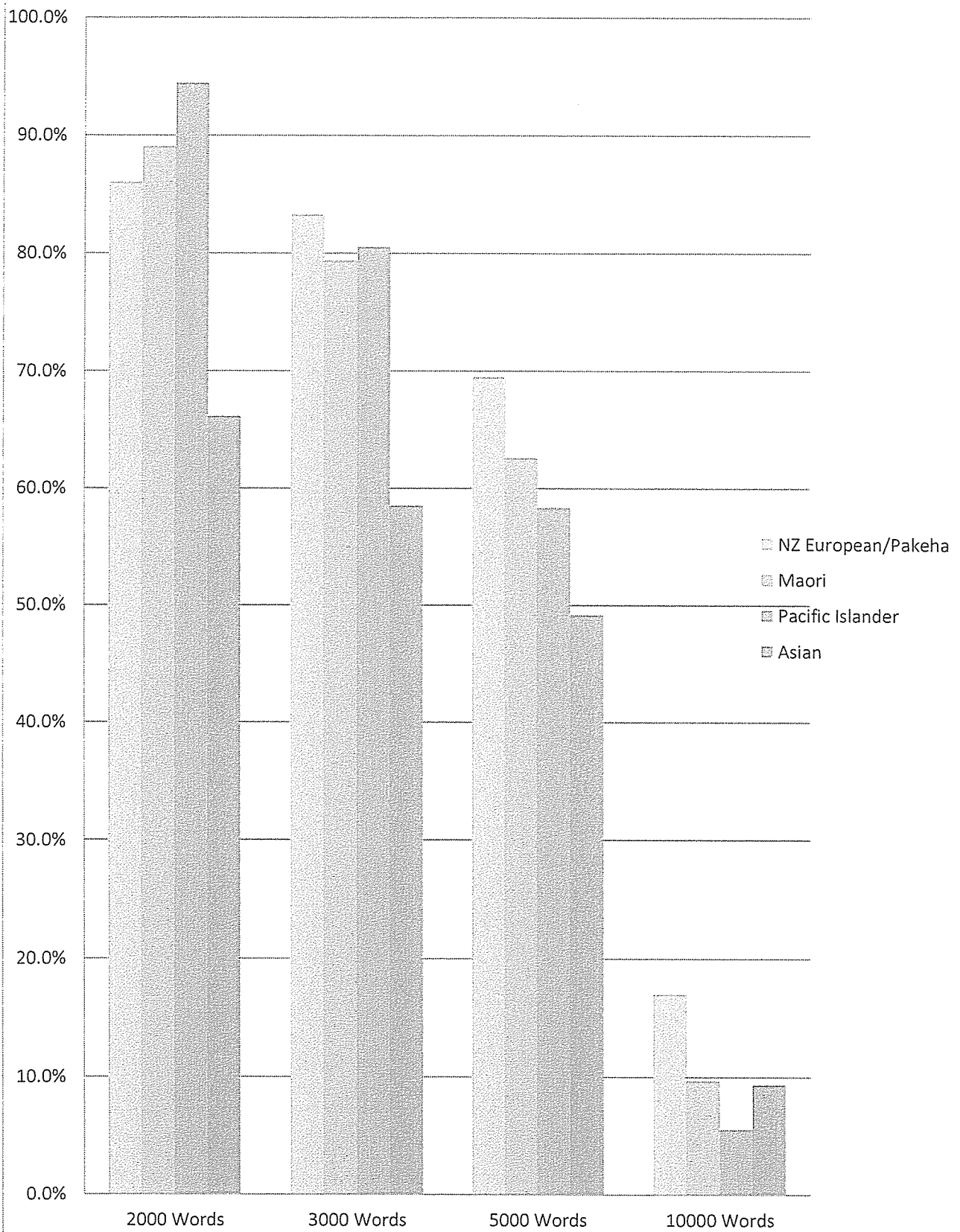
Percentage of Junior Students passing



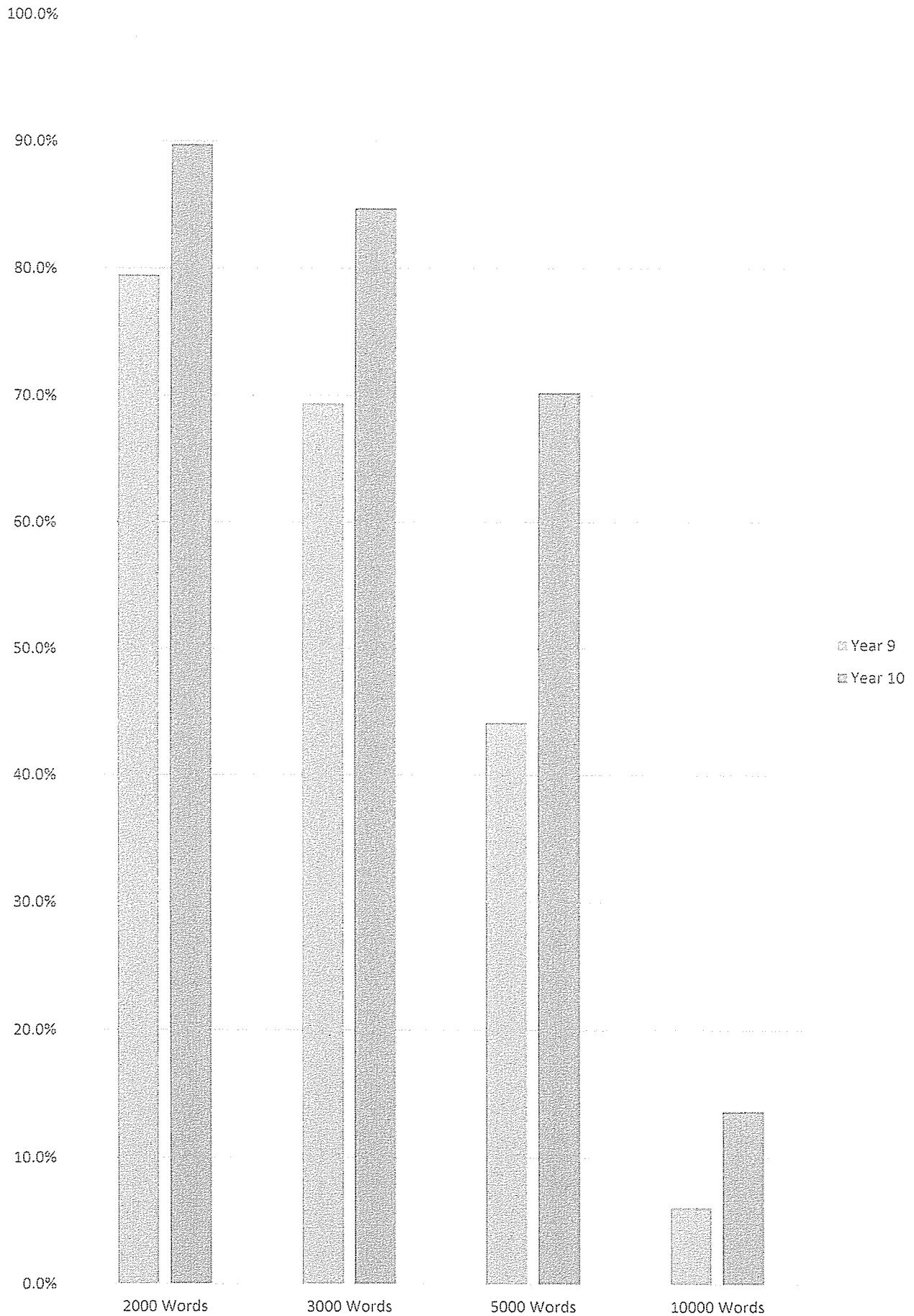
Percentage improvement on words known for students sitting the test twice - Juniors



Passing Percentage by Ethnicity - Juniors



Passing Percentage by Year Level - Juniors



PALMERSTON NORTH BOYS' HIGH SCHOOL

Kiwisport Funding Statement

For the year ended 31 December 2018

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 30 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 73% 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 Human Resources

As at 31 December 2018

STAFF	2018	2017
Teaching	135	133
Administration and Support	44	43
Hostel	17	18
	<hr/>	<hr/>
	196	194
	<hr/>	<hr/>

(Includes full and part-time staff)

STUDENTS

Roll number at 1 March

Year 9	345	372
Year 10	360	372
Year 11	366	357
Year 12	330	348
Year 13	289	295
	<hr/>	<hr/>
	1,690	1,744

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 2018

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 Waihikoia park. The school leases the Queen Elizabeth College fields during the winter sports season.



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INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF PALMERSTON NORTH BOYS HIGH SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

The Auditor-General is the auditor of Palmerston North Boys' High School (the School). The Auditor-General has appointed me, Glenn Fan-Robertson, 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 2 to 29, that comprise the statement of financial position as at 31 December 2018, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2018; 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 as applicable to entities that qualify as tier 2.

Our audit was completed on 31 May 2019. 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 Billie Stanley

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 Analysis of Variance, Board of Trustees Listing and Kiwisport Report, but does not include the financial statements, and our auditor's report thereon.

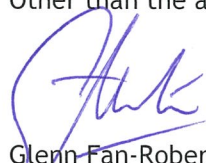
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (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.



Glenn Fan-Robertson
BDO Central (NI)
On behalf of the Auditor-General
Palmerston North, New Zealand