

PALMERSTON NORTH BOYS' HIGH SCHOOL

ANNUAL REPORT FOR THE YEAR ENDED 31 December 2019

School Directory

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Members of the Board of Trustees

<u>Name</u>	<u>Position Held</u>	<u>How Position Gained</u>	<u>Occupation</u>	<u>Term Expired/Expires</u>
Michael Lawrence	Chairman	Re-elected May 2019	Accountant	May 2022
David Bovey	Rector	Appointed October 2012	Rector	
Grant Watts	Parent Rep	Re-elected May 2019	Police Officer	May 2022
Simon O'Connor	Parent Rep	Re-elected May 2019	Director	May 2022
Craig Purdy	Parent Rep	Elected May 2019	Accountant	May 2022
Brendon Ross	Parent Rep	Elected May 2019	Police Officer	May 2022
Jodi Jamieson	Parent Rep	Co-opted August 2020	Manager	May 2022
Jack Siebert	Staff Rep	Re-elected May 2019	Teacher	May 2022
Tania Harris	Parent Rep	Re-elected May 2016	Manager	Resigned May 2019
John Stewart	Parent Rep	Re-elected May 2016	Manager	Resigned May 2019
David Kakrada	Student Rep	Elected November 2018	Student	Resigned December 2019
Ollie Gillespie	Student Rep	Elected November 2019	Student	November 2020
Auditor	BDO Central (NI)			

PALMERSTON NORTH BOYS' HIGH SCHOOL

Annual Report - For the year ended 31 December 2019

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PALMERSTON NORTH BOYS' HIGH SCHOOL

Statement of Responsibility

For the year ended 31 December 2019

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

The management (including the 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 2019 fairly reflects the financial position and operations of the school.

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

Michael Gordon Lawrence
Full Name of Board Chairperson


Signature of Board Chairperson

20/7/2020
Date:

David Maurice Baven
Full Name of Rector


Signature of Rector

20/7/2020
Date:

PALMERSTON NORTH BOYS' HIGH SCHOOL

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

		2019 Actual	2019 Budget (Unaudited)	2018 Actual
	Notes	\$	\$	\$
Revenue				
Government Grants	2	14,678,964	14,312,902	14,630,518
Locally Raised Funds	3	2,825,364	3,119,945	2,998,314
Interest Income		141,801	76,500	137,459
Gain on Sale of Property, Plant and Equipment		200	-	11,091
Hostel	4	2,298,622	2,279,081	2,239,075
International Students	5	941,790	965,100	844,115
		<u>20,886,741</u>	<u>20,753,528</u>	<u>20,860,571</u>
Expenses				
Locally Raised Funds	3	1,413,733	1,718,570	1,594,784
Hostel	4	1,832,307	1,716,092	1,753,319
International Students	5	569,836	618,000	511,765
Learning Resources	6	11,811,686	11,584,381	11,490,612
Administration	7	1,893,251	1,768,590	1,715,826
Finance Costs	8	30,000	30,000	30,000
Property	9	3,002,937	2,652,222	2,798,949
Depreciation	10	531,222	519,258	508,385
Loss on Disposal of Assets		-	-	1,844
Loss on Uncollectable Accounts Receivable		120	30,000	65,370
		<u>21,085,091</u>	<u>20,637,113</u>	<u>20,470,853</u>
Net Surplus / (Deficit)		(198,350)	116,415	389,717
Increase in Asset Revaluation Reserve		-	-	159,250
Total Comprehensive Revenue and Expense for the Year		<u>\$ (198,350)</u>	<u>\$ 116,415</u>	<u>\$ 548,968</u>

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



PALMERSTON NORTH BOYS' HIGH SCHOOL

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
	\$	\$	\$
Balance at 1 January	12,806,785	12,700,000	12,257,816
Total comprehensive revenue and expenses for the year	(198,350)	116,415	548,968
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	865	-	-
Equity at 31 December	\$ 12,609,301	\$ 12,816,415	\$ 12,806,785
Retained Earnings	11,079,963	12,816,415	11,265,850
Reserves	1,529,338	-	1,540,935
Equity at 31 December 2019	\$ 12,609,301	\$ 12,816,415	\$ 12,806,785
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	295,648	-	281,830
Extra-Curricular Activities	(11,597)	-	65,615
Gymnasium Upgrade	-	-	(51,797)
Closing Balance	\$ 284,051	\$ -	\$ 295,648
Net Movement in Reserved Funds	(11,597)	-	13,818
Asset Revaluation Reserve within Equity			
Balance at 1 January	1,245,287	-	1,086,037
Artwork Revaluation	-	-	159,250
Closing Balance	\$ 1,245,287	\$ -	\$ 1,245,287
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 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
CURRENT ASSETS				
Cash and Cash Equivalents	11	300,087	140,490	325,295
Accounts Receivable	12	1,191,040	958,000	909,438
GST Receivable		81,264	225,000	130,593
Funds owed for Capital Works Projects	21	-	-	45,424
Prepayments		404,370	225,000	322,266
Inventories	13	415,894	429,500	448,656
Investments	14	4,500,000	3,600,000	4,250,000
Assets Held for Sale	30	243,435	-	243,435
		<u>7,136,090</u>	<u>5,577,990</u>	<u>6,675,107</u>
CURRENT LIABILITIES				
Accounts Payable	16	1,171,955	2,330,229	1,438,002
Borrowings - Due in one year	17	-	-	400,000
Revenue Received in Advance	18	1,238,680	300,000	1,172,389
Provision for Cyclical Maintenance	19	577,003	400,000	192,069
Funds held in Trust	20	1,217,516	700,000	782,194
Funds held for Capital Works Projects	21	393,880	-	-
Boarding Bonds		500	18,000	-
		<u>4,599,534</u>	<u>3,748,229</u>	<u>3,984,654</u>
WORKING CAPITAL SURPLUS / DEFICIT		2,536,556	1,829,761	2,690,452
NON-CURRENT ASSETS				
Property, Plant and Equipment	15	10,826,777	11,891,654	10,835,861
		<u>10,826,777</u>	<u>11,891,654</u>	<u>10,835,861</u>
NON-CURRENT LIABILITIES				
Borrowings - Due beyond one year	17	400,000	400,000	-
Provision for Cyclical Maintenance	19	218,906	350,000	551,890
Provision for Long Service & Retirement				
Leave		51,633	90,000	90,133
Boarding Bonds		83,493	65,000	77,503
		<u>754,032</u>	<u>905,000</u>	<u>719,526</u>
NET ASSETS		\$ 12,609,301	\$ 12,816,415	\$ 12,806,785
EQUITY		\$ 12,609,301	\$ 12,816,415	\$ 12,806,785

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



PALMERSTON NORTH BOYS' HIGH SCHOOL

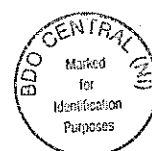
Cash Flow Statement

As at 31 December 2019

	Note	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Government Grants		3,861,031	3,835,660	3,873,842
Locally Raised Funds		3,292,268	3,069,957	3,277,072
Hostel		2,288,770	2,318,896	2,134,220
International Students		1,400,721	1,125,549	1,295,682
Goods and Services Tax (net)		49,329	94,407	(39,897)
Payments to Employees		(4,296,652)	(3,903,996)	(3,580,851)
Cyclical Maintenance Payments in the year		(40,520)	-	-
Payments to Suppliers		(6,797,240)	(5,221,344)	(5,820,307)
Interest Paid		(30,000)	(60,000)	(60,000)
Interest Received		126,340	76,500	224,947
Net cash from/(to) the Operating Activities		(145,953)	1,335,629	1,304,708
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from Sale of PPE (and Intangibles)		200	280,000	12,935
Purchase of PPE (and Intangibles)		(466,346)	(846,000)	(469,613)
Purchase of Investments		(250,000)	(650,000)	(700,000)
Net cash to the Investing Activities		(716,146)	(1,496,000)	(1,156,678)
CASH FLOWS FROM FINANCING ACTIVITIES				
Furniture and Equipment Grant		865	-	-
Funds administered on Behalf of Third Parties		73,462	(69,858)	66,539
Funds Held for Capital Works Projects		762,564	45,424	(115,295)
Net Cash from/(to) Financing Activities		836,891	(24,434)	(48,756)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(25,208)	(184,805)	99,274
Cash and cash equivalents at the beginning of the year		325,295	325,295	226,021
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	11	\$ 300,087	\$ 140,490	\$ 325,295

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 which form part of these financial statements.



PALMERSTON NORTH BOYS' HIGH SCHOOL

Notes to the Financial Statements

As at 31 December 2019

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 2019 to 31 December 2019 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial reporting standards applied

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

Standard early adoption

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 32.

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

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classifications as a finance lease means the asset is recognised in the statement of financial position as property, plant and equipment, whereas for an operating lease no such asset is recognised.

Recognition of grants

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

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

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

Prior Year Policy

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

Prior Year Policy

Bank term deposits for periods exceeding 90 days are classified as investments and are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. After initial recognition bank term deposits are measured at amortised cost using the effective interest method less Impairment.

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.

Finance Leases

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

Depreciation

Property, plant and equipment except for 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. Its fair value can be assessed at time of acquisition if no other methods lead to a fair value determination. Computer software purchased directly from suppliers at market rates are considered exchange transactions and the fair value is the amount paid for the software.

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

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

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

Non cash generating assets

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

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

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

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

n) Accounts Payable

Accounts Payable represent liabilities for goods and services provided to the School prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

o) Employee Entitlements

Employee Entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

Long-term employee entitlements

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

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

p) Revenue Received in Advance

Revenue received in advance relates to fees received from international, hostel students, and grants received where there are unfulfilled obligations for the School to provide services in the future. 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 and these transactions are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

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, 50% of 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 on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. 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 balance date.

Grants determined by the Ministry of Education for operational activities includes all items (core components) included in the Operational Funding notice.

Borrowings include but not limited to bank overdrafts, operating leases, finance leases, painting contracts and term loans.

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 2019

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
2 Government Grants			
Teachers' Salaries Grants	8,943,137	8,850,000	8,893,201
Operational Grants	3,177,623	3,172,200	3,170,592
Other MoE Grants	24,761	-	58,953
Alternative Education Grant	409,966	396,728	416,561
Use of Land and Buildings Grants	1,874,658	1,650,000	1,840,772
Manawatu Community High School Grant	151,969	151,322	157,788
Truancy Service Grant	96,851	92,652	92,651
	<u>\$ 14,678,964</u>	<u>\$ 14,312,902</u>	<u>\$ 14,630,518</u>
3 Locally Raised Funds			
Local funds raised within the School's community are made up of:			
Revenue			
Donations	803,655	747,000	741,622
Activities	1,241,693	1,304,925	1,404,256
Overseas Travel	263,839	506,200	335,286
Canteen	17,040	17,040	17,040
Trading	373,758	400,000	365,968
House rentals	29,561	29,880	29,600
Community Pool and Gym	78,368	64,900	72,702
McCarthy Trust	10,900	-	10,900
Bequests & Grants	6,551	50,000	20,940
	<u>\$ 2,825,364</u>	<u>\$ 3,119,945</u>	<u>\$ 2,998,314</u>
Expenses			
Activities	766,769	819,250	895,080
Overseas Travel	263,838	506,200	335,286
Trading	334,653	349,020	322,571
House rentals	48,471	44,100	41,846
	<u>\$ 1,413,733</u>	<u>\$ 1,718,570</u>	<u>\$ 1,594,784</u>
Surplus for the Year Locally Raised Funds	<u>\$ 1,411,632</u>	<u>\$ 1,401,375</u>	<u>1,403,530</u>



PALMERSTON NORTH BOYS' HIGH SCHOOL

Notes to the Financial Statements

As at 31 December 2019

3 Locally Raised Funds (continued)

The following Overseas Travel occurred in the 2019 year.

A group of 20 students and 3 staff (being Mrs A Dickinson, Mrs C Belton and Mr C Malicki) travelled to Germany on a language and cultural tour. They visited sites of historic significance and schools. They also experienced the German culture and language while being billeted with German families.

The trip was fully funded by the students. Total trip spend was \$163,889

A group of 21 students and 2 staff (being Mr J Strickland and Mrs A Ruwhiu) travelled to Thailand on a cultural tour. They visited schools and took part in many cultural festivities while performing in front of the large crowds. They also visited many of the historical sites around Thailand learning about the country and it's history.

The trip was fully funded by the students. Total trip spend was \$96,444

A group of 17 students and 2 staff (being Mrs H Dearlove and Mr N Lauridsen) travelled to Australia as part of the Stage Band, and participated in a number of performances and shows. This was a great experience being able to perform with top musicians from all over Australia. This trip was fully funded by the students. Total trip spend was \$68,342

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. Total trip spend was \$140,638

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.

The trip was fully funded by the students. Total trip spend was \$176,693

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. Total trip spend was \$51,762

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. Total trip spend was \$102,456

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
4 Hostel Revenue and Expenses			
Hostel Financial Performance			
Hostel Full Boarders	172	165	161
Hostel Weekly Boarders	-	-	-
Revenue			
Hostel Fees	1,969,269	2,021,631	1,972,439
Sundry Income	81,415	89,150	85,229
Registration Fees	15,900	13,300	15,250
Letting	232,038	155,000	166,156
	<u>2,298,622</u>	<u>2,279,081</u>	<u>2,239,075</u>
Expenses			
Kitchen	430,032	400,900	399,654
Laundry	29,256	24,650	21,898
Welfare	130,356	114,556	121,600
Supervision	5,865	6,100	8,512
Administration	202,458	204,260	215,013
Property	323,152	292,900	284,756
Employee Benefits - Salaries	662,116	630,100	658,733
Letting	49,071	42,626	43,153
	<u>1,832,307</u>	<u>1,716,092</u>	<u>1,753,319</u>
Surplus for the year Hostel	<u>\$ 466,316</u>	<u>\$ 562,989</u>	<u>\$ 485,756</u>

5 International Student Revenue and Expenses

International Student Roll	59	50	58
Revenue			
International Student Fees	941,790	965,100	844,115
Expenses			
Advertising	123,732	141,000	119,629
Commissions	95,809	128,700	85,897
International Student Levy	26,790	25,740	12,291
ESOL costs	1,421	2,200	1,392
Administration	49,382	53,350	45,712
Class Materials	39,089	32,500	18,844
Employee Benefits - Salaries	233,613	234,510	228,000
Total Expenditure	<u>569,836</u>	<u>618,000</u>	<u>511,765</u>
Surplus for the year International Students'	<u>\$ 371,954</u>	<u>\$ 347,100</u>	<u>\$ 332,350</u>

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
6 Learning Resources			
Curricular	375,456	431,646	397,433
Teaching Resources	603,297	649,300	692,301
Alternative Education	211,163	222,348	297,012
Manawatu Community High School	23,825	8,085	15,320
Library Resources	6,755	5,860	4,481
Employee Benefits - Salaries	10,591,189	10,267,142	10,084,065
	<u>\$ 11,811,686</u>	<u>\$ 11,584,381</u>	<u>\$ 11,490,612</u>

Overseas travel of \$12,416 was undertaken by Senior staff for Professional Development.
(2018: \$10,129)

7 Administration			
Audit Fee	9,436	9,313	11,326
Board of Trustees Fees	7,290	7,800	6,455
Board of Trustees Expenses	21,527	24,300	10,320
Communication	29,198	34,100	32,675
Consumables	44,425	50,150	43,636
Operating Lease	16,944	16,400	16,129
Legal Fees	6,014	10,000	2,789
Other	264,174	233,280	259,856
Employee Benefits - Salaries	1,276,639	1,192,582	1,140,638
Insurance	72,667	72,660	68,536
Service Providers, Contractors and Consultancy	104,945	77,000	80,682
Manawatu Community High School	18,984	20,700	22,457
Truancy Service	21,010	20,305	20,327
	<u>\$ 1,893,251</u>	<u>\$ 1,768,590</u>	<u>\$ 1,715,826</u>

Overseas travel of \$4,541 was undertaken by the Rector for Professional Development.
(2018: \$16,388)

8 Finance			
Interest Paid	\$ 30,000	\$ 30,000	\$ 30,000
	<u></u>	<u></u>	<u></u>
9 Property			
Caretaking & Cleaning Consumables	39,026	23,900	26,113
Cyclical Maintenance Expense	98,270	120,000	87,639
Grounds	47,537	20,300	22,491
Heat, Light and Water	228,456	212,400	206,966
Repairs & Maintenance	184,147	139,100	148,551
Use of Land and Buildings	1,874,658	1,650,000	1,840,772
Manawatu Community High School	68,532	63,536	72,999
Employee Benefits - Salaries	462,312	422,986	393,418
	<u>\$ 3,002,937</u>	<u>\$ 2,652,222</u>	<u>\$ 2,798,949</u>

The use of land and buildings figure represents 8% of the school's MOE owned 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.

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
10 Depreciation of Property, Plant and Equipment			
Leasehold Improvements	20,680	18,660	17,836
Furniture and Fittings	40,195	42,960	42,788
Plant and Machinery	40,392	38,280	37,978
Information and Communication Technology	102,430	108,480	108,404
Motor Vehicles	9,035	8,664	8,669
Sports Equipment	2,563	6,120	5,608
Textbooks	45,742	48,000	38,780
Library Resources	29,445	8,220	8,352
Minor Equipment	2,325	2,388	2,391
Musical Instruments	8,811	9,600	9,167
Buildings	225,276	223,200	223,779
Manawatu Community High School	4,327	3,150	3,449
Truancy Service	-	1,536	1,183
	<u>531,222</u>	<u>519,258</u>	<u>508,385</u>
Represented By:			
School	360,456	346,842	336,514
Hostel	170,766	172,416	171,870
	<u>\$ 531,222</u>	<u>\$ 519,258</u>	<u>\$ 508,385</u>
11 Cash and Cash Equivalents			
Cash on Hand	490	490	490
Bank Current Account	295,059	40,000	54,029
Short-term Bank Deposits	4,538	100,000	270,775
Cash and cash equivalents for Statement of Cash Flows	<u>\$ 300,087</u>	<u>\$ 140,490</u>	<u>\$ 325,295</u>

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

Of the \$300,087 Cash and Cash Equivalents and \$4,500,000 Investments, \$398,118 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2020 on Crown owned buildings under the School's Five Year Property Plan. (2018: \$24,935)

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
12 Accounts Receivable			
Operating Receivables	266,736	360,000	233,328
Receivables from the Ministry of Education	254,000	-	22,758
Allowance for credit losses	(41,169)	(40,000)	(48,750)
Sundry Receivables	88,667	38,000	72,315
Teachers Salaries Grant Receivable	622,807	600,000	629,787
	<u>\$ 1,191,040</u>	<u>\$ 958,000</u>	<u>\$ 909,438</u>
Receivables from Exchange Transactions	314,234	358,000	256,893
Receivables from Non-Exchange Transactions	876,807	600,000	652,545
	<u>\$ 1,191,040</u>	<u>\$ 958,000</u>	<u>\$ 909,438</u>
13 Inventories			
School Blazers	14,471	12,000	14,471
School Uniforms	401,423	417,500	434,186
	<u>\$ 415,894</u>	<u>\$ 429,500</u>	<u>\$ 448,656</u>
14 Investments			
The School's investment activities are classified as follows:-			
Current Assets			
Short-term Bank Deposits	<u>\$ 4,500,000</u>	<u>\$ 3,600,000</u>	<u>\$ 4,250,000</u>

15 Property, Plant and Equipment

	Opening Balance (NBV)	Additions & Revaluations	Disposals or Reclassification	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Land	1,438,160				-	1,438,160
Buildings	7,023,976		201,361		(225,276)	7,000,061
Leasehold Improvements	286,953		150,880		(20,680)	417,153
Plant and Machinery	161,693	55,162			(40,392)	176,463
Furniture and Fittings	170,593	25,542			(40,195)	155,940
Information and Communication Technology	197,067	158,336			(102,430)	252,974
Motor Vehicles	29,919	2,000			(9,035)	22,884
Sports Equipment	-	35,214			(2,563)	32,651
Minor Equipment	5,109	-			(2,325)	2,783
Musical Instruments	53,440	1,800			(8,811)	46,429
Textbooks	68,983	42,039			(45,742)	65,280
Library Resources	58,466	11,830			(29,445)	40,852
Artworks	1,088,950				-	1,088,950
Work in Progress	217,542	190,213	(352,241)		-	55,514
Alternative Education	-				-	-
Manawatu Community High School	35,012				(4,327)	30,685
Balance at 31 December 2019	\$ 10,835,863	\$ 522,136	\$ -	\$ -	\$ (531,222)	\$ 10,826,777

	Cost or Valuation	Accumulated Depreciation & Impairment	Net Book Value
2019	\$	\$	\$
Land	1,438,160	-	1,438,160
Buildings	10,007,638	(3,007,577)	7,000,061
Leasehold Improvements	563,046	(145,893)	417,153
Plant and Machinery	1,215,867	(1,039,405)	176,462.50
Furniture and Fittings	2,025,198	(1,869,258)	155,940.06
Information and Communication Technology	3,548,286	(3,295,313)	252,973
Motor Vehicles	206,078	(183,194)	22,884
Sports Equipment	616,223	(583,572)	32,651
Minor Equipment	156,469	(153,686)	2,783
Musical Instruments	496,218	(449,790)	46,429
Textbooks	235,670	(170,390)	65,280
Library Resources	266,932	(226,080)	40,852
Artworks	1,088,950	-	1,088,950
Work in Progress	55,514	-	55,514
Alternative Education	25,754	(25,754)	-
Manawatu Community High School	94,033	(63,348)	30,685
Truancy Service	14,883	(14,883)	-
Balance at 31 December 2019	\$ 22,054,918	\$ (11,228,142)	\$ 10,826,777



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)	286,952
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)	197,064
Motor Vehicles	38,587	11,600			(8,669)	41,518
Sports Equipment	5,609				(5,608)	-
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)	1
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)	22,532
Truancy Service	14,883	(14,883)	-
Balance at 31 December 2018	\$ 22,750,569	\$ (11,914,708)	\$ 10,835,861



	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
16 Accounts Payable			
Operating Creditors	317,557	1,508,229	605,902
Accruals	54,176	52,000	56,457
Employee Benefits Payable - Salaries	622,806	600,000	629,787
Employee Benefits Payable - Leave Accrual	177,417	170,000	145,856
	<u>\$ 1,171,956</u>	<u>\$ 2,330,229</u>	<u>\$ 1,438,002</u>
Payables for Exchange Transactions	1,156,026	2,330,229	1,421,535
Payables for Non-exchange Transactions - Taxes payable (PAYE and Rates)	15,930	-	16,467
	<u>\$ 1,171,956</u>	<u>\$ 2,330,229</u>	<u>\$ 1,438,002</u>

The carrying value of payables approximates their fair value.

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

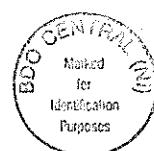
105 North Street, Palmerston North

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% (2018 7.5%) and the loan is interest only.

The interest cost of \$30,000 (2018 \$30,000) is shown in Note 8 - Finance

The loan is due for repayment 31st December 2021.

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
18 Revenue Received in Advance			
International Student Fees	1,013,121	300,000	977,651
Student Account Credits	225,559	-	194,738
	<u>\$ 1,238,680</u>	<u>\$ 300,000</u>	<u>\$ 1,172,389</u>
19 Provision for Cyclical Maintenance			
Provision at the start of the year	743,959	743,959	726,113
Increase in the provision during the year	118,403	126,041	105,485
Use of the provision During the Year	(66,453)	(120,000)	(87,639)
Provision at the end of the Year	<u>\$ 795,909</u>	<u>\$ 750,000</u>	<u>\$ 743,959</u>
Cyclical Maintenance - Current	577,003	400,000	192,069
Cyclical Maintenance - Term	218,906	350,000	551,890
	<u>\$ 795,909</u>	<u>\$ 750,000</u>	<u>\$ 743,959</u>
20 Funds Held in Trust			
Funds held on behalf of - Third Parties	196,396	200,000	269,858
Funds held on behalf of - Overseas Tour Third Parties	1,021,120	500,000	512,336
	<u>\$ 1,217,516</u>	<u>700,000</u>	<u>782,194</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:

	2019	Opening Balances	Receipts from MOE	Payments	School Expense / Asset	Closing Balances
		\$	\$	\$	\$	\$
MCHS Roof	<i>completed</i>	(35,605)	50,351	14,746	-	-
Electrical Upgrade	<i>completed</i>	24,935	-	24,935	-	-
Speirs Aircon upgrade	<i>completed</i>	-	25,000	76,827	51,827	-
D Block Upgrade	<i>in progress</i>	-	-	3,620	-	(3,620)
S Block Upgrade	<i>in progress</i>	-	275,960	85,440	-	190,520
MCHS Security & Electrical	<i>in progress</i>	(612)	19,800	12,652	-	6,536
Carpet C & M Block	<i>in progress</i>	(2,226)	24,341	22,733	-	(618)
Asbestos Roof Repairs	<i>in progress</i>	(7,700)	189,430	149,896	-	31,834
Sewer & Stormwater	<i>in progress</i>	(11,559)	181,942	98,388	-	71,995
Structural Strengthening Gym	<i>in progress</i>	(12,657)	204,746	94,856	-	97,233
		(45,424)	971,570	584,093	51,827	393,880

Represented By:

Funds Due from the Ministry of Education

(4,238)

Funds Held on Behalf of the Ministry of Education

398,118

393,880

	2018					
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)

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.

	2019 Actual \$	2018 Actual \$
Board Members		
Remuneration	7,290	6,455
Full-time equivalent members	0.22	0.18
Leadership Team		
Remuneration	3,083,023	2,980,846
Full-time equivalent members	31	31
Total key management personnel remuneration	3,090,313	2,987,301
Total full-time equivalent personnel	31.22	31.18

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:

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	210 - 220	200 - 210
Benefits and Other Emoluments	28 - 29	29 - 30

Other Employees

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
100 - 110	6.00	5.00
110 - 120	1.00	3.00
120 - 130	1.00	-
	8.00	8.00

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

24 Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2019.

(Contingent liabilities and assets at 31 December 2018: Nil).

Holidays Act Compliance - schools payroll

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

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

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

25 Commitments

(a) Capital Commitments

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

- (a) \$1,151,273 to have S Block upgraded as agents for the Ministry of Education. This project is fully funded by the Ministry with \$275,960 being received and \$85,440 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 \$19,800 being received and \$13,264 being spent on the project to balance date.
- (d) \$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 \$64,000 being received and \$64,618 being spent on the project to balance date.
- (c) \$212,357 to Repair Asbestos Roofs as agents for the Ministry of Education. This project is fully funded by the Ministry with funding of \$189,430 being received and \$157,596 being spent on the project to balance date.
- (d) \$202,158 for the Sewer and Stormwater upgrade as agents for the Ministry of Education. This project is fully funded by the Ministry with funding of \$181,942 being received and \$109,947 being spent on the project to balance date.
- (e) \$227,496 to have the Gym Structurally Strengthened as agents for the Ministry of Education. This project is fully funded by the Ministry with funding of \$204,746 being received and \$107,513 being spent on the project to balance date.
- (f) \$139,332 to have the PNBHS Board of Trustees owned dwelling relevelled and alterations completed at 47 North Street, Palmerston North. This property is occupied by the Rector. This project is fully funded by the school and \$13,708 has been spent on the project to balance date.

(Capital Commitments at 31 December 2018: \$178,408)

(b) Operating Commitments

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

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

	2019 Actual \$	2018 Actual \$
No later than one year	13,891	14,651
Later than one year and No Later than 5 Years	10,633	13,849
Later than 5 Years	-	-
	<u>\$ 24,524</u>	<u>\$ 28,500</u>

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

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

Financial assets measured at amortised cost (2018: Loans and receivables)

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	300,087	140,490	325,295
Receivables	1,191,040	958,000	909,438
Investments - Term Deposits	4,500,000	3,600,000	4,250,000
	<u>\$ 5,991,127</u>	<u>\$ 4,698,490</u>	<u>\$ 5,484,732</u>

Financial liabilities measured at amortised cost

Payables	1,171,955	2,330,229	1,438,002
Borrowings - Loans	400,000	400,000	400,000
	<u>\$ 1,571,955</u>	<u>\$ 2,730,229</u>	<u>\$ 1,838,002</u>

28 Breach of Section 4B of the Education Act 1989

There were 3 International Students who received tuition prior to fees being received in full.
(2018: 4)

29 Assets Held for Sale

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Balance at 1 January	243,435	-	-
Transferred from Property, Plant and Equipment	-	-	243,435
	<hr/>	<hr/>	<hr/>
Balance at 31st December	\$ 243,435	-	\$ 243,435
	<hr/>	<hr/>	<hr/>

The property available for sale includes two residential properties situated at 10 Ivanhoe 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.

30 Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be trustees, committee member, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was payable as follows:

	2019 Actual \$	2018 Actual \$
Total	\$ 8,165	-
Number of People	8	-

31 Comparatives

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

32 Adoption of PBE IFRS 9 Financial Instruments

In accordance with the transitional provisions of PBE IFRS 9, the school has elected not to restate the information for previous years to comply with PBE IFRS9. Adjustments arising from the adoption of PBE IFRS 9 are recognised in opening equity at 1 January 2019. Accounting policies have been updated to comply with PBE IFRS 9. The main updates are:

- Note 12 Receivable: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.
- Note 14 Investments:
Term Deposits: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

Upon transition to PBE IFRS 9 there were no material adjustments to these financial statements.

33 Events After Balance Date

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

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

At this time the full financial impact of the COVID-19 pandemic is not able to be determined. The school will continue to receive funding from the Ministry of Education, even while closed. However, economic uncertainties have arisen which are likely to negatively affect the operations and services of the school. We describe below the possible effects on the school that we have identified, resulting from the COVID-19 pandemic:

- A reduction in locally raised funds revenue because the schools ability to undertake fund raising events in the community and/or collect donations or other contributions from parents, may be compromised. Costs already incurred arranging future events may not be recoverable.
- Additional costs incurred developing alternative methods of delivering curriculum to students, so that they can learn remotely.
- A reduction in revenue from student fees & charges from International students and/or Board of Trustees operated boarding facilities, including the potential loss of current and prospective students due to the disruption and/or pressures created by COVID-19.
- A reduction in fees from hireage of the school auditorium and sporting facilities.

34 Breach of Legislation

Section 87 of the Education Act 1989 requires the school to provide its audited financial statements to the Ministry of Education by 31 May 2020. The disruption caused by the Covid-19 restrictions, including the closure of the school, meant that the audit could not progress as planned. This resulted in the school missing the statutory deadline.

PALMERSTON NORTH BOYS' HIGH SCHOOL

Report from the Rector

For the year ended 31 December 2019

I am pleased to report that the year concluded with a full school celebration with parents and friends of the school attending the 2019 prizegiving at Arena Manawatu on Thursday, 5 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 in the school's 118th year. The school yearbook, *The Palmerstonian*, records a significant range of activities and achievements from throughout the year. The continued excellence in academic, cultural, and sporting activities, as well as the sheer numbers of young men involved in so many areas of school life, is heartening.

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 in recent times we have been working with Circle Education in this regard to further develop character education at Palmerston North Boys' High School..

The student achievement-focused goals and objectives were specific and the outcomes at the senior level in 2019 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. A number of factors have had an impact on achievement rates in recent years., in particular the development of more vocationally-based senior courses.

The school's co-curricular programme continues to play a vital role in the development of our young men. It is crucial, we believe, for an all-round education, and for many of our young men school is made far more bearable because of their involvement outside the classroom. Talented musicians, thespians, sportsmen, and cultural performers are able to involve themselves in their chosen field to a high level. Equally, there are significant numbers who are involved because they enjoy whatever it is they are involved in, regardless of ability, and the school is able to provide opportunities for young men of all abilities.

I made comment in this forum about the unsavoury practice of schools recruiting and poaching top sporting talent from other schools, even from overseas – we know of schools who have used professional player agents to source promising players from abroad to bolster their teams. It continues to concern me how important some schools see the success of their sports teams is to them. Schools, surely, are about what is best for our young people, not about who wins what.

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 university papers as part of the senior accelerate programme, which has developed in recent years to include courses from Canterbury and Waikato Universities as well as Massey and Victoria.

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. In 2019 within-school testing revealed that the Year 9 cohort had enough pupils with academic challenges to fill four classes of Learning Support. However, resources are of course limited, and so we had to limit numbers to the usual two classes.

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 2019 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.

In 2019 significant changes were made to the NCEA Level 1 programme at PNBHS. After considerable time planning and consulting with various groups, the decision was made to reduce the focus on assessment at Level 1. This meant that a young man will not be able to achieve Level 1 in Year 11 but of course as he progresses 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.

These changes were made to enable our pupils to have more time learning. The belief that assessment was driving the curriculum was at the heart of this decision – it was, to us, putting the cart before the horse. Too much assessment gave schools the opportunity to inflate their achievement statistics with little or no actual learning; the compartmentalised nature of NCEA assessment meant the teach-assess treadmill became habitual, and the focus was on credit harvesting rather than learning.

Scholarship results from 2019 were encouraging after the previous year's nadir, and there was strong competition amongst the Year 13 cohort for our top academic awards. The involvement in university papers continues to be something of a double-edged sword in that many of the boys focus on those papers rather than scholarship; and by the time the scholarship exams roll around they're just about running on empty. Outstanding Scholarships were achieved by Nikhil Bannerjee and Kavindith Rodrigo. Bannerjee, Antariksh Nag and William Wood each achieved four scholarships, while Andrew Karatea and Year 12 pupil Paul Lee achieved three.

The summary of 2019 results are as follows:

12.3% of Year 11 students gained NCEA Level 2	(National 1.4%)
77.6% of Year 12 students gained NCEA Level 2	(National 77.5%)
13.2% of Year 12 students gained NCEA Level 3	(National 1.0%)
68.1% of Year 13 students gained NCEA Level 3	(National 67.3%)
12.9% of Year 12 students gained University Entrance	(National 0.5%)
53.6% of Year 13 students gained University Entrance	(National 49.3%)

It should be noted that because of the school's accelerate programme, the statistics are affected by multi-level study: thus, in total, 90.8% of Year 12 pupils (national – 78.5%); overall 81.3% of those studying a Level 3 programme (national – 68.3%), while 66.5% gained University Entrance (national – 49.8%). 99% of Year 13 pupils left with NCEA Level 2.

A total of 27 accelerate students were enrolled in 101 papers across a range of subjects. The 2018 results were again impressive in terms of A grade passes, with 43 A grades (A+, A, A-). The top performers were 2019 Dux Litterarum Ahmad Barzak with three A+ grades and one A-, 2019 Proxime Accessit Nikhil Bannerjee (three A+ and one A), Josh Ellingham (three A+, one A), Campbell Jackson (two A+, one A, one A-) and Travis Adkins (two A+, one A-).

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.

The major production in 2019 was "The Addams Family", based on the television series from many years ago. It was hugely entertaining, and Mr Burton, along with his team, must be congratulated on producing yet another high-quality show. The talented young men and women involved in the production worked incredibly hard, and their performances were outstanding. Well done 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 continue to rise which is certainly encouraging.

Theatre sports continues to grow, and the senior team finished third at the Super Eight Cultural Festival, the juniors second.

The debating resurgence continued apace in 2019, led by the Senior A team of Andrew Karatea, John Cole and William Wood. The growth in numbers is encouraging and it was pleasing to see a number of teams achieve success in local competitions. The Senior A team won their event at the Super Eight Cultural Festival and were runners-up at the Central North Island competition, where Andrew Karatea was named in the Central North Island team.

The Palmerston North Boys' High School Kapa Haka group had a busy and momentous year, travelling overseas for the first time on their tour of Thailand. The tour was a success and enabled the young men involved to share their

culture with the locals while learning about Thailand's history and culture. The boys were superb ambassadors for their school, their whanau and their country. I would like to thank Mr Strickland and Mrs Ruwhiu, along with Mrs Wenham and Mr Retemeyer for all they did in making the tour happen. Mr Strickland and his team continue to do a fine job with the Kapa Haka group who were again strong this year.

The school continues to have any number of talented musicians, and it certainly gives lie to the idea that boys' schools do not cater for young men with musical ability. The Stage Band continues to produce consistently superb performances, and Old Boy Mr Neville Lauridsen does an outstanding job with these young men. This year the Stage Band attended the Generations in Jazz competition at Mount Gambier in South Australia where they performed superbly to win their category ahead of bands from throughout Australia. At the KBB Music Festival in Auckland the Stage Band received a Gold Award and was named as Best School Band at the Manawatu Jazz Festival. At the Super Eight Cultural Festival the Stage Band won the Music Group category, while Ciaran Carroll (Senior Solo) and Henry Yan (Junior Solo) also won their respective categories.

A number of ensemble groups achieved awards at the Regional Chamber Music competition. Joe Inman was selected as the solo cornet player in the NZSS Brass Band, one of a number of young men chosen for higher honours this year: Ciaran Carroll and Liam Peck were selected for the NZ Youth Jazz Orchestra, while Ray Su was selected for the NZSS Orchestra. Reuben and Douglas Bilsland were both selected for the NZ Foundation Youth Pipe Band.

Liam Peck achieved notable success with a number of compositions on music platform *Spotify*, while Carson Taare performed with a number of well-known New Zealand artists and performers.

The annual School Concert was again entertaining, with a number of outstanding solo performances from some very talented young men a particular highlight, as well as fine performances from a number of musical

and cultural groups. 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 solidly throughout the year although they did not qualify for the National Big Sing competition. Last year Antariksh Nag, Oliver Inman, Sebastien Cave, Carlos Fung and Carson Taare were named in the NZSS Choir for 2019 and they were involved throughout the year with that group. To have five named in that group is rare indeed, and it was great to see Carson named as the leader of the national choir. The Regional Big Sing saw five school choirs involved: along with the OK Chorale, the SOAP Choir, the Junior PMU group, the Kapa Haka Choir group and the Pasifika Choir all competed.

At this year's Manawatu Secondary Schools' Pasifika Fusion Festival the school finished third overall. Telson Liuvaie won both the English and Nuiean speech competitions, as well as the Junior essay category while Tevita Fakahau won the Tongan speech category and Elijah Rahui the senior essay category.

At the 2018 New Zealand Secondary Schools' Athletic Championships in Dunedin the PNBHS athletes acquitted themselves well. Guy Petersen won the Junior (U16) Javelin competition, while Liam Wall (Junior 1500m), Jack Nesdale (Senior Discus), Bradyn Popow (Open 3000m Walk), and Andre Le Pine-Day (Senior 1500m) all achieved top ten finishes.

At the 2019 Manawatu Secondary School Athletics event, the school won 23 events with 21 seconds and 19 third places. 10 PNBHS pupils were selected to represent Manawatu at the NISS Championships in Tauranga. Guy Petersen won the Intermediate Javelin title with a personal best throw of 48.91 metres, while Angus Lyver won the silver medal in the Intermediate Long Jump. Angus was also fourth in the 200m dash. Other top ten finishes were

recorded by Liam Wall (twice – in the Junior 800m and 1500m), and Forbes Kennedy (Junior 300m Hurdles),

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 another successful year. They finished runners-up at the Super Eight tournament and finished fifth at the NZSS Championships in Porirua. The Senior B team performed well at the Nationals also, finishing 10th in the same division as the A team. Numbers were again high this year, and my thanks go to Mr Ong and Mr James for their efforts in this regard.

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 competitive finals. We remain fortunate to have the expertise of Mr Billy Meehan and his team who give freely of their time to run the championships and provide a safe standard of boxing.

Basketball continues to be a popular sport and yet again the school fielded a significant number of teams throughout the year. The Premier A team had a difficult season and failed to qualify for the NZSS Championships for the first time in many years. They also struggled at the Super Eight tournament where they finished seventh after winning the title for the previous two years. The team comfortably won the Manawatu Secondary Schools competition and were again competitive in the Senior men's grade.

The Premier B team finished fourth at the Schick Tournament in Wanganui, where they were defending champions, while the Junior A team were runners-up at the regional tournament in Napier. The Junior B team won the B Division at the regional tournament.

In the local Manawatu Secondary School competitions, 10 teams made finals with six of these resulting in victories. Dr Smith and Mr Benn are to be thanked for their organisation of so many teams.

Canoe Polo enjoyed another successful season, with then Senior A team winning the local competition for the first time since 2014 and finishing runner-up at the NZSS Championships. Numbers continue to grow in canoe polo and it was encouraging to see four teams involved in five finals of the local competition.

The Senior A and B Chess Teams had successful seasons, finishing first and second at the Manawatu Regional Competition. The Senior A team were again runners-up at the Super Eight tournament, continuing the excellent results in recent years in that competition.

The 1st XI Cricket team had another busy year, and achieved some success in the local Senior Men's competition where they qualified for the final of the 50-over competition only to be beaten comprehensively. There were draws against Napier BHS and Auckland Grammar in the traditional fixtures alongside a win over St.Patrick's, Silverstream and a loss to Wellington College. Both the 1st XI and NZCT Junior XI lost in the finals of their respective qualifying tournaments – the 1st XI to Lindisfarne College, and thus not qualifying for the Gillette Cup; the Junior team lost their final against New Plymouth BHS. The 1st XI had finished third equal at the 2018 Gillette Cup.

Ruben Love was selected for the NZ U19 team that played Australia in Australia in July.

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

The Cross Country team had an outstanding year. For the first time the team won the Super Eight competition which was hosted this year in Palmerston North. Reuben Duker won the Year 9 race while Benjamin Wall won the Senior race. The Senior team won their event at the Wellington SS Championships with the Junior and Year 9 teams both finishing as runners-up. The school won all three categories (junior, intermediate and senior) at the Manawatu Secondary Schools event in Foxton. The Senior three-man team of Benjamin Wall, Liam Wall and Andre Le Pine-Day finished third at the NZSS Championships in Timaru, the first podium finish at that level for a number of years.

Cycling numbers remain high at the school, and as in recent years there were some encouraging results throughout the year. The team finished fourth overall at the NISS Road Cycling Championships with the U20 Time Trial team finishing second. At the NZSS Road Cycling Championships the U20 team finished third in the Time Trial and finished fifth overall. At the NISS Track Championships, Ewan Cousins won the U17 Scratch Race and was second in both the Keirin and the Points Race. Michael Richmond won the U20 Keirin and the Scratch Race and was second in the Points Race. The Senior A team won the U20 Sprint and was second in the Team Pursuit and finished third overall. At the NZSS event, Michael Richmond won the U20 Scratch Race and was third in the Points Race, while Ewan Cousins finished second in the U17 Keirin.

In Mountain Biking Adam Francis was the NISS U17 Champion while the U20 team (Adam, Caleb Bottcher and Hayden Storrier) won the relay event. Adam and Max Taylor both achieved podium finishes at the NZSS Championships. Max Taylor and Caleb Bottcher were both named in a NZ Cycling Pathway to Podium squad.

The 1st XI football team had a number of third-year players in their squad and so were optimistic about their season. The team's performances in the inter-school fixtures were encouraging, as were the performances at the Super Eight tournament where they finished fourth after losing both play-off matches

on penalties. However, they found the going tough in the Central Federation League, and finished a disappointing 32nd at the NZSS Championships, despite the presence of three NZSS representatives (Kaykay Adeyinka, Cam Wallace and Scott Hilson) in the side. Callum Kennett was selected for the NZ U17 team that played at the U17 World Cup in Brazil.

The Junior A team had an encouraging season, winning the Manawatu U16A grade comfortably, and there were a number of positive results from the school's other football teams, particularly at the junior level. Three competitions were won by PNBHS teams.

The Senior A Golf Team won the Manawatu/Wanganui Intercollegiate golf tournament and they were competitive at the Super Eight tournament where they finished fifth equal after second through to sixth place were within nine strokes – a very close competition.

The 1st XI hockey team had a mixed season with a young squad. They were competitive in the local Senior Men's competition despite falling out of the top six, and they performed creditably at a very competitive Super Eight tournament team where they finished third. At the NZSS Rankin Cup, they finished 15th. The 2nd XI was runner-up at the Galletly Cup, a competition for 2nd XIs from throughout the country, while the U15 Colts finished fourth at the Tanner Cup, a very competitive tournament compromised of teams from throughout the country.

The 1st XV rugby team had a positive season after a horror run with injuries in their pre-season matches. The Super Eight competition was again very competitive, and the team finished fourth after finishing with four consecutive wins, and a total of five wins from their seven matches. After a second win over Napier BHS following the Polson Banner victory, the team then defeated Wellington top-qualifiers, Scots College, to make the Hurricanes Region final for the first time since 2014. They were defeated in the final by Hastings BHS who went on to win the NZSS Top Four Championship.

The 2nd XV finished fourth in their Super Eight competition and runners-up in the local Premier One grade while the U15 Colts team finished third at the National Invitational Tournament in Napier. In local competitions, seven of the nine finals had PNBHS teams involved, with three wins and a draw (for the 4th XV who lost on an obscure countback rule).

Ruben Love was selected for the NZSS team that played Fiji Schools and Australia Schools. Chance Malu was selected in the Hurricanes U18 team.

The Clay Target shooters performed solidly again this year, with a number of encouraging individual performances. Glenn Stringer finished first at the North Island Down-the-Line Championships, while the team finished third in the Super Eight. Stringer, along with Jack Gibbs and Jordan King, was selected for the Wellington Regional representative team.

At the NISS Ski Championships, the school won the 'Slope Style' event, with Ethan McLean finishing second and Matt Shaw third in the individual standings.

The Smallbore Shooting team had an outstanding year, winning the NZSS Championships in Wellington. Shaun Jeffrey was named Top Boy shooter for the second year in a row. Shaun and Lachie McNair 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. He was also selected for the New Zealand team to compete against Australia.

The return of softball to the school's programme was triumphant. Mr Moore took the Senior A team which won the local secondary school competition. The team then continued its good form and went on to win the NISS B Division in Gisborne.

The school continues to have good numbers involved in squash 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, despite finishing 15th.

PNBHS swimmers had a busy and successful year. At the NISS Championships Reid McDowell, Connor McKay, Araham Pilkington, Alex Odom, Marcus Blok and Jake Thompson had podium finishes, while the relay teams won a silver and bronze medal. Later in the year at the NZSS Championships Jake Thompson won the 16-year old 50m breaststroke title and won a bronze medal in the 100m breaststroke, while Alex Odom won two silver and two bronze medals, taking a phenomenal 4.3 seconds off the school record in the 14 years 100m backstroke. Jake, Alex and Levi Holman all broke school records at the NZSS meet.

Table tennis continues to be popular with a number of young men involved in local competitions this year. The Senior A table tennis team had a successful season in the Manawatu SS Premier competition. Thomas Sun was selected for the NZ U18 team and Callum McKinnon was selected for the NZ U15 Cadet team.

The Senior A Tennis team were fourth at the Super Eight tournament and performed well in the traditional fixtures, although they found the going tough at the annual quadrangular tournament.

At the NZSS Triathlon Championships Lucas Reed, Thomas Duncan, Fergus Doolan, Sam Parry, Luke Scott and Sam Philips all achieved top ten finishes in their respective categories. There was further success in team events with the U19 team winning their race and there were other wins in mixed team relays. The school was named as the Top Boys' School.

The Senior A Volleyball Team again finished fifth at the Super Eight tournament and were 32nd at the NZSS Championships, which were again held in Palmerston North during Summer Tournament Week. Numbers involved in local competitions continue to grow in encouraging fashion, particularly at the junior level.

At the time of writing, 31 young men from the school had been selected for national representation in a wide variety of sporting codes in 2019. The full list is as follows:

Kaykay Adeyinka – NZSS Football team; Maraki Aumua – NZ U16 Touch team; Caleb Bottcher – NZ Junior Mountain bike team; Damon Dickons – NZSS Canoe Polo; Liam Frost – NZ U21 Canoe Polo, NZSS Canoe Polo; Chisora Hada – NZ Intermediate Boys Archery team; Carson Hepi – NZ U20 Touch team, NZ U19 Mixed Touch team (captain); Scott Hilson – NZSS Football team; Shaun Jeffery – NZ Men's Smallbore Shooting team, NZSS Smallbore Shooting team; Callum Kennett – NZ U17 Football team; Thomas Kirk – NZ U20 Touch team; Andre Le Pine-Day – NZSS Cross Country team; Ruben Love – NZ U19 Cricket team, NZSS Rugby team; Haimona Maruera – NZ U15 Softball team; Kahn Mason – NZ Maori U14 Rugby League team; Callum McKinnon – NZ U15 Table Tennis team; Damon Meehan – NZ Junior Boxing team; Ihaia Mulholland – NZ U14 Softball team; James Parkinson – NZ Maori U14 Rugby League team; Jakob Parry – NZSS Canoe Polo; Jacahn Roberts – NZ Junior Black Sox Softball team; Boston Scoon-Walter – NZ U15 Softball team; Joe Simpson-Smith – NZ Junior Black Sox Softball team, NZ U15 Softball team; Javahn Stevenson – NZ Maori U14 Rugby League team; Thomas Sun – NZ U18 Table Tennis team; Tipene Treacy – NZ Maori Ki O Rahi team; Jordi Viljoen – NZ U16 Touch team; Benjamin Wall – NZSS Athletics team; Cam Wallace – NZSS Football team; Jack Watson – NZ Taekwon-Do team; Braxton Wilson-Clune – NZ Maori U14 Rugby League team.

I mentioned earlier the Kapa Haka tour to Thailand, and the visit to Australia of the Stage Band, both of which were resounding successes. The school continues to provide a range of opportunities for young men to travel overseas as part of an international tour. This year was no different: as well as the Kapa Haka and Stage Band tours, there was a German Language and Culture tour. Such tours give those involved the chance to immerse themselves in the culture of another country, and they will learn so much; about other cultures and people as well as learning about themselves as they experience the new

and unfamiliar. As Mary Ritter Beard said, “certainly, travel is more than the seeing of sights; it is a change that goes on, deep and permanent, in the ideas of living”.

I note in these pages every year how these tours require an enormous amount of organisation and how 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

2019 was another positive year for the school. The development of a new Strategic Plan gave us the chance to do some serious navel-gazing, with an eye to always wanting to improve – to do our best for our young men.

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. We need to do what we can to make sure that continues, and some of the policies of the Teachers Council makes that difficult at times.

2019 gave the public another opportunity to kick sand in the teaching profession’s face with industrial action; a difficult one, really, because the negotiations around remuneration were necessary, but the way they were conducted dealt another blow to the regard in which our profession is regarded by the ‘person in the street’, most of whom, because they once went to school, believe they know everything about it.

As well as a great staff, 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 have heard of a number of schools where there is a terrible relationship between board and principal and so I count myself fortunate to not be in such a position.

Every principal will tell you they are passionate about their school, those who don't are in the wrong job; but I love 'my' school and I think Palmerston North Boys' High School is a tremendous school. 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 Bovey
RECTOR

PALMERSTON NORTH BOYS' HIGH SCHOOL

Analysis of Variance Report

For the year ended 31 December 2019

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 2018 and 2019 is as follows:

NCEA	LEVEL	2018	2019	RESULT
Year 11	1	72.3%	15.5%	56.8% decrease!!
Year 11	2	10.9%	12.3%	1.4% increase
Year 12	2	77.3%	77.6%	0.3% increase
Year 12	3	12.6%	13.2%	2.1% increase
Year 13	3	63.2%	68.1%	4.9% increase
Scholarship		20	34	14 increase

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 have, of course, been significantly affected by the changes to the NCEA programme which means that unless a pupil has been

sitting NCEA subjects in Year 10 as part of the accelerate programme, he is unlikely to achieve NCEA Level 1 in the course of the year.

- 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 an improvement on last year. There was a strong group of academics who performed well, and their results 'carried', if you like, the rest of the cohort. The continued 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 university programmes offered to our accelerated students.
- The scholarship programme continues to be refined by Heads of Department and will continue to be a focus for 2020.

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 trialled 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.

There were some issues that arose from online testing as teachers were unaware of students who either had not sat the test or done the resit as they did not have access to whole school data. Once it was realised that this was a problem, a solution was put in place for 2020. This will be monitored.

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 7.4% which was markedly lower than any of the other tests even though it met the 5% target. 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.

In 2020 we will be working to increase the percentage of Year 10 students passing the 10,000 word tests for all ethnic groups.

The passing percentage by ethnicity also showed a greater than 2% improvement.

The Maori, Pasifika and Asian 10,000 word test results were especially pleasing. Maori had a 13.5% improvement, Pasifika a 5.7% and Asian 9.5%. At the 10,000 level Pacific Island results were the worst of the four ethnic groups. This means that these students are less likely to have the vocabulary necessary to pass NCEA Level 1. While Pasifika and Asian groups both exceeded the 5% target set, the percentage improvement for both these groups was lower than in 2018. This will need monitoring.

The junior school results are shown in the tables below.

Key Result Area	Objective	Strategies	Measure	Outcome	Led By
LITERACY	To improve pupil <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"> • Pupils 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 • Teachers understand the specific literacy demands of their subject • Teachers actively teach subject specific literacy 	<ul style="list-style-type: none"> • Departmental analysis of literacy needs of their subject. <p>Science: Subject specific vocabulary and reading comprehension in topics</p> <p>Mathematics:</p>	<ul style="list-style-type: none"> • Literacy requirements of all subjects identified and planned for • Literacy strategies implemented and informed instructional decisions made 	<ul style="list-style-type: none"> • Improved knowledge of and use literacy strategies 	Kathryn Rankin

	<ul style="list-style-type: none"> Teachers use literacy data to inform their teaching Teachers identify the Literacy learning needs of their students Teachers are to identify learning needs of individuals/individual classes Expand students use of writing vocabulary Lift class wide accuracy when reading subject related vocabulary 	<p>Subject specific vocabulary and connectives in writing</p> <p>English: Report writing, reading and writing. Subject specific thinking and subject specific vocabulary</p> <p>Social Studies: Respond to testing results – identify general and specific needs within particular classes</p> <p>Write specific learning goals for the generalised needs of classes/specifics for students (as identified and practical)</p> <p>Modelling of vocabulary use. Checking vocabulary understanding and reinforcement of understanding as words arise in context. Use a mixed range of activities</p>	<ul style="list-style-type: none"> Anecdotal assessment by teacher Appraisal feedback based on achievement against identified strategies Improved results in vocabulary testing Sample analysis of written responses within evaluation tools (eg, Common assessments/ examinations) 	<ul style="list-style-type: none"> Students demonstrate confidence in literacy activities within topic contexts Lift in test results Improved student engagement within oral lesson discussion and consequent written work 	
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The low target for the Senior School of 2% for 10,000 words was not met, partly because of the online testing not capturing all of the students, but also, it reflected the general decline in vocabulary acquisition of the general population. In 2020 we will put a concerted effort into improving both academic and 10,000 word testing results. NZ European/Pakeha did not meet the 2% improvement for academic vocabulary. All other ethnic groups did.

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. Strategies for doing this are being shared at department levels and are based on "Closing the Word Gap" an Oxford University Press publication.

The targets for university tests were exceeded in the senior school.

Pasifika were the ethnic group who showed the largest percentage improvement for the academic vocabulary (16.0 %) in the senior school. Only the NZ European/Pakeha group did not exceed the target percentage increase for academic vocabulary, which is taught in all subject areas. Only Maori exceeded the target for 10,000 words.

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 2020. The emphasis will vary depending on choices made in each department. These choices will be based on perceived need.

2019 Vocab Test - Overall Summary Juniors

Passing Percentage			
Vocab Level	Previous	Test 1	Test 2
2000 Words	43.3%	40.5%	8.2%
3000 Words	40.3%	31.7%	14.9%
5000 Words	31.3%	21.7%	21.8%
10000 Words	6.0%	21.7%	21.8%

Improvement			
Vocab Level	Students	Increase	% Increase
2000 Words	48	4.33	14.4%
3000 Words	126	4.62	15.4%
5000 Words	163	6.60	22.0%
10000 Words	194	5.28	17.6%

Passing Percentage - By Ethnicity												
Ethnicity	2000 Words				3000 Words				5000 Words			
	Previous	Test 1	Test 2	Total	Previous	Test 1	Test 2	Total	Previous	Test 1	Test 2	Total
NZ European/Pakeha	42.3%	43.0%	6.9%	92.1%	40.3%	34.2%	13.5%	88.0%	32.2%	22.1%	22.1%	76.2%
Māori	43.2%	36.8%	11.0%	91.0%	38.7%	31.6%	20.0%	90.3%	29.0%	20.0%	22.6%	71.6%
Pacific Islander	31.4%	42.9%	11.4%	85.7%	22.9%	34.3%	20.0%	77.1%	20.0%	20.0%	22.9%	62.9%
Asian	37.1%	23.8%	7.6%	68.6%	34.3%	16.2%	7.6%	58.1%	25.7%	16.2%	15.2%	57.1%

Improvement for Those who Sat the test twice - by Ethnicity												
Ethnicity	2000 Words				3000 Words				5000 Words			
	Increase	%	Increase	%	Increase	%	Increase	%	Increase	%	Increase	%
NZ European/Pakeha	5.2	17.4%	4.3	14.4%	6.9	23.0%	5.1	16.9%				
Māori	3.0	10.0%	4.2	13.9%	6.2	20.7%	5.9	19.5%				
Pacific Islander	1.3	4.4%	6.8	22.7%	3.1	10.5%	8.4	28.1%				
Asian	2.7	9.0%	2.6	8.7%	4.9	16.3%	4.4	14.8%				

Passing Percentage - By Year Level												
Year Level	2000 Words				3000 Words				5000 Words			
	Test 1	Test 2	Total	%	Test 1	Test 2	Total	%	Test 1	Test 2	Total	%
Year 9	78.4%	11.6%	90.1%	59.9%	22.2%	82.1%	27.6%	33.5%	61.1%	4.0%	6.3%	10.2%
Year 10	88.8%	4.9%	93.7%	83.7%	7.9%	91.6%	16.3%	71.7%	88.0%	15.5%	3.8%	19.3%

Improvement for Those who Sat the test twice - by Year Level												
Year Level	2000 Words				3000 Words				5000 Words			
	Increase	%	Increase	%	Increase	%	Increase	%	Increase	%	Increase	%
Year 9	4.2	14.0%	5.7	18.8%	8.4	28.1%	7.7	25.7%				
Year 10	4.7	15.6%	2.1	7.1%	2.3	7.8%	2.2	7.4%				

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

2019 Vocab Test - Overall Summary Seniors

Passing Percentage			
Vocab Level	Previous	Test 1	Test 2
Academic	46.8%	31.2%	3.3%
10000 Words	20.3%	26.4%	2.3%
University	27.9%	11.0%	13.4%
			52.3%

Improvement			
Vocab Level	Students	Increase	% Increase
Academic	95	1.28	4.3%
10000 Words	140	-1.04	-3.5%
University	253	3.04	16.9%

Passing Percentage - by Ethnicity									
Academic Vocab					10000 Words				
Ethnicity	Previous	Test 1	Test 2	Total	Previous	Test 1	Test 2	Total	University
NZ European/Pakeha	50.9%	33.1%	2.8%	86.8%	24.9%	28.6%	1.8%	55.2%	31.0%
Maori	43.2%	31.6%	5.2%	80.0%	12.3%	26.5%	2.6%	41.3%	17.4%
Pacific Islander	26.1%	34.8%	4.3%	65.2%	2.2%	15.2%	6.5%	23.9%	17.4%
Asian	43.3%	23.8%	3.0%	70.1%	18.9%	22.6%	2.4%	43.9%	31.1%
									6.7%
									48.2%

Improvement for Those who Sat the test twice - by Ethnicity									
		Academic			10000 Words			University	
Ethnicity		Increase	%		Increase	%		Increase	%
NZ European/Pakeha		0.0	0.1%		-2.3	-7.5%		3.4	18.7%
		2.0	6.5%		0.7	2.4%		3.1	17.3%
Maori									
Pacific Islander		4.8	16.0%		-1.4	-4.7%		1.9	10.6%
Asian		2.2	7.5%		0.2	0.7%		1.9	10.7%

Passing Percentage - By Year Level									
Academic Vocab					10000 Words				
Year Level	Previous	Test 1	Test 2	Total	Previous	Test 1	Test 2	Total	University
Year 11	-	58.8%	4.3%	63.1%	-	17.6%	4.5%	22.2%	20.7%
Year 12	73.3%	15.5%	4.1%	92.9%	22.3%	34.8%	0.7%	57.8%	11.8%
Year 13	85.3%	8.5%	0.9%	94.6%	49.6%	29.0%	0.9%	79.5%	4.0%
									76.3%

Improvement for Those who Sat the test twice - by Year Level									
Academic					10000 Words				
Year Level	Increase		%		Increase		%		University
	1.3		4.3%		-0.7		-2.2%		3.5
	1.5		5.0%		-2.6		-8.8%		2.1
	-2.0		-6.7%		-3.0		-10.0%		1.3
									7.1%

PALMERSTON NORTH BOYS' HIGH SCHOOL

Kiwisport Funding Statement

For the year ended 31 December 2019

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: athletics, badminton, basketball, boxing, canoe polo, clay target shooting, cricket, cycling, football, golf, hockey, indoor cricket, Ki O Rahi, motocross, 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 70% 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.

Kiwisport Funding Received for the 2019 Year: \$38,844

PALMERSTON NORTH BOYS' HIGH SCHOOL

Statement of Human Resources

As at 31 December 2019

STAFF	2019	2018
Teaching	133	135
Administration and Support	45	44
Hostel	17	17
	<hr/>	<hr/>
	195	196
	<hr/>	<hr/>

(Includes full and part-time staff)

STUDENTS

Roll number at 1 March

Year 9	364	345
Year 10	360	360
Year 11	372	366
Year 12	332	330
Year 13	260	289
	<hr/>	<hr/>
	1,688	1,690
	<hr/>	<hr/>

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

380	380
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PALMERSTON NORTH BOYS' HIGH SCHOOL

Statement of Physical Resources

As at 31 December 2019

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, 50% of 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 Waihiko Park. The school leases the Queen Elizabeth College fields during the winter sports season.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF PALMERSTON NORTH BOYS' HIGH SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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 31, that comprise the statement of financial position as at 31 December 2019, 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 2019; 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 20th July 2020. 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.

Emphasis of Matter – COVID-19

Without modifying our opinion, we draw attention to the disclosures in note 33 on page 30 which outlines the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

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