



PALMERSTON NORTH BOYS' HIGH SCHOOL

ANNUAL REPORT FOR THE YEAR ENDED 31 December 2022

School Directory

Ministry Number: 202
Rector: David M Bovey
School Address: 263 Featherston Street, Palmerston North
School Postal Address: PO Box 4049, Palmerston North 4442
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Members of the Board

<u>Name</u>	<u>Position</u>	<u>How Position Gained</u>	<u>Term Expired/Expires</u>
Michael Lawrence	Presiding Member	Re-elected May 2019	Resigned March 2023
David Bovey	Rector ex Officio	Appointed October 2012	
Grant Watts	Parent Representative	Re-elected September 2022	May 2025
Jodi Jamieson	Parent Representative	Co-opted September 2022	May 2025
Simon O'Connor	Parent Representative	Re-elected September 2022	May 2025
William Mafi	Parent Representative	Elected September 2022	May 2025
Bevan Erueti	Parent Representative	Elected September 2022	May 2025
Anna Stephenson	Parent Representative	Elected September 2022	May 2025
Craig Purdy	Parent Representative	Re-elected May 2019	Resigned September 2022
Brendon Ross	Parent Representative	Elected May 2019	Resigned September 2022
Jack Siebert	Staff Representative	Re-elected May 2019	Resigned September 2022
Sue Taylor	Staff Representative	Elected September 2022	May 2025
Eli Hanson	Student Representative	Elected October 2021	December 2022
Auditor	BDO Manawatu		

PALMERSTON NORTH BOYS' HIGH SCHOOL

Annual Report - For the year ended 31 December 2022

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PALMERSTON NORTH BOYS' HIGH SCHOOL

Statement of Responsibility

For the year ended 31 December 2022

The Board 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 2022 fairly reflects the financial position and operations of the school.

The School's 2022 financial statements are authorised for issue by the Board.

Grant William Watts

Full Name of Presiding Member

David Maurice Boven

Full Name of Rector

G.W. Watts

Signature of Presiding Member

David Boven

Signature of Rector

30/5/23

Date:

30/5/23

Date:

PALMERSTON NORTH BOYS' HIGH SCHOOL

Statement of Comprehensive Revenue and Expense For the year ended 31 December 2022

		2022 Actual	2022 Budget (Unaudited)	2021 Actual
	Notes	\$	\$	\$
Revenue				
Government Grants	2	16,391,824	15,973,426	15,789,962
Locally Raised Funds	3	3,134,729	3,029,315	3,154,483
Interest Income		63,666	40,000	45,538
Gain on Sale of Property, Plant and Equipment		-	-	1,324
Hostel	4	2,446,725	2,405,194	2,145,227
Truancy		151,117	101,052	127,386
		<u>22,188,061</u>	<u>21,548,987</u>	<u>21,263,920</u>
Expenses				
Locally Raised Funds	3	1,737,347	1,662,191	1,567,315
Hostel	4	2,142,686	2,091,762	2,005,098
Learning Resources	5	13,243,034	12,976,204	12,885,611
Administration	6	2,008,295	1,782,489	1,647,449
Finance Costs		46,894	30,000	48,929
Property	7	2,699,055	3,299,774	2,673,408
Other Expenses	8	(690)	15,000	(38,169)
Loss on Disposal of Property, Plant and Equipment		12,366	-	15,372
		<u>21,888,987</u>	<u>21,857,420</u>	<u>20,805,014</u>
Net Surplus / (Deficit) for the year		299,075	(308,433)	458,905
Increase in Asset Revaluation Reserve		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>\$ 299,075</u>	<u>\$ (308,433)</u>	<u>\$ 458,905</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 2022

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Equity at 1 January	13,217,142	13,000,000	12,758,235
Total comprehensive revenue and expense for the year	299,075	(308,433)	458,905
Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	89,027	89,027	-
Equity at 31 December	\$ 13,605,245	\$ 12,780,594	\$ 13,217,142
Accumulated comprehensive revenue and expense	11,999,590	12,780,594	11,655,305
Reserves	1,605,655	-	1,561,837
Equity at 31 December 2022	\$ 13,605,245	\$ 12,780,594	\$ 13,217,142
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	316,250	-	295,549
Extra-Curricular Activities	43,818	-	20,701
Closing Balance	\$ 360,068	\$ -	\$ 316,250
Net Movement in Reserved Funds	43,818	-	20,701
Asset Revaluation Reserve within Equity			
Balance at 1 January	1,245,587	-	1,245,587
Artwork Revaluation	-	-	-
Closing Balance	\$ 1,245,587	\$ -	\$ 1,245,587
Net Movement in Asset Revaluation Reserve	-	-	-

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes which form part of these financial statements.

PALMERSTON NORTH BOYS' HIGH SCHOOL

Statement of Financial Position
As at 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
CURRENT ASSETS				
Cash and Cash Equivalents	9	296,104	300,000	188,961
Accounts Receivable	10	949,202	935,490	897,971
GST Receivable		137,634	110,000	94,978
Funds Receivable for Capital Works Projects	19	147,448	-	145,031
Prepayments		267,498	350,000	250,549
Inventories	11	426,197	369,500	362,816
Investments	12	4,250,000	4,100,000	4,152,663
		6,474,084	6,164,990	6,092,968
CURRENT LIABILITIES				
Accounts Payable	14	1,370,276	1,316,804	1,321,880
Revenue Received in Advance	16	697,915	1,080,000	716,236
Provision for Cyclical Maintenance	17	164,427	162,000	125,234
Funds held in Trust	18	141,742	180,000	143,259
Funds held for Capital Works Projects	19	-	230,000	247,344
Finance Leases	25	83,176	-	68,818
		2,457,536	2,968,804	2,622,771
WORKING CAPITAL SURPLUS/(DEFICIT)		4,016,548	3,196,186	3,470,197
NON-CURRENT ASSETS				
Property, Plant and Equipment	13	10,766,019	10,449,408	10,882,827
		10,766,019	10,449,408	10,882,827
NON-CURRENT LIABILITIES				
Borrowings - Due beyond one year	15	400,000	400,000	400,000
Provision for Cyclical Maintenance	17	386,579	325,000	434,311
Provision for Long Service & Retirement Leave		38,044	55,000	38,467
Funds held in Trust	18	147,764	-	-
Finance Leases	25	115,435	-	175,106
Boarding Bonds		89,500	85,000	88,000
		1,177,322	865,000	1,135,884
NET ASSETS		\$ 13,605,245	\$ 12,780,594	\$ 13,217,142
EQUITY		\$ 13,605,245	\$ 12,780,594	\$ 13,217,142

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

Statement of Cash Flows

For the year ended 31 December 2022

	Note	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Government Grants		5,023,848	4,524,588	4,515,068
Locally Raised Funds		2,343,662	2,467,389	2,534,038
Hostel		2,393,985	2,406,296	2,161,580
International Students		675,088	841,606	28,707
Truancy		151,117	-	127,386
Goods and Services Tax (net)		(42,655)	15,022	15,637
Payments to Employees		(4,780,977)	(5,281,359)	(4,152,485)
Payments to Suppliers		(5,050,261)	(4,665,108)	(4,197,205)
Interest Received		63,666	55,680	55,070
Interest Paid		(46,894)	(30,000)	(48,929)
Net cash from/(to) the Operating Activities		730,579	334,114	1,038,867
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from Sale of Property, Plant and Equipment		12,365	-	1,324
Purchase of Investments		(97,337)	52,663	(498,200)
Purchase of Property, Plant and Equipment		(477,323)	(340,000)	(270,671)
Proceeds from Sale of Investments		-	-	-
Net cash from/(to) the Investing Activities		(562,295)	(287,337)	(767,547)
CASH FLOWS FROM FINANCING ACTIVITIES				
Furniture and Equipment Grant		89,027	-	-
Finance Lease Payments		(45,313)	-	(48,218)
Funds administered on Behalf of Third Parties		144,907	36,741	(243,215)
Funds administered on Behalf of Capital Works		(249,761)	-	(7,409)
Net Cash from/(to) Financing Activities		(61,140)	36,741	(298,842)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		107,144	83,518	(27,522)
Cash and cash equivalents at the beginning of the year		188,960	216,482	216,482
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	9	\$ 296,104	\$ 300,000	\$ 188,960

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

For the year ended 31 December 2022

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 and Training Act 2020. The Board is of the view that the School is a public entity for financial reporting purposes.

b) Basis of Preparation

Reporting Period

The financial statements have been prepared for the period 1 January 2022 to 31 December 2022 and in accordance with the requirements of the Education and Training Act 2020.

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the 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.

Cyclical Maintenance

The School recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the School buildings. The estimate is based on the School's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 17.

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. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental of an asset to the lessee.

Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant and equipment, whereas for an operating lease no such asset is recognised. Finance lease liability disclosures are contained in note 25. Future operating lease commitments are disclosed in note 23b.

Recognition of grants

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

c) Revenue Recognition

Government Grants

The School receives funding from the Ministry of Education. The following are the main types of funding that the School receives.

Operational grants are recorded as revenue when the School has the rights to the funding, which is in the year that the funding is received.

Teachers salaries grants are recorded as revenue when the School has the rights to the funding in the salary period they relate to. The grants are not received in cash by the school and are paid directly to teachers by the Ministry of Education.

Other Ministry Grants for directly funded programs are recorded as revenue when the School has the rights to the funding in the period they relate to. The grants are not received in cash by the School and are paid directly by the Ministry of Education.

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. Grants for the use of land and buildings are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes.

This is a non-cash revenue that is offset by a non-cash expense. The use of land and buildings grants and associated expenditure are recorded in the period the School uses the land and buildings.

Other Grants where conditions exist

Other grants are recorded as revenue when the School has the rights to the funding, unless there are unfulfilled conditions attached to the grant, in which case the amount relating to the unfulfilled conditions is recognised as a liability and released to revenue as the conditions are fulfilled.

Donations, Gifts and Bequests

Donations, gifts and bequests are recognised as an asset and revenue when the right to receive funding or the asset has been established unless there is an obligation to return funds if conditions are not met. If conditions are not met funding is recognised as revenue in advance and recognised when conditions are satisfied.

Interest Revenue

Interest Revenue earned on cash and cash equivalents and investments is recorded as revenue in the period it is earned.

d) 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.

e) 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.

f) 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.

g) Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (uncollectable debts). The schools receivables are largely made up of funding from the Ministry of Education, therefore the level of uncollectable debts is not considered to be material. However, short-term receivables are written off when there is no reasonable expectation of recovery.

h) 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.

i) 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.

j) Property, Plant and Equipment

Land and buildings owned by the Crown are excluded from these financial statements. The Board's use of the land and buildings as 'occupant' is based on a property occupancy document.

Improvements (funded by the Board) to buildings owned by the Crown are recorded at cost, less accumulated depreciation and any impairment losses.

Property, plant and equipment, with the exception of artwork, are recorded at cost or, in the case of donated assets, fair value at the date of receipt, less accumulated depreciation and impairment losses. Cost or fair value as the case may be, includes those costs that relate directly to bringing the asset to the location where it will be used and making sure it is in the appropriate condition for its intended use.

Gains and losses on disposals (i.e. sold or given away) are determined by comparing the proceeds received with the carrying amounts (i.e. the book value). The gain or loss arising from the disposal of an item of property and equipment is recognised in the Statement of Comprehensive Revenue and Expense.

Artworks are recorded at fair value, with valuations performed by an independent art expert every three years, to ensure that the fair value of artwork does not differ materially from its carrying amount.

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. At 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 surplus or deficit in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Building Improvements	10 - 75 years
Board Owned Buildings	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
Leased assets held under a Finance Lease	Term of Lease
Library Resources	12.5% Diminishing value
Alternative Education	5 - 10 years
MCHS Assets	5 - 50 years
Truancy Assets	5 - 10 years

k) Impairment of property, plant and equipment

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

Non cash generating assets

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

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

In determining fair value less costs to sell the school engages an independent valuer to assess market value based on the best available information. The valuation is based on recent market transactions.

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. A previously recognised impairment is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognised.

l) 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.

m) 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, and also annual leave earned, by non teaching staff, to but not yet taken at balance date.

Long-term employee entitlements

Employee benefits that are not expected to be settled wholly before 12 months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis.

The calculations are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows. Remeasurements are recognised in surplus or deficit in the period in which they arise.

n) 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.

o) 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 Comprehensive Revenue and Expense.

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

p) Funds held for Capital works

The school directly receives funding from the Ministry of Education for capital works projects that are included in the School five year capital works agreement. These funds are held on behalf and for a specific purpose as such 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 at any time.

q) 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 P3, P4, P5, Block O, the Aquatic Sports Centre, 50% of the Speirs Centre, the Tennis Pavilion, the rental houses, the Covered Canteen Area, and the College House buildings, 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 is a reasonable estimate, based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition.

The school carries out painting maintenance of the whole school over a 7 - 10 year period, the economic outflow of this is dependant on the plan established by the school to meet this obligation and is detailed in the notes and disclosures of these accounts.

r) Financial Instruments

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

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

s) 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.

t) 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.

u) Budget figures

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

v) 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 2022

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
2 Government Grants			
Government Grants - Ministry of Education	4,132,581	3,775,000	3,703,137
Teachers' Salaries Grants	9,845,298	9,499,992	9,779,356
Other Government Grants	153,069	54,000	163,806
Alternative Education Grant	533,051	495,234	512,691
Use of Land and Buildings Grants	1,575,418	2,040,000	1,496,882
Manawatu Community High School Grant	152,407	109,200	134,090
	<u>\$ 16,391,824</u>	<u>\$ 15,973,426</u>	<u>\$ 15,789,962</u>

3 Locally Raised Funds

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

Revenue

Donations & Bequests	774,978	866,266	892,839
Curriculum related Activities			
- Purchases of goods and services	237,524	295,690	259,665
Fees for Extra Curricular Activities	650,251	739,100	549,463
Trading	368,656	392,040	371,570
Fundraising and Community Grants	126,798	55,000	56,288
Other Revenue	172,965	127,916	135,100
Overseas Travel	166,108	23,699	90,295
International Student Fees	637,449	529,604	799,264
	<u>\$ 3,134,729</u>	<u>\$ 3,029,315</u>	<u>\$ 3,154,483</u>

Expenses

Extra Curricular Activities Costs	699,707	777,850	506,079
Trading	311,875	323,820	307,375
Fundraising and Community Grant Costs	48,943	55,000	50,294
Other Locally Raised Funds Expenditure	42,321	31,844	35,727
Overseas Travel	166,216	23,699	90,924
International Student - Student Recruitment	91,575	71,150	66,184
International Student - Employment Benefit	121,998	153,000	195,543
International Student - Other Expenses	254,711	225,828	315,189
	<u>\$ 1,737,347</u>	<u>\$ 1,662,191</u>	<u>\$ 1,567,316</u>

Surplus for the year Locally raised funds	<u>\$ 1,397,384</u>	<u>\$ 1,367,124</u>	<u>1,587,167</u>
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During the year the School hosted 30 International students (2021: 33)

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
4 Hostel Revenue and Expenses			
Hostel Financial Performance			
Hostel Full Boarders	169	173	163
Hostel Weekly Boarders	-	-	-
Revenue			
Hostel Fees	2,066,592	2,170,564	1,857,085
Other Revenue	98,033	91,030	131,644
Registration Fees	18,600	13,600	20,100
Letting	263,499	130,000	136,397
	<u>2,446,725</u>	<u>2,405,194</u>	<u>2,145,227</u>
Expenses			
Administration	219,975	230,472	213,442
Depreciation	157,659	159,588	160,797
Property	353,804	310,200	299,083
Employee Benefits - Salaries	738,006	741,102	719,711
Letting	43,104	35,750	28,509
Other Hostel Expenses	630,138	614,650	583,556
	<u>2,142,686</u>	<u>2,091,762</u>	<u>2,005,098</u>
Surplus for the year Hostel	<u>\$ 304,039</u>	<u>\$ 313,432</u>	<u>\$ 140,129</u>

5 Learning Resources			
Curricular	336,083	413,677	283,075
Alternative Education	324,496	285,876	311,202
Manawatu Community High School	5,441	29,055	5,393
Library Resources	4,505	5,200	4,844
Employee Benefits - Salaries	11,679,920	11,316,260	11,368,116
Staff Development	504,096	604,500	526,441
Depreciation	388,492	321,636	386,540
	<u>\$ 13,243,034</u>	<u>\$ 12,976,204</u>	<u>\$ 12,885,611</u>

Overseas travel of \$Nil was undertaken by Senior staff for Professional Development.
(2021: \$Nil)

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
6 Administration			
Audit Fee	12,772	11,500	9,126
Board Fees	4,435	6,000	3,550
Board Expenses	18,360	21,600	5,864
Communication	21,881	23,000	23,255
Consumables	32,075	40,700	34,267
Operating Lease	9,308	23,000	15,913
Legal Fees	2,052	5,000	2,839
Other	289,338	299,100	222,765
Employee Benefits - Salaries	1,421,548	1,197,010	1,175,643
Insurance	96,986	96,492	86,499
Service Providers, Contractors and Consultancy	25,258	11,500	2,553
Manawatu Community High School	50,094	23,012	38,366
Truancy Service	24,188	24,575	26,808
	<u>\$ 2,008,295</u>	<u>\$ 1,782,489</u>	<u>\$ 1,647,449</u>

Overseas travel of \$Nil was undertaken by the Rector for Professional Development.
(2021: \$Nil)

7 Property			
Caretaking & Cleaning Consumables	35,215	31,200	27,886
Cyclical Maintenance Provision	83,808	120,000	59,727
Grounds	26,970	20,500	22,438
Heat, Light and Water	289,751	367,500	321,109
Rates	19,452	17,448	15,328
Repairs & Maintenance	129,591	152,600	188,276
Use of Land and Buildings	1,575,418	2,040,000	1,496,882
Manawatu Community High School	22,038	20,516	17,486
Security	10,488	13,000	12,715
Employee Benefits - Salaries	506,324	517,010	511,564
	<u>\$ 2,699,055</u>	<u>\$ 3,299,774</u>	<u>\$ 2,673,408</u>

The use of land and buildings figure represents 5% of the school's total property value.
Property values are established as part of the nation-wide revaluation exercise that is
conducted every 30 June for the Ministry of Education's year-end reporting.

8 Other Expenses			
Loss on Uncollectable Accounts Recievable	(690)	15,000	(38,169)
	<u>\$ (690)</u>	<u>\$ 15,000</u>	<u>\$ (38,169)</u>

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
9 Cash and Cash Equivalents			
Bank Accounts	296,104	300,000	188,961
Short-term Bank Deposits	-	-	-
Cash and cash equivalents for Statement of Cash Flows	<u>\$ 296,104</u>	<u>\$ 300,000</u>	<u>\$ 188,961</u>

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

Of the \$296,104 Cash and Cash Equivalents and \$4,250,000 cash investments in Note 12, \$247,344 is held by the School on behalf of the Ministry of Education. These funds have been provided by the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2023 on Crown owned school buildings.

10 Accounts Receivable

Receivables	74,794	150,000	60,831
Receivables from the Ministry of Education	-	-	22,758
Allowance for impairment of receivables	(7,935)	(45,000)	(12,311)
Sundry Receivables	23,144	30,000	26,178
Teachers Salaries Grant Receivable	859,200	800,490	800,515
	<u>\$ 949,203</u>	<u>\$ 935,490</u>	<u>\$ 897,972</u>
Receivables from Exchange Transactions	90,002	135,000	74,698
Receivables from Non-Exchange Transactions	859,200	800,490	823,273
	<u>\$ 949,203</u>	<u>\$ 935,490</u>	<u>\$ 897,972</u>

11 Inventories

School Blazers	14,471	14,500	14,471
School Uniforms	411,725	355,000	348,344
	<u>\$ 426,197</u>	<u>\$ 369,500</u>	<u>\$ 362,816</u>

12 Investments

The School's investment activities are classified as follows:-

Current Assets			
Short-term Bank Deposits	\$ 4,250,000	\$ 4,100,000	\$ 4,152,663

13 Property, Plant and Equipment

	Opening Balance (NBV)	Additions & Revaluations	Disposals or Reclassification	Impairment	Depreciation	Total (NBV)
2022	\$	\$	\$	\$	\$	\$
Land	1,330,160	-	-	-	-	1,330,160
Buildings	6,907,577	-	-	-	(230,246)	6,677,331
Leasehold Improvements	446,951	31,203	-	-	(25,323)	452,831
Plant and Machinery	206,218	-	-	-	(35,905)	170,313
Furniture and Fittings	150,436	12,569	-	-	(26,839)	136,166
Information and Communication Technology	198,222	206,124	-	-	(97,219)	307,127
Motor Vehicles	10,395	74,463	-	-	(10,800)	74,059
Sports Equipment	31,830	15,600	-	-	(11,552)	35,878
Minor Equipment	122	-	-	-	(122)	-
Musical Instruments	34,939	6,277	-	-	(8,023)	33,193
Textbooks	46,104	16,325	-	-	(12,531)	49,898
Library Resources	24,664	9,931	(12,365)	-	(3,879)	18,351
Leased Assets	238,030	28,277	-	-	(75,831)	190,476
Artworks	1,089,250	-	-	-	-	1,089,250
Work in Progress	136,362	73,500	(35,616)	-	-	174,246
Manawatu Community High School	31,567	3,054	-	-	(7,881)	26,740
Balance at 31 December 2022	10,882,827	477,323	(47,981)	-	(546,150)	10,766,019

The net carrying value of equipment held under a finance lease is \$190,476 (2021: \$238,030)

There are no restrictions over the title of the school's property, plant and equipment, nor are any property, plant and equipment pledged as security for liabilities.

	2022 Cost or Valuation	2022 Accumulated Depreciation & Impairment	2022 Net Book Value	2021 Cost or Valuation	2021 Accumulated Depreciation & Impairment	2021 Net Book Value
	\$	\$	\$	\$	\$	\$
Land	1,330,160	-	1,330,160	1,330,160	-	1,330,160
Buildings	10,315,879	(3,638,548)	6,677,331	10,315,879	(3,408,302)	6,907,577
Leasehold Improvements	668,808	(215,978)	452,831	637,606	(190,655)	446,951
Plant and Machinery	1,258,561	(1,088,248)	170,313	1,258,561	(1,052,343)	206,218
Furniture and Fittings	1,784,336	(1,648,170)	136,166	1,771,767	(1,621,331)	150,436
Information and Communication Technology	1,823,284	(1,516,157)	307,127	3,643,512	(3,445,290)	198,222
Motor Vehicles	260,785	(186,726)	74,059	200,544	(190,149)	10,395
Sports Equipment	451,107	(415,229)	35,878	435,507	(403,677)	31,830
Minor Equipment	156,469	(156,469)	-	156,469	(156,347)	122
Musical Instruments	345,069	(311,875)	33,193	501,218	(466,279)	34,939
Textbooks	313,288	(263,390)	49,898	296,963	(250,858)	46,104
Library Resources	258,975	(240,624)	18,351	261,409	(236,745)	24,664
Leased Assets	330,958	(140,482)	190,476	302,681	(64,651)	238,030
Artworks	1,089,250	-	1,089,250	1,089,250	-	1,089,250
Work in Progress	174,246	-	174,246	136,362	-	136,362
Alternative Education	25,754	(25,754)	-	25,754	(25,754)	-
Manawatu Community High School	101,625	(74,885)	26,740	98,571	(67,004)	31,567
Truancy Service	14,883	(14,883)	-	14,883	(14,883)	-
Balance at 31 December	20,703,436	(9,937,417)	10,766,019	22,477,096	(11,594,268)	10,882,827

Artwork was revalued in November 2020 by an independent valuer (Dunbar Sloane). In estimating the fair value of artwork, the insurance valuation method was used, which incorporated the use of the following significant assumptions:

- Insurance replacement cost

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
14 Accounts Payable			
Creditors	235,337	230,000	257,989
Accruals	53,210	61,804	57,401
Employee Benefits Payable - Salaries	859,200	825,000	800,515
Employee Benefits Payable - Leave Accrual	222,530	200,000	205,976
	<u>\$ 1,370,277</u>	<u>\$ 1,316,804</u>	<u>\$ 1,321,880</u>
Payables for Exchange Transactions	1,358,724	1,301,000	1,308,255
Payables for Non-exchange Transactions - Taxes payable (PAYE and Rates)	11,553	15,804	13,625
	<u>\$ 1,370,277</u>	<u>\$ 1,316,804</u>	<u>\$ 1,321,880</u>

The carrying value of payables approximates their fair value.

15 Borrowings			
Loans due after one year	400,000	400,000	400,000
	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ 400,000</u>

College House Parents Education Trust

The loan from College House Parents Education Trust is secured by a registered mortgage over property situated at 105 North Street, Palmerston North.

The interest rate is 7.50% (2020 7.5%) and the loan is interest only.

The interest cost of \$30,000 (2021 \$30,000) is shown in Finance Costs in the Statement of Comprehensive Revenue and Expense.

The loan is due for repayment 31st December 2024.

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
16 Revenue Received in Advance			
International Student Fees in Advance	400,067	850,000	362,428
Hostel Fees in Advance	62,045	-	49,070
Other Revenue in Advance	235,802	230,000	304,738
	<u>\$ 697,915</u>	<u>\$ 1,080,000</u>	<u>\$ 716,236</u>

17 Provision for Cyclical Maintenance

Provision at the Start of the Year	559,547	559,547	597,658
Increase to the Provision during the Year	106,337	47,453	70,724
Use of the Provision During the Year	(92,347)	(120,000)	(97,837)
Other Adjustments	(22,531)	-	(11,000)
Provision at the End of the Year	<u>\$ 551,006</u>	<u>\$ 487,000</u>	<u>\$ 559,547</u>
Cyclical Maintenance - Current	164,427	162,000	125,235
Cyclical Maintenance - Non Current	386,579	325,000	434,311
	<u>\$ 551,006</u>	<u>\$ 487,000</u>	<u>\$ 559,546</u>

Per the cyclical maintenance schedule the school is next expected to undertake painting works during 2023. The plan is based on the schools 10 Year Property plan, quotes and recent work completed.

18 Funds Held in Trust

Funds Held in Trust on Behalf of Third Parties - Current	141,742	180,000	143,259
Funds Held in Trust on behalf of Third Parties - Non-current	147,764	-	-
	<u>\$ 289,506</u>	<u>180,000</u>	<u>143,259</u>

These funds relate to arrangements where the school is acting as an agent. The amounts are not revenue or expenditure of the school and therefore are not included in the Statement of Comprehensive Revenue and Expense.

19 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. The amount of cash held on behalf of the Ministry for capital works projects is included under cash and cash equivalents in note 9.

	2022	Opening Balances	Receipts from MOE	Payments	Board Contribution	Closing Balances
Project No.		\$	\$	\$	\$	\$
D Block Upgrade	208536	(82,126)	-	19,281	-	(101,407)
S Block Upgrade	208531	(48,995)	81,555	32,560	-	-
MCHS Driveway & Drainage	226206	86,676	11,268	97,944	-	-
SIP - Carpet Replacement	232582	67,361	9,308	76,669	-	-
SIP - Security Alarm Upgrade	232648	9,369	-	13,624	-	(4,255)
SIP - CCTV & Projection Screen	232579	22,569	3,959	26,528	-	-
SIP - Fencing	232580	(1,799)	2,087	288	-	-
SIP - Replace Broken Paving	232583	61,369	1,338	62,707	-	-
SIP - Block E Airconditioning	232649	(2,749)	3,038	289	-	-
SIP - LED Lighting	232581	(9,362)	9,650	288	-	-
Replace Roofs & Gutters	240612	-	-	1,433	-	(1,433)
AMS - B Block Carpets	240171	-	-	617	-	(617)
AMS - Block C & I Lighting	240172	-	-	39,736	-	(39,736)
		102,313	122,203	371,964	-	(147,448)

Represented By:

Funds Due from the Ministry of Education

(147,448)

Funds Held on Behalf of the Ministry of Education

-

	2021					
Project No.						
D Block Upgrade	208536	(37,385)	-	44,741	-	(82,126)
S Block Upgrade	208531	(42,544)	-	6,451	-	(48,995)
Sewer & Stormwater	208534	(11,743)	32,222	20,479	-	-
Structural Strengthening Gym	208529	(18,050)	18,475	425	-	-
MCHS Driveway & Drainage	226206	-	94,347	7,671	-	86,676
SIP - Carpet Replacement	232582	-	97,494	30,133	-	67,361
SIP - Security Alarm Upgrade	232648	-	10,125	756	-	9,369
SIP - CCTV & Projection Screen	232579	-	31,725	9,156	-	22,569
SIP - Fencing	232580	-	20,633	22,432	-	(1,799)
SIP - Replace Broken Paving	232583	-	82,125	20,756	-	61,369
SIP - Block E Airconditioning	232649	-	29,193	31,942	-	(2,749)
SIP - LED Lighting	232581	-	88,705	98,067	-	(9,362)
		(109,722)	505,044	293,009	-	102,313

Represented By:

Funds Due from the Ministry of Education

(145,031)

Funds Held on Behalf of the Ministry of Education

247,344

20 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.

21 Remuneration

Key Management Personnel Compensation

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

	2022 Actual \$	2021 Actual \$
Board Members		
Remuneration	4,435	5,845
Leadership Team		
Remuneration	3,768,653	3,611,056
Full-time equivalent members	33	32
Total key management personnel remuneration	3,773,088	3,616,901

There are 9 members of the Board excluding the Rector. The Board held 11 full meetings of the Board in the year. The Board also has 7 Finance and Property members and 10 College House members that met 11 times and 10 times respectively. As well as these regular meetings, including preparation time, the Presiding member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Rector

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

	2022 Actual \$000	2021 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	240 - 250	230 - 240
Benefits and Other Emoluments	10 - 20	10 - 20

Other Employees

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

Remuneration \$000	2022 FTE Number	2021 FTE Number
100 - 110	27.00	22.00
110 - 120	10.00	10.00
120 - 130	7.00	5.00
130 - 140	1.00	-
140 - 150	2.00	-
150 - 160	-	1.00
	47.00	38.00

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

22 Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2022.

(Contingent liabilities and assets at 31 December 2021: Nil).

Holidays Act Compliance - schools payroll

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

The Ministry's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing.

Final calculations and potential impact on any specific individual will not be known until further detailed analysis and solutions have been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2022, a contingent liability for the school may exist.

Collective Agreement

The Ministry of Education provided additional funding for both the Support Staff in Schools' Collective Agreement (CA) Settlement and the Teacher Aide Pay Equity Settlement. The School has not been notified of the final wash up calculation relating to 31 December 2022. The final calculations impact on the financial statements is unable to be determined at the date of reporting.

23 Commitments

(a) Capital Commitments

As at 31 December 2022 the Board has entered into contract agreements for works as follows:

- (a) \$49,842 to have the Accelerated Modernisation Scheme (AMS) Block C & I Lighting Replacement project completed as agents for the Ministry of Education. This project is fully funded by the Ministry with \$39,736 being spent on the project to date.
- (b) \$68,454 to have the Accelerated Modernisation Scheme (AMS) Block B Floor Coverings Replacement project completed as agents for the Ministry of Education. This project is fully funded by the Ministry with \$618 being spent on the project to date.
- (c) \$21,197 to have the School Investment Package (SIP) Security Alarm Upgrade project completed as agents for the Ministry of Education. This project is fully funded by the Ministry with \$10,125 being received and \$14,380 being spent on the project to date.

(Capital Commitments at 31 December 2021: \$90,307)

(b) Operating Commitments

As at 31 December 2022 the Board has entered into the following contracts:

Lease of Land from PN City Council

	2022 Actual \$	2021 Actual \$
No later than one year	500	500
Later than one year and No Later than 5 Years	500	1,000
	<u>\$ 1,000</u>	<u>\$ 1,500</u>

The total lease payments incurred during the period were \$500 (2021: \$500)

24 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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Cash and Cash Equivalents	296,104	300,000	188,961
Receivables	949,202	935,490	897,971
Investments - Term Deposits	4,250,000	4,100,000	4,152,663
	<u>\$ 5,495,308</u>	<u>\$ 5,335,490</u>	<u>\$ 5,239,595</u>

Financial liabilities measured at amortised cost

Payables	1,370,276	1,316,804	1,321,881
Borrowings - Loans	400,000	400,000	400,000
Finance Lease	198,611	-	243,923
Boarding Bonds	89,500	85,000	88,000
	<u>\$ 2,058,387</u>	<u>\$ 1,801,804</u>	<u>\$ 2,053,804</u>

25 Finance Lease Liability

The School has entered into a number of finance lease agreements for laptops and photocopier equipment. Minimum lease payments payable:

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
No Later than One Year	95,245	-	84,468
Later than One Year and no Later than Five Years	122,579	-	191,506
Future Finance Charges	(19,213)	-	(32,050)
	<u>\$ 198,611</u>	<u>\$ -</u>	<u>\$ 243,923</u>
Represented by			
Finance lease liability - Current	83,176	-	68,818
Finance lease liability - Non Current	115,435	-	175,106
	<u>\$ 198,611</u>	<u>\$ -</u>	<u>\$ 243,923</u>

26 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 members, or employees during the financial year in relation to that cessation and number of persons to whom all or part of the total was payable was as follows:

	2022 Actual	2021 Actual
	\$	\$
Total	-	-
Number of People	-	-

27 Comparatives

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

28 Events After Balance Date

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

PALMERSTON NORTH BOYS' HIGH SCHOOL

Report from the Rector

For the year ended 31 December 2022

A report on the 2022 school year would not be complete, as it was in 2020 & 2021, without reference to the disruption caused by the c-word (Covid-19 in this case). For the third year in a row events were cancelled, while it had a significant impact on teaching and learning.

Despite the effects of Covid, there continued to be an impressive range of achievements from the young men of the school which reflected the significant involvement of the students of Palmerston North Boys' High School in academic, cultural, or sporting activities.

This report is the annual review of the achievements and involvement of the young men of Palmerston North Boys' High School in the school's 121st year. It has again been encouraging to see the level of involvement in school life, especially with the challenges thrown in our way by Covid.

Our school's vision is 'To develop educated men of outstanding character.' While this may appear a lofty goal, the comment is oft made to parents on the school's Open Day, that we want the boys to set lofty goals, "that a man's reach should exceed his grasp, else what's a heaven for?" as Robert Browning wrote.

This vision is well-supported by our values: integrity, courage, pride, respect, industry, and humility. The school continues to work with Circle Education, the Association of Boys' Schools (ABSNZ) and the International Boys' Schools Coalition (IBSC) in this regard to further develop character education at Palmerston North Boys' High School. Heads of Department have worked with their staff to incorporate character education into their schemes of work.

The student achievement-focused goals and objectives were specific and the outcomes at the senior level in 2022 were positive. Further development of courses in vocational areas in the senior school continues to have an impact on NCEA data, as

does the school's accelerate programme, which sees the top Year 13 academic pupils studying primarily university papers.

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. Thus, the last couple of years have been tough for our top performers in both sport and cultural activities, with one thing after another being cancelled. But the school's co-curricular and extra-curricular programmes are not just for the top performers: a significant number of young men are involved across a wide range of levels; 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.

Student Achievement – Academic

While 2022 again had its challenges, the young men of our school have been able to record some impressive achievements. A full winter sports season was a highlight, as was the return of many of the cultural activities that had been affected over recent times. In the pages ahead you will read of those achievements.

The academic results from 2022 made for interesting reading given the challenging circumstances. It will be interesting to note the impact of Covid-19 on the education of our young people. The inadequacy of online learning has certainly been evident – and yet there are those who continue to trumpet it as the saviour of all the ills, real and perceived, of our education system. In theory it works. In reality, it is, not to put too fine a point on it, almost entirely hopeless. Many pupils now think, despite returning to school on a full-time basis, that they can miss out on classroom notes etc by catching up online when they get home. But they don't. They are distracted by TikTok and social media and other vacuous irrelevances and end up doing very little actual work.

Motivation levels have been affected too. There has been a significant increase in can't-be-bothered-itis. Young people who fall into this trap will get a rude awakening upon leaving school.

Many, however, continue to work hard and do their best, and they will do regardless of the system put in front of them. NCEA, which was clearly not designed for boys, continues to frustrate and confuse, and while we are told it is a world-leading system, the fact there are none following must surely tell us something.

PNBHS Scholarship results from 2022 were very disappointing. More than ever, we saw the prioritisation of the university papers studied through the Year 13 Accelerate Programme ahead of NZQA Scholarship examinations. The financial reward of \$500 per scholarship (which has been in place since they began in the early 2000s) is no longer an incentive, particularly when a number of potential scholarship candidates have already received scholarships from the university they intend to study at upon leaving school. Some of these scholarships are significant – Auckland University, in particular, has a several scholarships worth \$20k. The \$500 NZQA scholarship, then, pales into insignificance.

Our pupils achieved just 12 Scholarships, including five at Outstanding Scholarship level. 2022 Dux Litterarum Mitchell Liang achieved three Scholarship passes, while Year 12 pupils Tane Neilson and Liam Nielson achieved Scholarship passes.

The summary of 2022 NCEA results are as follows:

15.6% of Year 11 students gained NCEA Level 2 (National 1.7%)
73.3% of Year 12 students gained NCEA Level 2 (National 74%)
13.2% of Year 12 students gained NCEA Level 3 (National 1.6%)
70.8% of Year 13 students gained NCEA Level 3 (National 67.2%)
52.7% of Year 13 students gained University Entrance (National 48.2%)

It was good to see the significant improvement in Level 3 results from the previous year. It was also encouraging to note that 99.2% of Year 13 pupils had achieved NCEA Level 2 before the end of their time at PNBHS.

University papers offered by a number of the universities through the country are taught by PNBHS teachers. Results for 2022 were positive, with 61 of the 95 papers studied achieved with A grades (29 A+, 16 A and 16 A- grades). Top performers were Lucas Richardson, Aadesh Ganugapati, Morgan Lee, David Wu, Chisora Hada, Mitchell Liang and Carter Underwood.

The importance of the school's co-curricular programme cannot be overstated. Our young men thrive on the opportunities offered at PNBHS in cultural and sporting activities. While the first term activities were curtailed through Covid, it was encouraging that from the second term onwards these disruptions lessened. We were again fortunate to have wonderful support from the PNBHS community who supported the school and our young men in being able to provide such opportunities. Our staff, too, deserve special thanks for their continued involvement.

But what it did mean was that the school's major theatrical production, *Oklahoma*, was a victim of Covid, and was postponed until 2023. That was a huge disappointment to all concerned, not least of whom were the performers from both our school and Palmerston North Girls' High School who missed out on the opportunity to showcase their considerable talent.

Drama productions at both the senior and junior level were presented, and the Junior Musical Theatre programme continued to provide opportunities for young men in Years 9 and 10 to develop their skills. It was heartening to see the continued development in Shakespearean Theatre, with the Rector's Men performing at a high level and achieving success at the Sheilah Winn Festival. Eli Hancock and Jacob Waugh were selected to attend the NZSS Shakespeare Festival, two of less than 50 performers invited to attend. My thanks go to Miss Belcher, Mr Burton and Mr Mills for all they did in this important area of the school this year.

It was good to see the numbers involved in debating at the school. While the results in inter-school debates were not as good as in recent years, it was an encouraging year from a development perspective. Ms Power and her team did a fine job coordinating the programme in the school.

The Kapa Haka and Pasifika groups were able to get back on the stage this year and attend a number of events, including the Super Eight Schools Cultural Festival. A number of young men achieved success in these events, both on an individual level and as part of their wider groups. Young men from PNBHS continue to be involved in the Te Piringa kapa haka group and they competed at the highest level this year.

There are some particularly talented musicians at our school, and like the cultural groups our musicians were able to take part in more events than in the past couple of years. The Stage Band were again superb, winning award for Best Manawatu Big Band and Best Overall Big Band at the Manawatu Jazz Festival, while also earning a Gold Award at the Hawke's Bay Festival of Bands in Hastings. Selected to attend the Young Jazz Band-It competition in Wellington as one of the country's top 10 youth bands, the Stage Band finished runners-up in the competition.

The OK Chorale, the school's elite choir, were selected to attend the National Finale of the Big Sing, one of 24 school choirs from around New Zealand, where they were received the Youth Ambassador Award. Leo Xu and Vealata Tongati'o were selected for the NZ Secondary Students' Choir

Arahan Pilkington came third in the National Brass Band Junior Solo Championships and was selected in the NZSS Brass band, while Torrence Cheung was selected in the NZSS Orchestra. My thanks go to My Young and Mr Dredge in the Music Department, as well as Mrs Dearlove and Mr Lauridsen for all they do for our young musicians.

The 2021 New Zealand Secondary Schools' Athletic Championships was scheduled to be held in Inglewood but was a victim of Covid and was cancelled early in the fourth term. A disappointing way for our leaving Year 13 athletes to finish their year.

The Senior A Badminton team had another solid year. The team finished runner-up this year for the second year in a row. At the NZSS Championships in Porirua the Senior A team finished sixth and the Senior B team finished third in Division II. My

thanks go to Mr Ong, Mr James and Mrs Young-Wilson for their efforts in badminton this year.

42 teams represented the school in basketball in 2022, and the sport continues to be hugely popular among the boys. It was great to see so many young men involved in the local competitions on Friday nights, and it was unfortunate that a number of Fridays were cancelled due to other events at Arena Manawatu. The Premier A team performed well at a very competitive Super Eight tournament where they finished third. They also won the final of the Manawatu Senior Men's competition and won a thrilling final against St.Pat's, Silverstream in the Regional Qualifying Championships. At the NZSS Championships in Palmerston North they finished 10th, failing to make it through to the top eight from their pool on a countback.

The Development team were runners-up at the Schick Regional Tournament in Whanganui while the Junior A team was third at the Zone 3 Championships in New Plymouth.

The local Manawatu Secondary School competitions saw success for a number of PNBHS teams. The Junior A team won the Premier B competition, while in senior grades the Kings, Magic, Raptors, and Suns won their respective grades, while in the junior competitions Kikorangi won the Junior Premier grade, with the Celtics, Hornets, Sharks, Taipans and Wizards won their grades. Dr Smith and Mr Benn continue to do an excellent job of organising basketball at PNBHS, particularly with so many teams.

Covid affected the Senior A Canoe Polo team in the first term, so much so that they were forced to withdraw from the NZSS Championships. They performed with credit in the strong local competition, finishing runners-up to national champions FAHS. The Senior B team won Division II, while the PNBHS 4 team defeated the PNBHS 3 team in the final of Division III. We are again indebted to the Dickons family, who do a fantastic job with our canoe polo teams, as does Troy Huffman-Devey with the Senior A side.

The Senior A Chess Team had a successful season, finishing first at the Manawatu Regional Competition. It was an unprecedented clean sweep at the tournament, with

the Senior B team finishing second, the C team third and the D team fourth. At the Super Eight tournament, the A team finished third in a competitive event.

The 1st XI Cricket team finished third at the Super Eight tournament title. The traditional fixture with Napier BHS was tied, chasing only 107, meaning the team retained the Challenge Shield, which has been played for since 1909. Wins over Wellington College and St. Patrick's, Silverstream followed, before the traditional three-day fixture against Auckland Grammar School was drawn under dramatic circumstances following an heroic last-wicket stand. After being dismissed for a paltry 45 in the first innings, the 1st XI was left chasing 236 to win in the fourth innings, or to bat out the 85 remaining overs. They finished on 97/9 off those 85 overs with Fred McVerry (5* off 92 balls) and Jacob Duker (0* off 79) keeping the Grammar bowlers at bay. Thus, the Oram Family Cup was retained.

The Central Districts Qualifying tournament was postponed in term I due to Covid and is due to be played early in term four following the completion of this article.

The number of young men involved in the Wednesday afternoon McVicar Cup and the Saturday morning competitions, including the school's own Cake League, was encouraging. The school is fortunate to have a number of staff involved in cricket and my thanks go to them.

The cross-country runners performed well during the year. After dominating the Manawatu Secondary Schools event in Foxton, the team finished fourth in the tightest Super Eight Schools Championship of all. Held in Tauranga, just one point separated each team from first to fourth. Brodie Bennett, Charlie Hook and Sam Stichbury all achieved podium finishes.

In cycling, Filip Martin achieved two podium finishes at the NISS Road Cycling Championships, with the Senior A team finishing fourth in a close-run Time Trial event. At the NISS Track Cycling Championships, the team of Joshua Hannon, Ben Murphy, Leighton Riley and Zachary Woollett finished third in the U16 Team Pursuit, while Ben Murphy won the U15 Omnium. Mathew Jamieson had an outstanding year, earning the opportunity to join a team in Belgium where he raced in a number of

events. Mathew was also selected for a Cycling NZ Schools' Focus Group. At the NZSS Championships, held in the Manawatu, Filip Martin again performed with distinction, winning the U14 Road Race and Points Race, with Jonathan Peel finishing third in the Road Race. The school was fourth overall.

The 1st XI football team enjoyed a successful season. They again played some positive and entertaining football to win the Senior Men's YORB Horizons Premiership, after challenging for the title in 2021. Third at Super Eight for the second year in a row after losing their semi-final on penalties, the team then went to the NZSS Championships, being held for the first time since 2019. A number of excellent performances saw the team finish a creditable fifth.

The 2nd XI had another excellent season, going one-better than last year by winning the 360 Logistics Championship and finishing sixth at their regional tournament at which there were a number of 1st XI teams. The 3rd XI had some encouraging performances during their first season in Senior Men's Division I, while the Junior A team won their local competition and were runners-up at the Hillsdene Tournament in Tauranga. The Junior B team also won their grade in the local competition.

Mr Hodge continues to do an outstanding job coordinating the teams and footballers at PNBHS, as well as recruiting a number of superb coaches to work with our school teams.

The Senior A Golf Team finished fourth at the Super Eight tournament and won the Manawatu/Wanganui Intercollegiate Championships. Remy Early won the individual title for the second year in a row at the Super Eight tournament, while William Grieve won Best Nett at the Intercollegiate Championships.

There were some encouraging results from our hockey teams during the season. The 1st XI won the Secondary School Intercity Division I convincingly after going through the season unbeaten. They finished runners-up at the Super Eight tournament, held in Palmerston North, and were 12th at the NZSS Rankin Cup after a couple of last-minute losses in the knockout stages.

The 2nd XI won the Intercity Division II, also going through unbeaten in the championship round. The 3rd XI won Division III after an outstanding season, while the 4th XI finished runners-up in Division IV. The U15 Colts lost in the semi-final of Division II and were competitive throughout the season.

The 1st XV rugby team had another promising beginning to their season, but injuries and inconsistent form saw them struggle in the Super Eight competition, finishing sixth. A last-minute loss to Napier (for the second time in the season) in the Hurricanes region knockout fixture ended the team's season. Sam Coles, Tayne Harvey, Telson Liuvaie, Liam O'Connor, Joe Simpson-Smith and Logan Wallace were selected for the Hurricanes U18 squad. Logan was also selected for the NZSS U18 Māori squad.

The 2nd XV had a tough season in the Super Eight competition, while in local grades the U16 team won the Premier One competition, the U15 Colts won Premier Two, the 5th XV Premier Three, the U14Bs Youth Two, while the Junior 7s beat the Junior 6s to win the Youth Three title.

The Clay Target shooters had a successful year, winning the Super Eight title and the NISS Championships as well as the season-long Lower North Island circuit. At the NZSS Championships in Christchurch, the Senior A team finished fifth. Josh Lourie won the Two-Day High Gun award for the top shooter overall, and made the North Island team for the third year in a row. He was also third in the Single Rise.

Smallbore shooting again had good numbers competing in local competitions.

Numbers have declined in squash, although a number of teams continue to represent the school in local competitions.

PNBHS swimmers had an excellent year. At the Manawatu SS Championships Alex Willis broke three Manawatu records, while Josh Carroll (two), Seongjin Choi, Ethan Limmer and Sam Moleta were also record-breakers. one. At the NISS Championships, Alex Willis won six gold medals, while Alex Odom won five gold and one silver, both breaking school records in the process. School was the top boys'

school and top school overall. At the NZSS Championships, the school team finished second overall, while Alex Odom won five gold medals, two silvers and a bronze. Alex broke four school records, while Cole Phillips won a silver and a bronze medal and broke a school record. The U15 relay team won a gold and a silver.

Table tennis continues to be popular . 15 teams last year became 27 in 2021, with PNBHS teams winning the A, B, and D Divisions. In the individual competitions, Akshay Aneesh won the U15 final against Hadley James, while Callum McKinnon defeated Mike Sung in the U19 grade final.

The Senior A Tennis team were fifth at the Super Eight tournament, while in inter-school fixtures they had a win over Napier BHS but lost to New Plymouth BHS. Jonty Giesen had a great season: he was selected for the NZ U15 team that went to Australia; he made the quarter-finals in singles and doubles at ATP tournaments while there and he rose to no.2 in the National U16 rankings.

The Senior A Volleyball Team finished fifth at another competitive Super Eight tournament. The NZSS Championships in Palmerston North were cancelled due to Covid.

Water polo remains a popular sport, and 2022 was a successful year. The Premier A team finished fourth at both the NISS and NZSS Championships, their first top four finish at the national level. The Premier B team finished sixth at the Division II nationals in Rotorua. Mr Ross was selected as manager of the NZ Men's Youth water polo team and he travelled to Serbia with that team for the World Championship, deserved recognition for his commitment to the sport.

At the end of the year, we farewelled four long-standing members of staff; Messrs Adams, Bester, Drake, and Lowe and there are articles in the *Palmerstonian* on each of them. Between these fine gentlemen there has been over a century of dedicated service to our school. Mr Lowe began in 1981 and has made a significant contribution to the Science department. Mr Drake, who joined the staff in 1986, has been an outstanding HOD of Social Sciences for many years. Mr Bester arrived in 1999 to teach geography, while Mr Adams joined the staff in 1985, left to join the corporate

world and returned as Careers Advisor in 2005. All four have made a fantastic contribution to PNBHS.

The non-teaching staff of our school do a fantastic job and their roles are vital in ensuring PNBHS operates efficiently. Each and every one is an important member of our team.

Another Covid-affected year proved challenging for Mr Davidson and his staff at College House, the school's boarding hostel. It has been encouraging to see the continuing demand for places at College House, with a significant waiting list at most year levels. This is in no small part down to the work Mr Davidson and his team do.

2022 saw another round of Board of Trustees elections. The school is fortunate to have such a dedicated and proactive BOT and it continues to be a pleasure to work with them. I would like to thank Mr Craig Purdy and Mr Brendon Ross, both of whom stepped down at the end of the current term, for their contribution to our Board and our school. I would also like to thank Mr Siebert, who stepped down as Staff Rep. Mr Michael Lawrence is an experienced and insightful Board Chair, and I appreciate the time and energy he commits to our school. My thanks go to all of our BOT members.

D M BOVEY

Rector

PALMERSTON NORTH BOYS' HIGH SCHOOL

Analysis of Variance Report

For the year ended 31 December 2022

Student Achievement – Annual Targets

National Certificate of Educational Achievement

The school's continuing focus is to improve academic achievement levels for all pupils. 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, 12 and 13 pupils continue to have very positive outcomes, not the least of which is far greater engagement.

The reality between 2021 and 2022 is as follows:

NCEA	LEVEL	2021	2022	RESULT
Year 11	2	16.3%	15.6%	0.7% decrease
Year 12	2	78.0%	73.3%	4.7% decrease
Year 12	3	11.7%	13.2%	1.5% increase
Year 13	3	72.4%	70.8%	1.6% decrease
Scholarship		37	12	25 decrease

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

The points of interest for our teachers and school are:

- While overall results at NCEA Level 2 dropped, we continue to note the increase in Merit and Excellence Endorsements.
- 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.

- While the school's NCEA Level 3 results dropped slightly from 2021, they still remain ahead of national statistics, particularly University Entrance. Of interest, the University Entrance data shows that more Year 13 pupils than ever are now pursuing vocational pathways rather than university education upon leaving school.

Literacy 2023

The school recognises that literacy is essential for successful teaching and learning to occur. Having a whole school approach to literacy, with each subject area teaching specific elements of reading and writing, is essential. Equipping students with subject-based expertise allows them to navigate the specific text types encountered in NCEA and the workplace.

Teaching literacy across the curriculum has three specific 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 confidence and motivation.

The school recognises that vocabulary is an essential component of literacy in all subjects. Measurable targets are set for the whole school.

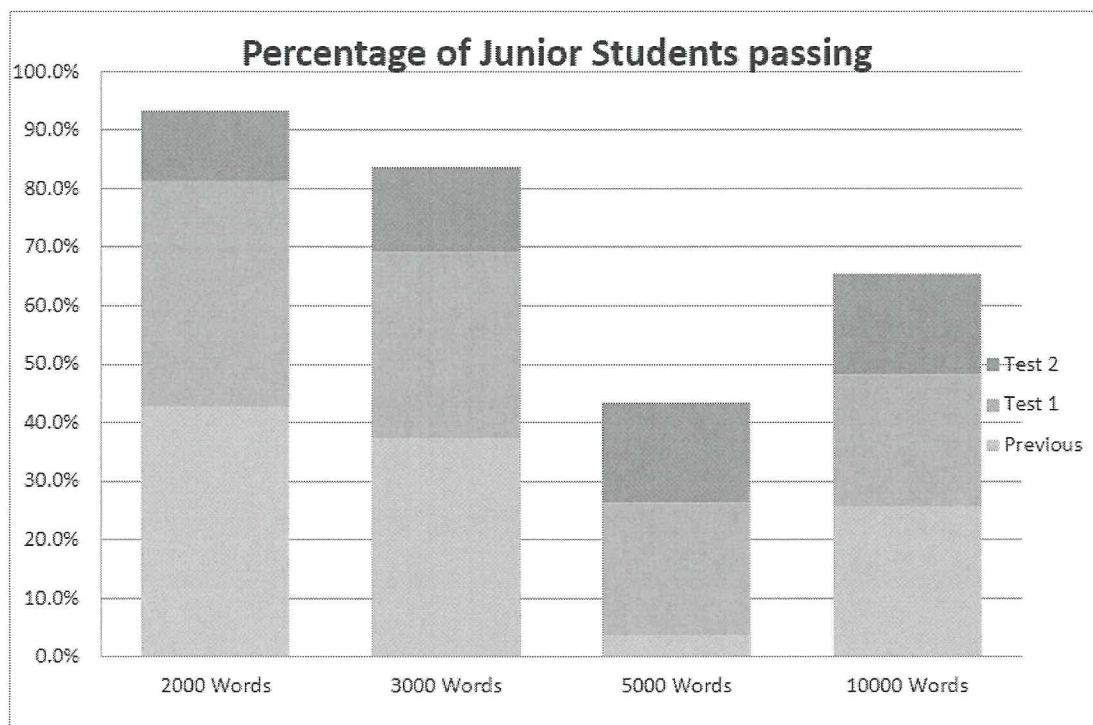
The school used the Paul Nation Vocabulary tests as follows:

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

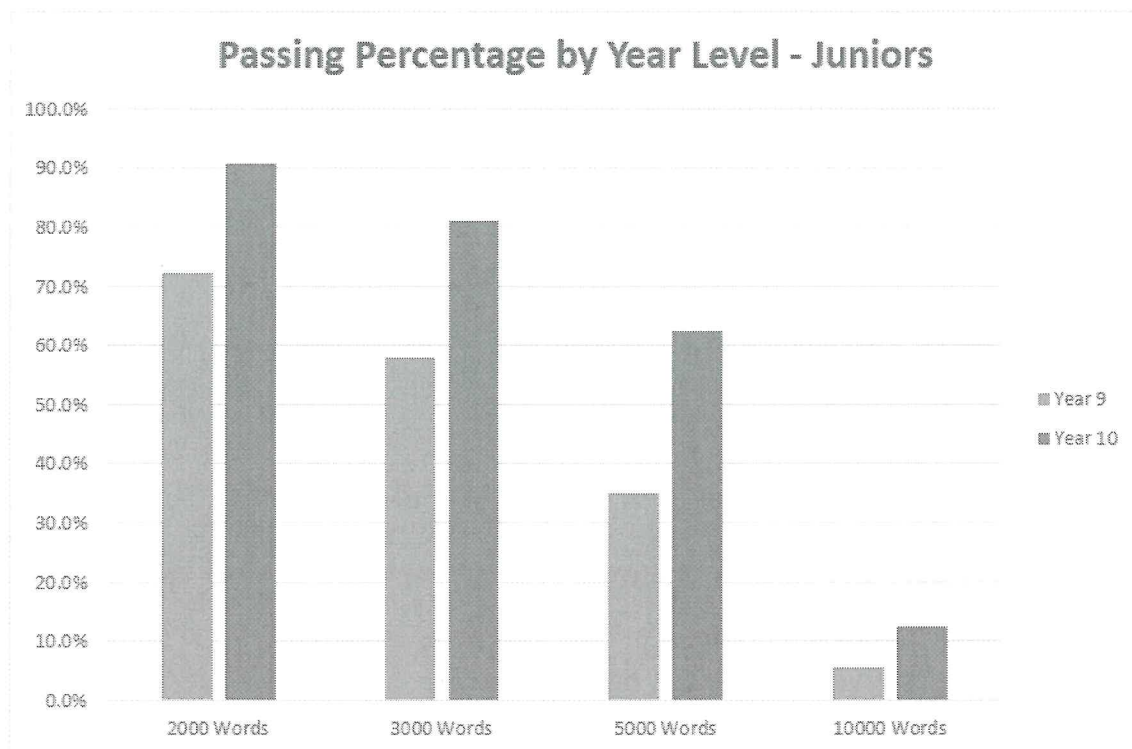
Students were assessed in March and November. The tests cover a comprehensive number of word families and can be used with native speakers and advanced non-native speakers. The testing process provides accurate data and enables the monitoring of students' progress.

Key Result Area	Objective	Strategies	Measure	Outcome	Led by
LITERACY Raising Academic Achievement.		Departments identify literacy needs of subject.	Literacy requirements of subjects identified and planned for.		Alex James
	<u>Teachers to -</u> Understand the specific literacy demands of the subject. Increase knowledge of subject specific literacy. Model and teach subject specific literacy. Use literacy data to inform the next steps and learning needs of the students. Increase class wide accuracy when reading subject related vocabulary.	<u>Core Subjects</u> Science - Mathematics - English - Social Studies - • Teach subject specific vocabulary, <i>contextually</i> . • Explore etymology and morphology of words. • Model and Teach relevant reading comprehension strategies. <u>Example -</u> <i>Synthesising – merging new information with existing knowledge to create an original idea.</i> <i>Inferring – ‘read between the lines’ when the author implies something but doesn’t exactly state it.</i> • Teach ‘sentence level’ writing skills. • Teach composition writing skills.	 Literacy strategies implemented and informed instructional decisions made. 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 (e.g., Common assessments/ examinations).	 Improved knowledge of and use of literacy strategies Students demonstrate confidence in literacy activities within topic contexts. Lift in test results. Improved student engagement within oral lesson discussion and consequent written work.	

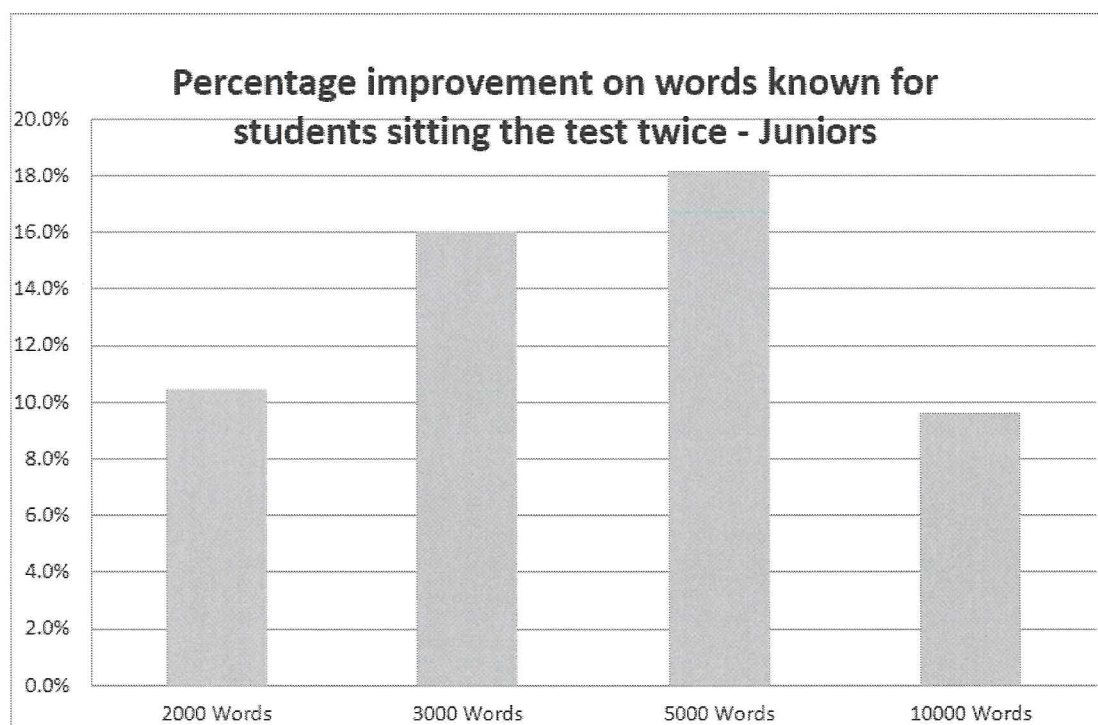
For the junior school, the target of 5% improvement from Test 1 to Test 2 was exceeded for all four tests by Year 9 and 10 students. The biggest improvement for both year groups was in the 5,000-word test. The improvement for this test was 20.3% for Year 9 and 14.9 % for Year 10.



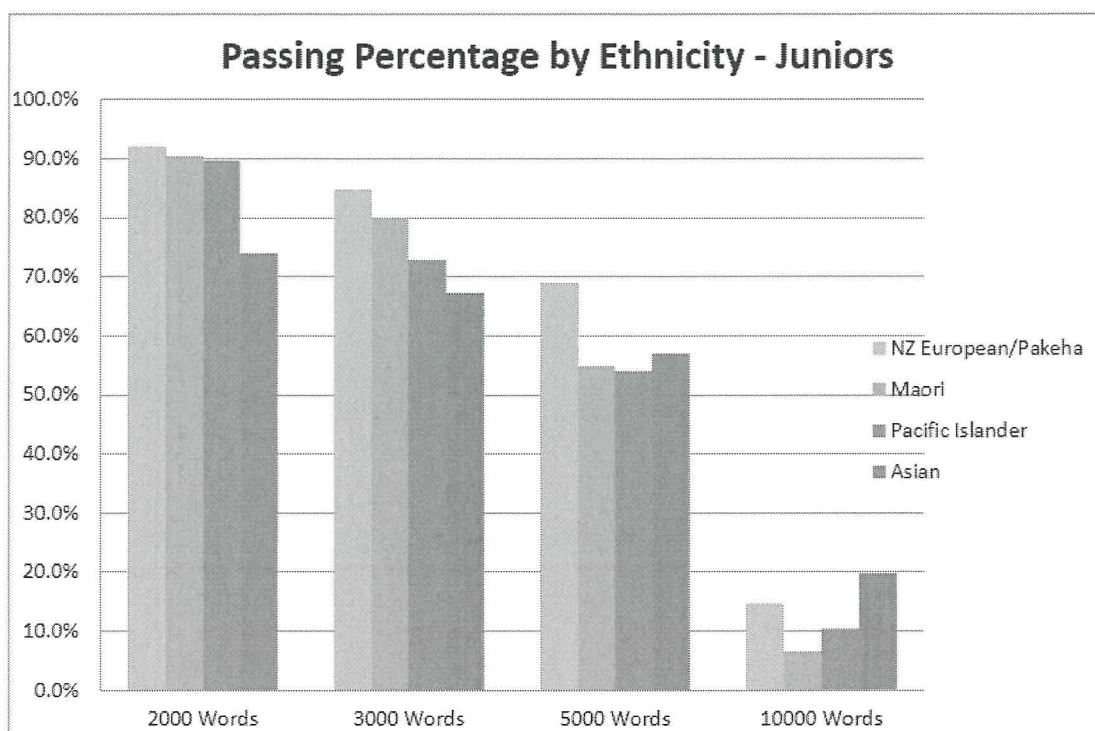
Above: The table shows a 93% pass rate for the 2000-word test, 84% for the 3000-word test, 44% for the 5,000-word test and 66% for the 10,000-word test.



Above: To be expected, the year 10 cohort shows a higher passing percentage in each word test, reflecting the two years they have had to acquire the vocabulary.

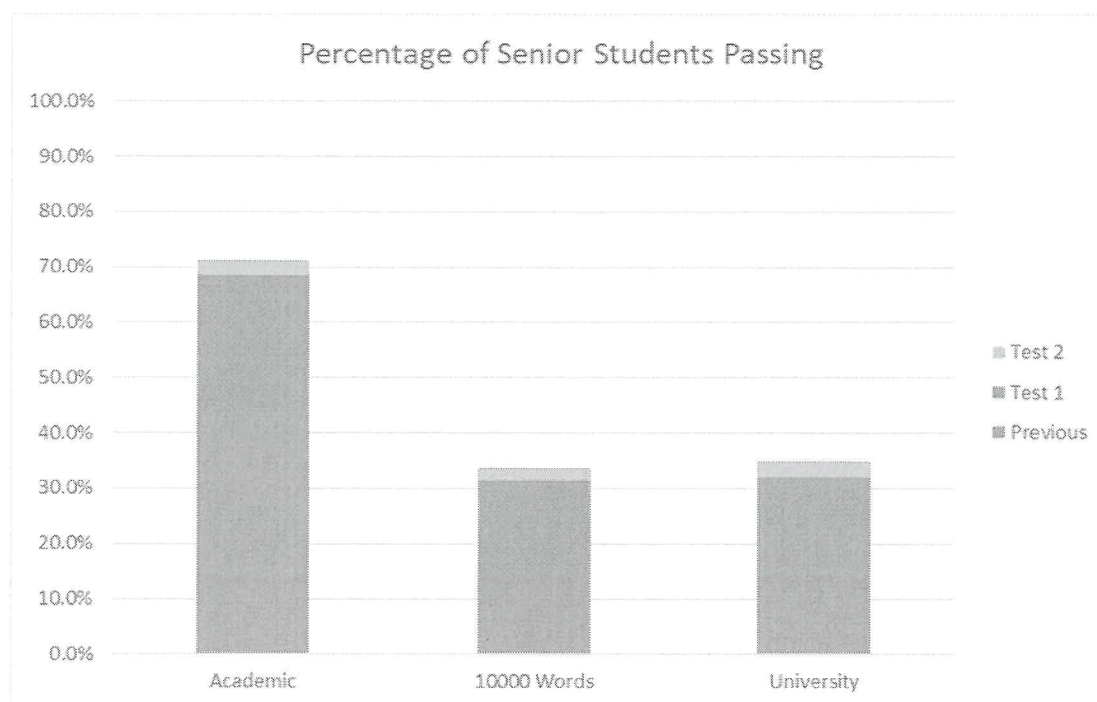


Above: The 5,000-word test had the greatest improvement for students sitting the test twice.



Above: The Māori, Pasifika and Asian 5,000-word test results were pleasing, within 2% of each other. The Asian group rose above the other ethnic groups in the 10,000-word test, with a passing percentage of 19.8%. At the 10,000-word level, Māori dropped below the Pasifika group for the first time.

Acquiring a pass result at the 10,000-word level is advantageous leading into NCEA Level 1. Given the importance of a robust vocabulary, Māori and Pasifika students should be encouraged to read more and be exposed to meaningful vocabulary building exercises across the subjects.



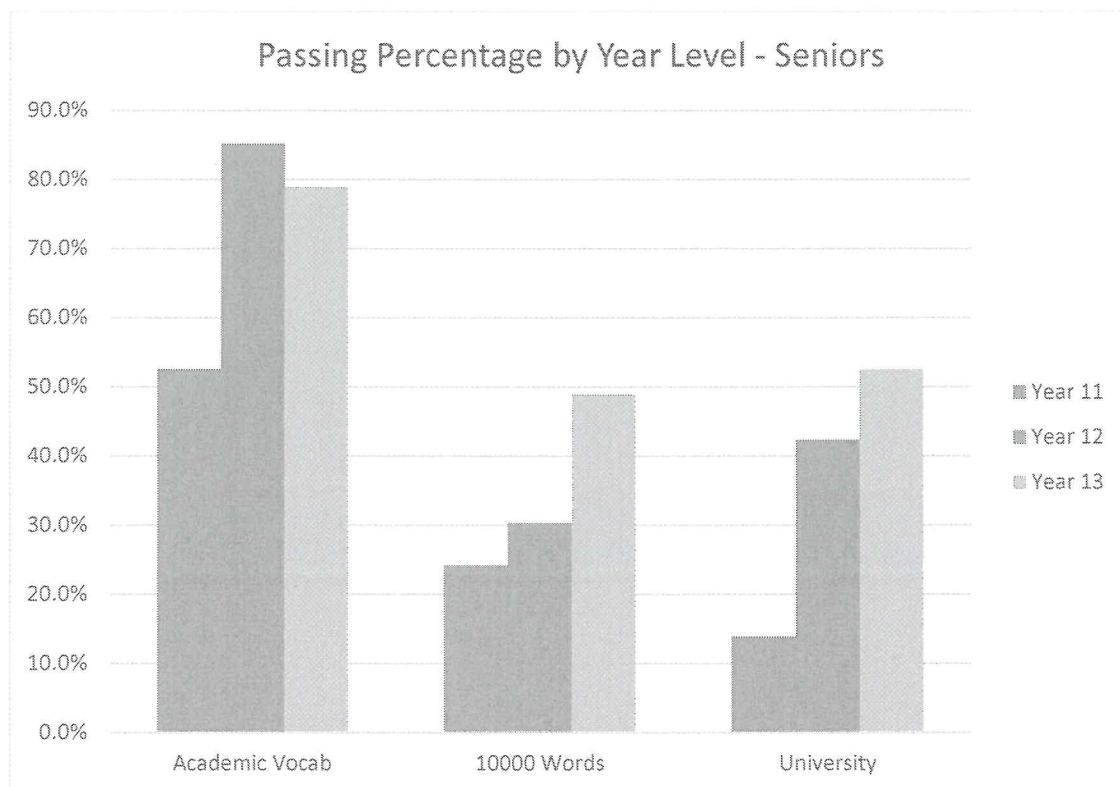
Above: The target for the Senior School was not met for two of the three tests.

However, it is of concern that the 10,000-word test, which is the vocabulary required to sit NCEA, still has a passing percentage below 50% (33.7%). The senior school was the group most affected by the interruptions to the testing programme and the results may not reflect the true vocabulary levels of the cohorts.

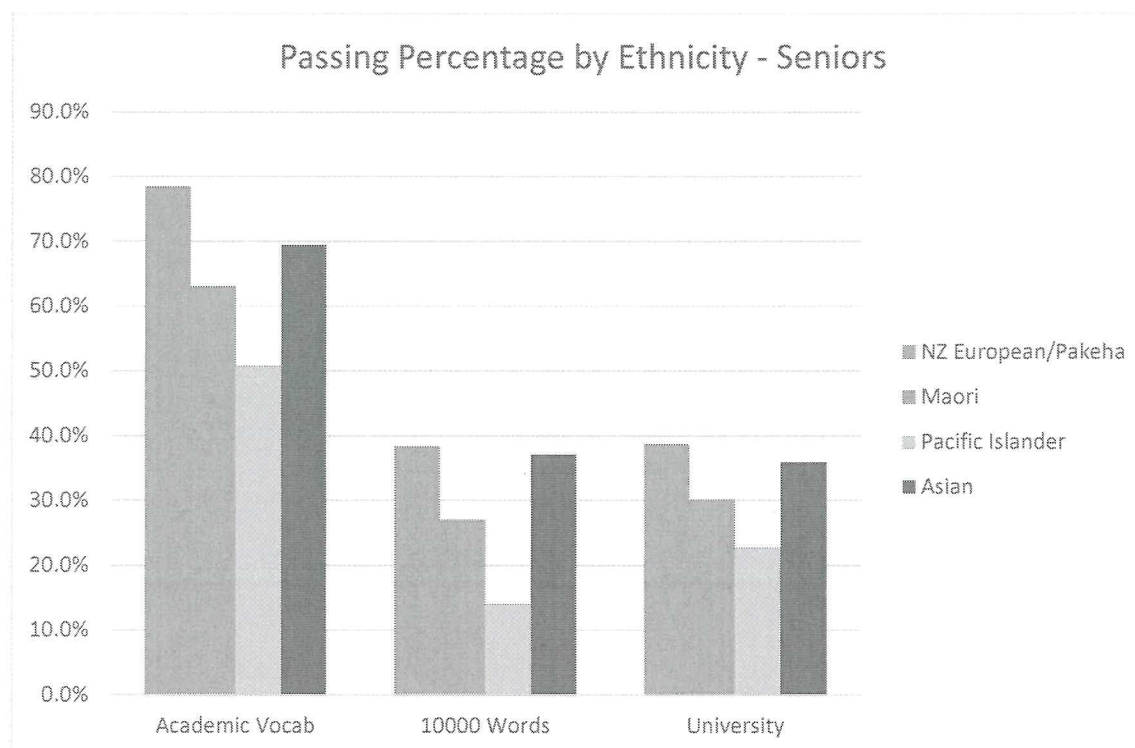
We know that a students' vocabulary is the best predictor of future success and that students with a poor vocabulary at five are more likely to struggle with reading in adulthood and three times more likely to have mental health issues. Responsibility for literacy, therefore, is non-negotiable.

Vocabulary can be acquired through incidental learning so reading volume is very important in terms of long-term vocabulary development.

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 further 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 vocabularies, as well as general vocabulary, as they recognise the importance of vocabulary development to academic success.



Above: The target of 50% for 10,000 words in the senior school was not met by any of the senior year groups. Our aim is for all senior students to at least have the 10,000-word level before the external examinations.



Above: NZ European and Asian ethnicity groups share similar levels of pass rates; however, they are both below the 50% target. Māori and Pasifika groups are further behind the target, particularly for the 10,000-word test, 27% and 14% respectively. An emphasis for *all* groups to improve at the 10,000-word level must remain a priority.

The school entry tests continue to provide evidence that larger numbers of students continue to be less literate when they enter Secondary School. Because of this, the school will continue to focus on literacy across the curriculum in 2023. The emphasis will vary depending on choices made in each department but a core literacy strategy in all departments will be vocabulary. Other choices will be based on perceived need but will include reading strategies.

PALMERSTON NORTH BOYS' HIGH SCHOOL

Kiwisport Funding Statement

For the year ended 31 December 2022

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

Student Participation

With 65% 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 2022 Year: \$41,272 (2021: \$40,287)

PALMERSTON NORTH BOYS' HIGH SCHOOL

Statement of Human Resources

As at 31 December 2022

STAFF	2022	2021
Teaching	136	132
Administration and Support	47	44
Hostel	15	18
	<hr/>	<hr/>
	198	194
	<hr/>	<hr/>

(Includes full and part-time staff)

STUDENTS

Roll number at 1 March

Year 9	390	409
Year 10	408	373
Year 11	367	366
Year 12	339	319
Year 13	240	283
	<hr/>	<hr/>
	1,744	1,750
	<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 2022

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
- Rental Houses (2)
- Speirs Centre (Auditorium and Music Suite)
- Covered Canteen Area

College House buildings comprise Main Dormitory Block, The Colquhoun Wing, The O'Connor Wing, The Hart Dining Hall, Laundry, Music Suite, x2 Weights Rooms, 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 P3, P4, P5, Block O, Aquatic Sports Centre, the Tennis Pavilion, the rental houses, the Covered Canteen Area, 50% of the Speirs Centre and the College House buildings) and land is vested in the Ministry of Education. The School Board 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.

PALMERSTON NORTH BOYS' HIGH SCHOOL

GOOD EMPLOYER DISCLOSURE AS AT 31ST DECEMBER 2022

Compliance with Education and Training Act 2020 requirements to be a good employer for the year ending 31 December 2022.

The following questions address key aspects of compliance with a good employer policy:

Reporting on the principles of being a Good Employer	
How have you met your obligations to provide good and safe working conditions?	<i>Regular communication with all staff</i>
What is in your equal employment opportunities programme? How have you been fulfilling this programme?	<i>We have an EEO policy and a staff member as the point of contact</i>
How do you practise impartial selection of suitably qualified persons for appointment?	<i>We select the most suitable person for any role</i>
How are you recognising, <ul style="list-style-type: none"> – The aims and aspirations of Maori, – The employment requirements of Maori, and – Greater involvement of Maori in the Education service? 	<i>A significant number of staff are involved in the Te Ahu o te Reo Māori ki te Taiuru programme, which provides both Māori and non-Māori staff the opportunity to develop their Te Reo skills.</i> <i>Our Māori staff do not know how to answer these questions, however: when asked, they suggested their requirements were the same as everybody else's.</i>
How have you enhanced the abilities of individual employees?	<i>Professional development opportunities: general, subject specific and targeted PLD.</i>

How are you recognising the employment requirements of women?	<i>A number of our female teaching staff have flexibility around their timetable which helps them in terms of childcare.</i>
How are you recognising the employment requirements of persons with disabilities?	<i>Providing support.</i>

Good employer policies should include provisions for an Equal Employment Opportunities (EEO) programme/policy . The Ministry of Education monitors these policies:

Reporting on Equal Employment Opportunities (EEO) Programme/Policy	YES	NO
Do you operate an EEO programme/policy?	✓	
Has this policy or programme been made available to staff?	✓	
Does your EEO programme/policy include training to raise awareness of issues which may impact EEO?	✓	
Has your EEO programme/policy appointed someone to coordinate compliance with its requirements?	✓	
Does your EEO programme/policy provide for regular reporting on compliance with the policy and/or achievements under the policy?		✓
Does your EEO programme/policy set priorities and objectives?		✓

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF PALMERSTON NORTH BOYS' HIGH SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 Manawatu, 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 28, that comprise the Statement of Financial Position as at 31 December 2022, 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 2022; 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 30 May 2023. This is the date at which our opinion is expressed.

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

Other Matter - Probity of expenditure on gift cards

Without modifying our opinion, we draw attention to the purchase of gift cards. The School purchased multiple gift cards to the value of \$31,201, which were given to School staff and parents for their volunteer work relating to sport contributions and coaching. There was no evidence of Board approval for the purchase of the gift cards, and the school could not provide details of the recipients for most of the gift cards given to the parents. The School did not maintain adequate records to justify the expenditure on gift cards which is against the School's gift policy. All school spending should be justifiable, and made in accordance with the policy and adequately documented.

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.

PARTNERS: Ross Hadwin Billie Stanley

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board for the financial statements

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

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

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

The Board's responsibilities, in terms of the requirements of the Education and Training Act 2020, arise from section 87 of 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.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the school payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the Members of the Board, Statement of Responsibility, Report from the Rector, Analysis of Variance, Kiwisport Statement, Statement of Human Resources, Statement of Physical Resources and Good Employer Disclosure but does not include the financial statements, and our auditor's report thereon.

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

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

Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the School.



Glenn Fan-Robertson
BDO Manawatu
On behalf of the Auditor-General
Palmerston North, New Zealand