

# NAPIER BOYS' HIGH SCHOOL

## GROUP ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### School Directory

**Ministry Number:** 0216  
**Headmaster:** Matthew Bertram  
**School Address:** 31 Chambers St, NAPIER 4110  
**School Postal Address:** 31 Chambers St, NAPIER 4110  
**School Phone:** 06-833-5900  
**School Email:** [nbhs@nbhs.school.nz](mailto:nbhs@nbhs.school.nz)

#### Members of the Board of Trustees

Name	Position	How Position Gained	Term expires/expired
Megan LANDON	Chair Person	Re-elected May 2016	May 2019
	Parent Rep		
Matthew BERTRAM	Headmaster	Appointed January 2016	
Carla GILMORE	Parent Rep	Elected May 2016	May 2019
Leo WATSON	Parent Rep	Elected May 2016	May 2019
Craig FINDLAY	Parent Rep	Elected May 2016	May 2019
Alistair DRAY	Parent Rep	Elected May 2016	May 2019
Terry WYATT	Staff Rep	Re-elected May 2016	May 2019
Rob SLABBEKOORN	Student Rep	Elected August 2017	August 2018
Sol CERSON	Sudent Rep	Elected August 2018	August 2019

**Accountant / Service Provider:** In house

# **NAPIER BOYS' HIGH SCHOOL**

## **Group Annual Report - For the year ended 31 December 2018**

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# Napier Boys' High School

## Statement of Responsibility

For the year ended 31 December 2018

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

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

It is the opinion of the Board and management that the consolidated annual financial statements for the financial year ended 31 December 2018 fairly reflects the financial position and operations of the group.

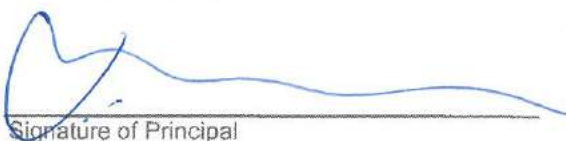
The School's 2018 consolidated financial statements are authorised for issue by the Board.

Megan Sarah Campbell Landon  
Full Name of Board Chairperson

  
Signature of Board Chairperson

31 May 2019  
Date:

Matthew Peter Charles Bertram  
Full Name of Principal

  
Signature of Principal

31 May 2019  
Date:

**Napier Boys' High School**  
**Consolidated Statement of Comprehensive Revenue and Expense**  
For the year ended 31 December 2018

	Notes	2018 Actual \$	School 2018 Budget (Unaudited) \$	2017 Actual \$	2018 Actual \$	Group 2018 Budget (Unaudited) \$	2017 Actual \$
<b>Revenue</b>							
Government Grants	2	9,582,981	9,619,203	9,726,875	9,582,981	9,619,203	9,726,875
Locally Raised Funds	3	1,660,436	997,380	1,139,007	1,660,436	997,380	1,139,007
Interest Earned		103,130	24,686	63,418	114,930	24,686	75,060
Gain on Sale of Property, Plant and Equipment		4,390	-	3,890	4,390	-	3,890
Hostel	4	1,904,818	1,980,698	1,920,860	1,904,818	1,980,698	1,920,860
International Students	5	404,106	315,000	352,071	404,106	315,000	352,071
Other Revenue		-	-	-	72,169	-	163,753
		13,659,861	12,936,967	13,208,121	13,743,830	12,936,967	13,381,516
<b>Expenses</b>							
Locally Raised Funds	3	1,381,139	977,883	1,059,107	1,385,939	977,883	1,059,107
Hostel	4	1,552,475	1,925,858	1,542,357	1,552,475	1,925,858	1,542,357
International Students	5	171,101	135,153	143,780	171,101	135,153	143,780
Learning Resources	6	7,437,304	7,214,240	7,206,020	7,437,304	7,214,240	7,206,020
Administration	7	1,032,623	1,119,066	908,617	1,034,011	1,119,066	931,917
Finance		76,600	66,576	36,485	79,985	66,576	36,485
Property	8	1,736,685	1,570,845	1,718,619	1,736,685	1,570,845	1,718,619
Depreciation	9	795,610	944,994	615,763	795,610	944,994	615,763
		14,182,537	13,953,615	13,230,749	14,193,120	13,953,615	13,254,048
<b>Net Surplus / (Deficit) for the year</b>		(522,675)	(1,016,648)	(24,628)	(449,290)	(1,016,648)	127,468
Other Comprehensive Revenue and Expenses		-	-	-	154,167	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		(522,675)	(1,016,648)	(24,628)	(295,123)	(1,016,648)	127,468
<b>Attributable to:</b>							
Board of the School		(522,675)	(1,016,648)	(24,628)	(295,123)	(1,016,648)	127,468
		(522,675)	(1,016,648)	(24,628)	(295,123)	(1,016,648)	127,468

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

**Napier Boys' High School**

**Consolidated Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2018

	Actual 2018 \$	School Budget (Unaudited) 2018 \$	Actual 2017 \$	Actual 2018 \$	Group Budget (Unaudited) 2018 \$	Actual 2017 \$
Balance at 1 January	8,487,478	9,100,782	8,458,487	9,774,475	10,344,438	9,593,390
Total comprehensive revenue and expense for the year	(522,675)	(1,016,648)	(24,628)	(295,123)	(1,016,648)	127,467
Capital Contributions from the Ministry of Education						
Contribution - Furniture and Equipment Grant	1,636	-	53,619	1,636	-	53,619
Equity at 31 December	7,966,439	8,084,134	8,487,478	9,480,988	9,327,790	9,774,476
Retained Earnings	7,966,438	8,084,134	8,487,478	9,480,988	9,327,790	9,774,476
Equity at 31 December	7,966,438	8,084,134	8,487,478	9,480,988	9,327,790	9,774,476

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

**Napier Boys' High School**  
**Consolidated Statement of Financial Position**  
As at 31 December 2018

	Notes	2018 Actual \$	School 2018 Budget (Unaudited) \$	2017 Actual \$	2018 Actual \$	Group 2018 Budget (Unaudited) \$	2017 Actual \$
<b>Current Assets</b>							
Cash and Cash Equivalents	10	2,990,617	3,017,509	2,594,898	3,077,220	3,017,509	2,652,496
Accounts Receivable	11	803,440	500,000	615,186	803,440	500,000	615,186
GST Receivable		72,091	79,572	151,416	72,089	79,572	151,416
Prepayments		177,650	70,000	67,010	177,650	70,000	67,010
Inventories	12	249,889	290,000	285,249	249,889	290,000	285,249
Investments	13	-	-	912,246	-	-	912,246
		<b>4,293,687</b>	<b>3,957,081</b>	<b>4,626,005</b>	<b>4,380,288</b>	<b>3,957,081</b>	<b>4,683,603</b>
<b>Current Liabilities</b>							
Accounts Payable	15	894,378	800,000	755,652	894,378	800,000	769,908
Borrowings - Due in one year	16	123,996	100,000	75,505	123,996	100,000	75,505
Revenue Received in Advance	17	652,125	470,000	394,906	652,125	470,000	394,906
Provision for Cyclical Maintenance	18	35,674	54,000	15,683	35,674	54,000	15,683
Finance Lease Liability - Current Portion	19	35,941	-	28,579	35,941	-	28,579
Funds held in Trust	20	462,301	380,000	497,080	462,301	380,000	497,080
Funds held for Capital Works Projects	21	98,538	100,000	26,315	98,538	100,000	26,315
		<b>2,302,953</b>	<b>1,904,000</b>	<b>1,793,720</b>	<b>2,302,953</b>	<b>1,904,000</b>	<b>1,807,976</b>
<b>Working Capital Surplus/(Deficit)</b>		<b>1,990,734</b>	<b>2,053,081</b>	<b>2,832,285</b>	<b>2,077,335</b>	<b>2,053,081</b>	<b>2,875,627</b>
<b>Non-current Assets</b>							
Investments	13	-	-	-	1,427,948	1,243,656	1,243,656
Property, Plant and Equipment	14	7,970,629	8,041,548	7,655,324	7,970,629	8,041,548	7,655,324
		<b>7,970,629</b>	<b>8,041,548</b>	<b>7,655,324</b>	<b>9,398,577</b>	<b>9,285,204</b>	<b>8,898,980</b>
<b>Non-current Liabilities</b>							
Borrowings	16	1,503,417	1,544,495	1,644,495	1,503,417	1,544,495	1,644,495
Provision for Cyclical Maintenance	18	419,363	416,000	265,800	419,363	416,000	265,800
Finance Lease Liability	19	17,028	-	35,320	17,028	-	35,320
Funds held in Trust	20	55,116	50,000	54,516	55,116	50,000	54,516
		<b>1,994,924</b>	<b>2,010,495</b>	<b>2,000,131</b>	<b>1,994,924</b>	<b>2,010,495</b>	<b>2,000,131</b>
<b>Net Assets</b>		<b>7,966,439</b>	<b>8,084,134</b>	<b>8,487,478</b>	<b>9,480,988</b>	<b>9,327,790</b>	<b>9,774,476</b>
<b>Attributable to:</b>							
Board of the School		<b>7,966,438</b>	<b>8,084,134</b>	<b>8,487,478</b>	<b>9,480,988</b>	<b>9,327,790</b>	<b>9,774,476</b>
<b>Total equity</b>		<b>7,966,439</b>	<b>8,084,134</b>	<b>8,487,478</b>	<b>9,480,988</b>	<b>9,327,790</b>	<b>9,774,476</b>

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

**Napier Boys' High School**  
**Consolidated Statement of Cash Flows**  
For the year ended 31 December 2018

	Notes	2018	School	2017	2018	Group	2017
		Actual	2018	Actual	Actual	2018	Actual
		\$	Budget	\$	\$	Budget	\$
			(Unaudited)			(Unaudited)	
<b>Cash flows from Operating Activities</b>							
Government Grants		2,370,177	2,469,312	2,451,636	2,370,177	2,469,312	2,451,636
Locally Raised Funds		1,726,843	987,380	1,110,240	1,726,843	987,380	1,136,106
Hostel		1,911,019	1,980,698	1,920,859	1,911,019	1,980,698	1,920,859
International Students		483,343	315,000	352,071	483,346	315,000	352,071
Goods and Services Tax (net)		79,329	(80,000)	(82,440)	79,329	(80,000)	(82,440)
Payments to Employees		(1,989,560)	(2,100,958)	(1,492,549)	(1,989,560)	(2,100,958)	(1,492,549)
Payments to Suppliers		(3,863,067)	(3,658,676)	(3,877,806)	(3,867,615)	(3,658,676)	(3,889,203)
Interest Paid		(75,600)	(65,576)	(27,770)	(79,995)	(65,576)	(27,770)
Interest Received		103,130	24,686	63,418	148,095	24,686	92,645
Funds in Trust		(115,248)	1,000,000	276,202	(115,248)	1,000,000	276,202
<b>Net cash from / (to) the Operating Activities</b>		<b>630,866</b>	<b>881,886</b>	<b>893,881</b>	<b>666,391</b>	<b>881,886</b>	<b>737,557</b>
<b>Cash flows from Investing Activities</b>							
Proceeds from Sale of PPE (and Intangibles)		3,764	-	-	3,764	-	-
Purchase of PPE (and Intangibles)		(1,120,989)	(1,085,220)	(2,118,671)	(1,120,989)	(1,085,220)	(2,118,671)
Purchase of Investments		-	-	(912,246)	(77,786)	-	(1,023,066)
Proceeds from Sale of Investments		912,246	912,246	-	983,024	912,246	70,056
<b>Net cash from / (to) the Investing Activities</b>		<b>(204,989)</b>	<b>(172,974)</b>	<b>(3,030,917)</b>	<b>(212,007)</b>	<b>(172,974)</b>	<b>(3,071,681)</b>
<b>Cash flows from Financing Activities</b>							
Furniture and Equipment Grant		1,636	-	53,619	1,636	-	53,619
Finance Lease (net)		(10,931)	-	58,301	(10,931)	-	58,301
Ministry of Education Capital Works Projects		72,224	-	133,936	72,224	-	133,936
Ministry of Education Capital Works Projects Payments		-	-	(107,431)	-	-	(107,431)
Repayment of Loans		(92,587)	(75,506)	(125,000)	(92,587)	(75,505)	(125,000)
Loan Received		-	-	1,720,000	-	-	1,720,000
<b>Net cash from Financing Activities</b>		<b>(29,658)</b>	<b>(75,506)</b>	<b>1,733,424</b>	<b>(29,558)</b>	<b>(75,505)</b>	<b>1,733,424</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>395,719</b>	<b>633,387</b>	<b>(503,632)</b>	<b>424,726</b>	<b>633,387</b>	<b>(500,700)</b>
Cash and cash equivalents at the beginning of the year	10	2,594,898	2,384,122	3,198,530	2,652,494	2,384,122	3,253,194
<b>Cash and cash equivalents at the end of the year</b>	<b>10</b>	<b>2,990,617</b>	<b>3,017,509</b>	<b>2,594,898</b>	<b>3,077,220</b>	<b>3,017,509</b>	<b>2,652,494</b>

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

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

# Napier Boys' High School

## Notes to the Group Financial Statements

### 1. Statement of Accounting Policies

For the year ended 31 December 2018

#### **a) Reporting Entity**

Napier Boys' High School is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

The Napier Boys High School Group (the 'Group') consists of Napier Boys High School and its subsidiary Napier Boys High School Charitable Trust No.2. The Subsidiary is a School Trust ('Trust') which supports the school by investing funds and making donations for the School.

#### **b) Basis of Preparation**

##### **Reporting Period**

The financial reports have been prepared for the period 1 January 2018 to 31 December 2018 and in accordance with the requirements of the Public Finance Act 1989.

##### **Basis of Preparation**

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

##### **Basis of Consolidation**

The group financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses, and cash flows of entities in the group on a line-by-line basis. All intra-group balances, transactions, revenue, and expenses are eliminated on consolidation.

Details of investment in subsidiaries are set out in Note 30.

##### **Financial Reporting Standards Applied**

The Education Act 1989 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The consolidated 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 Group 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 Group qualifies for Tier 2 as the group 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 consolidated financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

##### **Presentation Currency**

These consolidated 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 consolidated financial statements are set out below.

### ***Critical Accounting Estimates And Assumptions***

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

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

#### ***Useful lives of property, plant and equipment***

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

### ***Critical Judgements in applying accounting policies***

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

#### ***Classification of leases***

The Group reviews the details of lease agreements at the end of each reporting date. The Group believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 19.

#### ***Consolidation of entities***

The Group consolidates entities based on whether the School has established control of the subsidiary. The subsidiaries which are controlled are disclosed at Note 30.

## **c) Revenue Recognition**

### ***Government Grants***

The Group 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 Group 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 Group has the rights to the funding in the salary period they relate to. The grants are not received in cash by the Group and are paid directly to teachers by the Ministry of Education.

Use of land and buildings grants are recorded as revenue in the period the Group uses the land and buildings. These are not received in cash by the Group as they equate to the deemed expense for using the land and buildings which are owned by the Crown.

### ***Other Grants***

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

### ***Donations, Gifts and Bequests***

Donations, gifts and bequests are recorded as revenue when their receipt is formally acknowledged by the Group.

### ***Interest Revenue***

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

## **d) Use of Land and Buildings Expense**

The property from which the Group operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. The Group's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Ministry.

**e) Operating Lease Payments**

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

**f) Finance Lease Payments**

Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

**g) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of 90 days or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

**h) Accounts Receivable**

Accounts Receivable represents items that the Group has issued invoices for or accrued for, but has not received payment for at year end. Receivables are initially recorded at fair value and subsequently recorded at the amount the Group realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the Group will not be able to collect all amounts due. The amount that is uncollectable (the provision for uncollectibility) is the difference between the amount due and the present value of the amounts expected to be collected.

**i) Inventories**

Inventories are consumable items held for sale and comprise of stationery and school uniforms. They are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is the estimated selling price in the ordinary course of activities less the estimated costs necessary to make the sale. Any write down from cost to net realisable value is recorded as an expense in the Consolidated Statement of Comprehensive Revenue and Expense in the period of the write down.

**j) Investments**

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

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards. Share investments are recognised initially by the Group at fair value plus transaction costs. At balance date the Group has assessed whether there is any evidence that an investment is impaired. Any impairment, gains or losses are recognised in the Consolidated Statement of Comprehensive Revenue and Expense.

After initial recognition any Investments categorised as available for sale are measured at their fair value without any deduction for transaction costs the Group may incur on sale or other disposal.

The Group has met the requirements of Schedule 6 para 28 of the Education Act 1989 in relation to the acquisition of investment securities.

**k) Property, Plant and Equipment**

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

Improvements to buildings owned by the Crown are recorded at cost, less accumulated depreciation and impairment losses.

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

Property, plant and equipment acquired with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Consolidated Statement of Comprehensive Revenue and Expense.

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

### **Leased Assets**

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

### **Depreciation**

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

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	10–75 years
Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	4 years
Library resources	12.5% Diminishing value

### **l) Intangible Assets**

#### *Software costs*

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

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

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

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

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

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

#### *Non cash generating assets*

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

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

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

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

#### **n) Accounts Payable**

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

#### **o) Employee Entitlements**

##### *Short-term employee entitlements*

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

##### *Long-term employee entitlements*

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

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

#### **p) Revenue Received in Advance**

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

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

#### **q) Funds Held in Trust**

Funds are held in trust where they have been received by the Group for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Consolidated Statement of Revenue and Expense. The Group holds sufficient funds to enable the funds to be used for their intended purpose at any time.

#### **r) Shared Funds**

Shared Funds are held on behalf of participating schools as agreed with the Ministry of Education. These funds are outside of school control. These amounts are not recorded in the Statement of Revenue and Expense. The Group holds sufficient funds to enable the funds to be used for their intended purpose.

#### **s) Provision for Cyclical Maintenance**

The property from which the Group operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. The Board is responsible for maintaining the land, buildings and other facilities on the Group sites in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the Group, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).

#### **t) Financial Assets and Liabilities**

The Group's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are categorised as "loans and receivables" for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards.

The Group's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

**u) Borrowings**

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

**v) Goods and Services Tax (GST)**

The consolidated 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 consolidated statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

**w) Budget Figures**

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

**x) Services received in-kind**

From time to time the Group receives services in-kind, including the time of volunteers. The Group has elected not to recognise services received in kind in the Consolidated Statement of Comprehensive Revenue and Expense.

**y) Goodwill**

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see "Basis of Consolidation" above) less accumulated impairment losses, if any.

## 2 Government Grants

Operational grants  
Teachers' salaries grants  
Use of Land and Buildings grants  
Other MoE Grants  
Other government grants

2018	School 2018 Budget (Unaudited)	2017	2018	Group 2018 Budget (Unaudited)	2017
Actual \$	\$	Actual \$	Actual \$	\$	Actual \$
1,881,889	1,801,647	1,822,198	1,881,889	1,901,647	1,922,198
6,383,631	6,323,489	6,332,111	6,383,631	6,323,489	6,332,111
810,935	810,935	943,127	810,935	810,935	943,127
474,137	542,132	493,484	474,137	542,132	493,484
32,409	41,000	35,955	32,409	41,000	35,955
9,582,961	9,519,203	9,726,874	9,582,961	9,619,203	9,726,874

## 3 Locally Raised Funds

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

### Revenue

Donations  
Bequests  
Other revenue  
Overseas Travel Revenue Japan 2018 Trip  
Overseas Travel Revenue South Africa 2018 Rugby Trip  
Trading  
Activities  
Curriculum Recoveries

2018	School 2018 Budget (Unaudited)	2017	2018	Group 2018 Budget (Unaudited)	2017
Actual \$	\$	Actual \$	Actual \$	\$	Actual \$
100,321	187,000	133,135	100,321	187,000	133,135
142,077	0	18,450	142,077	0	10,450
43,589	0	4,600	43,589	0	4,600
70,112	0	0	70,112	0	0
188,365	0	0	188,365	0	0
508,990	510,000	579,291	508,990	510,000	579,291
411,314	233,416	356,606	411,314	233,416	356,606
94,618	66,884	54,925	94,618	66,884	54,925
1,660,435	997,380	1,139,007	1,660,435	997,380	1,139,007
590,722	521,083	550,019	590,722	521,083	550,019
531,466	456,000	509,088	531,466	456,000	509,088
70,340	0	0	70,340	0	1
188,671	0	0	188,671	0	0
0	0	0	4,800	0	0
1,361,139	977,883	1,059,107	1,360,939	977,883	1,059,168
279,297	19,497	79,900	274,497	19,497	79,599

### Expenses

Activities  
Trading  
Overseas Travel Expenses Japan 2018 Trip  
Overseas Travel Expenses South Africa 2018 Rugby Trip  
Other Locally Raised Funds Expenditure

Surplus for the year Locally raised funds

\$142,077 bequest from L. M. Lazzell 2012 Revocable Trust which is earmarked for new technology purchases in future years. The bequest is classified as Cash Exchange although the purchase of the technology items will be classified as Non-Cash Generating Assets depending on the purpose and use.

The purpose of the South Africa Rugby Tour 2018 and Japan Tour was to promote and support personal excellence for boys through a broad curriculum which allows for a full range of academic, sporting, cultural, leadership and service opportunities. 10 students and 2 adults attended the Japan tour. 26 students and 4 adults attended the South Africa Rugby Tour. The Japan tour was for Japanese language students to develop their language skills. The South Africa Tour was to develop rugby. Both trips were self funding through student contributions and fundraising activities.

#### 4. Hostel Revenue and Expenses

##### Hostel Financial Performance

Hostel Full Boarders  
Hostel Weekly Boarders

	2018 Actual Number	School 2018 Budget (Unaudited) Number	2017 Actual Number	2018 Actual Number	Group 2018 Budget (Unaudited) Number	2017 Actual Number
	37 142	74 101	55 130	37 142	74 101	55 130
<b>Revenue</b>						
Hostel Fees	1,639,543	1,676,430	1,680,438	1,639,543	1,676,430	1,680,438
Other Revenue	265,276	304,268	240,422	265,276	304,268	240,422
	1,904,818	1,980,698	1,920,860	1,904,818	1,980,698	1,920,860
<b>Expenses</b>						
Kitchen	360,861	439,432	379,138	360,861	439,432	379,138
Laundry	27,823	39,000	31,211	27,823	39,000	31,211
Welfare	20,000	20,000	20,000	20,000	20,000	20,000
Supervision	318,081	494,676	299,156	318,081	494,676	299,156
Extra-curricular/activities	11,818	8,000	9,075	11,818	8,000	9,075
Administration	152,011	152,200	150,647	152,011	152,200	150,647
Property	291,378	354,000	252,796	291,378	354,000	252,796
Employee Benefit - Salaries	370,503	418,550	400,334	370,503	418,550	400,334
	1,552,475	1,925,858	1,542,357	1,552,475	1,925,858	1,542,357
<b>Surplus (Deficit) for the year Hostel</b>	<b>352,343</b>	<b>54,840</b>	<b>378,503</b>	<b>352,343</b>	<b>54,840</b>	<b>378,503</b>

#### 5. International Student Revenue and Expenses

##### International Student Roll

Revenue  
International student fees

Expenses  
Advertising  
Other Expenses

Surplus for the year International Students'

	2018 Actual Number	School 2018 Budget (Unaudited) Number	2017 Actual Number	2018 Actual Number	Group 2018 Budget (Unaudited) Number	2017 Actual Number
	34	29	32	34	34	32
<b>Revenue</b>						
International student fees	404,106	315,000	352,071	404,106	315,000	352,071
<b>Expenses</b>						
Advertising	60,295	103,680	65,244	60,295	103,680	65,244
Other Expenses	110,805	31,473	78,538	110,805	31,473	78,538
	171,101	135,153	143,780	171,101	135,153	143,780
<b>Surplus for the year International Students'</b>	<b>233,005</b>	<b>179,847</b>	<b>208,291</b>	<b>233,005</b>	<b>179,847</b>	<b>208,291</b>

#### 6. Learning Resources

Curricular  
Equipment repairs  
Information and communication technology  
Library resources  
Employee benefits - salaries  
Staff development

	2018 Actual \$	School 2018 Budget (Unaudited) \$	2017 Actual \$	2018 Actual \$	Group 2018 Budget (Unaudited) \$	2017 Actual \$
	399,059	382,951	361,060	399,059	382,951	361,060
Equipment repairs	25,825	22,000	35,768	25,825	22,000	35,768
Information and communication technology	39,682	47,000	37,808	39,682	47,000	37,808
Library resources	1,951	18,000	1,716	1,951	18,000	1,716
Employee benefits - salaries	6,901,340	6,641,289	6,680,968	6,901,340	6,641,289	6,680,968
Staff development	69,347	103,000	88,682	69,347	103,000	88,682
	7,437,304	7,214,240	7,208,020	7,437,304	7,214,240	7,208,020

#### 7. Administration

Audit Fee  
Board of Trustees Fees  
Board of Trustees Expenses  
Communication  
Consumables  
Operating Lease  
Legal Fees  
Other  
Employee Benefits - Salaries  
Insurance  
Service Providers, Contractors and Consultancy

	2018 Actual \$	School 2018 Budget (Unaudited) \$	2017 Actual \$	2018 Actual \$	Group 2018 Budget (Unaudited) \$	2017 Actual \$
	6,490	7,000	8,305	6,490	7,000	8,305
Board of Trustees Fees	6,350	8,100	6,250	6,350	8,100	6,250
Board of Trustees Expenses	16,471	23,400	13,595	16,471	23,400	13,595
Communication	72,825	77,999	89,536	72,825	77,999	89,536
Consumables	150,977	211,370	133,048	150,977	211,370	133,048
Operating Lease	19,783	53,000	3,151	19,783	53,000	3,151
Legal Fees	44	3,000	1,131	44	3,000	1,131
Other	63,713	67,697	57,086	65,101	67,697	80,386
Employee Benefits - Salaries	553,580	530,500	464,008	553,580	530,500	464,008
Insurance	37,468	37,000	34,643	37,468	37,000	34,643
Service Providers, Contractors and Consultancy	104,923	100,000	97,865	104,923	100,000	97,865
	1,032,523	1,119,066	908,517	1,034,011	1,119,066	931,918

## 8. Property

	2018 Actual \$	School 2018 Budget (Unaudited) \$	2017 Actual \$	2018 Actual \$	Group 2018 Budget (Unaudited) \$	2017 Actual \$
Caretaking and Cleaning Consumables	141,740	159,000	158,664	141,740	159,000	158,664
Cyclical Maintenance Expense	308,436	115,000	141,796	308,436	115,000	141,796
Grounds	77,708	76,000	76,941	77,708	76,000	76,941
Heat, Light and Water	95,813	109,300	97,710	95,813	109,300	97,710
Rates	11,103	9,000	9,618	11,103	9,000	9,618
Repairs and Maintenance	57,482	60,000	49,962	57,482	60,000	49,962
Use of Land and Buildings	810,935	810,935	943,127	810,935	810,935	943,127
Security	35,613	30,000	24,001	35,613	30,000	24,001
Employee Benefits - Salaries	197,854	201,610	216,800	197,854	201,610	216,800
	<b>1,736,685</b>	<b>1,570,845</b>	<b>1,718,619</b>	<b>1,736,685</b>	<b>1,570,845</b>	<b>1,718,619</b>

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

## 9. Depreciation

	2018 Actual \$	School 2018 Budget (Unaudited) \$	2017 Actual \$	2018 Actual \$	Group 2018 Budget (Unaudited) \$	2017 Actual \$
Buildings	292,980	347,990	246,762	292,980	347,990	249,752
Furniture and Equipment	207,100	245,985	146,543	207,100	245,985	146,543
Information and Communication Technology	230,314	273,558	147,714	230,314	273,558	147,714
Motor Vehicles	27,449	32,603	23,766	27,449	32,603	23,766
Textbooks	9,118	10,830	7,980	9,118	10,830	7,980
Leased Assets	20,161	23,946	32,679	20,161	23,946	32,679
Library Resources	8,488	10,082	7,339	8,488	10,082	7,339
	<b>795,610</b>	<b>944,994</b>	<b>615,763</b>	<b>795,610</b>	<b>944,994</b>	<b>615,763</b>

## 10. Cash and Cash Equivalents

	2018 Actual \$	School 2018 Budget (Unaudited) \$	2017 Actual \$	2018 Actual \$	Group 2018 Budget (Unaudited) \$	2017 Actual \$
Cash on Hand	150	150	159	150	150	159
Bank Current Account	605,626	204,055	829,737	692,229	204,055	897,336
Bank Call Account	164,841	200,000	210,002	164,841	200,000	210,002
Short-term Bank Deposits	2,200,000	2,613,304	1,555,000	2,200,000	2,613,304	1,554,999
Cash equivalents and bank overdraft for Consolidated Cash Flow Statement	<b>2,969,617</b>	<b>3,017,509</b>	<b>2,594,898</b>	<b>3,077,220</b>	<b>3,017,509</b>	<b>2,652,496</b>

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

Of the \$3,077,220 Cash and Cash Equivalents, \$98,538 is held by the Group on behalf of the Ministry of Education. These funds are required to be spent in 2019 on Crown owned Group buildings under the Group's Five Year Property Plan.

## 11. Accounts Receivable

	2018 Actual \$	School 2018 Budget (Unaudited) \$	2017 Actual \$	2018 Actual \$	Group 2018 Budget (Unaudited) \$	2017 Actual \$
Receivables	362,406	50,000	194,606	362,406	50,000	194,606
Teacher Salaries Grant Receivable	441,034	450,000	420,580	441,034	450,000	420,580
	<b>803,440</b>	<b>500,000</b>	<b>615,186</b>	<b>803,440</b>	<b>500,000</b>	<b>615,186</b>
Receivables from Exchange Transactions	338,408	50,000	194,606	338,408	50,000	194,606
Receivables from Non-Exchange Transactions	485,032	450,000	420,580	485,032	450,000	420,580
	<b>803,440</b>	<b>500,000</b>	<b>615,186</b>	<b>803,440</b>	<b>500,000</b>	<b>615,186</b>

## 12. Inventories

	2018 Actual \$	School 2018 Budget (Unaudited) \$	2017 Actual \$	2018 Actual \$	Group 2018 Budget (Unaudited) \$	2017 Actual \$
Stationery	15,996	8,537	8,397	15,996	8,537	8,397
School Uniforms	223,906	270,568	266,135	223,906	270,568	266,136
Canteen	2,541	3,336	3,281	2,541	3,336	3,281
School Property	1,838	1,700	1,672	1,838	1,700	1,672
Hostel Provisions	5,508	5,859	5,763	5,508	5,859	5,763
	<b>249,889</b>	<b>290,000</b>	<b>285,248</b>	<b>249,889</b>	<b>290,000</b>	<b>285,249</b>

### 13. Investments

The Group and School's investments are classified as follows:

	2018 Actual \$	School 2018 Budget (Unaudited) \$	2017 Actual \$	2018 Actual \$	Group 2018 Budget (Unaudited) \$	2017 Actual \$
Current Assets						
Short Term Bank Deposits	-	-	912,246	-	-	912,246
Current Assets	0	0	912,246	0	0	912,246
Investments						
Fixed Interest Securities	-	-	-	216,692	222,242	222,242
Shares	-	-	-	692,266	656,581	656,581
Napier High Schools Land Endowment Trust 1/3 share	-	-	-	520,000	365,833	366,833
Non-current assets	0	0	0	1,427,948	1,243,656	1,243,656

### 14. Property, Plant and Equipment

#### PARENT & GROUP

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Gain on sale \$	Depreciation \$	Total (NBV) \$
2018						
Land	77,690	-	-	-	-	77,690
Buildings	5,860,921	272,765	-	-	292,880	5,840,706
Furniture and Equipment	938,255	403,081	-	-	207,090	1,134,256
Information and Communication Technology	574,687	337,089	-	-	230,314	681,461
Motor Vehicles	82,464	63,518	7,391	4,390	27,449	115,531
Textbooks	39,677	22,819	-	-	9,118	53,378
Leased Assets	40,819	-	-	-	20,161	20,658
Library Resources	40,809	14,628	-	-	8,489	46,947
Balance at 31 December 2018	7,655,322	1,113,906	7,391	4,390	795,601	7,970,629

#### PARENT & GROUP

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2018			
Land	77,690	-	77,690
Buildings	9,314,938	3,474,233	5,840,706
Furniture and Equipment	3,680,901	2,546,642	1,134,256
Information and Communication Technology	3,120,297	2,438,836	681,461
Motor Vehicles	470,263	354,733	115,531
Textbooks	408,561	355,183	53,378
Leased Assets	75,596	54,938	20,658
Library Resources	163,561	116,614	46,947
Balance at 31 December 2018	17,311,806	9,341,178	7,970,629

#### PARENT & GROUP

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2017						
Land	77,690	-	-	-	-	77,690
Buildings	4,433,041	1,677,532	-	-	(249,752)	5,860,921
Furniture and Equipment	790,897	293,901	-	-	(146,543)	938,255
Information and Communication Technology	576,492	145,909	-	-	(147,714)	574,687
Motor Vehicles	80,595	26,083	457	-	(23,756)	82,465
Textbooks	43,139	4,518	-	-	(7,980)	39,677
Leased Assets	4,145	69,353	-	-	(32,879)	40,819
Library Resources	34,164	13,994	-	-	(7,339)	40,809
Balance at 31 December 2017	6,040,153	2,231,390	457	-	(615,763)	7,656,323

#### PARENT & GROUP

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2017			
Land	77,690	-	77,690
Buildings	9,042,174	(3,181,253)	5,860,921
Furniture and Equipment	3,277,810	(2,339,552)	938,258
Information and Communication Technology	2,783,208	(2,206,522)	576,686
Motor Vehicles	431,376	(348,912)	82,464
Textbooks	385,741	(346,064)	39,677
Leased Assets	75,596	(34,777)	40,819
Library Resources	148,935	(108,126)	40,809
Balance at 31 December 2017	16,222,630	(8,567,206)	7,655,324

# 15. Accounts Payable

	2018 Actual \$	School 2018 Budget (Unaudited) \$	2017 Actual \$	2018 Actual \$	Group 2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	250,207	320,000	180,178	250,207	320,000	144,431
Capital accruals for PPE items	123,881	-	134,592	123,881	-	134,592
Employee Entitlements - salaries	441,034	420,000	420,577	441,034	420,000	420,577
Employee Entitlements - leave accrual	79,256	60,000	70,305	79,256	60,000	70,308
	<u>894,378</u>	<u>800,000</u>	<u>755,652</u>	<u>894,378</u>	<u>800,000</u>	<u>769,908</u>
Payables for Exchange Transactions	894,378	800,000	755,652	894,378	800,000	769,908
	<u>894,378</u>	<u>800,000</u>	<u>755,652</u>	<u>894,378</u>	<u>800,000</u>	<u>769,908</u>

The carrying value of payables approximates their fair value.

# 16. Borrowings

	2018 Actual \$	School 2018 Budget (Unaudited) \$	2017 Actual \$	2018 Actual \$	Group 2018 Budget (Unaudited) \$	2017 Actual \$
Due in One Year	123,896	100,000	75,505	123,896	100,000	75,505
Due Beyond One Year	1,503,417	1,544,495	1,644,495	1,503,417	1,544,495	1,644,495
	<u>1,627,413</u>	<u>1,644,495</u>	<u>1,720,000</u>	<u>1,627,413</u>	<u>1,644,495</u>	<u>1,720,000</u>

The Group has borrowings at 31 December 2018 of \$1.62 million, (31 December 2017 \$1.72 million). This loan is from the ASB Bank for the purpose of funding the construction of a hostel dorm. The loan is unsecured, interest is 3.9% per annum and the loan is payable with interest in monthly instalments (typically \$10,288 per month). A voluntary lump sum repayment of \$100,000 was made on 6 February 2019.

# 17. Revenue Received in Advance

	2018 Actual \$	School 2018 Budget (Unaudited) \$	2017 Actual \$	2018 Actual \$	Group 2018 Budget (Unaudited) \$	2017 Actual \$
International Student Fees	375,822	375,000	296,583	375,822	375,000	296,583
Hostel Fees	39,161	40,000	32,981	39,161	40,000	32,981
Other	237,142	55,000	65,381	237,142	55,000	65,381
	<u>652,125</u>	<u>470,000</u>	<u>394,905</u>	<u>652,125</u>	<u>470,000</u>	<u>394,905</u>

# 18. Provision for Cyclical Maintenance

	2018 Actual \$	School 2018 Budget (Unaudited) \$	2017 Actual \$	2018 Actual \$	Group 2018 Budget (Unaudited) \$	2017 Actual \$
Provision at the Start of the Year	281,483	270,000	270,000	281,483	270,000	270,000
Increase to the Provision During the Year	173,554	200,000	11,483	173,554	200,000	11,483
Provision at the End of the Year	<u>455,037</u>	<u>470,000</u>	<u>281,483</u>	<u>455,037</u>	<u>470,000</u>	<u>281,483</u>
Cyclical Maintenance - Current	35,674	54,000	15,683	35,674	54,000	15,683
Cyclical Maintenance - Term	419,363	416,000	265,800	419,363	416,000	265,800
	<u>455,037</u>	<u>470,000</u>	<u>281,483</u>	<u>455,037</u>	<u>470,000</u>	<u>281,483</u>

# 19. Finance Lease Liability

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

	2018 Actual \$	School 2018 Budget (Unaudited) \$	2017 Actual \$	2018 Actual \$	Group 2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	35,941	-	28,579	35,941	-	28,579
Later than One Year and no Later than Five Years	17,027	-	39,320	17,027	-	39,320
	<u>52,968</u>	<u>-</u>	<u>67,899</u>	<u>52,968</u>	<u>-</u>	<u>67,899</u>

## 20. Funds held in Trust

	2018 Actual \$	School 2018 Budget (Unaudited) \$	2017 Actual \$	2018 Actual \$	Group 2018 Budget (Unaudited) \$	2017 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	462,301	380,000	497,080	462,301	380,000	497,080
Funds Held in Trust on Behalf of Third Parties - Non-current	55,116	50,000	54,516	55,116	50,000	54,516
	<u>517,417</u>	<u>430,000</u>	<u>551,596</u>	<u>517,417</u>	<u>430,000</u>	<u>551,596</u>

These funds are held where the school is agent for representative amounts and therefore these are not included in the Consolidated Statement of Comprehensive Revenue and Expense.

## 21. Funds Held for Capital Works Projects

During the year the School and Group received and applied funding from the Ministry of Education for the following capital works projects:

### School and GROUP

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
NCHS Water Supply	completed	-	4,940	(4,907)	(33)	-
NBHS Armour Block	in progress	26,315	42,181	(70,589)	-	(2,092)
NBHS Boiler Project	in progress	-	109,437	(8,606)	-	100,831
Totals		<u>26,315</u>	<u>156,558</u>	<u>(84,301)</u>	<u>(33)</u>	<u>98,539</u>
Represented by:						
Funds Held on Behalf of the Ministry of Education						100,831
Funds Due from the Ministry of Education						(2,092)
						<u>98,539</u>

	2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
NCHS Class	completed	(10,495)	22,061	(23,861)	(2,346)	-
NBHS Armour Block	in progress	(2,100)	111,884	(88,469)	-	26,316
Totals		<u>(12,595)</u>	<u>133,945</u>	<u>(110,430)</u>	<u>(2,346)</u>	<u>26,316</u>

## 22. Related Party Transactions

The Group is a controlled entity of the Crown, and the Crown provides the major source of revenue to the Group. The Group 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 Group 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 or less favourable than those that it is reasonable to expect the Group 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.

There are no other related party transactions.

The Headmaster Matt Bertram is one of the key management personnel of the school. He is provided with a school house. Rent paid to the school hostel in 2018 is \$5,185 (2017: \$6,185).

A number of Heads of Departments also live on site. They have rent deducted from the hostel salaries:

	\$ 2018	\$ 2017
K Boulton	5,400	5,400
M Barker	5,400	5,400

## 23. Remuneration

### Key management personnel compensation (School and Group)

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

	2018 Actual \$	2017 Actual \$
Board Members - School		
Remuneration	6,350	6,250
Full-time equivalent members	0.16	0.13
Leadership Team		
Remuneration	3,436,465	2,959,601
Full-time equivalent members	36.00	33.00
Total key management personnel remuneration	<u>3,442,815</u>	<u>2,965,851</u>
Total full-time equivalent personnel	<u>36.16</u>	<u>33.13</u>

The full time equivalent for Board members has been determined based on attendance at Board meetings, Committee meetings and for other obligations of the Board, such as stand downs and suspensions, plus the estimated time for Board members to prepare for meetings.

#### Principal

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

	2018 Actual \$000	2017 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	180 - 170	180 - 170
Benefits and Other Emoluments	4 - 5	4 - 5
Termination Benefits	-	-

#### Other Employees

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

Remuneration \$000	2018 FTE Number	2017 FTE Number
140 - 150	1.00	0.00
130 - 140	0.00	1.00
120 - 130	1.00	0.00
110 - 120	2.00	2.00
100 - 110	4.00	2.00
	<u>8.00</u>	<u>5.00</u>

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

#### 24 Compensation and Other Benefits Upon Leaving

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

School and GROUP Total	2018 Actual \$3,600	2017 Actual \$0
Number of People	1	0

#### 25 Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2018 (Contingent liabilities and assets at 31 December 2017: nil).

##### Holidays Act Compliance - school payroll

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

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

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

#### 26 Commitments

##### (a) Capital Commitments

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

(a) \$37,000 plus gst being the retention payment for the upgrade and refurbishment of Dorms 4 and 5 of Napier Boys High School Hostel (Stimie House) by Alexander Construction.

(b) \$121,597 project for the Boiler conversion will be fully funded by the Ministry of Education. \$109,437 has been received of which \$8,806 has been spent on the project to date.

(c) In December 2018 Napier Boys High School experienced a lightning strike significantly damaging some equipment and alarm systems. Currently we estimate that the cost of replacing these items to be in the vicinity of \$70,000 to \$80,000 excluding gst. Our expectation is that the vast majority (90% or more) of this cost will be funded from insurance and a contribution from the Ministry of Education. We have not provided for any in relation to this event in these financial reports as the full extent of costs and recoveries have not yet been able to be established.

Capital commitments at 31 December 2017: \$189,328

##### (b) Operating Commitments School and GROUP

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

(a) operating lease of a laptop computers and photocopier equipment:

	2018 Actual \$	2017 Actual \$
No later than One Year	34,636	34,636
Later than One Year and No Later than Five Years	58,670	58,654
	<u>93,306</u>	<u>93,290</u>

#### 27 Managing Capital

The Group's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The Group does not actively manage capital but attempts to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.

## 28. Financial Instruments

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

### Loans and receivables

	2018 Actual \$	School 2018 Budget (Unaudited) \$	2017 Actual \$	2018 Actual \$	Group 2018 Budget (Unaudited) \$	2017 Actual \$
Cash and Cash Equivalents	2,990,617	3,017,509	2,594,898	3,077,220	3,017,509	2,652,495
Receivables	803,440	500,000	615,185	803,440	500,000	615,185
Short Term Deposits	-	-	912,245	-	-	912,245
Investments - Fixed Interest Securities	-	-	-	215,692	222,242	222,242
Shares	-	-	-	692,250	655,681	655,581
Napier High Schools Endowment Investment	-	-	-	520,000	365,833	305,833
Total Cash and Receivables	3,794,057	3,517,509	4,122,330	5,308,608	4,761,165	5,423,583
Financial liabilities measured at amortised cost						
Payables	894,378	800,000	755,652	894,378	800,000	769,808
Borrowings - Loans	1,627,413	1,644,495	1,720,000	1,627,413	1,644,495	1,720,000
Finance Leases	52,968	-	63,899	52,969	-	63,899
Total Financial Liabilities Measured at Amortised Cost	2,574,759	2,444,495	2,539,551	2,574,760	2,444,495	2,553,807

## 29. Events After Balance Date

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

## 30. Investment in Subsidiaries

Details of the Group's material subsidiaries at the end of the reporting period are as follows:

Name of Subsidiary	Principal Activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group		Value of investment \$'000	
			2018	2017	2018	2017
Napier Boys High School Charitable Trust 2	Investment in Shares and fixed interest Securities	Napier, New Zealand	100%	100%	\$ 1,514,551	\$ 1,008,468

All subsidiaries have 31 December balance dates, are 100% owned by the School, and are incorporated and domiciled in New Zealand.

The School controls the Trust for financial reporting purposes because, in substance, the Institute predetermined the objectives of the Trust at establishment and benefits from the Trust's complementary activities.

The Trust is a registered charity.

# NAPIER BOYS' HIGH SCHOOL

## HEADMASTER'S REPORT

It is my pleasure to report on Napier Boys' High School's financial performance and position for the year ended 31 December 2018.

In 2018 the Napier Boys' High School Group made a net deficit of \$295,122 compared to 2017 when a net surplus of \$127,468 was made. A summary of the financial performance and position of Napier Boys' High School for 2017 and 2018 is reported below with all dollar values excluding goods and services tax (if any)(if appropriate). NBHS stands for Napier Boys' High School and NCAC stands for Napier Community Activity Centre.

	2018 \$ Hostel	2018 \$ NBHS	2018 \$ NCAC	2018 \$ NBHS Trust No. 2	2018 Group Total \$
Income	1,924,151	11,639,728	95,983	238,136	13,897,998
Expenses	1,853,870	12,242,488	86,179	10,583	14,193,120
Net Surplus (Deficit)	70,281	(602,760)	9,804	227,553	(295,122)
Net assets 2018 \$	3,188,423	4,621,840	156,174	1,514,551	9,480,988
	2017 \$ Hostel	2017 \$ NBHS	2017 \$ NCAC	2017 \$ NBHS Trust No. 2	2017 Group Total \$
Income	1,947,912	11,162,923	95,286	175,395	13,381,516
Expenses	1,748,521	11,394,053	88,174	23,300	13,254,048
Net Surplus (Deficit)	199,391	(231,130)	7,112	152,095	127,468
Net assets 2017 \$	3,118,143	5,224,600	144,735	1,286,998	9,774,476

Our Board of Trustees is very grateful and thankful for the fantastic and inspirational support from staff, parents and volunteers. Without this support our students would not be able to enjoy the wide variety of sensational sports, music and cultural activities and opportunities the school offers which help our students become good young men. We look forward to ongoing success in the future.

## KIWISPORT

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2018 Napier Boys High School received total Kiwisport funding of \$27,528 excluding goods and services tax.

The school was able to support 30 sports (804 students – 66% of the school) as well as other recreational opportunities at the school's Camp Simmonds (year 10 Students and Prefects). This represents a significant investment of resources from a committed and motivated staff and Board of Trustees. Students have high expectations of this aspect of school life.

The kiwisport funding has been used to support sports administration in the school, particularly the Sports Co-ordinator.

Additionally, the funds have been used to purchase:

- Lunchtime sports equipment that is used by students (issued by prefects)
- Sport specific equipment
- Transport to ensure that students were able to get to match venues



Analysis of variance reporting: a statement in which schools provide an analysis of any variance between the school's performance and the relevant aim objectives, directions, priorities, or targets set out in the school charter.

School name: Napier Boys' High School	School number: 216
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Focus: *Students at Napier Boys' High School will develop into confident, innovative young men who will learn, strive and achieve in a traditional environment, having a strong sense of respect for themselves and others.*

2018 Annual Goals and Targets

1. Monitoring student achievement and welfare

	Specific	Measurable	Achievable	Relevant	Timeframe	Who	
1.1	School achievement targets are monitored	Names, numbers and needs for those students at risk of not achieving identified, tracked, monitored and mentored	Yes	Yes	All year	HM/HoD's/ BT	
1.2	Refine process for monitoring, tracking and mentoring of students to ensure those at risk of under-achieving are supported	Upgrade and simplify PEP's to online tool Names, numbers and needs for those students at risk of not achieving identified, tracked, monitored and mentored	Yes	Yes	Term 1	BT	
1.3	Review the vertical pastoral staffing structure and processes and implement changes for 2019	Role of deans Role of the tutor Use of tutorial Balance of academic and wellbeing	Yes	Yes	Term 3	RS	
1.4	Imbed the use of academic data to differentiate teaching and learning	All teachers have a toolbox of subject specific data in their markbooks to aid with the profiling and differentiation of their classes	Yes	Yes	All year	SM and RS	

# Tātaritanga raraunga

1.5	Writing for literacy	Embed Write that Essay strategies into all departments incl. assessment task rewrites SSW with junior classes	Yes	Yes	Term 1	BT and CoL staff
1.6	Supporting Maori and Pasifika student aspirations	Pasifika Fono re-instituted Relationship with Pukemokimoki Marae is formalised	Yes	Yes	Ongoing	HM
1.7	Implement reporting changes to ensure accuracy, consistency and timeliness of feedback to parents	More frequent reporting Ensure feedforward/next steps Faster turnaround to parents	Yes	Yes	Term 1 and 2	WH/ELA to refine
1.8	Providing quality communication between Scinde House administration and hostel families.	Providing hostel information online, including photographs of various activities. (Website and App)  Maintaining links with parents and caregivers via email bulletins and regular newsletters.  Beginning of term Year Level family meals and end of Term 1 Yr9 afternoon tea/presentation.  Hostel reports (Yr9 end of Term 1 and all year levels at end of year).  Provide a profile of House Masters to improve links of communication in the first newsletter for the year and also on the website.  Post hostel rules home annually with newsletter.	Yes	Yes	Ongoing	BR

## 2. Professional Learning Culture

## Tātaritanga rāraunga

	Specific	Measurable	Achievable	Relevant	Timeframe	Who
2.1	Promote and maintain collaborative staff culture incl. annual PLD plan	Establish consistent and meaningful times for professional learning which aligns with goals	Yes	Yes	Term 1	SMT
2.2	Update the appraisal process	Embed Term 2 to term 2 appraisal cycle Add in personal goals Ensure appraisal and registration reflects new teaching standards	Yes	Yes	Term 2	RS
2.3	Support staff and volunteers in co-curricular activities	Create handbook(s) for Co-curricular staff expectations Provide PD for EOTC staff leaders eg: Experiential learning	Yes	Yes	Term 1 and 2	WT and Sports Coord.

### 3. Curriculum Pathways

	Specific	Measurable	Achievable	Relevant	Timeframe	Who
3.1	Junior Assessment review	Develop consistent assessment tools across junior subjects which feed into NCEA standards-based assessment - Stocktake of assessment types in use - Reporting of exams vs internal ass.	Yes	Yes	Term 2 – 4	EIA/SM
3.2	Develop action plan for BYOD implementation 2020 for year 9	ICT Committee makes recommendations on strategy and future needs	No	Yes	All year	ICT Comm. EIA Comm.
3.3	Gifted and Talented education	Establish programme of enrichment opportunities (a second “curriculum”) for these students Promote these offerings widely	Yes	Yes	Term 2/3	HM/SM

# Tātaritanga raraunga

3.4	Taha Maori connections across the curriculum developed	NBHS Whanau and Pukemokimoki Marae provide support where needed to ensure Maori context is evident in schemes of work	Yes	Yes	Ongoing	HM with ELA
3.5	EOTC	Review of camps – compulsory vs voluntary; funding; staffing. Link to 4.1	Yes	Yes	Terms 1 – 3	SMT with WY and Committee

## 4. Enable the development of “Good men”

	Specific	Measurable	Achievable	Relevant	Timeframe	Who	
4.1	Review “Ladder to Manhood” and as part of a “Good man” type award at the end of year 10	“Ladder to Manhood” updated to reflect outcome from year 10 Link to 3.5	Yes	Yes	Term 2 and 3	SMT	
4.2	Ensure student success is recognised permanently	Ensure KAMAR is further developed for the recording and tracking of prizes, awards, honours etc	Yes	Yes	Term 2 and 3	MY	
4.3	Providing quality educational and social outcomes for all borders.	Enhance / foster a culture of academic focus and excellence amongst Scinde House students.  Maintain a fully staffed prep supervision service.  Study skills programme for exam preparation.  Celebrating academic achievement and recognising community service via assemblies and awards	Yes	Yes	All year	BR JO	

## Tātaritanga rāraunga

	Year 9 Orientation programme, involving Prefects and senior students to foster positive relationships. Upholding an affirmative 'Scinde House Culture', maintaining a strong presence in Inter House Activities. Maintaining extra-curricular weekend activities				
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### 5. Wellbeing of students and staff

	Specific	Measurable	Achievable	Relevant	Timeframe	Who	
5.1	Continue to develop NBHS as a hub of well-being	Review 2017 student wellbeing survey results IEP's implemented to monitor students at risk Tailor Health presentations and parental information evenings to identified priorities, eg: Cybersafety, bullying etc	Yes	Yes	All year	Guidance/Ti C Health/Deans /Senior Masters	
5.2	Staff climate survey	Identify NBHS staff strengths and concerns Identify key staff values Ensure these are evident in staffroom, communications, meetings, appraisal documents Act on findings as part of 2019 school goals	Yes	Yes	Term 3/4	HM	
5.3	Staff wellbeing and interpersonal relationships are an ongoing goal of the school	Staff Association use budget to benefit of all staff SMT include staff welfare goals in all annual plans	Yes	Yes	Term 1 and Term 2	HM/RS	

# Tātarianga raraunga



		Staff appraisal has a personal development focus each year				
5.4	Monitor and improve NBHS Safe – school's Health and Safety procedures	Implement new tools for reporting all incidents and near misses Continue to train/upskill all staff in H and S Review billeting procedures and communications re: student safety	Yes	Yes	Term 1 Ongoing Term 1	WY and HM
5.5	Providing systems that ensure student security and safety at all times	Monitoring student's physical and emotional health and safety within the hostel. Appoint night time live-in security person Continue with use of Boardingware system. Continue the Student Welfare committee. Continue with the Hostel Dean pastoral care programme Boardingware system to continue Ensure all boys are equipped with a "pick and go" bag	Yes	Yes	Ongoing Term 1 Ongoing	BR HM BR
5.6	Ensuring that all aspects of student health, care and nutrition are appropriately catered for	Provision of catering plan and student feedback (via student council and Deans meetings). Collation of results after each survey for presentation as a summary for Catering Mgr. Continue to provide training opportunities for the catering staff on an as needs basis.			Whole year	BR Catering Mgr Matron

# Tātāritanga raraunga



## 6. Operational quality

	Specific	Measurable	Achievable	Relevant	Timeframe	Who	
6.1	Ensuring high quality staff in all aspects of Hostel life	Attendance at Hostel's conference. First Aid Courses to be completed by all new Duty Masters/ renewals Nursing registration course for Matron. Housemaster survey results and feedforward (Term 1)	Yes	Yes	Ongoing	BR and HM	
6.2	Progress Armour Block replacement and Polson upgrade	Masterplan approved Detailed design work Final approval Construction commences	Possible	Yes	Term 1 Term 2/3 November December	HM/SM	
6.3	Remediate urgent Armour Block issues	Student toilets – new standalone facility Science shelving	Yes	Yes	Term 1	HM Property Mgr	
6.4	Progress Te Awa Avenue parking/cycle lane with NCC	Angle parking on Te Awa Avenue Cycleway New perimeter fencing / wall / gates on Eastern boundary	Yes	Yes	Term 3 and 4	Property Mgr	
6.5	Upgrade boiler room to classroom	<ul style="list-style-type: none"> <li>Remove boiler and refit with new roof, floor, windows and door</li> <li>Fit out as classroom for life of Armour Block rebuild</li> </ul>	Yes	Yes	Term 1 and 2	Property Mgr 10YPP Consultant	
6.6	Ensuring high quality facilities in all aspects of Hostel life	<ul style="list-style-type: none"> <li>Re-locate boarding admin and renovate</li> <li>Upgrade one wing of Glendinning Block</li> <li>Upgrade Fox Block annex into two rooms</li> </ul>	Yes	Yes	End of Term 1 Term 3 Term 2	Property Mgr BR	

# Tātaritanga raraunga

				HM
			Term 3 Whole year	
6.7	Additional cricket nets	Determine location Budget	Yes	Property Mgr

## 7. Finance

	Specific	Measurable	Achievable	Relevant	Timeframe	Who
7.1	Review financial reporting package	Compare Greentrees to Xero – follow up NPBHS' implementation of Xero to ascertain suitability for NBHS	Yes	Yes	Term 3	Finance Mgr HM
7.2	Ensuring the continued financial viability of Scinde House	<ul style="list-style-type: none"> <li>Maintain strong promotions of the Hostel to prospective parents via annual visits around the region.</li> <li>All new enrolments to asked to use Direct Debit for fees</li> <li>Review fees and maintain appropriate levels of fees and funding sources for on-going developments</li> <li>Maintain a high rate of Boarder occupancy. Goal to exceed budgeted occupancy level (175 boarders)</li> <li>Maintain promotion of hostel holiday lets.</li> </ul>	Yes	Yes	Term 1	BR/HM
					Term 3	BR/Finance Mgr Finance Mgr and Hostel Committee
					Whole year	BR
						BR

# Tātaritanga raraunga

8.1 Charter targets 2018: Students at risk of not achieving qualification/level (percentages unless otherwise stated)

Qualification	Actual pass	At risk	Pakeha actual	Pakeha at risk	Māori actual	Māori at risk	Pasifika actual	Pasifika at risk
Year 9 Read/Write (NZC L4)	81.1/71.6	20/26	88.2/77.8	14/18	68.4/60.3	23/20	62.5/62.5	33/33
Year 9 Numeracy (NZC L4)	82.8	26	87.2/78	22	71.4/72	28	66.7/67	33/33
Year 10 Read/Write (NZC L5)	79.5/89.1	15/13	86.1/91.0	12/10	73.5/88	20/18	58.3/66.7	30/15
Year 10 Numeracy (NZC L5)	75.2	20	78.4/83	17	72.0/76	24	60.0/55	45
Year 11 Level 1	80.7	10	85.2/94	10	54.4/79	21	90.0/62	25
Year 11 Level 1 Endorsements	61.4	45(10*)	65.9/60	40/10 <sup>1</sup>	45.9/46	54/15 <sup>1</sup>	0/40	60/14 <sup>1</sup>
Year 11 Level 1 Literacy	90.2	5	94.1/88	12	72.1/82	18	90/81	19
Year 11 Level 1 Numeracy	91.9	6	95.6/87	13	77.9/70	30	90/72	28
Year 12 Level 2	81.9	8	84.4/92	8	71.8/81	19	50.0/72	28
Year 12 Level 2 Endorsements	44.3	60 (10*)	45.5/45	55/15 <sup>1</sup>	33.3/35	65/15 <sup>1</sup>	25/30	70/28 <sup>1</sup>
Year 13 Level 3	67.7	15	71.7/88	12	46.7/76	24	27.3/60	40
Year 13 Level 3 Endorsements	49.5	60(10*)	51.5/50	50/20 <sup>1</sup>	38.1/40	60/17 <sup>1</sup>	0/0	100/20 <sup>1</sup>
Year 13 University Entrance	57.9	30/91	63.8/80	20	35.6/55	45	9.1/40	60
NZ Scholarship <sup>2</sup>	51	30		n/a		n/a		n/a

<sup>1</sup> Students at the boundary: 1 - 10 credits from qualification

# Tātaritanga rāraunga

<sup>2</sup> Target number only, not percentage

## Achievement data 2018

Table 1: All achievement

Qualification	NB 18	NB 17	Target	Boys-only schools	All boys	All students	Decile 4-7
Level 1 pass	80.7	82.7	85	76.4	67.9	71.4	74.5
Exc. Endorsement	19.3	20	n/a	19.6	14.8	21	16.9
Merit Endorsement	42.1	34.4	n/a	35.1	30.9	34.8	33.8
Total Endorsements	61.4	54.4	60	54.7	45.7	55.8	50.7
Literacy	90.2	94.2	85	89.6	82	84.8	88.2
Numeracy	91.9	93.5	85	85.8	79.7	82.4	86.5
Level 2 pass	81.9	85.1	90	81	73.8	77.3	78.6
Exc. Endorsement	14.9	20.1	n/a	14.8	11.8	16.6	13
Merit Endorsement	29.4	23.8	n/a	26.1	21.2	25.9	23.4
Total Endorsements	44.3	43.9	44	40.9	33	42.5	42.5

## Tātaritanga raraunga

UE Literacy (y12)	54.4	58.6		48.8	38.5	48.2	45.5
Level 3 pass	67.7	65.7	85	69.3	60.1	65.4	64.6
Exc. Endorsement	25.2	17.4	n/a	13.6	11.8	15.1	13.4
Merit Endorsement	24.3	30.3	n/a	26.2	23.6	27.5	25.3
Total Endorsements	49.5	47.7	45	39.8	35.4	42.6	38.7
UE Literacy (y13)	79.9	76.5		74.6	63.6	70.9	72.1
UE	57.9	58.4	70	52.6	41.1	47.7	45.1
Decile	6	6	6	All	All	All	All

Table 2: Maori Achievement

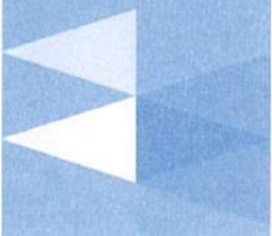
### Maori achievement

Qualification	NB 18	NB 17	Target	Boys-only schools	All boys	All students	Decile 4-7
Level 1 pass	54.4	68.8	79	67	50.9	55.1	58.8
Exc. Endorsement	5.4	14.5	n/a	9.6	6.2	10.1	9
Merit Endorsement	40.5	30.9	n/a	31.3	23.1	28.2	27.9

# Tātaritanga raraunga

<b>Total Endorsements</b>	45.9	45.4	46	40.9	29.3	38.3	36.9
<b>Literacy</b>	72.1	87.5	82	84.8	72.6	77.8	80.3
<b>Numeracy</b>	77.9	86.3	70	80.4	69.1	73.6	76.9
<b>Level 2 pass</b>	71.8	77.2	81	77.4	63.2	66.4	70.1
<b>Exc. Endorsement</b>	7.8	18.1	n/a	7.3	5.1	7.4	6.3
<b>Merit Endorsement</b>	25.5	13.6	n/a	18.2	12.9	18.3	16.3
<b>Total Endorsements</b>	33.3	31.7	35	25.5	18	25.7	22.6
<b>UE Literacy (y12)</b>	36.6	40.4		37.9	26	34.8	32.9
<b>Level 3 pass</b>	46.7	35.6	76	62.9	47.3	50.8	52.2
<b>Exc. Endorsement</b>	23.8	6.3	n/a	7.3	6.3	8.4	7.6
<b>Merit Endorsement</b>	14.3	56.3	n/a	19.1	15.5	19.5	19.8
<b>Total Endorsements</b>	38.1	62.6	40	26.4	21.8	27.9	27.4
<b>UE Literacy (y13)</b>	60	53.3		66.9	49.9	58.2	48.2
<b>UE</b>	35.6	28.9	55	36.6	21.7	26.7	27.9
<b>Decile</b>	6	6	6	All	All	All	4 to 7

# Tātaritanga raraunga



Key	
Boys-only	All boys in boys-only schools
Decile 4 - 7	All decile 4 - 7 schools
All boys	All boys in all schools
All students	All students in all schools

## Overall Achievement commentary (Table 1)

As tabled in the February report, we were very pleased with the results against targets for endorsements. When considered against national group data, endorsement rates and UE compare favourably. Where we are behind virtually all reference schools and national group data are the qualification pass rates at L1, 2 and 3.

The change to enrolment-based figures which all schools must use lessens the impact of variability when comparing school to school. However, the challenge continues as in past years: explaining our results to our parents and the public as league tables do not compare apples with apples. That is, a calculus course at year 13 here is not necessarily the same as a calculus course at another Hawke's Bay school. When you consider the curriculum policy of the school (for review this meeting) the differentiated courses we offer do meet the wide range of student needs, but always with the proviso that these have clear pathways both within school and into tertiary study or careers.

## Maori Achievement commentary (Table 2)

These are disappointing and represent a step back from 2017 particularly as our targets were based on known students at risk who despite more targeted interventions, did not achieve qualifications. While, as mentioned in February, the endorsements and UE show our better Maori academics do well in comparison to national group data, Maori qualification achievement overall (eg: NCEA Level 1 pass – not endorsed) is poor in comparison to all other national group data as well as lagging well behind NZ European results.

This remains a challenge for the school. Our approach in our goals continues to be a two-pronged approach: 1. Culturally-responsive pedagogy

## Tātaritanga raraunga

as part of professional learning and, 2. A drive to identify barriers to achievement for Maori students such as attendance and address these.

### Scholarship Achievement (Table 3)

Our best return ever, as we had expected around 30. Geography led the way with 18 scholarships but what was pleasing were the range of subjects in which scholarships were achieved as well as the healthy number at Year 12 which augurs well for 2019.

Baseline data:

# Tātaritanga raraunga

## 1. Roll at 1 March 2019 vs 1 March 2018

01/03/2019	Year 9		Year 10		Year 11		Year 12		Year 13		Total		
Ethnicity	NZ	Int	NZ	Int	NZ	Int	NZ	Int	NZ	Int	NZ	%	Int
Asian	7	3	7	3	2	4	4	8	4	5	24	2	23
European	161		154		158	6	153	5	106	4	732	64	15
Maori	88		67		80		60		49		344	30	
MELAA*	3		1		3		0		1		8	0.7	
Pasifika	3		10		12		6		5		36	3	
Other	0		1		1		0		1		3	0.3	
Totals	262	3	240	3	256	10	223	13	166	9	1147	100	38
<b>Totals 2018</b>	<b>255</b>	<b>1</b>	<b>262</b>		<b>252</b>	<b>11</b>	<b>239</b>	<b>11</b>	<b>167</b>	<b>9</b>	<b>1177</b>	<b>-</b>	<b>32</b>

\*Middle Eastern, Latin America, Africa

## 2. Retention Rates 2015–2018 by Year

### Total Students

Year	2015		2016		2017		2018	
	Roll	Retention	Roll	Retention	Roll	Retention	Roll	Retention
9	278		268		275		255	

## Tātaritanga raraunga

10	275		273		258		262	
11	256	92.1	261	97.4	263	95.6	252	98.8
12	254	92.4	231	84.6	229	88.8	239	91.2
13	173	67.6	180	69.0	172	65.4	167	66.3

### Commentary:

Overall retention is consistent with the past three years.

### Pakeha

Year	2015		2016		2017		2018	
	Roll	Retention	Roll	Retention	Roll	Retention	Roll	Retention
9	278		268		184		172	
10	275		273		169		178	
11	256	92.1	261	97.4	167	90.8	170	98.8
12	254	92.4	231	84.6	143	84.6	151	84.8
13	173	67.6	180	69.0	107	64.1	103	60.6

Pakeha retention at year 11 mirrors school retention rise at year 11; year 12 and 13 at four-year low.

### Maori

Year	2015		2016		2017		2018	
	Roll	Retention	Roll	Retention	Roll	Retention	Roll	Retention
9	278		268		73		61	
10	275		273		76		65	

# Tātaritanga raraunga

11	256	92.1	261	97.4	82	112.3	71	116.4
12	254	92.4	231	84.6	59	77.6	71	109.2
13	173	67.6	180	69.0	46	56.1	44	62.0

Maori retention bucks the whole school population trend indicating that more Maori students enrol for their final two years from year 11 than other ethnicities, however, Maori retention at year 13 is still lower than the 10 year average.

than for other ethnic groups and this is also reflected in UfE data.

## Pasifika

Year	2015		2016		2017		2018	
	Roll	Retention	Roll	Retention	Roll	Retention	Roll	Retention
9					12		9	
10					7		12	
11					7	58.3	7	77.8
12					8	114.3	7	58.3
13					6	85.7	5	71.4

Pasifika student retention is difficult to gauge accurately given the small sample size. Variations of this order have been due to factors such as Student disengagement and family relocations.

## Asian

Year	2015		2016		2017		2018	
	Roll	Retention	Roll	Retention	Roll	Retention	Roll	Retention
9					0		7	

# Tātaritanga raraunga

10					3		1	
11					5		3	42.9
12					6	200.0	5	500.0
13					5	100.0	6	200.0

Asian student retention is difficult to gauge accurately given the small sample size.

The key point on attendance in 2018 was again the higher retention of Year 12 and 13 students. One new vocational course at year 12/13 was added to the curriculum to cater for this. STP (Trades Academy) numbers started high, however, as students left school during the year for jobs and further training, these numbers dropped.

Key Actions (what did we do?)	Outcomes (what happened?)	Reasons for the variance (why did it happen?)	Evaluation (where to next?)
<p>1. Reviewed vertical pastoral staffing structure and processes (two years since implementation)</p> <ul style="list-style-type: none"> <li>• Role of House Deans</li> <li>• Role of the Tutor</li> <li>• Use and frequency of tutorial times</li> <li>• Balance of academic vs wellbeing monitoring</li> </ul>	<ul style="list-style-type: none"> <li>• Staff, students and parents were strongly in favour of retaining vertical tutorial classes</li> <li>• Staff split 50:50 on vertical vs horizontal deaning system; students and parents more in favour of vertical deaning system</li> <li>• Deans themselves and management preferred vertical system with 1 exception</li> <li>• Evidence that system needed to evolve as issues with overall pastoral care at year 9 and 10 with vertical deans</li> <li>• Preference for 2<sup>nd</sup> weekly tutor time to be used for year level or House assemblies from time to time</li> <li>• Recognition that academic monitoring and mentoring needs to include wellbeing goals</li> </ul>	<ul style="list-style-type: none"> <li>• The change to vertical pastoral systems and the implementation of the 2<sup>nd</sup> tutorial each week was a big change in 2017</li> <li>• Senior students were more likely to favour the previous system <b>but</b> evidence of seniors working as peer support with juniors (Tuakana/Taina); seniors using this evidence for their CV's and scholarship applications endorsed by their tutors</li> <li>• Expectations of all stakeholders higher in terms of tutorials and pastoral care</li> </ul>	<ul style="list-style-type: none"> <li>• Three way goal setting conferences introduced in term 1, 2019 (SMART template)</li> <li>• Voluntary Peer Support training being offered in November 2019 for all year 12's</li> <li>• Senior Manager appointed to oversee each year level and coordinate level pastoral needs</li> </ul>
<p>2. Implemented Staff Climate survey via NZCER</p>	<ul style="list-style-type: none"> <li>• Survey completed July 2018</li> <li>• Issued to staff</li> <li>• Full staff meeting for 90 minutes to focus on areas of challenge: Communication, Decision Making and Staff Morale</li> </ul>	<ul style="list-style-type: none"> <li>• Communication: staff believed that use of two electronic forms of comms as well as paper led to confusion and caused friction between staff and management</li> <li>• Decision-making: Eg: changes to the pastoral systems of the</li> </ul>	<ul style="list-style-type: none"> <li>• Focus group, led by counsellor, to continue in 2019 and take responsibility for Staff Welfare fund.</li> <li>• Staff wellbeing continues as school focus</li> </ul>

# Tātaritanga raraunga

	<ul style="list-style-type: none"> <li>Findings collated and focus group of staff volunteered to work on these three areas</li> <li>Focus group led by counsellor and reported back to staff term 4 on progress</li> <li>Focus group to continue in 2019 and take responsibility for Staff Welfare fund.</li> </ul>	<ul style="list-style-type: none"> <li>school; change in leadership style; Board of Trustees' Disciplinary decisions have caused some staff to feel unsupported or not listened to</li> <li>Staff Morale: workplace busyness and expectations (internal and external) continue to increase</li> </ul>	<ul style="list-style-type: none"> <li>Communication system now email, not KAMAR as well; new staff noticeboard</li> <li>School rules reviewed by board, especially uniform policy; ban on cellphones in class implemented</li> <li>School decision-making processes clarified</li> </ul>
3. Writing for literacy	<ul style="list-style-type: none"> <li>Applied for Community of Learning PLD and further funding</li> <li>Used our preferred provider (Write that Essay) to work with small groups in Departments to progress the work from 2016 and 2017</li> <li>All staff were also part of a two hour session on our in-service day</li> <li>Writing module introduced at year 9</li> </ul>	<ul style="list-style-type: none"> <li>Evidence of greater uptake from a range of sources:  Eg: Maths inquiry re; paragraph writing for statistics showed significant improvement in test results  Eg: NZQA Scholarship results best ever in 2018; students taught range of strategies from this program</li> </ul>	<ul style="list-style-type: none"> <li>Continue to embed the whole school PLD from Write that Essay with this goal continuing in 2019 with Social Sciences targeted in term 2, English term 3 and Science term 4</li> <li>In-service time to be targeted at three groups: a. New to NBHS teachers, b. Those who are experiencing challenges and, c. Those who are working well</li> <li>Group inquiries to be encouraged again for the 2019/2020 appraisal cycle to assist in embedding this PLD</li> </ul>

<p>4. Implemented reporting changes to ensure accuracy, consistency and timeliness of feedback to parents/ caregivers</p>	<ul style="list-style-type: none"> <li>Reviewed reporting with stakeholders including parents</li> <li>Adopted a system of continual feedback (8 times per year) based on learning characteristics accompanied by up to date assessment data</li> <li>No written comments, except one summative comment at the end of the year by the tutor</li> <li>All accessible via Parent and Student portal on KAMAR</li> </ul>	<ul style="list-style-type: none"> <li>One progress report in term 1, full written reports in term 2 and end of year were not proving responsive when learning issues were clearly evident</li> <li>Time delays in writing, proofing and publishing written reports negated usefulness of comments in many cases. Variability has also been an issue in terms of quality of comment as well</li> </ul>	<ul style="list-style-type: none"> <li>Review end of 2019 along with Goal Setting conference and Parent teacher interviews as a part of whole school reporting.</li> </ul>
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Planning for next year: 2019 Annual Goals and Targets

## 6. Monitoring student achievement and welfare

	Specific	Measurable	Achievable	Relevant	Timeframe	Who
1.1	School achievement targets are monitored	Names, numbers and needs identified, tracked and monitored (Refer 1.2)	Yes	Yes	Ongoing	SMT
1.2	Continue process for monitoring, tracking and mentoring of students to ensure those at risk of under-achieving are supported	<ul style="list-style-type: none"> <li>- Review platform (Kamar/Office 365)</li> <li>- Align with CoL transition team's At risk spreadsheet</li> <li>- Eliminate barriers such as wifi access</li> </ul>	Yes	Yes	Whole year	TR
1.3	Imbed all approved recommendations from the 2018 Vertical pastoral system review	<ul style="list-style-type: none"> <li>Role of deans</li> <li>Role of the tutor</li> <li>Use of tutorial</li> <li>Balance of academic and wellbeing</li> <li>(Not achieved 2018)</li> </ul>	Yes	Yes	Term 1	RS
1.4	Imbed the use of academic data to differentiate teaching and learning	<ul style="list-style-type: none"> <li>HoD's to identify key data</li> <li>School to set up summary markbooks for all teaches and departments with this key data</li> <li>PLD provided re: using this</li> <li>Use of the data a focus of all lesson observations</li> </ul>	Yes	Yes	Ongoing	SM and ELA
1.5	Writing for literacy	<ul style="list-style-type: none"> <li>Write that Essay part of PLD</li> <li>Sustained Silent Writing continued with recommended changes</li> <li>Literacy module reviewed</li> </ul>	Yes	Yes	Whole year Whole year	RS SW
1.6	Supporting Maori and Pasifika student aspirations	<ul style="list-style-type: none"> <li>Pasifika Fono re-instituted (Not achieved 2018)</li> <li>Relationship with Pukemokimoki Marae is formalised: embedded as part of "Ladder to Manhood"</li> </ul>	Yes	Yes	Term 2	HM

# Tātaritanga raraunga

1.7	Implement goal setting 3-way conferences with year 9 - 13	Term One – whole day school shutdown PLD for staff	Yes	Yes	Term 1	RS/TR
1.8	Review reporting changes and goal setting 3-way conferences		Yes	Yes	Term 3	WH
1.9	Providing quality communication between Science House administration, the day school and hostel families	<p>Providing hostel information online, including photographs of various activities. (Website and App)</p> <p>Maintaining links with parents and caregivers up to date with boarding activities through the promotion and use of social media, email and newsletters.</p> <p>Beginning of term Year Level family meals and end of Term 1 Yr9 afternoon tea/presentation.</p> <p>Hostel reports (Yr9 end of Term 1 and all year levels at end of year).</p> <p>Provide a profile of House Masters to improve links of communication in the first newsletter for the year and also on the website.</p> <p>Post hostel rules home annually with newsletter.</p>	Yes	Yes	All year	JO

## 7. Professional Learning Culture

	Specific	Measurable	Achievable	Relevant	Timeframe	Who
2.1	Professional Learning plan is flexible	Staff can choose from a range of PLD either within a school goal or from across a range of goals	Yes	Yes	Term 1	RS
2.2	Monitor and review inquiry process changes	All staff completed an approved inquiry as per appraisal requirements Support provided as necessary	Yes	Yes	Term 2	RS
2.3	Culturally responsive pedagogy	Differentiated PLD for staff, eg:	Yes	Yes	Whole year	HM

# Tātaritanga raraunga

		<ul style="list-style-type: none"> <li>- Te Reo course through EIT (formal qualification; free to school)</li> <li>- Culturally response pedagogical training to built on prior learning such as Te Korahitanga (funding in place)</li> <li>- Basic tikanga and te reo courses (provided in-house)</li> </ul>				PK
2.4	Support staff and volunteers in co-curricular activities	Create handbook(s) for Co-curricular staff expectations	Yes	Yes		WT
	Strategic plan for sport	Draft plan submitted to Management	Yes	Yes	Term 3	WT

## 8. Curriculum Pathways

	Specific	Measurable	Achievable	Relevant	Timeframe	Who
3.1	Monitor junior assessment changes	<ul style="list-style-type: none"> <li>- Reporting process</li> <li>- ELA and Department meetings</li> <li>- Learning Support</li> </ul>	Yes	Yes	Whole year	SM and ELA
3.2	Digital Technology curriculum	New curriculum implemented, and timetable changes effected for 2020	Yes	Yes	Term 3	SY and ELA
3.3	Gifted and Talented education	Establish programme of enrichment opportunities (a second “curriculum”) for these students Promote these offerings widely	Yes	Yes	Term 2	HM
3.4	Digital fluency	Professional learning time (150 hours) approved for 2019	Yes	Yes	Whole year	SY



## 9. Enable the development of “Good men”

	Specific	Measurable	Achievable	Relevant	Timeframe	Who
4.1	Implement “Ladder to Manhood” changes (year 9) and “Good man” award (year 10)	“Ladder to Manhood” program successfully run term 1 with year 9 “Good man” awards presented at Junior prizegiving	Yes	Yes	Term 1	RS
4.2	Ensure student success is recognised permanently	Ensure KAMAR is further developed for the recording and tracking of prizes, awards, honours etc	Yes	Yes	Term 1	MY
R4.3	Providing quality educational and social outcomes for all boarders.	Enhance / foster a culture of academic focus and excellence amongst Scinde House students.  Maintain a fully staffed prep supervision service.  Study skills programme for exam preparation.  Celebrating academic achievement and recognising community service via assemblies and awards  Year 9 Orientation programme, involving Prefects and senior students to foster positive relationships.  Upholding an affirmative ‘Scinde House Culture’, maintaining a strong presence in Inter House Activities.  Maintaining extra-curricular weekend activities	Yes	Yes	Whole year	JO

## 10. Wellbeing of students and staff

# Tātaritanga raraunga

	Specific	Measurable	Achievable	Relevant	Timeframe	Who
5.1	Continue to develop NBHS as a hub of well-being	Focus on mental health and resilience with specialist support - Student input into program - Build into level assemblies	Yes	Yes	Whole year	SR  Deans
5.2	Staff climate	Reference group continues to act on findings of 2018 Staff survey and implement agreed changes	Yes	Yes	Term 2	SR and HM
5.3	Staff wellbeing and interpersonal relationships are an ongoing goal of the school	Staff committee to administer wellbeing budget	Yes	Yes	Whole year	SR
5.4	Monitor and improve NBHS Safe – school's Health and Safety procedures	Continue to train/upskill all staff in H and S	Yes	Yes	Ongoing	WY
5.5	Providing systems that ensure student security and safety at all times	Monitoring student's physical and emotional health and safety within the hostel. Appoint night time live-in security person Continue with use of Boardingware system. Continue the Student Welfare committee. Continue with the Hostel Dean pastoral care programme Boardingware system to continue Ensure all boys are equipped with a "pick and go" bag	Yes	Yes	Ongoing	JO
5.6	Ensuring that all aspects of student health, care and nutrition are appropriately catered for	Provision of catering plan and student feedback (via student council and Deans meetings). Collation of results after each survey for presentation as a summary for Catering Mgr.	Yes	Yes	Ongoing	JO



		Continue to provide training opportunities for the catering staff on an as needs basis.				
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## 8. Operational quality

	Specific	Measurable	Achievable	Relevant	Timeframe	Who
6.1	Ensuring high quality staff in all aspects of Hostel life	Attendance at Hostel's conference. First Aid Courses to be completed by all new Duty Masters/ renewals Housemaster survey term 4	Yes	Yes	Term 2 Term 1 Term 4	JO JO HM
6.2	Progress Armour Block replacement and Polson upgrade	Masterplan approved Detailed design work underway Construction commences	Yes	Yes	Ongoing	HM PO
6.3	Administration upgrade	School	Possibly	Yes	Term 1 / 2	PO
6.4	Progress long-term property plan	Farm Parking and road safety Te Awa Avenue and Chambers Street	Yes	Yes	Ongoing	BOT
6.5	Upgrade boiler room to classroom - Ongoing from 2018	<ul style="list-style-type: none"> <li>Remove boiler and refit with new roof, floor, windows and door</li> <li>Fit out as classroom for life of Armour Block rebuild</li> </ul>	Yes	Yes	Term 1	PO
6.6	Ensuring high quality facilities in all aspects of Hostel life	<ul style="list-style-type: none"> <li>Upgrade one wing of Glendining Block (annual until 2022)</li> </ul>	Yes	Yes	Term 3	HM/PO

6.7	Additional cricket net and artificial pitch	Determine location Budget	Yes	Yes	Term 3	HM /PO
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## 9. Finance

	Specific	Measurable	Achievable	Relevant	Timeframe	Who
7.1	Review financial reporting package - <b>Deferred from 2018</b>	Compare Greentrees to Xero – follow up NPBHS' implementation of Xero to ascertain suitability for NBHS	Yes	Yes	Term 2	HM
7.2	Ensuring the continued financial viability of Scinde House	<ul style="list-style-type: none"> <li>• Maintain strong promotions of the Hostel to prospective parents via annual visits around the region.</li> <li>• All new enrolments to asked to use Direct Debit for fees</li> <li>• Review fees and maintain appropriate levels of fees and funding sources for on-going developments</li> <li>• Maintain a high rate of Boarder occupancy. Goal to exceed budgeted occupancy level (175 boarders)</li> <li>• Maintain promotion of hostel holiday lets.</li> </ul>	Yes	Yes	Term 1 Term 2 Term 3 Ongoing Ongoing	JO/HM Finance Finance/BOT JO JO

# Tātaritanga raraunga

## 8.1 Charter targets 2019: Students at risk of not achieving qualification/level

Qualification	Actual pass	At risk	Pakeha actual	Pakeha at risk	Maori actual	Maori at risk	Pasifika actual	Pasifika at risk
Year 9 Read/Write (NZC L4)		20/27%		19/26%		24/29%		33/33%
Year 9 Numeracy (NZC L4)		24%		21%		26%		33%
Year 10 Read/Write (NZC L5)		20/29%		15/23%		32/40%		38/38%
Year 10 Numeracy (NZC L5)		28%		14%		29%		33%
Year 11 Level 1		20%		15%		25%		40%
Year 11 Level 1 Endorsements		40/151%		40/101%		54/151%		60/141%
Year 11 Level 1 Literacy		14%		12%		18%		19%
Year 11 Level 1 Numeracy		12%		13%		30%		28%
Year 12 Level 2		20%		16%		40%		28%
Year 12 Level 2 Endorsements		60/101%		55/151%		70/151%		100/281%
Year 13 Level 3		35%		30%		35%		60%
Year 13 Level 3 Endorsements		60/101%		58/201%		70/151%		75/251%
Year 13 University Entrance		40/101%		35%		60%		60%
NZ Scholarship <sup>2</sup>		30 <sup>2</sup>		n/a		n/a		n/a

<sup>1</sup> Students at the boundary: 1 - 10 credits from qualification

<sup>2</sup> Target number only, not percentage

# Tataritanga raraunga





**INDEPENDENT AUDITOR'S REPORT**  
**TO THE READERS OF NAPIER BOYS HIGH SCHOOL'S**  
**GROUP FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

The Auditor-General is the auditor of Napier Boys High School and its controlled entities (collectively referred to as 'the Group'). The Auditor-General has appointed me, Maxwell John Dixon, using the staff and resources of PricewaterhouseCoopers, to carry out the audit of the financial statements of the Group on his behalf.

**Opinion**

We have audited the financial statements of the Group on pages 2 to 19, that comprise the statement of financial position as at 31 December 2018, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the Group:

- present fairly, in all material respects:
  - its financial position as at 31 December 2018; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued in New Zealand (PBE Standards RDR).

Our audit was completed on 31 May 2019. This is the date at which our opinion is expressed.

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

**Basis for our opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

### **Responsibilities of the Board of Trustees for the financial statements**

The Board of Trustees is responsible on behalf of the Group for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Trustees' responsibilities arise from the Education Act 1989.

### **Responsibilities of the auditor for the audit of the financial statements**

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

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

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the Group'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 Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Group 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 obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arise from the Public Audit Act 2001.

### **Other information**

The Board of Trustees is responsible for the other information. The other information comprises the information included within the Analysis of Variance, the Kiwisport Statement, the Principals Report, and the Board of Trustees List which form part of the Annual Report, but does not include the financial statements, and our auditor's report thereon.

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

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

**Independence**

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

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

A handwritten signature in black ink, appearing to read 'M. John Dixon', written in a cursive style.

**Maxwell John Dixon**  
**PricewaterhouseCoopers**  
**On behalf of the Auditor-General**  
**Napier, New Zealand**