

TIMARU BOYS' HIGH SCHOOL



GROUP ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Ministry Number:	360
Principal:	David Thorp (from Jan 2020)
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TIMARU BOYS' HIGH SCHOOL

Group Annual Report - For the year ended 31 December 2019

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Timaru Boys' High School

Consolidated Statement of Responsibility

For the year ended 31 December 2019

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 2019 fairly reflects the financial position and operations of the group.

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



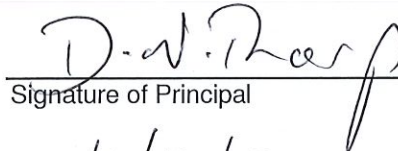
Full Name of Board Chairperson



Full Name of Principal



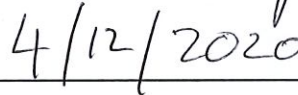
Signature of Board Chairperson



Signature of Principal



Date:



Date:

Timaru Boys' High School

Members of the Board of Trustees

For the year ended 31 December 2019

Name	Position	How Position Gained	Held Until
Peter Stayt	Chairperson	Elected	Jun 2022
Nick McIvor	Principal	ex Officio	Jul 2019
Rod Sparrow	Acting Principal	ex Officio	Jan 2020
Ross Stevenson	Acting Principal	ex Officio	Jan 2020
Jason Grant	Parent Rep	Elected	Jun 2022
Adam Blake	Deputy Chairperson	Elected	Jun 2022
Virginia Callaghan	Parent & O.B. Rep	Co-opted	Jun 2022
Shane Edwards	Parent Rep	Elected	Jun 2019
David Forman	Parent Rep	Co-opted	Jun 2022
Di Hay	Parent Rep	Co-opted	Jun 2022
Michael Howard	Staff Rep	Elected	Jun 2022
Warren Leslie	Old Boys' Rep	Co-opted	Mar 2019
Nick Light	Parent Rep	Co-opted	Jun 2022
Jason Power	Parent Rep	Co-opted	Jun 2022
Bernadine Reynolds	Parent Rep	Elected	Jun 2019
Jane Sullivan	Parent Rep	Selected	Jun 2019
William Urquhart	Student Rep	Elected	Sep 2019
Harry Delaney	Student Rep	Elected	Sep 2020

Timaru Boys' High School

Consolidated Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

	Notes	2019	School 2019 Budget	2018	2019	Group 2019 Budget	2018
		Actual	(Unaudited)	Actual	Actual	(Unaudited)	Actual
		\$	\$	\$	\$	\$	\$
Revenue							
Government Grants	2	6,423,359	6,475,807	6,188,630	6,423,359	6,475,807	6,188,630
Locally Raised Funds	3	788,983	220,150	835,142	869,236	220,150	1,218,442
Interest Earned		16,600	16,100	42,886	17,102	16,100	46,293
Hostel	4	2,108,944	1,823,424	2,378,205	2,108,944	1,823,424	2,031,581
International Students	5	547,353	403,335	569,918	547,353	403,335	569,918
Other Revenue		-	-	-	-	-	8,791
<i>Total revenue</i>		9,885,239	8,938,816	10,014,781	9,965,994	8,938,816	10,063,655
Expenses							
Locally Raised Funds	3	415,279	98,804	394,044	415,279	98,804	394,044
Hostel	4	1,833,830	1,528,800	1,519,629	1,833,830	1,528,800	1,519,629
International Students	5	347,429	250,327	436,233	347,429	250,327	436,233
Learning Resources	6	4,617,427	4,540,444	4,609,552	4,617,427	4,540,444	4,609,552
Administration	7	454,581	441,635	384,969	456,130	441,635	386,014
Finance		12,587	-	8,551	12,587	-	8,551
Property	8	1,780,434	1,823,008	1,760,403	1,780,434	1,823,008	1,760,403
Depreciation	9	351,109	301,000	311,545	356,837	301,000	317,396
Loss on Disposal of Property, Plant and Equipment		689	-	6,644	689	-	6,644
<i>Total expenses</i>		9,813,365	8,984,018	9,431,570	9,820,642	8,984,018	9,438,466
Net Surplus / (Deficit) for the year		71,874	(45,202)	583,211	145,352	(45,202)	625,189
Other Comprehensive Revenue and Expenses		-	-	-	-	-	-
Total Comprehensive Revenue and Expense for the Year		71,874	(45,202)	583,211	145,352	(45,202)	625,189

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



Timaru Boys' High School

Consolidated Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	Notes	Actual 2019 \$	School Budget (Unaudited) 2019 \$	Actual 2018 \$	Actual 2019 \$	Group Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January		5,178,324	5,178,324	4,578,205	5,528,497	5,528,497	4,886,400
Total comprehensive revenue and expense for the year		71,874	(45,202)	583,211	145,352	(45,202)	625,189
<i>Capital Contributions from the Ministry of Education</i>							
Contribution - Furniture and Equipment Grant		-	-	16,908	-	-	16,908
Equity at 31 December	27	<u>5,250,198</u>	<u>5,133,122</u>	<u>5,178,324</u>	<u>5,673,849</u>	<u>5,483,295</u>	<u>5,528,497</u>
Retained Earnings		5,250,198	5,133,122	5,178,324	5,673,849	5,483,295	5,528,497
Equity at 31 December		<u>5,250,198</u>	<u>5,133,122</u>	<u>5,178,324</u>	<u>5,673,849</u>	<u>5,483,295</u>	<u>5,528,497</u>
Total equity		<u>5,250,198</u>	<u>5,133,122</u>	<u>5,178,324</u>	<u>5,673,849</u>	<u>5,483,295</u>	<u>5,528,497</u>

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

Timaru Boys' High School
Consolidated Statement of Financial Position
As at 31 December 2019

	Notes	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets							
Cash and Cash Equivalents	10	614,349	741,643	485,845	753,592	798,007	542,209
Accounts Receivable	11	612,623	329,162	329,162	612,623	331,342	331,342
Funds due for Capital Works Projects	21	-	4,407	4,407	-	4,407	4,407
GST Receivable		1,330	101,221	101,221	1,665	101,550	101,550
Prepayments		18,958	13,649	13,649	18,958	13,649	13,649
Inventories	12	51,723	53,400	53,400	51,723	53,400	53,400
Investments	13	542,197	656,240	656,240	550,641	664,684	664,684
		1,841,180	1,899,722	1,643,924	1,989,202	1,967,039	1,711,241
Current Liabilities							
Accounts Payable	15	512,554	598,483	598,483	515,359	599,789	599,789
Revenue Received in Advance	17	415,605	456,764	456,764	415,605	456,764	456,764
Provision for Cyclical Maintenance	18	87,135	-	-	87,135	-	-
Finance Lease Liability - Current Portion	19	76,018	64,123	64,123	76,018	64,123	64,123
Funds held in Trust	20	321,479	243,096	243,096	321,479	243,096	243,096
Funds held for Capital Works Projects	21	233,913	-	-	233,913	-	-
Funds held on behalf of other Clusters		1,190	1,190	1,190	1,190	1,190	1,190
		1,647,894	1,363,656	1,363,656	1,650,699	1,364,962	1,364,962
Working Capital Surplus/(Deficit)		193,286	536,066	280,268	338,503	602,077	346,279
Non-current Assets							
Property, Plant and Equipment	14	5,873,398	5,080,627	5,381,627	6,151,832	5,364,789	5,665,789
		5,873,398	5,080,627	5,381,627	6,151,832	5,364,789	5,665,789
Non-current Liabilities							
Borrowings	16	469,392	-	-	469,392	-	-
Provision for Cyclical Maintenance	18	244,072	324,266	324,266	244,072	324,266	324,266
Finance Lease Liability	19	103,022	159,305	159,305	103,022	159,305	159,305
		816,486	483,571	483,571	816,486	483,571	483,571
Net Assets		5,250,198	5,133,122	5,178,324	5,673,849	5,483,295	5,528,497
Equity:							
Accumulated surplus/deficit	27	5,250,198	5,133,122	5,178,324	5,673,849	5,483,295	5,528,497
Total equity		5,250,198	5,133,122	5,178,324	5,673,849	5,483,295	5,528,497

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



Timaru Boys' High School
Consolidated Statement of Cash Flows
For the year ended 31 December 2019

	Notes	2019	School 2019 Budget	2018	2019	Group 2019 Budget	2018
		Actual	(Unaudited)	Actual	Actual	(Unaudited)	Actual
		\$	\$	\$	\$	\$	\$
Cash flows from Operating Activities							
Government Grants		1,289,087	1,565,807	1,397,898	1,289,087	1,565,807	1,397,898
Locally Raised Funds		728,719	220,150	580,519	811,152	220,150	970,430
Hostel		2,174,120	1,823,424	2,390,071	2,174,120	1,823,424	2,043,447
International Students		523,194	403,335	531,007	523,194	403,335	531,007
Goods and Services Tax (net)		99,891	-	(67,289)	99,885	-	(67,155)
Payments to Employees		(1,728,076)	(1,492,225)	(1,531,098)	(1,728,076)	(1,492,225)	(1,531,098)
Payments to Suppliers		(2,950,253)	(2,227,793)	(2,724,626)	(2,950,303)	(2,227,793)	(2,754,269)
Cyclical Maintenance Payments in the year		(29,781)	(53,000)	(39,227)	(29,781)	(53,000)	(12,877)
Interest Paid		(12,587)	-	(8,551)	(12,587)	-	(8,551)
Interest Received		22,009	16,100	41,371	22,511	16,100	44,778
Net cash from / (to) the Operating Activities		116,323	255,798	570,075	199,202	255,798	613,610
Cash flows from Investing Activities							
Proceeds from Sale of PPE (and Intangibles)		(689)	-	(6,644)	(688)	-	(6,644)
Purchase of PPE (and Intangibles)		(911,826)	-	(1,375,507)	(223,087)	-	(1,382,061)
Purchase of Investments		-	-	-	(688,740)	-	-
Proceeds from Sale of Investments		114,043	-	460,737	114,043	-	460,737
Net cash from / (to) the Investing Activities		(798,472)	-	(921,414)	(798,472)	-	(927,968)
Cash flows from Financing Activities							
Furniture and Equipment Grant		-	-	16,908	-	-	16,908
Finance Lease Payments		24,558	-	146,487	24,558	-	153,041
Loans Received/ Repayment of Loans		469,392	-	-	469,392	-	-
Funds Administered on Behalf of Third Parties		78,383	-	34,405	78,383	-	34,405
Funds Held for Capital Works Projects		238,320	-	27,617	238,320	-	27,617
Net cash from Financing Activities		810,653	-	225,417	810,653	-	231,971
Net increase/(decrease) in cash and cash equivalents		128,504	255,798	(125,922)	211,383	255,798	(82,387)
Cash and cash equivalents at the beginning of the year	10	485,845	485,845	611,767	542,209	542,209	624,596
Cash and cash equivalents at the end of the year	10	614,349	741,643	485,845	753,592	798,007	542,209

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 which form part of these financial statements.



Timaru Boys' High School

Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

Timaru 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 Timaru Boys' High School Group (the "Group") consists of Timaru Boys' High School and its subsidiary, The Timaru Boys' High School Development Trust. The subsidiary is an entity which supports the school by raising funds and making donations for the school.

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2019 to 31 December 2019 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

The 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".

Standard early adopted

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

PBE Accounting Standards Reduced Disclosure Regime

The 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.

Cyclical Maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 18.

Critical Judgements in applying accounting policies

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

Classification of leases

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

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

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

i) Inventories

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

Equity investments are designated at initial recognition at fair value through other comprehensive revenue and expense. They are initially measured at fair value plus transaction costs. They are subsequently measured at their fair value with gains and losses recognised in other comprehensive revenue and expense. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred within equity to accumulated surplus/(deficit).

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.

Finance Leases

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

Depreciation

Property, plant and equipment except for 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:

Timaru Boys' High School

Building improvements to Crown Owned Assets	50 years
Furniture and equipment	10–25 years
Information and communication technology	4–5 years
Motor vehicles	10 years
Leased assets held under a Finance Lease	3-5 years
Library resources	12.5% Diminishing value

Thomas House Hostel and TBHS Development Trust

Building improvements	2-10% DV
Furniture and equipment	11-40% DV
Motor vehicles	19% DV
Leased assets held under a Finance Lease	20% SL

l) 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.



m) 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.

n) 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.

o) Revenue Received in Advance

Revenue received in advance relates to fees received from international, hostel students and grants received where there are unfulfilled obligations for the 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.

p) 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.

q) 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.

r) 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).



s) 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.

t) Borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the school has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Grants determined by the Minister of Education for operational activities includes all items (core components) included in the

u) 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.

v) Budget Figures

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

w) 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.



2. Government Grants

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Operational Grants	1,455,523	1,467,296	1,299,081	1,455,523	1,467,296	1,299,081
Teachers' Salaries Grants	3,749,087	3,750,000	3,640,995	3,749,087	3,750,000	3,640,995
Use of Land and Buildings Grants	1,092,999	1,160,000	1,139,568	1,092,999	1,160,000	1,139,568
Other MoE Grants	79,231	58,404	67,573	79,231	58,404	67,573
Other Government Grants	46,519	40,107	41,413	46,519	40,107	41,413
	6,423,359	6,475,807	6,188,630	6,423,359	6,475,807	6,188,630

3. Locally Raised Funds

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

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Revenue						
Donations	383,206	104,500	334,632	463,459	104,500	717,932
Fundraising	21,670	10,000	9,132	21,670	10,000	9,132
Other Revenue	64,914	64,650	58,411	64,914	64,650	58,411
Transport Revenue	-	-	47,336	-	-	47,336
Trading	51,947	40,000	52,717	51,947	40,000	52,717
Activities	267,246	1,000	332,914	267,246	1,000	332,914
	788,983	220,150	835,142	869,236	220,150	1,218,442
Expenses						
Activities	361,154	51,804	330,926	361,154	51,804	330,926
Trading	49,202	36,000	46,322	49,202	36,000	46,322
Fundraising (Costs of Raising Funds)	4,923	11,000	16,796	4,923	11,000	16,796
	415,279	98,804	394,044	415,279	98,804	394,044
<i>Surplus for the year Locally raised funds</i>	373,704	121,346	441,098	453,957	121,346	824,398

4. Hostel Revenue and Expenses

	2019 Actual Number	School 2019 Budget (Unaudited) Number	2018 Actual Number	2019 Actual Number	Group 2019 Budget (Unaudited) Number	2018 Actual Number
Hostel Financial Performance						
Hostel Full Boarders	126	118	118	126	118	118
	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Revenue						
Hostel Fees	1,435,803	1,284,424	1,331,793	1,435,803	1,284,424	1,331,793
Other Revenue	673,141	539,000	1,046,412	673,141	539,000	699,788
	2,108,944	1,823,424	2,378,205	2,108,944	1,823,424	2,031,581
Expenses						
Kitchen	624,942	587,500	576,623	624,942	587,500	576,623
Extra Curricular/Activities	17,969	7,000	47,732	17,969	7,000	47,732
Administration	198,453	111,800	111,546	198,453	111,800	111,546
Property	165,352	154,500	133,572	165,352	154,500	133,572
Employee Benefit - Salaries	827,114	668,000	650,156	827,114	668,000	650,156
	1,833,830	1,528,800	1,519,629	1,833,830	1,528,800	1,519,629
<i>Surplus/ (Deficit) for the year Hostel</i>	275,114	294,624	858,576	275,114	294,624	511,952

5. International Student Revenue and Expenses

	2019 Actual Number	School 2019 Budget (Unaudited) Number	2018 Actual Number	2019 Actual Number	Group 2019 Budget (Unaudited) Number	2018 Actual Number
International Student Roll	30	33	33	30	33	33

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Revenue						
International Student Fees	547,353	403,335	569,918	547,353	403,335	569,918
Expenses						
Advertising	9,936	9,000	27,303	9,936	9,000	27,303
Commissions	43,592	39,000	55,216	43,592	39,000	55,216
Recruitment	21,081	30,000	37,791	21,081	30,000	37,791
International Student Levy	11,486	9,000	6,217	11,486	9,000	6,217
Employee Benefit - Salaries	135,480	115,227	132,300	135,480	115,227	132,300
Other Expenses	125,854	48,100	177,406	125,854	48,100	177,406
	347,429	250,327	436,233	347,429	250,327	436,233
<i>Surplus/ (Deficit) for the year International Students</i>	199,924	153,008	133,685	199,924	153,008	133,685

Overseas Marketing Trip - These were trips to Hong Kong, South America, India, Japan and Thailand for international students recruitment which 1 staff member attended. This was fully funded by the International Student fees. The expense for the trips is \$21,081 (Last Year \$37,791). This is sitting within the Recruitment expense line above.

6. Learning Resources

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	377,725	328,977	432,806	377,725	328,977	432,806
Library Resources	7,338	10,500	5,323	7,338	10,500	5,323
Employee Benefits - Salaries	4,197,318	4,165,967	4,130,354	4,197,318	4,165,967	4,130,354
Staff Development	35,046	35,000	41,069	35,046	35,000	41,069
	4,617,427	4,540,444	4,609,552	4,617,427	4,540,444	4,609,552

7. Administration

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	8,380	8,380	8,136	9,880	8,380	9,181
Board of Trustees Fees	7,095	8,000	6,680	7,095	8,000	6,680
Board of Trustees Expenses	7,263	9,758	1,814	7,263	9,758	1,814
Communication	11,137	14,550	13,443	11,137	14,550	13,443
Consumables	(116)	17,670	(11,071)	(116)	17,670	(11,071)
Operating Lease	571	5,020	2,529	571	5,020	2,529
Legal Fees	28,333	10,500	7,400	28,333	10,500	7,400
Other	78,705	79,550	81,052	78,754	79,550	81,052
Employee Benefits - Salaries	290,248	270,552	256,109	290,248	270,552	256,109
Insurance	13,104	12,000	11,932	13,104	12,000	11,932
Service Providers, Contractors and Consultancy	9,861	5,655	6,945	9,861	5,655	6,945
	454,581	441,635	384,969	456,130	441,635	386,014

8. Property

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	9,446	11,000	9,942	9,446	11,000	9,942
Consultancy and Contract Services	370,105	333,879	309,912	370,105	333,879	309,912
Cyclical Maintenance Provision	36,722	53,000	39,227	36,722	53,000	39,227
Grounds	26,826	19,500	19,722	26,826	19,500	19,722
Heat, Light and Water	143,177	129,100	126,923	143,177	129,100	126,923
Rates	15,237	16,750	15,350	15,237	16,750	15,350
Repairs and Maintenance	63,758	77,300	74,287	63,758	77,300	74,287
Use of Land and Buildings	1,092,999	1,160,000	1,139,568	1,092,999	1,160,000	1,139,568
Employee Benefits - Salaries	22,164	22,479	25,472	22,164	22,479	25,472
	1,780,434	1,823,008	1,760,403	1,780,434	1,823,008	1,760,403

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

	2019	School 2019 Budget	2018	2019	Group 2019 Budget	2018
	Actual \$	(Unaudited) \$	Actual \$	Actual \$	(Unaudited) \$	Actual \$
Buildings - School	85,958	253,000	85,958	85,958	253,000	85,958
Building Improvements - Crown	27,628	-	25,188	27,628	-	25,188
Furniture and Equipment	42,575	-	50,594	42,575	-	50,594
Information and Communication Technology	13,521	-	11,937	13,521	-	11,937
Motor Vehicles	2,170	-	1,231	2,170	-	1,231
Leased Assets	67,100	-	57,706	67,100	-	57,706
Library Resources	5,071	-	4,959	5,071	-	4,959
Buildings - Hostel	1,896	48,000	1,975	1,896	48,000	1,975
Building Improvements - Hostel	68,884	-	52,569	68,884	-	52,569
Furniture and Equipment - Hostel	33,035	-	18,216	33,035	-	18,216
Leased Assets - Hostel	2,640	-	433	2,640	-	433
Motor Vehicles - Hostel	631	-	779	631	-	779
TBHS Development Trust	-	-	-	5,728	-	5,851
	351,109	301,000	311,545	356,837	301,000	317,396

10. Cash and Cash Equivalents

	2019	School 2019 Budget	2018	2019	Group 2019 Budget	2018
	Actual \$	(Unaudited) \$	Actual \$	Actual \$	(Unaudited) \$	Actual \$
Bank Current Account	240,366	741,643	435,303	282,048	-	437,811
Bank Call Account	212,803	-	44,456	310,364	798,007	98,312
Short-term Bank Deposits	161,180	-	6,086	161,180	-	6,086
Cash equivalents and bank overdraft for Consolidated Cash Flow Statement	614,349	741,643	485,845	753,592	798,007	542,209

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

Of the \$753,592 Cash and Cash Equivalents, \$265,237 is held by the Group on behalf of the Ministry of Education. These funds are required to be spent in 2020 on Crown owned group buildings under the Group's Five Year Property Plan.

Of the \$753,592 Cash and Cash Equivalents, \$321,479 is held by the Group for Funds held in Trust. See note 20.

11. Accounts Receivable

	2019	School 2019 Budget	2018	2019	Group 2019 Budget	2018
	Actual \$	(Unaudited) \$	Actual \$	Actual \$	(Unaudited) \$	Actual \$
Receivables	46,315	68,227	68,227	46,315	70,407	70,407
Receivables from the Ministry of Education	302,355	10,169	10,169	302,355	10,169	10,169
Interest Receivable	1,746	7,155	7,155	1,746	7,155	7,155
Teacher Salaries Grant Receivable	262,207	243,611	243,611	262,207	243,611	243,611
	612,623	329,162	329,162	612,623	331,342	331,342
Receivables from Exchange Transactions	48,061	75,382	75,382	48,061	77,562	77,562
Receivables from Non-Exchange Transactions	564,562	253,780	253,780	564,562	253,780	253,780
	612,623	329,162	329,162	612,623	331,342	331,342

12. Inventories

	2019	School 2019 Budget	2018	2019	Group 2019 Budget	2018
	Actual \$	(Unaudited) \$	Actual \$	Actual \$	(Unaudited) \$	Actual \$
School Uniforms	51,723	53,400	53,400	51,723	53,400	53,400
	51,723	53,400	53,400	51,723	53,400	53,400

13. Investments

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

	2019	School 2019 Budget	2018	2019	Group 2019 Budget	2018
	Actual \$	(Unaudited) \$	Actual \$	Actual \$	(Unaudited) \$	Actual \$
Current Asset						
Short-term Bank Deposits	542,197	656,240	656,240	550,641	664,684	664,684
	542,197	656,240	656,240	550,641	664,684	664,684
Total Investments	542,197	656,240	656,240	550,641	664,684	664,684

14. Property, Plant and Equipment

2019	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Timaru Boys' High School						
Land- School	37,388	-	-	-	-	37,388
Buildings - School	2,734,908	-	-	-	(85,958)	2,648,950
Building Improvements - Crown	443,435	99,780	-	-	(27,628)	515,587
Furniture and Equipment - School	301,033	3,135	-	-	(42,575)	261,593
Information and Communication - School	26,158	19,933	-	-	(13,521)	32,570
Motor Vehicles - School	7,522	-	-	-	(2,170)	5,352
Leased Assets - School	213,198	25,440	-	-	(67,100)	171,538
Library Resources - School	34,715	6,541	(689)	-	(5,071)	35,496
	<u>3,798,357</u>	<u>154,829</u>	<u>(689)</u>	<u>-</u>	<u>(244,023)</u>	<u>3,708,474</u>
Thomas House Hostel						
Land - Hostel	26,500	-	-	-	-	26,500
Buildings - Hostel	47,407	-	-	-	(1,896)	45,511
Building Improvements - Hostel	1,317,624	647,287	-	-	(68,884)	1,896,027
Furniture and Equipment - Hostel	175,652	41,453	-	-	(33,035)	184,070
Leased Assets - Hostel	12,767	-	-	-	(2,640)	10,127
Motor Vehicles - Hostel	3,320	-	-	-	(631)	2,689
	<u>1,583,270</u>	<u>688,740</u>	<u>-</u>	<u>-</u>	<u>(107,086)</u>	<u>2,164,924</u>
PARENT Balance at 31 December 2019	<u>5,381,627</u>	<u>843,569</u>	<u>(689)</u>	<u>-</u>	<u>(351,109)</u>	<u>5,873,398</u>
TBHS Development Trust	284,162	-	-	-	(5,728)	278,434
GROUP Balance at 31 December 2019	<u>5,665,789</u>	<u>843,569</u>	<u>(689)</u>	<u>-</u>	<u>(356,837)</u>	<u>6,151,832</u>

2019	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Timaru Boys' High School			
Land- School	37,388	-	37,388
Buildings - School	3,516,856	(867,907)	2,648,949
Building Improvements - Crown	706,082	(190,495)	515,587
Furniture and Equipment - School	872,113	(610,519)	261,594
Information and Communication - School	416,229	(383,660)	32,569
Motor Vehicles - School	24,463	(19,112)	5,351
Leased Assets - School	273,255	(101,716)	171,539
Library Resources - School	142,729	(107,232)	35,497
	<u>5,989,115</u>	<u>(2,280,641)</u>	<u>3,708,474</u>
Thomas House Hostel			
Land - Hostel	26,500	-	26,500
Buildings - Hostel	83,813	(38,303)	45,510
Building Improvements - Hostel	2,336,480	(440,452)	1,896,028
Furniture and Equipment - Hostel	558,820	(374,750)	184,070
Leased Assets - Hostel	13,200	(3,073)	10,127
Motor Vehicles - Hostel	15,870	(13,181)	2,689
	<u>3,034,683</u>	<u>(869,759)</u>	<u>2,164,924</u>
PARENT	9,023,798	(3,150,400)	5,873,398
TBHS Development Trust	384,144	(105,710)	278,434
GROUP	<u>9,407,942</u>	<u>(3,256,110)</u>	<u>6,151,832</u>

The net carrying value of equipment held under a finance lease is \$181,666 (2018: \$225,965)

GROUP

2018	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Timaru Boys' High School						
Land- School	37,388	-	-	-	-	37,388
Buildings - School	2,820,867	-	-	-	(85,959)	2,734,908
Building Improvements - Crown	468,623	-	-	-	(25,188)	443,435
Furniture and Equipment - School	299,316	52,311	-	-	(50,594)	301,033
Information and Communication - School	35,351	2,744	-	-	(11,937)	26,158
Motor Vehicles - School	1,797	6,956	-	-	(1,231)	7,522
Leased Assets - School	71,024	242,512	(42,632)	-	(57,706)	213,198
Library Resources - School	33,120	6,554	-	-	(4,959)	34,715
	<u>3,767,486</u>	<u>311,077</u>	<u>(42,632)</u>	<u>-</u>	<u>(237,574)</u>	<u>3,798,357</u>
Thomas House Hostel						
Land - Hostel	26,500	-	-	-	-	26,500
Buildings - Hostel	49,382	-	-	-	(1,975)	47,407
Building Improvements - Hostel	343,580	1,026,613	-	-	(52,569)	1,317,624
Furniture and Equipment - Hostel	117,843	76,427	(402)	-	(18,216)	175,652
Leased Assets - Hostel	2,221	13,200	(2,221)	-	(433)	12,767
Motor Vehicles - Hostel	4,099	-	-	-	(779)	3,320
	<u>543,625</u>	<u>1,116,240</u>	<u>(2,623)</u>	<u>-</u>	<u>(73,972)</u>	<u>1,583,270</u>
PARENT Balance at 31 December 2018	<u>4,311,111</u>	<u>1,427,317</u>	<u>(45,255)</u>	<u>-</u>	<u>(311,546)</u>	<u>5,381,627</u>
TBHS Development Trust	290,013	-	-	-	(5,851)	284,162
GROUP Balance at 31 December 2018	<u>4,601,124</u>	<u>1,427,317</u>	<u>(45,255)</u>	<u>-</u>	<u>(317,397)</u>	<u>5,665,789</u>



GROUP

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2018			
Timaru Boys' High School			
Land - School	37,388	-	37,388
Buildings - School	3,516,856	(781,948)	2,734,908
Building Improvements - Crown	606,302	(162,867)	443,435
Furniture and Equipment - School	868,977	(567,944)	301,033
Information and Communication - School	396,296	(370,138)	26,158
Motor Vehicles - School	24,463	(16,941)	7,522
Leased Assets - School	342,201	(129,003)	213,198
Library Resources - School	138,944	(104,229)	34,715
	5,931,427	(2,133,070)	3,798,357
Thomas House Hostel			
Land - Hostel	26,500	-	26,500
Buildings - Hostel	83,813	(36,406)	47,407
Building Improvements - Hostel	1,689,192	(371,568)	1,317,624
Furniture and Equipment - Hostel	517,368	(341,716)	175,652
Leased Assets - Hostel	13,200	(433)	12,767
Motor Vehicles - Hostel	15,870	(12,550)	3,320
	2,345,943	(762,673)	1,583,270
PARENT	8,277,370	(2,895,743)	5,381,627
TBHS Development Trust	384,144	(99,982)	284,162
GROUP	8,661,514	(2,995,725)	5,665,789

15. Accounts Payable

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	164,841	277,053	277,053	164,839	277,053	277,053
Accruals	23,782	11,256	11,256	26,589	12,562	12,562
Employee Entitlements - Salaries	315,566	264,323	264,323	315,566	264,323	264,323
Employee Entitlements - Leave Accrual	8,365	45,851	45,851	8,365	45,851	45,851
	512,554	598,483	598,483	515,359	599,789	599,789
Payables for Exchange Transactions	512,554	598,483	598,483	515,359	599,789	599,789
	512,554	598,483	598,483	515,359	599,789	599,789

The carrying value of payables approximates their fair value.

16. Borrowings

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Due Beyond One Year	469,392	-	-	469,392	-	-
	469,392	-	-	469,392	-	-

The school obtained a Business Term Loan with the ASB Bank Ltd to provide funds for the development of the Thomas House Hostel. This loan has Ministry of Education approval and matures on 2nd April 2030. Current repayments are at 5.20% interest only until this stage of the development is completed, upon which the loan will be restructured to repay Principal and Interest.

17. Revenue Received in Advance

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
International Student Fees	116,845	141,004	141,004	116,845	141,004	141,004
Hostel Fees	202,983	137,807	137,807	202,983	137,807	137,807
Other	95,777	177,953	177,953	95,777	177,953	177,953
	415,605	456,764	456,764	415,605	456,764	456,764



18. Provision for Cyclical Maintenance

	2019 Actual \$	School and Group 2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	324,266	324,266	337,143
Increase/ (decrease) to the Provision During the Year	36,722	-	39,227
Use of the Provision During the Year	(29,781)	-	(52,104)
Provision at the End of the Year	331,207	324,266	324,266
Cyclical Maintenance - Current	87,135	-	-
Cyclical Maintenance - Term	244,072	324,266	324,266
	331,207	324,266	324,266

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:

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	76,018	72,390	72,390	76,018	75,030	75,030
Later than One Year and no Later than Five Years	103,022	157,233	157,233	103,022	165,153	165,153
	179,040	229,623	229,623	179,040	240,183	240,183

20. Funds held in Trust

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	321,479	243,096	243,096	321,479	243,096	243,096
	321,479	243,096	243,096	321,479	243,096	243,096

These funds relate to arrangements where the school is acting as agent 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

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
Classroom upgrade 360-02	In Progress	(4,407)	329,442	72,715	-	252,320
Replace floorcoverings 360-01	In Progress	-	-	12,522	-	(12,522)
Library roof leaks	In Progress	-	12,917	-	-	12,917
Boiler pipe replacement	In Progress	-	-	18,802	-	(18,802)
Totals		(4,407)	342,359	104,039	-	233,913

Represented by:

Funds Held on Behalf of the Ministry of Education	265,237
Funds Due from the Ministry of Education	31,324
	233,913

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution	Closing Balances \$
Sick Bay / Gillies Admin upgrade	Completed	1,133	3,692	5,002	(177)	-
Classroom upgrade 360-02	In Progress	(28,080)	67,258	43,585	-	(4,407)
Floor covering 360-01	Completed	(900)	900	-	-	-
Replace Library roof	Completed	(480)	516	-	36	-
Repair underground pipes	Completed	(3,697)	-	-	(3,697)	-
Totals		(32,024)	72,366	48,587	(3,838)	(4,407)



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.

The Rector of Timaru Boys' High School rents a school house at less than market rate. In accordance with Ministry of Education requirements, the rental is reviewed annually and is not less than 75% of the market rental.

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.

	2019 Actual \$	2018 Actual \$
<i>Board Members - School</i>		
Remuneration	7,095	6,680
Full-time equivalent members	0.50	0.50
<i>Leadership Team</i>		
Remuneration	373,957	366,079
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	381,052	372,759
Total full-time equivalent personnel	3.50	3.50

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:

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments - Principal	70 - 80	150 - 160
Benefits and Other Emoluments - Principal	0 - 10	10 - 20
Salary and Other Payments - Acting Principal	60 - 70	0 - 0

Other Employees

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
100 - 110	2.00	2.00
111 - 120	1.00	-
	3.00	2.00

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	2019 Actual	2018 Actual
Total	-	-
Number of People	-	-

25. Contingencies

There are no contingent liabilities as at 31 December 2019 (Contingent liabilities at 31 December 2018: \$96,356).

Holidays Act Compliance – schools payroll

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

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

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

26. Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has not entered into contract agreements for capital works.

(Capital commitments at 31 December 2018: \$167,195)

(b) Operating Commitments School and GROUP

As at 31 December 2019 the Board has not entered into any operating commitments

(Operating commitments at 31 December 2018: Nil)



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:

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

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	614,349	741,643	485,845	753,592	798,007	542,209
Receivables	612,623	329,162	329,162	612,623	331,342	331,342
Investments - Term Deposits	542,197	656,240	656,240	550,641	664,684	664,684
Total Financial Assets Measured at Amortised Cost	1,769,169	1,727,045	1,471,247	1,916,856	1,794,033	1,538,235

Financial liabilities measured at amortised cost

Payables	512,554	598,483	598,483	515,359	599,789	599,789
Borrowings - Loans	469,392	-	-	469,392	-	-
Finance Leases	179,040	223,428	223,428	179,040	223,428	223,428
Total Financial Liabilities Measured at Amortised Cost	1,160,986	821,911	821,911	1,163,791	823,217	823,217

29. Events After Balance Date

Impact from COVID-19

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

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

At this time the full financial impact of the COVID-19 pandemic is not able to be determined but it is not expected to be significant as the school continued to receive funding from the Ministry of Education, even while closed.

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	
			2019	2018	2019	2018
Timaru Boys' High School Development Trust	Raising Funds	Wellington, New Zealand	100%	100%	-	-

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 School predetermined the objectives of the Trust at establishment and benefits from the Trust's complementary activities.

The Trust is a registered charity.

31. Compliance with Section 87 of the Education Act 1989

The Board of Trustees has failed to comply with section 87C of the Education Act 1989 in that the Board did not report by 31 May 2020, the date fixed by the Ministry of Education, by which schools were required to have sent their financial statements to the Ministry of Education. The delay was due to a nationwide lockdown commenced on 26 March 2020 after the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic.

32. Adoption of PBE IFRS 9 Financial Instruments

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

Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.

Equity investments: This policy has been updated to remove references to impairment losses, as NZ IFRS 9 no longer requires identification of impairment for equity investments measured at fair value through other comprehensive revenue and expense. Also, on disposal, the accumulated gains/losses are no longer transferred to surplus/(deficit) but are transferred to accumulated surplus/(deficit).

Term deposits: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

Upon transition to PBE IFRS9 there were no material adjustments to these financial statements.

INDEPENDENT AUDITOR'S REPORT**TO THE READERS OF TIMARU BOYS' HIGH SCHOOL GROUP CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

The Auditor-General is the auditor of Timaru Boys' High School and the controlled entities (collectively referred to as 'the Group'). The Auditor-General has appointed me, Jane Jackman, using the staff and resources of Nexia Audit Christchurch, to carry out the audit of the consolidated financial statements of the Group on his behalf.

Opinion

We have audited the consolidated financial statements of the Group on pages 3 to 20, that comprise the consolidated statement of financial position as at 31 December 2019, the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in net assets/equity and consolidated statement of cash flows for the year ended on that date, and the notes to the consolidated 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 consolidated financial position as at 31 December 2019; and
 - its consolidated financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with the Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 4 December 2020. This is the date at which our opinion is expressed.

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

Emphasis of Matter – COVID-19

Without modifying our opinion, we draw attention to the disclosures in note 29 on page 20 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

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 consolidated financial statements

The Board of Trustees is responsible on behalf of the Group for preparing consolidated 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 consolidated 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 consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

For the budget information reported in the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the consolidated 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 on the pages following page 20, but does not include the consolidated financial statements, and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the consolidated 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: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

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



Jane Jackman

Nexia Audit Christchurch
On behalf of the Auditor-General
Christchurch, New Zealand