

Timaru Boys' High School



GROUP ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

School Directory

Ministry Number:	360
Principal:	David Thorp
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TIMARU BOYS' HIGH SCHOOL

Group Annual Report - For the year ended 31 December 2021

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Timaru Boys' High School

Statement of Responsibility

For the year ended 31 December 2021

The Board 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 2021 fairly reflects the financial position and operations of the group.

The Group's 2021 consolidated financial statements are authorised for issue by the Board.

Peter David Stoyt

Full Name of Presiding Member

David Neil Thorp

Full Name of Principal

[Signature]

Signature of Presiding Member

[Signature]

Signature of Principal

31/05/2022

Date:

31/05/22

Date:

Timaru Boys' High School

Members of the Board

For the year ended 31 December 2021

Name	Position	How Position Gained	Term Expired/ Expires
Peter Stayt	Presiding Member	Elected	Sep 2022
David Thorp	Rector ex Officio		
Jason Grant	Parent Representative	Elected	Sep 2022
Adam Blake	Parent Representative	Elected	Sep 2022
David Forman	Parent Representative	Co-opted	Sep 2022
Brent Isbister	Parent Representative	Co-opted	Sep 2022
Di Hay	Parent Representative	Co-opted	May 2021
Michael Howard	Staff Representative	Elected	Sep 2021
Sina Latu	Parent Representative	Co-opted	Sep 2022
Nick Light	Parent Representative	Co-opted	Sep 2022
Jason Power	Parent Representative	Co-opted	Sep 2022
Ben Walker	Student Representative	Elected	Sep 2021
Jill Harland	Staff Representative	Elected	Sep 2022
Connor Guthrie	Student Representative	Elected	Sep 2022

Timaru Boys' High School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2021

	Notes	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Revenue							
Government Grants	2	6,572,550	6,738,364	6,849,785	6,572,550	6,738,364	6,849,785
Locally Raised Funds	3	738,263	372,460	711,830	738,263	372,460	589,902
Interest Earned		6,420	7,000	15,429	6,420	7,000	15,529
Hostel	4	2,106,607	1,914,812	2,212,375	2,106,607	1,914,812	2,202,375
International Students	5	192,087	199,760	329,255	192,087	199,760	329,255
Gift from Timaru Bous' High Development Trust		-	-	270,324	-	-	-
Total revenue		9,615,927	9,232,396	10,388,998	9,615,927	9,232,396	9,986,846
Expenses							
Locally Raised Funds	3	142,957	155,785	234,292	142,957	155,785	234,292
Hostel	4	1,461,852	1,807,790	1,533,903	1,461,852	1,807,790	1,533,903
International Students	5	191,931	171,073	240,092	191,931	171,073	240,092
Learning Resources	6	4,979,656	4,781,721	4,823,039	4,979,656	4,781,721	4,823,039
Administration	7	395,074	447,900	387,384	395,074	447,900	397,033
Finance		21,086	22,000	29,903	21,086	22,000	29,903
Property	8	1,392,804	1,797,393	1,964,222	1,392,804	1,797,393	1,970,464
Depreciation	13	383,660	280,000	348,743	383,660	280,000	354,349
Loss on Disposal of Property, Plant and Equipment		8,339	-	1,297	8,339	-	1,297
Total expenses		8,977,359	9,463,662	9,562,875	8,977,359	9,463,662	9,584,372
Net Surplus / (Deficit) for the year		638,568	(231,266)	826,123	638,568	(231,266)	402,474
Other Comprehensive Revenue and Expenses							
Gain on equity investment revaluations		-	-	-	-	-	-
Total other comprehensive revenue and expense		-	-	-	-	-	-
Total Comprehensive Revenue and Expense for the Year		638,568	(231,266)	826,123	638,568	(231,266)	402,474

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
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2021

	Notes	2021	School	2020	2021	Group	2020
		Actual	2021 Budget (Unaudited)	Actual	Actual	2021 Budget (Unaudited)	Actual
		\$	\$	\$	\$	\$	\$
Equity at 1 January		6,109,484	6,109,484	5,250,198	6,109,484	6,109,484	5,673,847
Total comprehensive revenue and expense for the year		638,568	(231,266)	826,123	638,568	(231,266)	402,474
Capital Contributions from the Ministry of Education							
Contribution - Furniture and Equipment Grant		-	-	33,163	-	-	33,163
Equity at 31 December		<u>6,748,052</u>	<u>5,878,218</u>	<u>6,109,484</u>	<u>6,748,052</u>	<u>5,878,218</u>	<u>6,109,484</u>
Retained Earnings		6,748,052	5,878,218	6,109,484	6,748,052	5,878,218	6,109,484
Equity at 31 December		<u>6,748,052</u>	<u>5,878,218</u>	<u>6,109,484</u>	<u>6,748,052</u>	<u>5,878,218</u>	<u>6,109,484</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
Statement of Financial Position
As at 31 December 2021

	Notes	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Current Assets							
Cash and Cash Equivalents	9	1,118,310	1,587,773	1,131,283	1,118,310	1,587,773	1,131,283
Accounts Receivable	10	375,058	377,323	377,323	375,058	377,323	377,323
GST Receivable		72,016	69,694	69,694	72,016	69,694	69,694
Prepayments		20,945	19,512	19,512	20,945	19,512	19,512
Inventories	11	31,628	59,636	59,636	31,628	59,636	59,636
Investments	12	559,427	554,533	554,533	559,427	554,533	554,533
		<u>2,177,384</u>	<u>2,668,471</u>	<u>2,211,981</u>	<u>2,177,384</u>	<u>2,668,471</u>	<u>2,211,981</u>
Current Liabilities							
Accounts Payable	14	635,346	566,852	566,852	635,346	566,852	566,852
Revenue Received in Advance	16	374,668	417,660	417,660	374,668	417,660	417,660
Provision for Cyclical Maintenance	17	89,205	166,037	166,037	89,205	166,037	166,037
Finance Lease Liability	18	41,149	59,570	59,570	41,149	59,570	59,570
Funds held in Trust	19	58,509	-	187,352	58,509	-	187,352
Funds held for Capital Works Projects	20	76,921	93,788	93,788	76,921	93,788	93,788
Funds held on behalf of ESOL Cluster	21	1,190	-	1,190	1,190	-	1,190
		<u>1,276,988</u>	<u>1,303,907</u>	<u>1,492,449</u>	<u>1,276,988</u>	<u>1,303,907</u>	<u>1,492,449</u>
Working Capital Surplus/(Deficit)		900,396	1,364,564	719,532	900,396	1,364,564	719,532
Non-current Assets							
Property, Plant and Equipment	13	<u>6,611,032</u>	<u>5,229,487</u>	<u>6,115,785</u>	<u>6,611,032</u>	<u>5,229,487</u>	<u>6,115,785</u>
		6,611,032	5,229,487	6,115,785	6,611,032	5,229,487	6,115,785
Non-current Liabilities							
Borrowings	15	355,391	362,392	412,392	355,391	362,392	412,392
Provision for Cyclical Maintenance	17	310,007	306,946	266,946	310,007	306,946	266,946
Finance Lease Liability	18	97,978	46,495	46,495	97,978	46,495	46,495
		<u>763,376</u>	<u>715,833</u>	<u>725,833</u>	<u>763,376</u>	<u>715,833</u>	<u>725,833</u>
Net Assets		<u><u>6,748,052</u></u>	<u><u>5,878,218</u></u>	<u><u>6,109,484</u></u>	<u><u>6,748,052</u></u>	<u><u>5,878,218</u></u>	<u><u>6,109,484</u></u>
Total equity		<u><u>6,748,052</u></u>	<u><u>5,878,218</u></u>	<u><u>6,109,484</u></u>	<u><u>6,748,052</u></u>	<u><u>5,878,218</u></u>	<u><u>6,109,484</u></u>

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
Statement of Cash Flows
For the year ended 31 December 2021

	Notes	2021	School	2020	2021	Group	2020
		Actual	2021 Budget (Unaudited)	Actual	Actual	2021 Budget (Unaudited)	Actual
		\$	\$	\$	\$	\$	\$
Cash flows from Operating Activities							
Government Grants		1,606,958	1,621,351	1,974,838	1,606,958	1,621,351	1,974,838
Locally Raised Funds		728,804	372,460	721,655	728,804	372,460	599,727
Hostel		2,175,091	1,914,812	2,217,677	2,175,091	1,914,812	2,207,677
International Students		121,088	199,760	318,838	121,088	199,760	318,838
Goods and Services Tax (net)		(2,322)	-	(68,364)	(2,322)	-	(68,029)
Payments to Employees		(1,538,503)	(1,637,872)	(1,613,226)	(1,538,503)	(1,637,872)	(1,613,226)
Payments to Suppliers		(2,081,458)	(2,366,777)	(2,315,172)	(2,081,458)	(2,366,777)	(2,333,870)
Interest Paid		-	(22,000)	(29,903)	-	(22,000)	(29,903)
Interest Received		6,907	7,000	16,094	6,907	7,000	16,194
Net cash from / (to) the Operating Activities		1,016,565	88,734	1,222,437	1,016,565	88,734	1,072,246
Cash flows from Investing Activities							
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		(6,193)	-	(1,297)	(6,193)	-	(1,297)
Purchase of Property Plant & Equipment (and Intangibles)		(689,836)	606,298	(322,826)	(689,836)	606,298	(320,322)
Purchase of Investments		(4,894)	-	(12,336)	(4,894)	-	(3,892)
Net cash from / (to) the Investing Activities		(700,923)	606,298	(336,459)	(700,923)	606,298	(325,511)
Cash flows from Financing Activities							
Furniture and Equipment Grant		-	-	33,163	-	-	33,163
Finance Lease Payments		(112,134)	-	(70,955)	(112,134)	-	(70,955)
Loans Received/ Repayment of Loans		(57,001)	(50,000)	(57,000)	(57,001)	(50,000)	(57,000)
Funds Administered on Behalf of Third Parties		(159,480)	(188,542)	(274,252)	(159,480)	(188,542)	(274,252)
Net cash from / (to) Financing Activities		(328,615)	(238,542)	(369,044)	(328,615)	(238,542)	(369,044)
Net increase/(decrease) in cash and cash equivalents		(12,973)	456,490	516,934	(12,973)	456,490	377,691
Cash and cash equivalents at the beginning of the year	9	1,131,283	1,131,283	614,349	1,131,283	1,131,283	753,592
Cash and cash equivalents at the end of the year	9	1,118,310	1,587,773	1,131,283	1,118,310	1,587,773	1,131,283

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 Group Financial Statements

For the year ended 31 December 2021

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 and Training Act 2020. The Timaru Boys' High School (the 'Group') consists of Timaru Boys' High School and its subsidiary trust. The subsidiary is a School Trust ('Trust') which supports the school by raising funds and making donations for the school.

The School's subsidiary is incorporated and domiciled in New Zealand.

b) Basis of Preparation

Reporting Period

The consolidated financial reports have been prepared for the period 1 January 2021 to 31 December 2021 and in accordance with the requirements of the Education and Training Act 2020.

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.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed, or has rights, to variable benefits from its involvement with the other entity and has the ability to affect the nature or amount of those benefits through its power over the other entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in surplus or deficit. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Financial Reporting Standards Applied

The Education and Training Act 2020 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The 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 financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

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

Cyclical maintenance

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 17.

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 13.

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.

Recognition of grants

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

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 29.

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.

The property from which the Group operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. 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. 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 revenue that is offset by a non-cash expense. The use of land and buildings grants and associated expenditure are recorded in the period the Group uses the land and buildings.



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) 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.

e) Finance Lease Payments

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

f) Cash and Cash Equivalents

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

g) Accounts Receivable

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

h) Inventories

Inventories are consumable items held for sale and comprised 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.

i) Investments

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

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 Section 154 (2)(b)(ii) of the Education and Training Act 2020 in relation to the acquisition of investment securities.

j) 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.

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	20-50 years
Furniture and equipment	10-25 years
Information and communication technology	4-50 years
Motor vehicles	5 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	3-11% DV
Furniture and equipment	9-60% DV
Motor Vehicles	19-20% DV
Leased assets held under a Finance Lease	20% SL

k) 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.

l) 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.

m) Employee Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

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

The calculations are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows.



n) Revenue Received in Advance

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

o) 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.

p) Shared Funds

Shared Funds are held on behalf of participating schools as agreed with the Ministry of Education. These funds are outside of the Group's 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.

q) 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 is a reasonable estimate, based on an up to date 10 Year Property Plan (10YPP) or another appropriate source of evidence.

r) Financial Instruments

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 'financial assets measured at amortised cost' for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as 'financial assets at fair value through other comprehensive revenue and expense' 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.

s) Borrowings

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

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

t) 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.

u) Budget Figures

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

v) 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

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Operational Grants	1,475,041	1,532,919	1,489,967	1,475,041	1,532,919	1,489,967
Teachers' Salaries Grants	4,213,883	3,984,036	4,044,325	4,213,883	3,984,036	4,044,325
Use of Land and Buildings Grants	702,409	1,132,977	1,132,977	702,409	1,132,977	1,132,977
Other MoE Grants	135,781	43,000	133,979	135,781	43,000	133,979
Other Government Grants	45,436	45,432	48,537	45,436	45,432	48,537
	6,572,550	6,738,364	6,849,785	6,572,550	6,738,364	6,849,785

3. Locally Raised Funds

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

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Revenue						
Donations and Bequests	493,310	100,200	431,311	493,310	100,200	309,383
Fundraising & Community Grants	44,149	9,000	22,301	44,149	9,000	22,301
Other Revenue	73,471	156,660	55,000	73,471	156,660	55,000
Trading	52,676	45,900	51,333	52,676	45,900	51,333
Fees for Extra Curricular Activities	74,657	60,700	151,885	74,657	60,700	151,885
	738,263	372,460	711,830	738,263	372,460	589,902
Expenses						
Extra Curricular Activities costs	91,643	108,885	184,421	91,643	108,885	184,421
Trading	42,035	45,900	49,871	42,035	45,900	49,871
Fundraising and Community Grant Costs	9,279	1,000	-	9,279	1,000	-
Other Locally Raised Funds Expenditure	-	-	-	-	-	-
	142,957	155,785	234,292	142,957	155,785	234,292
<i>Surplus for the year Locally raised funds</i>	595,306	216,675	477,538	595,306	216,675	355,610

4. Hostel Revenue and Expenses

	2021 Actual Number	School 2021 Budget (Unaudited) Number	2020 Actual Number	2021 Actual Number	Group 2021 Budget (Unaudited) Number	2020 Actual Number
Hostel Financial Performance						
Hostel Full Boarders	130	130	125	130	130	125
Revenue						
Hostel Fees	1,506,074	1,449,115	1,459,442	1,506,074	1,449,115	1,459,442
Other Revenue	574,927	451,057	752,933	574,927	451,057	742,933
Student Contributions	25,606	14,640	-	25,606	14,640	-
	2,106,607	1,914,812	2,212,375	2,106,607	1,914,812	2,202,375
Expenses						
Other Hostel Expenses	451,524	443,140	563,867	451,524	443,140	563,867
Administration	95,072	218,050	94,829	95,072	218,050	94,829
Property	192,565	404,600	129,246	192,565	404,600	129,246
Employee Benefit - Salaries	722,691	742,000	745,961	722,691	742,000	745,961
	1,461,852	1,807,790	1,533,903	1,461,852	1,807,790	1,533,903
<i>Surplus/ (Deficit) for the year Hostel</i>	644,755	107,022	678,472	644,755	107,022	668,472



5. International Student Revenue and Expenses

	2021 Actual Number	School 2021 Budget (Unaudited) Number	2020 Actual Number	2021 Actual Number	Group 2021 Budget (Unaudited) Number	2020 Actual Number
International Student Roll	15	15	30	15	15	30

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Revenue						
International Student Fees	192,087	199,760	329,255	192,087	199,760	329,255
Expenses						
Student Recruitment	9,918	31,825	890	9,918	31,825	890
Employee Benefit - Salaries	114,527	104,698	130,687	114,527	104,698	130,687
Other Expenses	67,486	34,550	108,515	67,486	34,550	108,515
	191,931	171,073	240,092	191,931	171,073	240,092
<i>Surplus/ (Deficit) for the year International Students</i>	156	28,687	89,163	156	28,687	89,163

6. Learning Resources

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Curricular	287,163	255,411	328,922	287,163	255,411	328,922
Library Resources	4,745	8,000	4,506	4,745	8,000	4,506
Employee Benefits - Salaries	4,667,597	4,491,810	4,470,056	4,667,597	4,491,810	4,470,056
Staff Development	20,151	26,500	19,555	20,151	26,500	19,555
	4,979,656	4,781,721	4,823,039	4,979,656	4,781,721	4,823,039

7. Administration

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Audit Fee	7,934	6,000	8,631	7,934	6,000	9,778
Board Fees	4,785	12,000	5,610	4,785	12,000	5,610
Board Expenses	3,341	4,500	3,793	3,341	4,500	3,793
Communication	6,351	15,200	13,156	6,351	15,200	13,156
Consumables	14,019	37,900	10,151	14,019	37,900	10,151
Legal Fees	-	5,500	200	-	5,500	200
Other	67,012	78,800	60,780	67,012	78,800	69,282
Employee Benefits - Salaries	265,248	259,500	258,716	265,248	259,500	258,716
Insurance	13,372	13,500	13,288	13,372	13,500	13,288
Service Providers, Contractors and Consultancy	13,012	15,000	13,059	13,012	15,000	13,059
	395,074	447,900	387,384	395,074	447,900	397,033

8. Property

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Caretaking and Cleaning Consumables	14,004	12,000	16,687	14,004	12,000	16,687
Consultancy and Contract Services	371,694	362,316	359,769	371,694	362,316	359,769
Cyclical Maintenance Provision	70,267	40,000	164,440	70,267	40,000	164,440
Grounds	19,742	18,600	31,245	19,742	18,600	31,245
Heat, Light and Water	121,336	121,400	117,464	121,336	121,400	117,464
Rates	14,365	15,500	14,537	14,365	15,500	14,537
Repairs and Maintenance	51,074	65,700	102,708	51,074	65,700	108,950
Use of Land and Buildings	702,409	1,132,977	1,132,977	702,409	1,132,977	1,132,977
Security	5,160	5,000	-	5,160	5,000	-
Employee Benefits - Salaries	22,753	23,900	24,395	22,753	23,900	24,395
	1,392,804	1,797,393	1,964,222	1,392,804	1,797,393	1,970,464

In 2021, the Ministry of Education revised the notional rent rate from 8% to 5% to align it with the Government Capital Charge rate. This is considered to be a reasonable proxy for the market rental yield on the value of land and buildings used by schools. Accordingly in 2021, the use of land and buildings figure represents 5% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.



9. Cash and Cash Equivalents

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Bank Accounts	1,118,310	1,446,991	978,232	1,118,310	1,446,991	978,232
Short-term Bank Deposits	-	140,782	153,051	-	140,782	153,051
Cash equivalents and bank overdraft for Consolidated Cash Flow Statement	1,118,310	1,587,773	1,131,283	1,118,310	1,587,773	1,131,283

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

Of the \$1,118,310 Cash and Cash Equivalents, \$89,343 is held by the Group on behalf of the Ministry of Education. These funds have been provided for the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings.* The funds are required to be spent in 2021 on Crown owned Group buildings.

Of the \$1,118,310 Cash and Cash Equivalents, \$1,190 is held by the Group on behalf of the ESOL cluster. See note 21 for details of how the funding received for the cluster has been spent in the year.

10. Accounts Receivable

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Receivables	12,642	43,660	43,660	12,642	43,660	43,660
Interest Receivable	594	1,081	1,081	594	1,081	1,081
Teacher Salaries Grant Receivable	361,822	332,582	332,582	361,822	332,582	332,582
	375,058	377,323	377,323	375,058	377,323	377,323
Receivables from Exchange Transactions	13,236	44,741	44,741	13,236	44,741	44,741
Receivables from Non-Exchange Transactions	361,822	332,582	332,582	361,822	332,582	332,582
	375,058	377,323	377,323	375,058	377,323	377,323

11. Inventories

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
School Uniforms	31,628	59,636	59,636	31,628	59,636	59,636
	31,628	59,636	59,636	31,628	59,636	59,636

12. Investments

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

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Current Asset						
Short-term Bank Deposits	559,427	554,533	554,533	559,427	554,533	554,533
	559,427	554,533	554,533	559,427	554,533	554,533
Total Investments	559,427	554,533	554,533	559,427	554,533	554,533

13. Property, Plant and Equipment

GROUP & SCHOOL

	Opening Balance (Net Book Value) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2021						
Land	37,388	-	-	-	-	37,388
Buildings	2,835,493	-	-	-	(99,583)	2,735,910
Building Improvements	485,736	321,596	-	-	(35,904)	771,428
Furniture and Equipment	267,483	81,016	-	-	(43,921)	304,578
Information and Communication Technology	66,241	23,972	-	-	(21,179)	69,034
Motor Vehicles	3,721	-	-	-	(1,391)	2,330
Leased Assets	104,065	136,192	(40,189)	-	(58,859)	141,209
Library Resources	32,932	5,689	(5,993)	-	(4,570)	28,058
Land - Hostel	26,500	-	-	-	-	26,500
Buildings - Hostel	43,690	-	-	-	(1,747)	41,943
Building improvements - Hostel	2,003,870	120,325	-	-	(84,215)	2,039,980
Furniture and Equipment - Hostel	189,885	44,234	-	-	(29,633)	204,486
Motor Vehicles - Hostel	11,294	9,564	(9,116)	-	(1,161)	10,581
Leased Assets - Hostel	7,487	-	-	-	(1,497)	5,990
Work in Progress	-	191,617	-	-	-	191,617
Balance at 31 December 2021	6,115,785	934,205	(55,298)	-	(383,660)	6,611,032



GROUP & School	2021	2021	2021	2020	2020	2020
	Cost or	Accumulated	Net Book Value	Cost or	Accumulated	Net Book
	Valuation	Depreciation		Valuation	Depreciation	Value
	\$	\$	\$	\$	\$	\$
Timaru Boys' High School						
Land	37,388	-	37,388	37,388	-	37,388
Buildings	3,789,358	(1,053,448)	2,735,910	3,789,358	(953,865)	2,835,493
Building Improvements	1,028,003	(256,575)	771,428	706,408	(220,672)	485,736
Furniture and Equipment	996,801	(692,223)	304,578	918,460	(650,977)	267,483
Information and Communication Technology	485,215	(416,181)	69,034	461,243	(395,002)	66,241
Motor Vehicles	24,463	(22,133)	2,330	24,463	(20,742)	3,721
Leased Assets	184,829	(43,620)	141,209	271,235	(167,170)	104,065
Library Resources	120,990	(92,932)	28,058	140,951	(108,019)	32,932
Balance at 31 December	6,667,047	(2,577,112)	4,089,935	6,349,506	(2,516,447)	3,833,059
Thomas House Hostel						
Land - Hostel	26,500	-	26,500	26,500	-	26,500
Buildings - Hostel	83,813	(41,870)	41,943	83,813	(40,123)	43,690
Building improvements - Hostel	2,631,998	(592,018)	2,039,980	2,511,674	(507,804)	2,003,870
Furniture and Equipment - Hostel	639,855	(435,369)	204,486	595,621	(405,736)	189,885
Motor Vehicles - Hostel	25,434	(14,853)	10,581	25,392	(14,098)	11,294
Leased Assets - Hostel	13,200	(7,210)	5,990	13,200	(5,713)	7,487
Work in Progress	191,617	-	191,617	-	-	-
Balance at 31 December	10,279,464	(3,668,432)	6,611,032	9,605,706	(3,489,921)	6,115,785

The net carrying value of equipment held under a finance lease is \$147,199 (2020: \$111,552)

14. Accounts Payable

	2021	School	2020	2021	Group	2020
	Actual	2021	Actual	Actual	2021	Actual
	\$	Budget	\$	\$	Budget	\$
		(Unaudited)			(Unaudited)	
	\$	\$	\$	\$	\$	\$
Creditors	224,053	185,893	185,893	224,053	185,893	185,893
Accruals	8,771	14,389	14,389	8,771	14,389	14,389
Employee Entitlements - Salaries	385,654	354,205	354,205	385,654	354,205	354,205
Employee Entitlements - Leave Accrual	16,868	12,365	12,365	16,868	12,365	12,365
	635,346	566,852	566,852	635,346	566,852	566,852
Payables for Exchange Transactions	635,346	566,852	566,852	635,346	566,852	566,852
	635,346	566,852	566,852	635,346	566,852	566,852

The carrying value of payables approximates their fair value.

15. Borrowings

	2021	School	2020	2021	Group	2020
	Actual	2021	Actual	Actual	2021	Actual
	\$	Budget	\$	\$	Budget	\$
		(Unaudited)			(Unaudited)	
	\$	\$	\$	\$	\$	\$
Loans due after one year	355,391	362,392	412,392	355,391	362,392	412,392
	355,391	362,392	412,392	355,391	362,392	412,392

The Group 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 year repayments were at 4.45% interest only. The facility has remained interest only with the rate increased to 4.6% from 3/1/22.

16. Revenue Received in Advance

	2021	School	2020	2021	Group	2020
	Actual	2021	Actual	Actual	2021	Actual
	\$	Budget	\$	\$	Budget	\$
		(Unaudited)			(Unaudited)	
	\$	\$	\$	\$	\$	\$
International Student Fees in Advance	35,429	106,428	106,428	35,429	106,428	106,428
Hostel Fees in Advance	276,769	208,285	208,285	276,769	208,285	208,285
Other revenue in Advance	62,470	102,947	102,947	62,470	102,947	102,947
	374,668	417,660	417,660	374,668	417,660	417,660



17. Provision for Cyclical Maintenance

	2021 Actual \$	School and Group 2021 Budget (Unaudited) \$	2020 Actual \$
Provision at the Start of the Year	432,983	432,983	331,207
Increase/ (decrease) to the Provision During the Year	70,267	40,000	80,843
Adjustment to the provision	-	-	83,597
Use of the Provision During the Year	(104,038)	-	(62,664)
Provision at the End of the Year	399,212	472,983	432,983
Cyclical Maintenance - Current	89,205	166,037	166,037
Cyclical Maintenance - Term	310,007	306,946	266,946
	399,212	472,983	432,983

18. Finance Lease Liability

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

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
No Later than One Year	43,207	61,004	61,004	43,207	61,004	61,004
Later than One Year and no Later than Five Years	99,041	47,480	47,480	99,041	47,480	47,480
Future Finance Charges	(3,121)	(2,419)	(2,419)	(3,121)	(2,419)	(2,419)
	139,127	106,065	106,065	139,127	106,065	106,065
Represented by						
Finance lease liability - Current	41,149	59,570	59,570	41,149	59,570	59,570
Finance lease liability - Term	97,978	46,495	46,495	97,978	46,495	46,495
	139,127	106,065	106,065	139,127	106,065	106,065

19. Funds Held in Trust

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	58,509	-	187,352	58,509	-	187,352
	58,509	-	187,352	58,509	-	187,352

These funds relate to arrangements where the Group is acting as agent and therefore these are not included in the Consolidated Statement of Comprehensive Revenue and Expense.

20. 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. The amount of cash held on behalf of the Ministry for capital works project is included under receivables from the Ministry in account receivable note 10:

School and GROUP

	2021 Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contribution \$	Closing Balances \$
Classroom upgrade 360-02	95,366	14,000	(108,685)	(681)	-
Special Needs Modifications	(1,578)	1,578	-	-	-
SIP Playing Fields -224561	-	40,000	(17,098)	-	22,902
Gym & Stormwater -228616	-	12,000	(525)	-	11,475
Blocks A,B,C,D F Upgrades - 228618	-	85,000	(30,034)	-	54,966
Weathertightness	-	-	(9,822)	-	(9,822)
Mould Removal (Library)	-	-	(2,600)	-	(2,600)
Totals	93,788	152,578	(168,764)	(681)	76,921
Represented by:					
Funds Held on Behalf of the Ministry of Education					89,343
Funds Due from the Ministry of Education					(12,422)
					76,921

	2020 Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contribution \$	Closing Balances \$
Classroom upgrade 360-02	252,320	750,000	(906,954)	-	95,366
Replace floorcoverings 360-01	(12,522)	-	-	12,522	-
Library roof leaks	12,917	-	(12,917)	-	-
Boiler pipe replacement	(18,802)	18,311	-	491	-
Special Needs Modifications	-	50,211	(51,789)	-	(1,578)
Totals	233,913	818,522	(971,660)	13,013	93,788



21. ESOL Cluster

Timaru Boys' High School is the lead school and holds funds on behalf of the ESOL cluster, a group of schools funded by the Ministry to provide English language support to students.

School and GROUP

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Funds Held at Beginning of the Year	1,190		1,190
Total funds received	1,190	-	1,190
Funds Held at Year End	1,190	-	1,190

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.

23. Remuneration

Key management personnel compensation (School and Group)

Key management personnel of the Group include all School Board members, Rector, Deputy Rectors and Heads of Departments.

	2021 Actual \$	2020 Actual \$
<i>Board Members - School</i>		
Remuneration	4,785	5,610
<i>Leadership Team</i>		
Remuneration	411,173	396,840
Full-time equivalent members	3	3
Total key management personnel remuneration	415,958	402,450

There are 13 members of the Board excluding the Rector. The Board had held 11 full meetings of the Board in the year. The Board also has Finance and Property members that meet monthly and quarterly respectively. As well as these regular meetings, including preparation time, the Chair and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal

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

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	150 - 160	140-150
Benefits and Other Emoluments	0 - 10	0 - 10
Termination Benefits	0 - 0	0 - 0

Other Employees

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

Remuneration \$000	2021 FTE Number	2020 FTE Number
100 - 110	5.00	9.00
110 - 120	7.00	1.00
120 - 130	2.00	2.00
	14.00	12.00

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 board members, committee members, 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	2021 Actual	2020 Actual
Total	-	-
Number of People	-	-

25. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2021 (Contingent liabilities and assets at 31 December 2020: nil).

Holidays Act Compliance – schools payroll

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

The Ministry's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis and solutions have been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2021, a contingent liability for the school may exist.



26. Commitments

(a) Capital Commitments

As at 31 December 2021 the Board has entered into contract agreements for capital works as follows:

(a) \$400,000 project to upgrade the Playing Fields, which will be fully funded by the Ministry of Education. \$40,000 has been received of which \$17,098 has been spent on the project to date; and

(b) \$120,000 project for the Gymnasium and Stormwater upgrades, as agent for the Ministry of Education. This project is funded by the Ministry for \$114,000 and the Board of Trustees are funding the \$6,000 balance. \$12,000 has been received of which \$525 has been spent on the project to balance date. This project has been approved by the Ministry; and

(c) \$850,000 project to upgrade Blocks A,B,C,D and F as agent for the Ministry of Education. The project is fully funded by the Ministry and \$85,000 has been received of which \$30,034 has been spent on the project to balance date. This project has been approved by the Ministry; and

(d) \$6,547 project for mould removal in the Library as agent for the Ministry of Education. The project will be fully funded by the Ministry and \$2,600 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments at 31 December 2020: \$93,788)

(b) Operating Commitments School and GROUP

As at 31 December 2021 the Board has not entered any operating commitments.

(Operating commitments at 31 December 2020: \$nil)

27. Financial Instruments

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

Financial assets measured at amortised cost

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Cash and Cash Equivalents	1,118,310	1,587,773	1,131,283	1,118,310	1,587,773	1,131,283
Receivables	375,058	377,323	377,323	375,058	377,323	377,323
Investments - Term Deposits	559,427	554,533	554,533	559,427	554,533	554,533
Total Financial Assets Measured at Amortised Cost	2,052,795	2,519,629	2,063,139	2,052,795	2,519,629	2,063,139

Financial liabilities measured at amortised cost

Payables	635,346	566,852	566,852	635,346	566,852	566,852
Borrowings - Loans	355,391	362,392	412,392	355,391	362,392	412,392
Finance Leases	139,127	106,065	106,065	139,127	106,065	106,065
Total Financial Liabilities Measured at Amortised Cost	1,129,864	1,035,309	1,085,309	1,129,864	1,035,309	1,085,309

28. Events After Balance Date

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

29. Investments 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		Value of investment \$000	
			2021	2020	2021	2020
Trust	Raising Funds	Wellington, New Zealand	0%	0%	-	-

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 was a registered charity. Under its constitution, the company is prohibited from paying dividends (or similar distributions) to the School.

On December 15, 2020, the trustees of the Timaru Boys' High School Development Trust (the Trust) resolved that all assets and funds held by the Trust be gifted to Timaru Boys' High School (the School) to further the education of students at the School, in line with the Trust's purpose which was to "further the education of students at TBHS" and "future development within the School", with this to take immediate effect.

The trustees further resolved that the Trust be wound up by 31 December 2020 subject to professional advice that the School can issue tax receipts directly from the School. Advice has been received that confirms the ability of the School to issue receipts for donations and the Trust has been wound up.

30. Comparatives

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



31. COVID 19 Pandemic on going implications

During 2021 the country moved between alert levels. During February and March 2021 Auckland was placed into alert levels 3 and 2 and other parts of the country moved into alert level 2.

Towards the end of June 2021, the Wellington region was placed into alert level 2 for one week.

Towards the end of August 2021, the entire country moved to alert level 4, with a move to alert level 3 and 2 for everyone outside the Auckland region three weeks later. While Auckland has remained in alert level 3 for a prolonged period of time the Northland and Waikato regions have also returned to alert level 3 restrictions during this period.

Impact on operations

Schools have been required to continue adapting to remote and online learning practices when physical attendance is unable to occur in alert level 4 and 3. Schools continue to receive funding from the Te Tāhuhu o te Mātauranga | Ministry to Education, even while closed.

However, the ongoing interruptions resulting from the moves in alert levels have impacted schools in various ways which potentially will negatively affect the operations and services of the school. We describe below the possible effects on the school that we have identified, resulting from the ongoing impacts of the COVID-19 alert level changes.

Reduction in locally raised funds

Under alert levels 4,3, and 2 the school's ability to undertake fund raising events in the community and/ or collect donations or other contributions from parents, may have been compromised. Costs already incurred arranging future events may not be recoverable.

Increased Remote learning additional costs

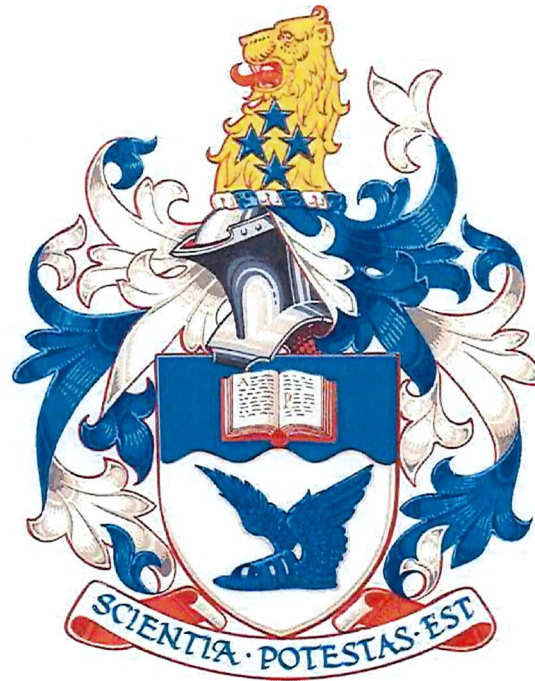
Under alert levels 4 and 3 ensuring that students have the ability to undertake remote or distance learning often incurs additional costs in the supply of materials and devices to students to enable alternative methods of curriculum delivery.

Reduction in International students

Under alert levels 4, 3, 2, and 1 International travel is heavily restricted. The school has been unable to welcome and enrol prospective international students which has resulted in a reduction in revenue from student fees & charges from International students and/or Board operated boarding facilities.



Timaru Boys' High School 360 Analysis of Variance 2021





School Name:	Timaru Boys' High School	School Number:	360
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Strategic Aim:	Excellence from high quality teaching and learning										
Annual Aim: 1	To review the effectiveness of our Junior Data diagnostic testing										
Target:	In 2021 our diagnostic numeracy and literacy testing in Years 9 and 10 will show improvement in these areas from 2021 to the beginning of 2022.										
Baseline Data:	<p>The diagnostic testing results in numeracy and literacy for early 2021</p> <table border="1"> <thead> <tr> <th></th> <th>Average AsTTle score - Term 1 2021</th> </tr> </thead> <tbody> <tr> <td>9 Num</td> <td>4P</td> </tr> <tr> <td>9 Lit</td> <td>4P</td> </tr> <tr> <td>10 Num</td> <td>4A</td> </tr> <tr> <td>10 Lit</td> <td>4A</td> </tr> </tbody> </table>		Average AsTTle score - Term 1 2021	9 Num	4P	9 Lit	4P	10 Num	4A	10 Lit	4A
	Average AsTTle score - Term 1 2021										
9 Num	4P										
9 Lit	4P										
10 Num	4A										
10 Lit	4A										

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>												
<p>Tested every boy (in Years 9 and 10 twice in a year in Literacy and Numeracy).</p> <p>Applied teaching strategies that improve basic literacy and numeracy. Use of SOLO reinstated and followed up with PD.</p> <p>SOLO work led to further work on differentiation.</p> <p>SOLO discussed a possible Junior Curriculum reviewed and discussed with staff and students. Focus on digital literacy and digital learning due to lockdowns</p> <p>Support Year 9 Lien classes for students struggling with literacy</p>	<table border="1" data-bbox="631 379 1086 815"> <tr> <td></td> <td>Average AsTTle Score - Term 4 2001</td> </tr> <tr> <td>9 Num</td> <td>4A</td> </tr> <tr> <td>9 Lit</td> <td>4A</td> </tr> <tr> <td>10 Num</td> <td>5P</td> </tr> <tr> <td>10 Lit</td> <td>4A</td> </tr> <tr> <td></td> <td></td> </tr> </table> <p>In 9 Numeracy and 9 Literacy a lift in the AsTTle curriculum level was evident.</p> <p>In 10 Numeracy a large lift was evident. In 10 Literacy, the results were disappointing - the average AsTTle score was not lifted from Term 1 to Term 4.</p> <p>The Year 9 Lien students lifted their scores more than expected.</p>		Average AsTTle Score - Term 4 2001	9 Num	4A	9 Lit	4A	10 Num	5P	10 Lit	4A			<p>I feel that the quality of our literacy and numeracy teaching, as well as the overall quality of teaching in the Junior Curriculum areas, is very strong. This is a school that believes in differentiation and personalised learning.</p> <p>The AsTTle data wasn't actually that useful. It showed quite wide fluctuations in some students' scores. Given that we have very strong Year 11 NCEA literacy and Numeracy, I feel that these AsTTle scores are not relevant or useful.</p>	<p>Moving to PATs is one option for finding robust norm-referenced data that can stand behind our claims of progression in our junior learning.</p> <p>Also, we could develop a separate school specific assessment framework for our Junior Curriculum subjects.</p> <p>We will continue to develop good teaching strategies for Junior Students - support literacy learning with Lien and other programmes, differentiation, numeracy teaching across the curriculum, SOLO.</p>
	Average AsTTle Score - Term 4 2001														
9 Num	4A														
9 Lit	4A														
10 Num	5P														
10 Lit	4A														
Planning for next year:															
Shift to PAT testing and focus on at risk students															

Analysis of Variance Reporting



School Name:	Timaru Boys' High School	School Number:	360
Analysis reporting			
Strategic Aim:	Excellence from high quality teaching and learning		
Annual Aim: 2	NCEA students achieve to their true potential		
Target:	<p>In 2021 the percentage of all Year 11 boys achieving Level 1 will increase to 85%</p> <p>In 2021 the percentage of all Year 12 boys achieving Level 2 will increase to 85%</p> <p>In 2021 the percentage of all Year 13 boys achieving Level 3 will increase to 65%</p> <p>In 2021 the percentage of all Year 13 boys achieving Level UE will increase to 55%</p>		
Baseline Data:	<p>The 2020 data for NCEA achievement in Levels 1, 2 & 3 are as follows:</p> <p>Y11 Level 1 - 81.2</p> <p>Y12 Level 2 - 82.0</p> <p>Y13 Level 3 - 63.2</p> <p>Y13 UE - 48.3</p>		

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<p>Improve Tracking Vertical form time and teacher developed into better monitoring Conferencing & Goal setting. Focus on Level 3 NCEA credit tracking by SLT Term 1 - Term 4 Complete an internal in every NCEA subject by the end of term 1 to improve tracking</p> <p>Improve Teaching and Learning Focus on NCEA Certificate completion embedded Focus on task completion concept embedded ANTS activity and mentoring development with Y9 Dean PACE II programme modified to better meet the needs of students Walkthroughs development by SLT taff are encouraged and supported (through relief) to engage with Kahui Ako Collaborative Projects Kahui Ako In-school leaders are working on supporting staff with student transitions Whole-staff professional development in digital pedagogy and SOLO</p>	<p>The 2021 data for NCEA achievement in Levels 1, 2, 3 & UE are as follows: Y11 Level 1 - 87.8 Y12 Level 2 - 88.9 Y13 Level 3 - 72.0 Y13 UE - 56.0</p> <p>The targets were met right across the board.</p>	<p>I do believe that the whole school focus on completion of task has had a positive effect on results. Better, more targeted, tracking has also led to changes in how we approach struggling students.</p> <p>The pandemic itself has probably changed the way we support students with their achievement needs. Because students all responded differently to the stress of being at home rather than school, teachers actually changed to a more personalised approach. I also believe that digital pedagogy and the incorporation of SOLO into planning and delivery has led to a more personalised approach.</p>	<p>We will continue to focus on completion of learning and assessment tasks.</p> <p>We will continue to enhance the role of the Vertical Form Teacher to improve the tracking of all senior students.</p> <p>We will form a Curriculum development team, drawn from the whole teaching body, to focus on areas of improvement.</p>
Planning for next year:			
Senior curriculum working group meeting to develop our strength in teaching strategies in 2022. Also, a school wide focus on Endorsement is needed.			

Analysis of Variance Reporting



School Name:	Timaru Boys' High School	School Number:	360
Analysis report	Māori students experience success as Maori and learners		
Annual Aim: 3	Māori student achievement improves overall.		
Target:	In 2021 the percentage of Maori Students achieving NCEA Levels 1, 2, 3 and UE will increase by 10 percentage points.		
Baseline Data:	<p>The 2020 data for Maori Student NCEA achievement in Levels 1, 2 & 3 are as follows:</p> <ul style="list-style-type: none"> Y11 Level 1 - 81.3 Y12 Level 2 - 78.9 Y13 Level 3 - 33.3 Y13 UE - 33.3 		

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<p>The Timaru Boys' High School Māori Student Achievement Plan 2021 - 2023 was workshopped and implemented by the end of Term 2 2021</p> <p>Whānau meetings re-established and Whānau Leadership Rōpū set up</p> <p>Plan workshopped and supported by Whānau Leadership Rōpū</p> <p>Kāwhina position (Māori Mentor) was created and an appointment was made</p> <p>Te Reo as a subject was supported and promoted</p> <p>Te Reo used in assembly and around school. Kōrero in classes; support in doing this. More signage in Maori.</p> <p>Regular Thursday PD sessions, using in-house and external providers, which concentrate on practical ways to use te reo and tikanga in the classroom.</p> <p>Major PD on te reo and tikanga - over 200 hours - 7 staff involved</p> <p>Follow Kahui Ako focus on Te Kotahitanga North West teaching approach</p> <p>Actively challenge any racism (casual or otherwise) in any sphere of the school - in the classroom or beyond</p> <p>Take all Māori students to Te Aitarakihi marae to help build positive sense of identity</p>	<p>The 2020 data for Maori Student NCEA achievement in Levels 1, 2 & 3 are as follows:</p> <p>Y11 Level 1 - 77.3</p> <p>Y12 Level 2 - 92.3</p> <p>Y13 Level 3 - 66.7</p> <p>Y13 UE - 41.7</p> <p>The targets were all exceeded except in Level 1 where there was a slight drop (which represented 1 student missing out). The results were very pleasing</p>	<p>The Māori Student Achievement Plan has been useful in driving change in staff's approach to Māori student achievement. We start every week with a karakia in briefing, which we also do in assemblies. These are simple ways of showing that we value Māori language and culture. The visit to Te Aitarakihi marae was also a great boost to building a sense of community amongst the Māori students.</p> <p>There is a long way to go in this area, but we have made a good start. The relationship with the Whānau Leadership Rōpū is solid and we can build on that.</p>	<p>Work on he following:</p> <ul style="list-style-type: none"> - build up kapa haka at TBHS - fund kapa haka teaching during curriculum time - continue with external providers for Thursday PD - work with Whānau group to co-construct strategies on issues of attendance, engagement and achievement - engage with mana whenua about developing a local cultural narrative - make the front of the school and foyer more recognisable as being part of Aotearoa - make all classes more recognisably bi-cultural - enhance kaiawhina role
Planning for next year:			
<p>Better monitoring of students in 2022.</p>			



TIMARU BOYS' HIGH SCHOOL

Timaru Boys' High School

Statement of Kiwisport funding - 2021

During the 2021 financial year, Timaru Boys' High School received \$15,072 of Kiwisport funding.

For many years, Timaru Boys' High School has been highly successful locally and nationally on the sports field. This record of excellence is a direct result of the school's encouragement of boys to participate in sport, and of the team spirit which is developed.

Opportunities are provided for students to become involved in a wide variety of sporting activities, whether it be for enjoyment, or at representative level. The Kiwisport funding received contributes towards the cost of employing a sports co-ordinator for 30 hours per week to make this possible.

Dave Thorp
Rector

Scientia Potestas Est

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INDEPENDENT AUDITOR'S REPORT**TO THE READERS OF TIMARU BOYS HIGH SCHOOL'S GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Auditor-General is the auditor of Timaru Boys' High School and its 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 financial statements of the Group on his behalf.

Opinion

We have audited the financial statements of the Group on pages 3 to 19 that comprise statement of financial position as at 31 December 2021, 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 December 2021; 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 the Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 31 May 2022. 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 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 for the financial statements

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

In preparing the financial statements, the Board is responsible on behalf of the 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's responsibilities, in terms of the requirements of the Education and Training Act 2020, arise from section 87 of the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements

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

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

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the 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.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 arises from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on Analysis of Variance and Kiwisport Statement, 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: *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