

KING'S HIGH SCHOOL



ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

Ministry Number:	383
Principal:	Daniel Reddiex
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School Postal Address:	270 Bay View Road, Dunedin, 9012
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KING'S HIGH SCHOOL

Annual Report - For the year ended 31 December 2018

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King's High School

Statement of Responsibility

For the year ended 31 December 2018

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

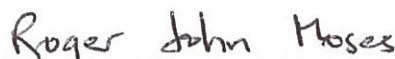
The Management (including the Principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

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

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

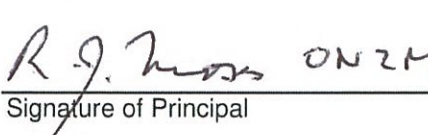


Full Name of Board Chairperson



Full Name of Principal


Signature of Board Chairperson


Signature of Principal

Date:

30/5/2019

Date:

30/5/2019

King's High School

Members of the Board of Trustees

For the year ended 31 December 2018

Name	Position	How Position Gained	Held Until
David Booth	Chairperson	Elected	Sep-18
David Booth	Parent Rep	Elected	Jun-19
Richard Wingham	Parent Rep	Elected	Sep-18
Richard Wingham	Chairperson	Elected	Jun-19
Daniel Reddiex	Rector		Apr-19
Kyle Cameron	Parent Rep	Elected	Jun-19
Stu Crooks		Co-opted	May-18
Taryn Gudmanz	Parent Rep	Elected	Jun-19
Chris McLean		Co-opted	Jun-19
Isaac Hensman	Staff Rep	Elected	Jun-19
Callum Steel-MacIntosh	Student Rep	Elected	Oct-18
Samuel Blackwood	Student Rep	Elected	Oct-19

King's High School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue				
Government Grants	2	8,731,130	8,225,841	8,659,705
Locally Raised Funds	3	1,954,214	1,513,424	1,501,373
Interest Earned		38,728	30,000	41,846
Gain on Sale of Property, Plant and Equipment		-	-	-
International Students	4	347,935	385,750	216,601
		<u>11,072,007</u>	<u>10,155,015</u>	<u>10,419,525</u>
Expenses				
Locally Raised Funds	3	1,308,791	826,494	799,796
International Students	4	172,155	189,730	122,386
Learning Resources	5	7,125,539	6,893,548	6,854,552
Administration	6	634,899	678,407	604,531
Finance Costs		6,539	-	44,135
Property	7	1,849,478	1,489,997	1,763,090
Depreciation	8	279,819	245,000	254,765
Loss on Disposal of Property, Plant and Equipment		4,461	-	11,172
		<u>11,381,681</u>	<u>10,323,176</u>	<u>10,454,427</u>
Net (Deficit) / Surplus		(309,674)	(168,161)	(34,902)
Other Comprehensive Revenue and Expenses				
Loss on Asset Revaluation		(8,905)	-	(1,798)
Total Comprehensive Revenue and Expense for the Year		<u>(318,579)</u>	<u>(168,161)</u>	<u>(36,700)</u>

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



King's High School
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2018

	Actual 2018 \$	Budget (Unaudited) 2018 \$	Actual 2017 \$
Balance at 1 January	<u>3,756,493</u>	<u>3,756,493</u>	<u>3,751,373</u>
Total comprehensive revenue and expense for the year	(318,579)	(168,161)	(36,700)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	45,450	-	25,837
Contribution - WSNUP Grant	-	-	15,983
Equity at 31 December	<u>3,483,364</u>	<u>3,588,332</u>	<u>3,756,493</u>
Retained Earnings	3,483,364	3,588,332	3,756,493
Equity at 31 December	<u>3,483,364</u>	<u>3,588,332</u>	<u>3,756,493</u>

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



King's High School

Statement of Financial Position

As at 31 December 2018

		2018	2018	2017
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	9	472,383	804,987	728,148
Accounts Receivable	10	455,032	371,187	371,187
GST Receivable		65,024	35,480	35,480
Prepayments		33,126	61,376	61,376
Inventories	11	177,631	167,622	167,622
Investments	12	935,476	906,372	906,372
Funds owing for Capital Works Projects	19	272,142	257,837	257,837
		<u>2,410,814</u>	<u>2,604,861</u>	<u>2,528,022</u>
Current Liabilities				
Accounts Payable	14	609,067	528,480	528,480
Revenue Received in Advance	15	293,290	391,230	391,230
Provision for Cyclical Maintenance	16	54,000	2,420	2,420
Finance Lease Liability - Current Portion	17	65,869	41,578	41,578
Funds held in Trust	18	315,027	360,338	360,338
Funds held for Capital Works Projects	19	142,299	173,965	173,965
		<u>1,479,552</u>	<u>1,498,011</u>	<u>1,498,011</u>
Working Capital Surplus/(Deficit)		931,262	1,106,850	1,030,011
Non-current Assets				
Investments (more than 12 months)	12	28,449	37,355	37,355
Property, Plant and Equipment	13	2,879,465	2,672,291	2,917,291
		<u>2,907,914</u>	<u>2,709,646</u>	<u>2,954,646</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	16	249,000	125,237	125,237
Finance Lease Liability	17	106,812	102,927	102,927
		<u>355,812</u>	<u>228,164</u>	<u>228,164</u>
Net Assets		<u>3,483,364</u>	<u>3,588,332</u>	<u>3,756,493</u>
Equity		<u>3,483,364</u>	<u>3,588,332</u>	<u>3,756,493</u>

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



King's High School

Statement of Cash Flows

For the year ended 31 December 2018

		2018	2018	2017
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		2,097,304	2,035,841	2,139,135
Locally Raised Funds		1,944,612	1,513,424	1,590,038
International Students		241,544	385,750	332,505
Goods and Services Tax (net)		(29,544)	-	14,888
Payments to Employees		(1,240,090)	(1,244,807)	(1,385,612)
Payments to Suppliers		(3,006,574)	(2,643,219)	(2,288,733)
Cyclical Maintenance Payments in the Year		-	-	(13,537)
Interest Paid		-	-	-
Interest Received		36,735	30,000	41,846
Net cash from / (to) the Operating Activities		43,987	76,989	430,530
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(163,413)	(150)	(122,225)
Purchase of Investments		(20,198)	-	9,458
Net cash from / (to) the Investing Activities		(183,611)	(150)	(112,767)
Cash flows from Financing Activities				
Furniture and Equipment Grant		36,545	-	40,022
Finance Lease Payments		(61,404)	-	(76,047)
Funds Held for Capital Works Projects		(45,971)	-	28,919
Funds Administered on Behalf of Third Parties		(45,311)	-	67,886
Net cash from Financing Activities		(116,141)	-	60,780
Net increase/(decrease) in cash and cash equivalents		<u>(255,765)</u>	<u>76,839</u>	<u>378,543</u>
Cash and cash equivalents at the beginning of the year	9	728,148	728,148	349,605
Cash and cash equivalents at the end of the year	9	<u>472,383</u>	<u>804,987</u>	<u>728,148</u>

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

The above Cash Flow Statement should be read in conjunction with the accompanying notes.



King's High School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2018

1.1. Reporting Entity

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

1.2. Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the expenditure threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

Measurement Base

The financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

Presentation Currency

These financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

Specific Accounting Policies

The accounting policies used in the preparation of these financial statements are set out below.

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 13.



Critical Judgements in applying accounting policies

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

Classification of leases

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 17.

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.

1.3. Revenue Recognition

Government Grants

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

1.4. Use of Land and Buildings Expense

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

1.5. Operating Lease Payments

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

1.6. 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.

1.7. 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.



1.8. Accounts Receivable

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

1.9. Inventories

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

1.10. Investments

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

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

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

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

1.11. Property, Plant and Equipment

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

Improvements to buildings owned by the Crown are recorded at cost, less accumulated depreciation and 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 Statement of Comprehensive Revenue and Expense.

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

Leased Assets

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



Depreciation

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

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	15-50 years
Furniture and equipment	2-20 years
Information and communication technology	4-5 years
Motor vehicles	5 years
Leased Assets	3 years
Library resources	12.5% Diminishing value

1.12. Impairment of property, plant and equipment and intangible assets

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

Non cash generating assets

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

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

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

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

1.13. Accounts Payable

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

1.14. Employment 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.

1.15. Revenue Received in Advance

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

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

1.16. Funds Held in Trust

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



1.17. Provision for Cyclical Maintenance

The property from which the School 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 School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside 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).

1.18. Financial Assets and Liabilities

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

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

The School's financial liabilities comprise accounts payable, 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.

1.19. Goods and Services Tax (GST)

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

1.20. Budget Figures

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

1.21. Services received in-kind

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

1.22. Consolidation of Controlled Entities

These financial statements incorporate the financial statements of King's High School (the School) and the Kings Recreational Trust, an entity controlled by the School. Control is achieved where the School has the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. All intra-group transactions, balances income and expenses are eliminated in full on consolidation. Investments in subsidiaries are recorded at cost in the School's financial statements.

1.23. New standards adopted in the current period

The School has early adopted PBE IFRS 9 Financial Instruments from the year ended 31 December 2018 (although not mandatory until periods beginning on or after 1 January 2022). This accounting standard introduces new requirements for the classification and measurement of financial assets and financial liabilities, impairment of financial assets, and rules for hedge accounting. The Board of Trustees is of the view that there is no material impact to the recognition or measurement of financial instruments and disclosure of the school's financial assets and liabilities for the current period and each prior period presented.



2. Government Grants

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operational grants	1,936,061	1,937,207	1,967,662
Teachers' salaries grants	5,470,808	5,290,000	5,378,573
Use of Land and Buildings grants	1,134,136	900,000	1,154,310
Other MoE Grants	116,566	53,032	113,584
Other government grants	73,559	45,602	45,576
	<u>8,731,130</u>	<u>8,225,841</u>	<u>8,659,705</u>

3. Locally Raised Funds

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue			
Donations	469,351	427,440	455,651
Fundraising	12,592	19,000	4,996
Bequests & Grants	5,300	-	-
Other revenue	74,524	99,774	80,441
Transport Revenue	29,008	30,000	30,759
Trading	478,210	452,500	445,724
Activities	468,306	484,710	483,802
Overseas Trips	416,923	-	-
	<u>1,954,214</u>	<u>1,513,424</u>	<u>1,501,373</u>
Expenses			
Activities	429,675	374,069	355,490
Trading	393,834	392,025	376,878
Fundraising (costs of raising funds)	-	6,000	-
Transport (local)	45,367	30,000	46,081
Other Expenses	18,490	24,400	21,347
Overseas Trips	421,425	-	-
	<u>1,308,791</u>	<u>826,494</u>	<u>799,796</u>
<i>Surplus for the year Locally raised funds</i>	<u>645,423</u>	<u>686,930</u>	<u>701,577</u>

During the year the following overseas trips were taken by students - South Africa (rugby and golf), Australia (cricket), and Tanzania (science). These trips were fully funded by the students and staff attending the trip. The shortfall in funding is subject to insurance claims.



4. International Student Revenue and Expenses

	2018	2018	2017
	Actual	Budget	Actual
	Number	(Unaudited)	Number
International Student Roll	25	24	23
	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
International student fees	347,935	385,750	216,601
Expenses			
Advertising	19,823	20,700	9,371
Commissions	42,973	33,725	27,313
Travel	45,377	24,000	23,816
International student levy	8,398	3,300	2,363
Employee Benefit - Salaries	31,679	64,165	47,833
Other Expenses	23,905	43,840	11,690
	172,155	189,730	122,386
<i>Surplus for the year International Students</i>	175,780	196,020	94,215

During the year marketing trips were taken to Europe, China, Korea, Hong Kong and Thailand and included attendance at international education fairs. These were funded by International Student fees.

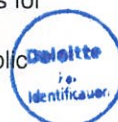
5. Learning Resources

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	609,948	627,330	519,368
Equipment repairs	729	5,200	3,543
Information and communication technology	70,655	56,562	26,341
Extra-curricular activities	154,495	190,976	153,989
Library resources	4,097	12,810	5,760
Employee benefits - salaries	6,240,745	5,947,300	6,099,016
Staff development	44,870	53,370	46,535
	7,125,539	6,893,548	6,854,552

6. Administration

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	6,872	6,575	6,293
Board of Trustees Fees	4,820	6,500	4,245
Board of Trustees Expenses	63,310	24,500	32,788
Communication	18,468	19,750	23,561
Consumables	21,277	16,930	18,006
Operating Lease	8,256	20,915	-
Legal Fees	2,543	3,000	-
Other	189,382	236,768	97,065
Employee Benefits - Salaries	281,887	307,042	388,819
Insurance	28,119	29,912	29,481
Service Providers, Contractors and Consultancy	9,965	6,515	4,273
	634,899	678,407	604,531

During the year the Board engaged an independent contractor to carry out tasks related to building relationships with the wider school community, with the aim of increasing future fundraising opportunities. The costs associated with this engagement are included in Other Administration Expenses, and include \$91,666 to the contractor and \$3,659 of travel and other expenses for the contractor. The contractor was engaged to raise funds for an independent entity, King's High School Charitable Trust. While the Trust carries out activities for the benefit of the school, the Trust is independent from the school and is not a public entity.



7. Property

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	18,800	17,000	15,026
Consultancy and Contract Services	4,117	4,000	-
Cyclical Maintenance Provision	61,000	-	13,537
Adjustment to the Provision	114,343	-	-
Grounds	38,245	32,500	45,320
Heat, Light and Water	157,025	156,013	157,643
Rates	39,438	39,404	36,909
Repairs and Maintenance	78,208	117,142	128,555
Use of Land and Buildings	1,134,136	900,000	1,154,310
Security	6,104	7,638	-
Employee Benefits - Salaries	198,062	216,300	211,790
	<u>1,849,478</u>	<u>1,489,997</u>	<u>1,763,090</u>

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

8. Depreciation of Property, Plant and Equipment

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements	61,388	60,000	61,385
Furniture and Equipment	56,714	55,000	58,834
Information and Communication Technology	76,301	70,000	73,830
Motor Vehicles	15,553	14,000	14,008
Leased Assets	54,061	30,000	30,474
Library Resources	15,802	16,000	16,234
	<u>279,819</u>	<u>245,000</u>	<u>254,765</u>

9. Cash and Cash Equivalents

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Current Account	66,791	804,987	728,148
Bank Call Account	405,592	-	-
Cash equivalents and bank overdraft for Cash Flow Statement	<u>472,383</u>	<u>804,987</u>	<u>728,148</u>

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

Of the \$472,383 Cash and Cash Equivalents, \$142,299 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2019 on Crown owned school buildings under the School's Five Year Property Plan.



10. Accounts Receivable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Receivables	64,750	17,815	17,815
Interest Receivable	6,814	4,821	4,821
Teacher Salaries Grant Receivable	383,468	348,551	348,551
	<u>455,032</u>	<u>371,187</u>	<u>371,187</u>
Receivables from Exchange Transactions	71,564	22,636	22,636
Receivables from Non-Exchange Transactions	383,468	348,551	348,551
	<u>455,032</u>	<u>371,187</u>	<u>371,187</u>

11. Inventories

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
School Uniforms	174,379	167,622	167,622
Canteen	3,252	-	-
	<u>177,631</u>	<u>167,622</u>	<u>167,622</u>

12. Investments

The School's investment activities are classified as follows:

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Asset			
Short-term Bank Deposits	935,476	906,372	906,372
Non-current Asset			
Shares	28,449	37,355	37,355



13. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Building Improvements	2,157,443	-	-	-	(61,388)	2,096,055
Furniture and Equipment	248,256	45,566	-	-	(56,714)	237,108
Information and Communication	220,502	84,273	-	-	(76,301)	228,474
Motor Vehicles	28,467	15,389	(1,970)	-	(15,553)	26,333
Leased Assets	145,689	85,948	-	-	(54,061)	177,576
Library Resources	113,633	19,258	(6,471)	-	(15,802)	110,618
Work in Progress	3,301	-	-	-	-	3,301
Balance at 31 December 2018	2,917,291	250,434	(8,441)	-	(279,819)	2,879,465

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Building Improvements	2,696,763	(600,708)	2,096,055
Furniture and Equipment	2,537,946	(2,300,838)	237,108
Information and Communication	1,015,403	(786,929)	228,474
Motor Vehicles	82,320	(55,987)	26,333
Leased Assets	263,034	(85,458)	177,576
Library Resources	307,056	(196,438)	110,618
Work in Progress	3,301	-	3,301
Balance at 31 December 2018	6,905,823	(4,026,358)	2,879,465

The net carrying value of equipment held under a finance lease is \$177,576 (2017: \$145,689)

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Building Improvements	2,205,846	12,982	-	-	(61,385)	2,157,443
Furniture and Equipment	299,711	7,379	-	-	(58,834)	248,256
Information and Communication	206,021	88,311	-	-	(73,830)	220,502
Motor Vehicles	42,475	-	-	-	(14,008)	28,467
Leased Assets	18,005	158,158	-	-	(30,474)	145,689
Library Resources	124,965	16,074	(11,172)	-	(16,234)	113,633
Work in Progress	5,825	3,301	(5,825)	-	-	3,301
Balance at 31 December 2017	2,902,848	286,205	(16,997)	-	(254,765)	2,917,291

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Building Improvements	2,696,764	(539,321)	2,157,443
Furniture and Equipment	2,492,378	(2,244,122)	248,256
Information and Communication	931,131	(710,629)	220,502
Motor Vehicles	75,811	(47,344)	28,467
Leased Assets	179,993	(34,304)	145,689
Library Resources	305,177	(191,544)	113,633
Work in Progress	3,301	-	3,301
Balance at 31 December 2017	6,684,555	(3,767,264)	2,917,291



14. Accounts Payable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	91,924	94,763	94,763
Accruals	47,982	40,948	40,948
Banking staffing overuse	7,700	-	-
Employee Entitlements - salaries	383,468	330,891	330,891
Employee Entitlements - leave accrual	77,993	61,878	61,878
	<u>609,067</u>	<u>528,480</u>	<u>528,480</u>
Payables for Exchange Transactions	609,067	528,480	528,480
	<u>609,067</u>	<u>528,480</u>	<u>528,480</u>

The carrying value of payables approximates their fair value.

15. Revenue Received in Advance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Grants in Advance - Ministry of Education	-	28,882	28,882
International Student Fees	160,261	266,652	266,652
Other	133,029	95,696	95,696
	<u>293,290</u>	<u>391,230</u>	<u>391,230</u>

16. Provision for Cyclical Maintenance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Provision at the Start of the Year	127,657	127,657	129,494
Increase to the Provision During the Year	61,000	-	13,537
Adjustment to the Provision	114,343	-	-
Use of the Provision During the Year	-	-	(15,374)
Provision at the End of the Year	<u>303,000</u>	<u>127,657</u>	<u>127,657</u>
Cyclical Maintenance - Current	54,000	2,420	2,420
Cyclical Maintenance - Term	249,000	125,237	125,237
	<u>303,000</u>	<u>127,657</u>	<u>127,657</u>

17. Finance Lease Liability

The School has entered into a number of finance lease agreements for computers. Minimum lease payments payable:

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	71,846	43,558	43,558
Later than One Year and no Later than Five Years	109,921	103,698	103,698
Later than Five Years	-	-	-
	<u>181,767</u>	<u>147,256</u>	<u>147,256</u>



18. Funds Held in Trust

	2018	2018	2017
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Funds Held in Trust on Behalf of Third Parties - Current	315,027	360,338	360,338
	<u>315,027</u>	<u>360,338</u>	<u>360,338</u>

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

19. Funds Held for Capital Works

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

		2018	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
			\$	\$	\$		\$
Gym Fire (MoE Insurance)	Completed		(123,766)	121,367	-	2,399	-
5YA Roll Growth Upgrade	Completed		(113,371)	113,483	-	(112)	-
Tennis Court Fencing	Completed		1,600	-	1,600	-	-
Arts Project	Completed		172,365	16,863	189,228	-	-
Squash Courts	In progress		(20,700)	-	-	-	(20,700)
New Toilet Block	Completed		-	543	1,198	655	-
Music Block upgrade	In progress		-	-	2,114	-	(2,114)
Technology Project	In progress		-	-	38,200	-	(38,200)
Flood Damage	In progress		-	-	5,032	-	(5,032)
Sight Impairment Project	In progress		-	200,793	80,633	-	120,160
Roofing Project	In progress		-	35,615	13,476	-	22,139
Craig Block ILE upgrade	In progress		-	-	205,357	-	(205,357)
Electrical Insurance Project	In progress		-	8,730	9,469	-	(739)
Totals			<u>(83,872)</u>	<u>497,394</u>	<u>546,307</u>	<u>2,942</u>	<u>(129,843)</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	142,299
Funds Due from the Ministry of Education	272,142
	<u>(129,843)</u>

		2017	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
			\$	\$	\$		\$
C Block Upgrade	Completed		48,298	-	48,298	-	-
Gym Fire (MoE Insurance)	In progress		(87,672)	-	36,094	-	(123,766)
Boiler Filtration System	Completed		(7,611)	-	-	7,611	-
Laboratory Upgrade	Completed		(23,822)	-	-	23,822	-
Flood Damage	Completed		6,953	-	-	(6,953)	-
5YA Roll Growth Upgrade	In progress		(14,885)	-	98,486	-	(113,371)
New Toilet Block 5YA	Completed		(385)	65,568	65,568	385	-
Upgrade E21	Completed		16,081	-	-	(16,081)	-
C Block Upgrade	Completed		(45,789)	45,789	-	-	-
Flood Damage Roll Growth	Completed		(1,436)	1,436	-	-	-
B Block Upgrade	Completed		(2,523)	-	-	2,523	-
Tennis Court Fencing	In progress		-	23,823	22,223	-	1,600
Arts Project	In progress		-	211,544	39,179	-	172,365
Squash Courts	In progress		-	-	20,700	-	(20,700)
Totals			<u>(112,791)</u>	<u>348,160</u>	<u>330,548</u>	<u>11,307</u>	<u>(83,872)</u>



20. Related Party Transactions

The School is a controlled entity of the Crown, and the Crown provides the major source of revenue to the school. The school enters into transactions with other entities also controlled by the Crown, such as government departments, state-owned enterprises and other Crown entities. Transactions with these entities are not disclosed as they occur on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted if dealing with that entity at arm's length.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the school would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

21. Remuneration

Key management personnel compensation

Key management personnel of the School include all trustees of the Board, Rector, Deputy Rector and Assistant Principals.

	2018 Actual \$	2017 Actual \$
<i>Board Members</i>		
Remuneration	4,820	4,245
Full-time equivalent members	0.75	0.75
<i>Leadership Team</i>		
Remuneration	776,949	703,106
Full-time equivalent members	7.00	6.48
Total key management personnel remuneration	781,769	707,351
Total full-time equivalent personnel	7.75	7.23

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

Principal

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

	2018 Actual \$	2017 Actual \$
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	170 - 180	155-165
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 \$	2018 FTE Number	2017 FTE Number
110 - 120	1.00	-
100 - 110	3.00	2.00
	4.00	2.00

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



22. 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:

	2018 Actual	2017 Actual
Total	\$ -	\$ -
Number of People	-	-

23. Contingencies

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

Holidays Act Compliance – 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, however the potential impact on any specific school or individual and any associated historical liability will not be known until further detailed analysis has been completed.

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

24. Commitments

(a) Capital Commitments

As at 31 December 2018 the Board has not entered into any contract agreements for capital works.

(Capital commitments at 31 December 2017: nil)

(b) Operating Commitments

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

(a) operating lease of a photocopier;

	2018 Actual \$	2017 Actual \$
No later than One Year	-	8,524
Later than One Year and No Later than Five Years	-	-
	-	8,524

25. Managing Capital

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



26. Financial Instruments

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

Loans and Receivables

	2018	2018	2017
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Cash and Cash Equivalents	472,383	804,987	728,148
Receivables	455,032	371,187	371,187
Investments - Term Deposits	935,476	906,372	906,372
Shares	28,449	37,355	37,355
Total Loans and Receivables	<u>1,891,340</u>	<u>2,119,901</u>	<u>2,043,062</u>

Financial liabilities measured at amortised cost

Payables	609,067	528,480	528,480
Finance Leases	172,681	144,505	144,505
Total Financial Liabilities Measured at Amortised Cost	<u>781,748</u>	<u>672,985</u>	<u>672,985</u>

27. Events After Balance Date

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

28. Comparatives

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



Strategic Objective: Build Student Success: Improve Academic Performance					
	Targets				
Goal	2018	2019	2020	Outcomes	Analysis
Exceed national Certificate endorsements at each year level by 10% by the end of the 2020 academic year while ensuring Excellence Certificate endorsements exceed the national average by at least 2% at each year level.	<p>Data analysis and planning tools employed for department review.</p> <p>Academic mentoring program defined.</p> <p>Curriculum review initiated.</p>	<p>Implement and review department plans and academic mentoring programme.</p> <p>Continue to investigate and develop the King's curriculum.</p>	<p>Embed and review department plans and academic mentoring against strategic goals.</p> <p>Implement and further develop the King's curriculum.</p>	<p><u>Certificate Endorsements:</u></p> <p>NCEA Level 1</p> <p>King's Excellence 21.8% Merit 34.1%</p> <p>National Excellence 21.0% Merit 35.5%</p> <p>NCEA Level 2</p> <p>King's Excellence 25.7% Merit 18.4%</p> <p>National Excellence 23.6% Merit 26.2%</p> <p>NCEA Level 3</p> <p>King's Excellence 13.9% Merit 27.0%</p> <p>National Excellence 15.1% Merit 28.3%</p>	<p>The long-term goal of exceeding the national average by 10% was not achieved in 2018. At Level 1 the combined percentage of students gaining endorsements was in line with the national averages (King's 55.9%, National 56.5%). At Level 2 we were below the national average (44.1% as opposed to 49.8%) and at Level 3 40.9% against a national average 43.4%. To put these figures in context we still gained a larger number of Certificate endorsements than we have ever achieved as a school. The calculation for Certificate endorsements is as a percentage of the number of students who achieve the relevant NCEA Level. At Level 1 our pass rate was 25.7% above the national average; at Level 2 it was 17.6% above the national average and at Level 3 it was 15.5% above. This means that the Certificate endorsement rates are excellent and if they were to be calculated against the national average pass rate, they would exceed by a significant margin the national averages for certificate endorsements. This is one of the vagaries of the data collection and calculation. It may be unrealistic for us to reach this goal unless our pass rate declines to the extent that it causes our endorsements to surpass national averages. That is neither advisable nor preferable. The Excellence course endorsements exceeding national averages by 2% is still an attainable and reasonable goal. At Level 1 the national average was superceded by almost 1%, at Level 2 just over 2% and at Level 3 under by 1.2%. These are good returns given what has been explained above. There has been a specific and extended focus by staff to ensure students are reaching their academic potential. Departments have set specific goals around endorsements and have action plans in place to lift their performance in this area. These plans range from improved literary practice, more scaffolding of tasks, changing tasks so the context is more relevant to students, changing standards offered and holding students to account through milestones and parental contact on a more regular basis. These efforts appear to be bearing fruit. The academic mentoring programme that was planned was not initiated. Changes in management team members meant this task had to be forsaken for more urgent priorities. Some of the elements that were designed to promote sustained change and improvement over time were completed. Those included investigation of leaver data, stocktake of the current King's curriculum to ensure it met the national requirements and a terms of reference for the curriculum committee being established. The curriculum committee also started working on the</p>

					<p>attributes of the 21st Century King's Man so that any changes or adjustments identified could ultimately be enacted in the curriculum delivery.</p> <p>The 5 by 5 timetable model that was designed to give staff teaching Year 13 more contact time and the ability to delve deeper into their subjects had significant unintended consequences. There were issues with the timetable construction, reducing student choice, and also with teacher availability, meaning more split classes. For those students who were unaffected the chance to have their subjects every day and the increased contact time proved very beneficial. A new structure will be considered for 2019 that will hopefully deliver the benefits of the 2018 model without the negative side effects.</p>
<p>Exceed national NCEA Level 2 participation based pass rates, for all, Maori and Pasifika students by 9% by the end of the 2020 academic year.</p> <p>Raise Maori and Pasifika achievement in STEM subjects to 50% in line with the NZQA Future State Programme.</p>	<p>Pasifika Advisory Board established.</p> <p>Enhance and review programmes and systems designed to improve Maori and Pasifika academic performance.</p>	<p>Implement and review the programmes and systems and make adjustments as required.</p>	<p>Embed and review the programmes and systems against the strategic goal.</p> <p>Make adjustments as required.</p>	<p><u>NCEA Level 2 Pass Rates:</u></p> <p>All Students</p> <p>King's 91.3% National 73.7%</p> <p>Maori Students</p> <p>King's 88.5% National 66.4%</p> <p>Pasifika Students</p> <p>King's 83.3% National 69.6%</p>	<p>The Participation based pass rates have been replaced with a new NZQA measure. This data reads exceptionally well. The Year 12 student cohort in general were 17.6% above the national average. Maori students in Year 12 were 22.1% above the national average and Pasifika students were 13.7% above the national average. Currently in all three areas, the target 9% has been exceeded. It will be a matter of maintaining and making improvements as we can with these pass rates.</p> <p>This year the Pasifika Advisory Board was established. Some initial discussions were useful and the development of a terms of reference helped give the group some direction. There is more work to be done here and hopefully more traction to be gained in 2019. Bilingual signage was finally installed around the school and a significant focus on Maori students in our PLD programme, including a full day at the local marae for all staff, proved to be very beneficial. The academic mentoring programme for Maori and Pasifika students was more rigorous this year and students benefitted from the closer attention paid to their results and increased accountability around those results. The key personnel involved were the Year 12 Assistant Principal and the respective Deans. This model will be continued. The homework clubs for both Maori and Pasifika students gained greater momentum. Staff were actively involved and the Pasifika club in particular invited external speakers to come to motivate and inspire students. The presence of food is always a positive lure to get students to attend and that proved to be the case again. Data pertaining to Maori and Pasifika students studying STEM subjects was reviewed. Discussions were held at Advisory Board level and students were surveyed and interviewed to find out why there was such a dearth of students in the STEM subjects. Findings fed back to the SMT and relevant Boards.</p>

Strategic Objective: Build Student Success: Enhance Values Education					
	Targets				
Goal	2018	2019	2020	Outcomes	Analysis
Develop and implement an industry leading well-being and values programme by 2020.	Document and develop relevant programmes and systems, providing professional development.	Implement elements of programmes and systems, continuing professional development.	Review relevant elements and implement developed programmes, systems and plans.	<ul style="list-style-type: none"> Review of Values programme Increased momentum in leadership programme. Pastoral care systems reviewed. Significant preparation for the implementation of Positive Education. 	<p>The development of the well-being programme focussed extensively on the Positive Education element and its integration into the current values programmes and frameworks. Positive Education champions were sent to valuable PLD in Christchurch. Relationships with the Geelong Grammar School Institute of Wellbeing were developed. The Institute will send a team to King's to deliver the initial phases of Positive Education at the start of 2019. The Peer support programme operated and Peer mediation was developed with significant training undertaken by students.</p> <p>The Values and Leadership programmes were reviewed as a natural consequence of looking to integrate Positive Education into the existing programmes. Changes were made to the Leadership programme and there was heightened promotion of the Leadership programme in the junior school. The review has also led to the extension of the programme into Year 11. The Pastoral Care systems were reviewed (as they are annually).</p> <p>The key areas where we did not meet the intended objectives were the documentation of the current Values and Leadership programmes and the formal development of a pastoral care strategic plan. These elements will be attended to in 2019 and incorporated in the annual plan.</p>
Strategic Objective: Continue to Develop: Leaders and Staff					
	Targets				
Goal	2018	2019	2020	Outcomes	Analysis
Recruit staff, who meet all of King's recruitment criteria, by 2020	Document and improve recruitment processes and partnerships.	Further develop Partnerships and fine tune recruitment processes.	Embed and review processes and partnerships.	<ul style="list-style-type: none"> Recruitment of high quality staff for the 2019 academic year in most areas. Some relationships built with relevant agencies/institutions. 	<p>The quality of staff that were recruited during the course of 2018 and who will be joining the staff in 2019 is again one of high calibre. Some of these appointments were the by-product of relationships that have been established with relevant institutions. In particular, the Colleges of Education continue to be crucial to successful recruitment outcomes. The relationship with the UOCOE has been strengthened in recent years with several staff working closely in an advisory capacity with the College.</p> <p>We have explored in principle and had preliminary conversations with some personnel at the University about the idea of targeting specific graduates and</p>

					<p>enticing them into teaching and teacher training. These conversations will need to continue given the dearth of graduates in some areas. No formal steps have been taken. The school has also developed relationships with several recruitment agencies and will consider using the MOE provided agencies.</p> <p>Almost all HODs are part of their subject associations and building those relationships with other staff throughout the region may yield some fruit in the medium term.</p> <p>The primary element of this goal not completed was the documentation of recruitment criteria. There was significant work completed on the recruitment procedures but establishing the key elements we are in search of for King's staff still needs attention and development.</p>
Develop and implement a formal professional development and succession plan by 2020	Develop a formal professional development plan.	Implement a formal professional development plan, making adjustments as necessary.	Review and further develop the professional development plan.	<ul style="list-style-type: none"> PLD plan for 2018 was developed and implemented. 	<p>The body of work identified to be completed in this goal could not be completed. The staff member responsible for driving this area was unwell. He subsequently resigned from the Senior Management Team. While his responsibilities were spread among other team members, the fundamental and operational elements of those jobs were completed but not the strategic parts, given the time and work constraints.</p> <p>Survey work needs to be completed to identify staff career aspirations. Staff were surveyed several times about their PLD desires and needs for 2019 as well as being given the opportunity to reflect on the provision of PLD in 2018. This feedback has assisted in the construction of the PLD plan for 2019 and will provide us a starting point for gaining greater insight into staff PLD requirements moving forward.</p> <p>The rubric that was proposed pertaining to quality teaching and leadership in a boys' educational context was not constructed. This is a task for 2019.</p> <p>The appraisal system has identified some PLD needs and the conclusion of the new cycle at the end of term 1 2019 will bring more issues to the surface as staff have professional conversations with their appraisees and reflect on 2018 academic results.</p>

Strategic Objective:
Be the School of Choice for Boys

	Targets				
Goal	2018	2019	2020	Outcomes	Analysis
Expand targeted marketing to key/core audiences by 2020.	Review current marketing practices and develop a marketing plan. Begin the implementation phase of the plan.	Implement marketing plan. Making adjustments as required from the previously adopted plan.	Implement marketing plan. Making adjustments as required from the previously adjusted plan. Evaluation of the success of the plan in relation to the strategic goal and objective.	<ul style="list-style-type: none"> • Extensive marketing plan is being developed 2018/2019. • Website has been upgraded and updated. • Facebook has been used more extensively. • A plan for each contributing school has almost been completed. • Individual students were identified with moderate success. • Formal programmes were effective, while informal ones less so. 	<p>The marketing committee was established and operated during term 1 and 2 without great effectiveness. There were too many discussions and not enough decisions. A plan was established but it was not thorough enough and did not attend to the primary issues with meaningful solutions.</p> <p>Much of the key marketing work that was completed, such as the design of new promotional materials, the website upgrade and other promotions were done under significant time pressure due to a lack of organisation from the staff member responsible and a lack of understanding by him of the timelines and importance of some of these aspects.</p> <p>Given the relative failure of the marketing plan a new committee was formed in the term 3/4 holidays. The committee met over several days and having completed a SWOT analysis has identified seven key pillars. Each pillar has key tasks associated with it, key personnel attached to it and timeframes around when tasks must be completed. The plan is close to being completed and while it served no purpose in the 2018/2019 recruitment process, it should be effective when employed to recruit students for the 2020 academic year.</p> <p>The formal programmes (such as Open Night and Open Mornings) were effective. Our feedback on these events was positive. Some improvements have been identified as a consequence of our review.</p>

Strategic Objective: Provide Fit-for-Purpose infrastructure					
	Targets				
Goal	2018	2019	2020	Outcomes	Analysis
Identify three new significant and diverse capital projects, at least two of which are outside 5YA funding, by 2020.	Consult to identify and prioritise the three significant capital projects the Board will commit to. Establish project plans for each project.	Secure funding for those projects that are outside the 5YA. Begin work on the project inside the 5YA.	Complete 5YA funded projects. Secure any outstanding funding. Commence construction of at least one of the non-5YA projects.	<ul style="list-style-type: none"> • Consultation completed. • 10YPP and 5YA constructed. • 5YA projects prioritised. • Key projects identified. • Project plans commissioned for each of the projects. 	<p>This goal was completed as per the specified actions. The consultation did not take the form of a survey across the entire community however staff and the community, through the Board of Trustees, were approached for ideas.</p> <p>The 10YPP and 5YA were constructed in conjunction with School Support. The major plans identified were the reconfiguration of the Craig Block, the refurbishment of the Music Block to meet MLE standards and significant drainage work at the northern end of the campus. Disappointingly the project of greatest priority, the construction of a new Performing and Visual Arts block which would reduce costs in the long run and see the elimination of very old building stock, was rejected by the Ministry of Education.</p> <p>The key projects identified to be sourced from funds external to 5YA were identified as the Hockey turf, the school Hostel and the replacement of the tennis courts with a 4G surface and potentially a roof. These projects were identified and prioritised. Plans have been constructed for the first two priorities, the Hockey turf and the Hostel. Funding streams are to be determined and are being worked on.</p>
Obtain access to three new off-site facilities that enhance our student experience and/or address a deficiency by 2020.	Identify, through staff and student consultation, three areas of need where off-site facilities would be beneficial. Make initial contact with potential providers.	Formalise agreements with providers and begin utilising off-site facilities.	Revise use of facilities to improve student outcomes. Evaluate the use of off-site facilities and determine what next steps are to be taken.	<ul style="list-style-type: none"> • Nil 	<p>We did not manage even the first part of this goal. Time constraints, changes in the Senior Management Team and other commitments and priorities meant that we did not attend to this goal and it was not considered as a priority worth the energy and time it would have taken for the impact it would have made.</p> <p>Certainly this could be a goal for the 2019 academic year.</p>

Strategic Objective: Diversify Revenue Streams					
	Targets				
Goal	2018	2019	2020	Outcomes	Analysis
Increase the number of international students who integrate with and complement the school culture to 35 FTE annually by 2020.	<p>Review current and establish a new marketing plan.</p> <p>Build on new and existing relationships.</p> <p>Create and update digital promotional materials.</p>	<p>Implement and review the marketing plan.</p> <p>Generate new agent relationships.</p> <p>Continue to improve digital promotional materials.</p>	<p>Embed and review the plan against the strategic goal. Make adjustments as required.</p> <p>Consolidate new agent relationships.</p> <p>Continue to improve digital promotional materials.</p>	<ul style="list-style-type: none"> • Extensive review and forward planning for marketing undertaken. • Promotional materials produced for different markets. • PLD opportunities completed. • Overseas marketing trips completed to Europe and Asia. 	<p>The Director of International students and the Rector, with assistance from an external consultant, reviewed the current marketing plan and constructed a marketing plan for 2019. The specific focus of this plan was determining which markets to target, what time of the year was the most suitable and the manner in which marketing would be most successful (agents visits, individual school connections, international student fairs etc.).</p> <p>A range of resources was produced to better market the school. These were more visually compelling and engaging including media presentations and print material. Ensuring that these were market specific was critical.</p> <p>The Director of International Students attended several conferences. The SIEBA Hui was of particular value.</p> <p>The Director and Rector travelled to Europe in April attending multiple fairs, meeting numerous agents and visiting schools that we have established relationships with. This trip proved to be very fruitful with students promised in 2019 and 2020. The Director travelled to Southeast Asia and China later in the year for an extended trip. He was accessing new markets and meeting with established and new agents. The feedback was positive and several students were signed up. Asia tends to take some time to establish relationships before bearing fruit in terms of students. The groundwork has been laid and the relationships will be further enhanced in 2019.</p>
Utilise the King's Old Boys' network to identify and obtain commitments (pledges), either new or pre-qualified, of \$5M total by 2019.	Develop and implement the fundraising plan.	Continued Implementation and review of the fundraising plan (based on the strategic goal).	Implementation of the fundraising plan and general review of success and possible future directions.	<ul style="list-style-type: none"> • A fundraiser was employed. • The alumni database has been developed substantially. • Some marketing materials have been produced. • The Charitable Trust was relaunched at the King's CT fundraising dinner. • Old Boys' chapters in NZ were individually contacted. • The Trust developed a media platform. 	<p>The Board of Trustees employed a fundraiser to enlarge the King's Charitable Trust database of Old Boys and make initial approaches to Old Boys to encourage them to give of their skills or finances to the Trust and future of King's. Much of the time this year has been spent developing the database as opposed to approaching Old Boys. The balance needs to shift in 2019.</p> <p>The Charitable Trust dinner was a great night and while the numbers attending were lower than hoped for the general feeling and positivity will hopefully lead to more successful ventures in subsequent years.</p> <p>Additions have been made to the school website to accommodate the Charitable Trust and provide more of an interactive platform for Old Boys to connect with the Trust and the school.</p>

King's High School Kiwisport Funding:

Kiwisport is a Government funding initiative to support students' participation in organised sport. During 2018, the school received total Kiwisport funding of \$24,528 (excluding GST). The funding was spent on providing sports equipment and coaches for various sports.



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF KING'S HIGH SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

The Auditor-General is the auditor of King's High School (the School). The Auditor-General has appointed me, Mike Hawken, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 3 to 21, that comprise the statement of financial position as at 31 December 2018, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

Our audit was completed on 30 May 2019. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board of Trustees for the financial statements

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



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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the School's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the



audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arise from the Public Audit Act 2001.

Fundraising of an independent entity

Without modifying our opinion, we draw your attention to the fact during the year ended 31 December 2018 the school made payments to an independent entity, Kings High School Charitable Trust, to cover the costs of contracted fundraising activities undertaken by that entity. King's High School Charitable Trust has not reimbursed the school for the services it has received from the fundraising activities.

King's High School Charitable Trust has close links to the school, but is independent from the school and is not a public entity. It is inappropriate for the school to use public money to pay the costs of contracted fundraising activities to raise funds for a private entity.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, and our auditor's report thereon.

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

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

Independence

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



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

A handwritten signature in blue ink, appearing to read "MHL".

Mike Hawken
Deloitte Limited
On behalf of the Auditor-General
Dunedin, New Zealand