

WINTON SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

School Directory

Ministry Number: 4052

Principal: Steven Wadsworth

School Address: 16 Eglinton Street, Winton

School Postal Address: PO Box 4, Winton

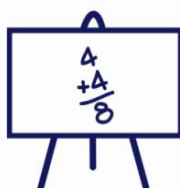
School Phone: 03 236 7238

School Email: admin@winton.school.nz

Members of the Board of Trustees

Name	Position	How	Positior Occupation	Term Expired/ Expires
Shaun Neeley	Chair Person	Elected	Operations Manager	May-22
Steven Wadsworth	Principal	ex Officio		
Cameron Davis	Parent Rep	Elected	School Principal	May-22
Simon Ellis	Parent Rep	Elected	Electrician	May-22
Jane Campbell	Parent Rep	Elected	Office Worker	May-22
Michael Deuchrass	Parent Rep	Elected	Store Owner/Operator	May-22
Darnelle Darlinson	Staff Rep	Elected		May-22

Accountant / Service Provider: Education Finance Ltd



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WINTON SCHOOL

Annual Report - For the year ended 31 December 2019

Index

Page	Statement
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Financial Statements

1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expense
3	Statement of Changes in Net Assets/Equity
4	Statement of Financial Position
5	Statement of Cash Flows
6 - 11	Statement of Accounting Policies
12 - 21	Notes to the Financial Statements

Other Information

Analysis of Variance

Kiwisport

Winton School

Statement of Responsibility

For the year ended 31 December 2019

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

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

Shamus Neelan
Full Name of Board Chairperson

[Signature]
Signature of Board Chairperson

13 July 2020
Date:

Steve Wadsworth
Full Name of Principal

[Signature]
Signature of Principal

13 July 2020
Date:

Winton School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
Revenue				
Government Grants	2	2,459,701	2,330,000	2,230,388
Locally Raised Funds	3	150,182	126,500	159,743
Interest income		305	5,000	375
		<hr/>	<hr/>	<hr/>
		2,610,188	2,461,500	2,390,506
Expenses				
Locally Raised Funds	3	93,325	72,500	97,967
Learning Resources	4	1,713,488	1,622,500	1,549,557
Administration	5	137,098	119,550	125,438
Finance		3,976	-	1,767
Property	6	627,034	599,600	619,196
Depreciation	7	50,518	44,500	43,512
Loss on Disposal of Property, Plant and Equipment		-	-	14,459
		<hr/>	<hr/>	<hr/>
		2,625,439	2,458,650	2,451,896
Net Surplus / (Deficit) for the year		(15,251)	2,850	(61,390)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		(15,251)	2,850	(61,390)

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

Winton School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	Notes	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January		280,111	280,111	341,501
Total comprehensive revenue and expense for the year		(15,251)	2,850	(61,390)
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		7,811	-	-
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9		-	-	-
Equity at 31 December	21	272,671	282,961	280,111
Retained Earnings		272,671	282,961	280,111
Reserves		-	-	-
Equity at 31 December		272,671	282,961	280,111

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

Winton School

Statement of Financial Position

As at 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	8	120,244	89,685	105,261
Accounts Receivable	9	149,821	85,000	84,349
GST Receivable		-	10,704	10,704
Prepayments		8,501	7,165	7,165
		<u>278,566</u>	<u>192,554</u>	<u>207,479</u>
Current Liabilities				
GST Payable		3,627	-	-
Accounts Payable	11	135,271	105,000	121,855
Provision for Cyclical Maintenance	12	16,757	-	-
Finance Lease Liability - Current Portion	13	27,305	9,094	10,472
Funds held in Trust	14	5,000	5,000	5,000
Funds held for Capital Works Projects	15	23,087	-	14,819
		<u>211,047</u>	<u>119,094</u>	<u>152,146</u>
Working Capital Surplus/(Deficit)		67,519	73,460	55,332
Non-current Assets				
Property, Plant and Equipment	10	336,029	314,309	331,809
		<u>336,029</u>	<u>314,309</u>	<u>331,809</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	12	90,583	104,808	87,808
Finance Lease Liability	13	39,695	-	18,622
Funds held in Trust	14	600	-	600
		<u>130,878</u>	<u>104,808</u>	<u>107,030</u>
Net Assets		<u>272,671</u>	<u>282,961</u>	<u>280,111</u>
Equity	21	<u>272,671</u>	<u>282,961</u>	<u>280,111</u>

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

Winton School
Statement of Cash Flows
For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		495,331	470,000	458,459
Locally Raised Funds		132,464	126,500	159,743
Goods and Services Tax (net)		6,485	-	(10,704)
Payments to Employees		(264,392)	(223,000)	(251,846)
Payments to Suppliers		(350,482)	(332,257)	(393,140)
Cyclical Maintenance Payments in the year		-	-	-
Interest Paid		(3,976)	-	(1,767)
Interest Received		305	5,000	375
Net cash from Operating Activities		15,736	46,243	(38,880)
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(3,473)	(27,000)	(9,661)
Net cash from Investing Activities		(3,473)	(27,000)	(9,661)
Cash flows from Financing Activities				
Furniture and Equipment Grant		7,811	-	-
Finance Lease Payments		(13,359)	(20,000)	(22,929)
Funds Held for Capital Works Projects		8,268	(14,819)	(182,910)
Net cash from Financing Activities		2,720	(34,819)	(205,839)
Net increase/(decrease) in cash and cash equivalents		14,983	(15,576)	(254,380)
Cash and cash equivalents at the beginning of the year	8	105,261	105,261	359,641
Cash and cash equivalents at the end of the year	8	120,244	89,685	105,261

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

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

Winton School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

Winton 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.

b) Basis of Preparation

Reporting Period

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

Basis of Preparation

The 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".

Standard early adopted

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 25.

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 10.

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 carryforward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

c) Revenue Recognition

Government Grants

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

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

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

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.

d) 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.

e) 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.

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

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

Prior Year Policy

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.

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.

Prior Year Policy

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.

j) Property, Plant and Equipment

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

Improvements 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.

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 Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	20-50 years
Furniture and equipment	5–10 years
Information and communication technology	5 years
Motor vehicles	5 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value

k) 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.

l) 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.

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, annual leave earned to but not yet taken at balance date.

Long-term employee entitlements

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

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

n) 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).

o) 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.

p) Borrowings

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

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

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

q) 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.

r) Budget Figures

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

s) 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.

2. Government Grants

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational Grants	440,726	425,000	418,605
Teachers' Salaries Grants	1,451,660	1,400,000	1,291,036
Use of Land and Buildings Grants	476,122	460,000	476,494
Other MoE Grants	78,270	45,000	38,474
Other Government Grants	12,923	-	5,779
	2,459,701	2,330,000	2,230,388

3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
Donations	28,514	27,000	19,546
Activities	88,145	64,500	85,528
Trading	5,991	2,000	15,064
Other Revenue	27,532	33,000	39,606
	150,182	126,500	159,743
Expenses			
Activities	85,518	66,500	79,775
Trading	6,152	2,000	16,791
Other Locally Raised Funds Expenditure	1,655	4,000	1,400
	93,325	72,500	97,967
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	56,857	54,000	61,776

4. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	36,813	49,500	50,349
Employee Benefits - Salaries	1,665,031	1,565,000	1,491,437
Staff Development	11,644	8,000	7,771
	1,713,488	1,622,500	1,549,557

5. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	3,250	3,300	3,940
Board of Trustees Fees	4,213	4,000	4,062
Board of Trustees Expenses	5,329	4,500	3,555
Communication	3,623	4,900	3,655
Consumables	5,393	6,750	4,371
Operating Lease	24,361	10,700	19,747
Other	29,228	25,700	22,641
Employee Benefits - Salaries	52,990	50,000	54,525
Insurance	3,011	4,000	3,242
Service Providers, Contractors and Consultancy	5,700	5,700	5,700
	137,098	119,550	125,438

6. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	6,701	8,500	6,616
Consultancy and Contract Services	31,690	31,000	30,202
Cyclical Maintenance Provision	19,532	17,000	18,665
Grounds	15,417	13,500	9,935
Heat, Light and Water	31,355	33,800	32,252
Rates	12,023	8,000	10,820
Repairs and Maintenance	22,926	18,300	23,507
Use of Land and Buildings	476,122	460,000	476,494
Security	1,003	1,500	1,190
Employee Benefits - Salaries	10,265	8,000	9,515
	627,034	599,600	619,196

The use of land and buildings figure represents 8% 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.

7. Depreciation

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Buildings - School	1,580	-	1,580
Building Improvements - Crown	10,675	12,000	10,545
Furniture and Equipment	9,273	14,000	9,923
Information and Communication Technology	3,717	7,000	7,246
Leased Assets	24,055	10,000	12,825
Library Resources	1,218	1,500	1,393
	50,518	44,500	43,512

8. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Bank Current Account	120,244	89,685	105,261
Cash and cash equivalents for Cash Flow Statement	<u>120,244</u>	<u>89,685</u>	<u>105,261</u>

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

9. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	17,718	-	-
Receivables from the Ministry of Education	26,550	-	-
Teacher Salaries Grant Receivable	105,553	85,000	84,349
	<u>149,821</u>	<u>85,000</u>	<u>84,349</u>
Receivables from Exchange Transactions	17,718	-	-
Receivables from Non-Exchange Transactions	132,103	85,000	84,349
	<u>149,821</u>	<u>85,000</u>	<u>84,349</u>

10. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Land	33,000	-	-	-	-	33,000
House	56,616	-	-	-	(1,580)	55,036
Building Improvements	151,020	3,473	-	-	(10,675)	143,818
Furniture and Equipment	38,205	-	-	-	(9,273)	28,932
Information and Communication	11,626	-	-	-	(3,717)	7,909
Leased Assets	31,596	51,265	-	-	(24,055)	58,806
Library Resources	9,746	-	-	-	(1,218)	8,528
Balance at 31 December 2019	<u>331,809</u>	<u>54,738</u>	<u>-</u>	<u>-</u>	<u>(50,518)</u>	<u>336,029</u>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2019			
Land	33,000	-	33,000
House	79,000	(23,964)	55,036
Building Improvements	222,464	(78,646)	143,818
Furniture and Equipment	221,158	(192,226)	28,932
Information and Communication	69,232	(61,323)	7,909
Leased Assets	99,745	(40,939)	58,806
Library Resources	49,599	(41,071)	8,528

Balance at 31 December 2019

774,198	(438,169)	336,029
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	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2018						
Land	33,000	-	-	-	-	33,000
House	58,196	-	-	-	(1,580)	56,616
Building Improvements	161,565	-	-	-	(10,545)	151,020
Furniture and Equipment	59,548	3,039	(14,459)	-	(9,923)	38,205
Information and Communication Technology	12,220	6,652	-	-	(7,246)	11,626
Leased Assets	8,131	36,290	-	-	(12,825)	31,596
Library Resources	11,139	-	-	-	(1,393)	9,746
Balance at 31 December 2018	343,799	45,981	(14,459)	-	(43,512)	331,809

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2018			
Land	33,000	-	33,000
House	79,000	(22,384)	56,616
Building Improvements	218,991	(67,971)	151,020
Furniture and Equipment	221,158	(182,953)	38,205
Information and Communication Technology	69,232	(57,606)	11,626
Leased Assets	48,480	(16,884)	31,596
Library Resources	49,599	(39,853)	9,746
Balance at 31 December 2018	719,460	(387,651)	331,809

11. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	11,927	-	21,911
Accruals	3,000	20,000	3,000
Banking Staffing Overuse	11,154	-	10,038
Employee Entitlements - Salaries	105,553	85,000	84,349
Employee Entitlements - Leave Accrual	3,637	-	2,557
	135,271	105,000	121,855
Payables for Exchange Transactions	135,271	105,000	121,855
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	135,271	105,000	121,855

The carrying value of payables approximates their fair value.

12. Provision for Cyclical Maintenance

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	87,808	87,808	69,143
Increase/ (decrease) to the Provision During the Year	19,532	17,000	18,665
Use of the Provision During the Year	-	-	-
Provision at the End of the Year	<u>107,340</u>	<u>104,808</u>	<u>87,808</u>
Cyclical Maintenance - Current	16,757	-	-
Cyclical Maintenance - Term	90,583	104,808	87,808
	<u>107,340</u>	<u>104,808</u>	<u>87,808</u>

13. Finance Lease Liability

The School has entered into a number of finance lease agreements for computers and other ICT equipment. Minimum lease

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
No Later than One Year	27,305	-	10,472
Later than One Year and no Later than Five Years	39,695	-	18,622
Later than Five Years	-	-	-
	<u>67,000</u>	<u>-</u>	<u>29,094</u>

14. Funds held in Trust

	2019	2019	2018
	Actual	Budget	Actual
	\$	\$	\$
Funds Held in Trust on Behalf of Third Parties - Current	5,000	5,000	5,000
Funds Held in Trust on Behalf of Third Parties - Non-current	600	-	600
	<u>5,600</u>	<u>5,000</u>	<u>5,600</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.

15. Funds Held for Capital Works Projects

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

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
Tech Block Upgrade	<i>completed</i>	14,819	-	(14,819)	-	-
Alarm Upgrade	<i>in progress</i>	-	23,087	-	-	23,087
Totals		14,819	23,087	(14,819)	-	23,087

Represented by:

Funds Held on Behalf of the Ministry of Education

23,087

Funds Due from the Ministry of Education

-

23,087

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$		Closing Balances \$
Tech Block Upgrade	<i>in progress</i>	197,729		(182,910)	-	14,819
Totals		197,729	-	(182,910)	-	-

16. 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.

17. Remuneration

Key management personnel compensation

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	4,213	4,062
Full-time equivalent members	0.25	0.46
<i>Leadership Team</i>		
Remuneration	241,110	231,495
Full-time equivalent members	2	2
Total key management personnel remuneration	<u>245,323</u>	<u>235,557</u>
Total full-time equivalent personnel	<u>2.25</u>	<u>2.46</u>

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

Principal

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

	2019 Actual \$000	2018 Actual \$000
<i>Salaries and Other Short-term Employee Benefits:</i>		
Salary and Other Payments	140-150	130-140
Benefits and Other Emoluments	3-4	3-4
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
100-110	0.00	0.00
	<u>0.00</u>	<u>0.00</u>

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

18. 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:

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

19. Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2019 (Contingent liabilities and assets at 31 December 2018: 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. The Ministry has recognised an estimated provision based on the analysis of sample data, which may not be wholly representative of the total dataset for Teacher and Support Staff Entitlements. A more accurate estimate will be possible after further analysis of non-compliance has been completed, and this work is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis has been completed

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

20. Commitments

(a) Capital Commitments

As at 31 December 2019 there are no capital commitments

(Capital commitments at 31 December 2018: \$219,261)

(b) Operating Commitments

As at 31 December 2019 the Board has entered into the following contracts:

(a) Nil

	2019 Actual \$	2018 Actual \$
No later than One Year	-	-
Later than One Year and No Later than Five Years	-	-
Later than Five Years	-	-
	-	-

21. 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.

22. Financial Instruments

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

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	120,244	89,685	105,261
Receivables	149,821	85,000	84,349
Investments - Term Deposits	-	-	-
Total Financial assets measured at amortised cost	<u>270,065</u>	<u>174,685</u>	<u>189,610</u>

Financial liabilities measured at amortised cost

Payables	135,271	105,000	121,855
Finance Leases	67,000	9,094	29,094
Total Financial Liabilities Measured at Amortised Cost	<u>202,271</u>	<u>114,094</u>	<u>150,949</u>

23. Events After Balance Date

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

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

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

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

24. Comparatives

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

25. Adoption of PBE IFRS 9 Financial Instruments

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

- Note 9 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.

- Note 10 Investments:

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

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

26. Breach of Law–Failure to meet Statutory Reporting Deadline

The Board of Trustees did not comply with section 87C of the Education Act 1989 in that the Board did not report by 31 May 2020, the date fixed by the Ministry of Education, by which schools were required to have sent their financial statements to the Ministry of Education.

Covid 19 had a material impact on the ability of school service providers, school administrators, and the school's auditors to complete school audits by the legislative deadline

2019 ANALYSIS OF VARIANCE

CURRICULUM AREA : LITERACY

Strategic Aim 3: To identify priority students and put in place learning support.

Student Achievement Target:

For identified Year 2 priority learners to make accelerated progress in Reading and Writing.

For all Maori students who are not meeting curriculum expectations to make accelerated progress in Literacy and Numeracy.

Baseline Student Achievement Data: Term 4, 2018

- Identified Year 1 Priority Learners not meeting curriculum expectations in Reading and Writing.

Target Group:

Reading: 9 boys, 8 girls (17/33) - 52%

Writing: 10 boys, 7 girls (17/33) - 52%

- Identified Maori students (school-wide) not meeting curriculum expectations in Reading, Writing and Maths.

Maori Student Achievement Data:

Reading: 7 boys, 6 girls (13/45) - 29%

Writing: 8 boys, 5 girls (13/45) - 29%

Maths: 7 boys, 7 girls (14/45) - 31%

Analysis

At the end of 2019:

Target Group and Maori Student Achievement Data:

- Identified Year 2 Priority Learners not meeting curriculum expectations in Reading and Writing.

At the end of 2019:

Target Group:

1 student who was in the End of Year 2018 data has left the school.

Reading: 7 boys, 2 girls (9/32) -28% - a 24% (8 children) positive shift.

Writing: 8 boys, 4 girls (12/32) -38% - a 14% (5 children) positive shift.

- Identified Maori students (school-wide) not meeting curriculum expectations in Reading, Writing and Maths.

At the end of 2019:

Maori Student Achievement Data:

Reading (school-wide): 8 boys, 6 girls (14/71) - 20% - a 9% positive shift

Reading (Same group - clean data): 3 boys, 3 girls (6/45) - 13% - a 16% (7 children) positive shift.

Writing (school-wide): 15 boys, 9 girls (24/71) - 34% - a 5% negative shift

Writing (Same group - clean data): 10 boys, 4 girls (14/45) - 31% - a 2% (1 child) negative shift.

Maths (school-wide): 11 boys, 9 girls (20/71) - 28% - a 3% positive shift

Maths (Same group - clean data): 6 boys, 6 girls (12/45) - 27% - a 4% (2 children) positive shift

Reason for Variance / Where to Next

After discussion with Management and staff, we have identified a number of areas that have contributed to these results.

Contributing factors to acceleration:

- the Year 2 Literacy Intervention Programme focussed on delivering a ‘hands on’ centred approach largely based around scientific observations. A team approach from class teacher, specialist teacher and teacher aide, resulted in all children making progress. Step by step guidelines for Intervention Programmes were introduced at the beginning of the year. This proved successful and is now the model we follow.
- through following attendance guidelines and positive communication with families, some children’s attendance, including ‘lateness’ improved for short periods allowing us to make quick gains.
- in the Senior School a number of students had access to teacher aide support where a differentiated Literacy Programme was delivered. The purpose is to increase boys achievement through high interest texts at their level, eg Toxic Reading, which is an adapted high interest, low level programme.
- improved teacher expertise through PD and the regular sharing of best practice at Team and Staff Meetings.
- an improved shared understanding of school-wide curriculum delivery in Mathematics. This was a school-wide Staff Development focus in 2019.
- a stable group of teacher aides, working in the same area of the school, has resulted in the development and strengthening of their practice and expertise. In the Junior school, support was more directed at the developmental stages of students, eg. motor skills and language. In the Senior school it is more the teacher Aide working alongside the teacher with follow up activities and repetitive learning.

Barriers to Learning:

- transient students. Often these students have been to a number of schools over a short period. This can lead to less time to build relationships with peers and teachers. Also the communication between schools with regard to achievement information can vary. Unfortunately these children usually arrive while an intervention is in place. While we add children to a group, to see best results they need to attend for the full duration.
- A large number of students who are underachieving were or are having the equivalent of one day per week absent for the year.
- Medical and family situations / changes in family circumstances. Some students have identified long term health concerns that medically affect their level of progress. These issues are addressed through our Pastoral Care Team.

- We continue to identify varying learning needs and are always trying new examples of best practice and putting in place conditions that best promote student progress.

Where to Next:

- Continue the sharing of best practice in both Literacy and Mathematics at Team and Staff Meetings.
- we are continuing with a Maths Professional Development focus in 2020, consolidating guidelines, expectations, our delivery plan, long term plans, etc
- weekly Learning Support Meetings to continue with identification and allocation of internal and external resources / agencies engaged. The introduction of the new Learning Support Coordinators to support in this area.
- continue to follow our self developed guidelines with regard to identifying, planning and delivering Intervention Programmes.
- the upskilling of Teacher Aides, eg. literacy in the Middle School through the RTLB Service
- continue to track absences and lateness and effectively and positively communicate with families.
- Ensure the basic needs of students are met, through the Pastoral Care Team, eg. emotional safety, food, clothes, etc

WINTON SCHOOL KIWISPORT 2019

Kiwi Sport is a Government funding initiative to support students' participation in organised sport.

In 2019 the school received Kiwisport funding of \$4045.03 (excl)

The funding was spent on:

- Purchase of sports equipment for schoolwide use and PALS Programme
- Purchase of singlets for school basketball & miniball teams
- Buses to transport students to Cross Country & Central Southland Schools Sports Cup event
- Swimming instruction for all students (in association with REAP Inc)

The number of students participating in organised sport remains at 100%

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF WINTON SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The Auditor-General is the auditor of Winton School (the School). The Auditor-General has appointed me, Michael Lee, using the staff and resources of Crowe, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 21, that comprise the Statement of Financial Position as at 31 December 2019, the Statement of Comprehensive Revenue and Expense, Statement of Changes in Net Assets/Equity and Cash Flow Statement 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 2019; 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 13 July 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw your attention to the possible effects of COVID-19. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements and the statement of service performance, we comment on other information, and we explain our independence.

Emphasis of Matter – COVID-19

Without modifying our opinion, we draw attention to the disclosures in note 23 on page 20 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic

Basis of 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 arises from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the Analysis of Variance and Kiwisport 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.



Michael Lee
Crowe New Zealand Audit Partnership
On behalf of the Auditor-General
Invercargill, New Zealand