DEVON INTERMEDIATE

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

School Directory

Ministry Number:	2161
Principal:	Jenny Gellen
School Address:	406 Devon Street West, NEW PLYMOUTH
School Postal Address:	PO Box 927, NEW PLYMOUTH, 4340
School Phone:	06 758 5266
School Email:	caskew@devonint.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Term Expires/ Expired
Nicola Murdock	Chairperson	Elected	Jun 2019
Jenny Gellen	Principal	ex Officio	
Andrew Pepper	Parent Rep	Elected	Jun 2019
Shane Cassidy	Parent Rep	Co-opted	Jun 2019
Timothy Biesiek	Parent Rep	Elected	Jun 2019
Colleen Fawkner	Parent Rep	Elected	Jun 2019
Dian Brookes	Staff Rep	Appointed	Jun 2019
Richard Butler	Staff Rep	Co-opted	Jun 2019

Accountant / Service Provider:	Education Services Ltd

DEVON INTERMEDIATE

Annual Report - For the year ended 31 December 2018

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Devon Intermediate

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.

Nicola Date Murdock
Full Name of Board Chairperson

Signature of Board Chairperson

24 May 2019
Date:

Jennifer Kay Gellen
Full Name of Principal

Signature of Principal

24 May 2019
Date:

Devon Intermediate

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	2,905,002	2,128,790	2,649,481
Locally Raised Funds	3	157,977	148,100	194,049
Interest Earned		15,832	11,000	14,900
Gain on Sale of Property, Plant and Equipment		-	-	1,304
		3,078,811	2,287,890	2,859,734
Expenses				
Locally Raised Funds	3	75,406	35,170	63,467
Learning Resources	4	1,693,716	1,514,999	1,594,912
Administration	5	135,287	160,480	135,732
Finance Costs		3,409	11,500	7,959
Property	6	988,061	571,106	815,431
Depreciation	7	126,503	72,500	126,938
Loss on Disposal of Property, Plant and Equipment		1,394	-	-
		3,023,776	2,365,755	2,744,439
Net Surplus / (Deficit)		55,035	(77,865)	115,295
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		55,035	(77,865)	115,295

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

Devon Intermediate

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	562,968	372,194	447 673
Total comprehensive revenue and expense for the year	55,035	(77,865)	115 295
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	7,211	-	-
Equity at 31 December	625,214	294,329	562 968
Retained Earnings	625,214	294,329	562,968
Equity at 31 December	625,214	294,329	562,968

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

Devon Intermediate
Statement of Financial Position
As at 31 December 2018

	Notes	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Current Assets				
Cash and Cash Equivalents	8	51,680	469	62,526
Accounts Receivable	9	104,450	60,838	101,227
GST Receivable		14,639	10,274	-
Prepayments		3,286	-	2,187
Inventories	10	1,835	-	2,270
Investments	11	420,000	55,290	497,000
		595,890	126,671	665,210
Current Liabilities				
GST Payable		-	-	2,835
Accounts Payable	13	140,818	92,441	127,881
Revenue Received in Advance	14	25,049	-	3,020
Provision for Cyclical Maintenance	15	157,938	32,674	155,769
Finance Lease Liability - Current Portion	16	13,996	17,051	61,758
Funds held for Capital Works Projects	17	-	-	150,185
		337,801	142,166	501,448
Working Capital Surplus/(Deficit)		258,089	(15,495)	163,762
Non-current Assets				
Property, Plant and Equipment	12	398,308	385,660	443,220
		398,308	385,660	443,220
Non-current Liabilities				
Provision for Cyclical Maintenance	15	28,350	75,836	22,550
Finance Lease Liability	16	2,833	-	21,464
		31,183	75,836	44,014
Net Assets		625,214	294,329	562,968
Equity		625,214	294,329	562,968

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

Devon Intermediate
Statement of Cash Flows
For the year ended 31 December 2018

	Note	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Cash flows from Operating Activities				
Government Grants		661,621	644,235	644,562
Locally Raised Funds		164,469	145,100	175,814
Goods and Services Tax (net)		(17,474)	-	13,109
Payments to Employees		(309,759)	(373,500)	(279,936)
Payments to Suppliers		(309,234)	(228,545)	(283,322)
Cyclical Maintenance Payments in the year		-	(139,500)	-
Interest Paid		(3,409)	(11,500)	(7,959)
Interest Received		17,680	11,000	10,581
Net cash from / (to) the Operating Activities		203,894	47,290	272,849
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	-	1,304
Purchase of PPE (and Intangibles)		(79,006)	(56,000)	(111,616)
Purchase of Investments		(138,000)	-	(232,000)
Proceeds from Sale of Investments		215,000	-	-
Net cash from / (to) the Investing Activities		(2,006)	(56,000)	(342,312)
Cash flows from Financing Activities				
Furniture and Equipment Grant		7,211	-	-
Finance Lease Payments		(69,760)	(48,500)	(75,875)
Funds Held for Capital Works Projects		(150,185)	-	150,185
Net cash from Financing Activities		(212,734)	(48,500)	74,310
Net increase/(decrease) in cash and cash equivalents		(10,846)	(57,210)	4,847
Cash and cash equivalents at the beginning of the year	8	62,526	57,679	57,679
Cash and cash equivalents at the end of the year	8	51,680	469	62,526

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.

Devon Intermediate
Notes to the Financial Statements
For the year ended 31 December 2018

1. Statement of Accounting Policies

a) Reporting Entity
Devon Intermediate (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 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 12.

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 16.

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
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) 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.

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

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards. Share investments are recognised initially by the 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.

k) 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 $1000 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	20 Years
Furniture and Equipment	5 - 10 Years
Information and Communication	5 Years
Library Resources	8 Years

Leased assets are depreciated over the life of the lease.

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

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

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

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

m) 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.

n) 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.

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

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

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

- the present value of the estimated future cash flows.

p) Revenue Received In Advance
Revenue received in advance relates to fees received from 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.

q) 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.

r) Shared Funds
Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. The cluster of schools operate activities outside of school control. These amounts 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.

s) 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).

t) 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.

u) Borrowings
Borrowings are recognised at the amount borrowed. 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 the balance date.

v) 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.

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

x) 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

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Operational grants	567,511	546,935	548,596
Teachers' salaries grants	1,453,880	1,193,349	1,402,519
Use of Land and Buildings grants	760,294	292,106	594,102
Resource teachers learning and behaviour grants	14,412	14,000	17,895
Other MoE Grants	88,905	82,400	84,721
Other government grants	-	-	1,648
	2,905,002	2,128,790	2,649,481

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	11,341	10,000	28,256
Bequests & Grants	55,540	90,500	61,395
Activities	85,680	42,700	93,066
Trading	287	200	230
Fundraising	5,129	4,700	11,102
	157,977	148,100	194,049
Expenses			
Activities	74,860	35,170	57,759
Trading	435	-	(2,270)
Fundraising costs	111	-	6,288
Other Expenses	-	-	1,690
	75,406	35,170	63,467
Surplus for the year Locally raised funds	82,571	112,930	130,582

4. Learning Resources

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Curricular	36,980	76,550	51,060
Employee benefits - salaries	1,646,274	1,425,449	1,540,805
Staff development	10,462	13,000	3,047
	1,693,716	1,514,999	1,594,912

5. Administration

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Audit Fee	5,830	8,000	5,830
Board of Trustees Fees	4,205	5,000	3,160
Board of Trustees Expenses	1,198	3,500	3,182
Communication	4 308	6,200	4,821
Consumables	6,167	7,500	5,770
Operating Lease	18 182	27,600	20,885
Other	15 593	22,980	20,057
Employee Benefits - Salaries	65,245	62,500	60,531
Insurance	4,959	2,000	3,686
Service Providers, Contractors and Consultancy	9,600	15,200	7,810
	135,287	160,480	135,732

6. Property

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Caretaking and Cleaning Consumables	63,444	67,000	62,726
Cyclical Maintenance Expense	7,969	60,000	14,309
Grounds	12,220	12,000	7,953
Heat, Light and Water	30,952	31,000	31,111
Rates	3,603	7,000	4,589
Repairs and Maintenance	9,234	17,500	13,268
Use of Land and Buildings	780,294	292,106	594,102
Security	8,960	6,500	6,688
Employee Benefits - Salaries	71,385	78,000	80,685
	988,061	571,106	815,431

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

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Building Improvements	17,722	10,692	18,721
Furniture and Equipment	33,084	18,989	33,247
Information and Communication Technology	12,538	12,456	21,809
Motor Vehicles	10,562	628	1,100
Leased Assets	48,970	27,702	48,502
Library Resources	3,627	2,033	3,559
	126,503	72,500	126,938

8. Cash and Cash Equivalents

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Cash on Hand	207	-	-
TSB 0276221-60	50,772	469	60,198
TSB 0276621-01 BOT	701	-	2,328
Cash equivalents for Cash Flow Statement	51,680	469	62,526

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

9. Accounts Receivable

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Receivables	5	60,638	47,026
Provision for Uncollectibility	-	-	(44,191)
Interest Receivable	2,471	-	4,319
Teacher Salaries Grant Receivable	101,974	-	94,073
	104,450	60,638	101,227
Receivables from Exchange Transactions	2,476	60,638	7,154
Receivables from Non-Exchange Transactions	101,974	-	94,073
	104,450	60,638	101,227

10. Inventories

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Uniform	1,835	-	2,270
	1,835	-	2,270

11. Investments

The School's investment activities are classified as follows:

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Current Asset			
Short-term Bank Deposits	420,000	55,290	497,000

12. Property, Plant and Equipment

2018	Opening Balance (NBV) $	Additions $	Disposals $	Impairment $	Depreciation $	Total (NBV) $
Building Improvements	189,281	25,936	(651)	-	(17,722)	**196,844**
Furniture and Equipment	97,121	1,465	-	-	(33,084)	**65,502**
Information and Communication Tech	31,576	47,448	(646)	-	(12,538)	**65,840**
Motor Vehicles	51,711	-	-	-	(10,562)	**41,149**
Leased Assets	48,599	3,979	(97)	-	(48,970)	**3,511**
Library Resources	24,932	4,157	-	-	(3,627)	**25,462**
Balance at 31 December 2018	443,220	82,985	(1,394)	-	(126,503)	**398,308**

2018	Cost or Valuation $	Accumulated Depreciation $	Net Book Value $
Building Improvements	433,077	(236,233)	**196,844**
Furniture and Equipment	415,543	(350,041)	**65,502**
Information and Communication	110,170	(44,330)	**65,840**
Motor Vehicles	52,810	(11,661)	**41,149**
Leased Assets	3,979	(468)	**3,511**
Library Resources	44,839	(19,377)	**25,462**
Balance at 31 December 2018	1,060,418	(662,110)	**398,308**

2017	Opening Balance (NBV) $	Additions $	Disposals $	Impairment $	Depreciation $	Total (NBV) $
Building Improvements	208,002	-	-	-	(18,721)	**189,281**
Furniture and Equipment	99,104	31,264	-	-	(33,247)	**97,121**
Information and Communication Tech	25,518	27,867	-	-	(21,809)	**31,576**
Motor Vehicles	-	52,810	-	-	(1,100)	**51,710**
Leased Assets	97,101	-	-	-	(48,502)	**48,599**
Library Resources	27,435	1,057	-	-	(3,559)	**24,933**
Balance at 31 December 2017	457,160	112,998	-	-	(126,938)	**443,220**

2017	Cost or Valuation $	Accumulated Depreciation $	Net Book Value $
Building Improvements	411,028	(221,747)	**189,281**
Furniture and Equipment	436,528	(339,407)	**97,121**
Information and Communication	190,154	(158,578)	**31,576**
Motor Vehicles	52,811	(1,101)	**51,710**
Leased Assets	145,652	(97,053)	**48,599**
Library Resources	40,682	(15,749)	**24,933**
Balance at 31 December 2017	1,276,855	(833,635)	**443,220**

13. Accounts Payable

	2018 Actual	2018 Budget (Unaudited)	2017 Actual
	$	$	$
Operating creditors	21,740	92,441	16,443
Accruals	4,997	-	5,830
Employee Entitlements - salaries	101,974	-	94,073
Employee Entitlements - leave accrual	12,107	-	11,535
	140,818	92,441	127,881
Payables for Exchange Transactions	140,818	92,441	127,881
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	140,818	92,441	127,881

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2018 Actual	2018 Budget (Unaudited)	2017 Actual
	$	$	$
Income in Advance	3,550	-	-
Family A/cs in Credit	5,967	-	3,020
MOE - Income in Advance	15,532	-	-
	25,049	-	3,020

15. Provision for Cyclical Maintenance

	2018 Actual	2018 Budget (Unaudited)	2017 Actual
	$	$	$
Provision at the Start of the Year	178,319	48,510	164,010
Increase to the Provision During the Year	7,969	60,000	14,309
Provision at the End of the Year	186,288	108,510	178,319
Cyclical Maintenance - Current	157,938	32,674	155,769
Cyclical Maintenance - Term	28,350	75,836	22,550
	186,288	108,510	178,319

16. Finance Lease Liability

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

	2018 Actual	2018 Budget (Unaudited)	2017 Actual
	$	$	$
No Later than One Year	13,996	17,051	61,758
Later than One Year and no Later than Five Years	2,833	-	21,464
	16,829	17,051	83,222

17. Funds Held (Owed) for Capital Works Projects

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 $
Caretakers Shed	*completed*	953	178	1,131	-	-
Stormwater Upgrade	*completed*	149,232	7,012	156,244	-	-
Burst Water Pipe	*completed*	-	2,897	2,897	-	-
Totals		150,185	10,087	160,272	-	-
Represented by:						
Funds Held on Behalf of the Ministry of Education						-
Funds Due from the Ministry of Education						-

	2017	Opening Balances $	Receipts from MoE $	Payments $	BOT Contribution/ (Write-off to R&M)	Closing Balances $
Caretakers Shed	*in progress*	-	22,441	21,488	-	953
Stormwater Upgrade	*in progress*	-	149,232	-	-	149,232
Totals		-	171,673	21,488	-	150,185

18. 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.

Board Member Andrew Pepper is a Director & Shareholder of Pepper Construction Ltd. Pepper Construction Ltd carried out construction and repair works during the 2018 financial year for the School to the value of $22,824.

19. Remuneration

Key management personnel compensation

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

	2018 Actual $	2017 Actual $
Board Members		
Remuneration	4,205	3,160
Full-time equivalent members	0.16	0.13
Leadership Team		
Remuneration	337,814	322,672
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	342,019	325,832
Total full-time equivalent personnel	3.16	3.13

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

Principal

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

	2018 Actual $000	2017 Actual $000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	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	2018 FTE Number	2017 FTE Number
100 - 110	-	-
	0.00	0.00

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

20. 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	-	-

21. 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.

22. Commitments

(a) Capital Commitments

There are no capital commitments as at 31 December 2018 (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 laptops;

	2018 Actual $	2017 Actual $
No later than One Year	3,589	9,075
Later than One Year and No Later than Five Years	-	3,588
Later than Five Years	-	-
	3,589	12,663

23. 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.

24. Financial Instruments

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

Loans and receivables

	2018 Actual $	2018 Budget (Unaudited) $	2017 Actual $
Cash and Cash Equivalents	51,680	469	62,526
Receivables	104,450	60,638	101,227
Investments - Term Deposits	420,000	55,290	497,000
Total Loans and Receivables	576,130	116,397	660,753

Financial liabilities measured at amortised cost

Payables	140,818	92,441	127,881
Borrowings - Loans	-	-	-
Finance Leases	16,829	17,051	83,222
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	157,647	109,492	211,103

25. Events After Balance Date

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

26. Comparatives

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

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INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF DEVON INTERMEDIATE'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

The Auditor-General is the auditor of Devon Intermediate (the School). The Auditor-General has appointed me, David Fraser, using the staff and resources of Silks Audit Chartered Accountants Ltd, 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 20, that comprise the statement of financial position as at 31 December 2018, the statement of comprehensive revenue and expenses, 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 Tier 2 PBE Accounting Standards (PBE IPSAS) Reduced Disclosure Regime

Emphasis of Matter – Breach of Borrowing

Without modifying our opinion, we draw attention to the fact that the Board of Trustees did not comply with Clause 29 - Schedule 6 of the Education Act 1989 in that no authority has been sought from the Ministers of Education and Finance for borrowing which, in aggregate, involves repayments of interest and capital in excess of one tenth of the Board's operational activities grant for the year. The extent of the unauthorised borrowing is assessed at $15,988

Our audit was completed on 24 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.

CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

Principals: Cameron Town, Talia Anderson-Town.

Whanganui Taranaki Manawatu Central Plateau Auckland

- 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 Board of Trustee schedule included under the School Directory page and the Analysis of Variance, Kiwisport statement included as appendices, 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.

David Fraser
Silks Audit Chartered Accountants Ltd
On behalf of the Auditor-General
Whanganui, New Zealand

MINISTRY OF EDUCATION
TE TĀHUHU O TE MĀTAURANGA

Analysis of Variance Reporting

School Name:	Devon Intermediate	School Number:	2161

Strategic Aim:	**Student Learning and Progress and Effective Teaching and Learning**
Annual Aim:	1.1 All students achieve academic success as measured by the NZC and standardised tests such as E AsTTle and PAT 2.1 Improved teaching and learning for all learners 2.2 Teaching will be evidence based and collaborative
Target:	• 25% of our students will make accelerated progress in writing. This will be measured using e AsTTle and accelerated progress would be shown by two or more sub-level improvement • Improve student achievement in the target area of writing based on work started in 2017 with Dr Alison Davis with regard to teaching strategies and practice. • Co planning and collaborative practices become embedded school-wide. • Appropriate evidence using e AsTTle and PAT will be collated and used to inform next step teaching and learning • Assessment information, moderation and tools will be unpacked and used effectively and consistently across the school. • Teams will work collaboratively to ensure streamlined processes and high levels of student engagement
Baseline Data:	**AsTTle Writing Year 7 Comparative** Curriculum Level 1B 1P 1A 2B 2P 2A 3B 3P 3A 4B 4P 4A 5B

New Zealand Government

Start of Year	10	13	13	18	9	22	19	3	15	4	3	2	0	0	
End of Year	2	4	0	4	12	18	11	13	18	27	11	9	2	0	
AsTTle Writing Year 8 Comparative															
Curriculum Level	1B	1P	1A	2B	2P	2A	3B	3P	3A	4B	4P	4A	5B	5P	5A 6+
Start of Year	7	10	13	11	8	18	12	8	21	15	9	6	2	2	2
End of Year	2	3	7	8	12	13	20	3	21	13	14	11	12	8	0

Actions ***What did we do?***	**Outcomes** ***What happened?***	**Reasons for the variance** ***Why did it happen?***	**Evaluation** ***Where to next?***
A continued, sustained focus on developing teacher knowledge of effective literacy practices, combined with regular opportunities for co-planning, co-teaching sessions and discussions with the facilitators, has seen teachers transfer knowledge to practice. This has resulted in teachers demonstrating increased knowledge and confidence in their ability to teach writing effectively. Facilitators and leaders have supported new teachers to develop pedagogical content knowledge, and have worked with teacher aides and the technology staff to ensure there is consistency of literacy practices across the school in order to lift outcomes for all learners, particularly our priority learners. A continued, sustained focus on developing teacher knowledge of effective literacy practices, combined with regular opportunities for co-planning, co-teaching sessions and discussions with the facilitators, has seen teachers transfer knowledge to practice. This has resulted in teachers demonstrating increased knowledge and confidence in their ability to teach writing effectively.	A group of year 7 & 8 students answered survey questions designed to collect student voice about writing. In 2017 44% students believed they were good at writing and 41% of students enjoyed writing at school. At the end of 2018 88% students now believe they are good at writing and enjoy it. All students have personal writing goals and the majority are able to articulate what they are learning, what they are doing well and what they need to do to improve their writing. There are opportunities for students to give and receive feedback and feed forward from their peers and teachers, and the majority of students within this group attributed this factor to positive changes within their classroom instruction. Comparative E AsTTle writing results graph attached 78% of our Year 7 students and 53% of our Year 8 students made accelerated progress in writing across the year.	Comparative E AsTTle writing results graph attached Moderation has proven to be vital across the school in order to ensure consistency of marking and results. The target of 25% of students making accelerated progress in writing was exceeded markedly. This was part due to the fact that it was our second year of Professional development in writing and teachers therefore had a better understanding of the processes they needed to ensure were part of their teaching practice in order to achieve this acceleration. Classroom teaching practices and understanding of assessment and using evidence to inform practice has now become the norm therefore allowing staff to feel confident in the teaching of writing.	Upskilling new staff to ensure the improvement in results and consistency of practice across the school is maintained will be vital. Moderations practices to continue to be strengthened and consistency of practice is seen across the entire school

Facilitators and leaders have supported new teachers to develop pedagogical content knowledge, and have worked with teacher aides and the technology staff to ensure there is consistency of literacy practices across the school in order to lift outcomes for all learners, particularly our priority learners.			

Planning for next year:

Future work will focus on Reading with the skills staff have acquired during the writing Professional Development being used to grow and develop their knowledge of teaching reading, especially with regards to Phonics which can be used to assist readers but also strengthen the spelling programmes. It is important that new staff are bought up to speed with our writing practices and processes to ensure consistency of practice across the whole school.

Devon Intermediate Annual Report 2018

School Number: 2016

General Notes

Devon Intermediate had a good year in 2018 with a stable staff who were focused and purposeful with regard to improving their classroom practice and actively engaged in the professional development opportunities the Senior Leadership team and Board offered. This allowed for accelerated progress in Writing and progress in reading results. In addition, several staff were involved in Professional Development with Te Wananga o Aotearoa over the course of the year.

The concentrated focus of professional development in the area of writing has had a positive effect as evidenced in the Analysis of Variance results. Improved practice by teachers is now transferring to other curriculum areas.

The student roll was above what the Ministry expected and has moved to 330. This increase is expected to continue in the future. Due to the roll increase, extra classrooms were opened and an additional technology class was implemented to cater for the numbers.

The Ministry of Education still have control of the schools 10YP and 5YA and this should revert back to the Boards control in 2020. No major property work was undertaken in 2018 although ewe have signed a contract to start painting the Technology and Administration blocks outside during the front part of 2019.

Increased resourcing and the success of funding applications has ensured the school is now well resourced and an increase in ICT spending following the development of an ICT strategic plan has meant that the introduction of a Digital technology class has been added to ensure all students at Devon Intermediate are learning the skills necessary to equip them for the future.

Kiwisport

Kiwisport funding to the value of $4183.31 was used to support a Taiaha training programme targeting at risk boys, to purchase sporting resources for staff to use and increase our gym equipment with gym equipment more suitable to girls, encouraging them to become more physically active.

Jenny Gellen
Principal