

CLIFTON TERRACE SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022



Ministry Number:	3187
Principal:	Robert Wemyss
School Address:	888 Atawhai Drive, Nelson 7010
School Postal Address:	888 Atawhai Drive, Nelson 7010
School Phone:	03 545 0532
School Email:	office@cliftontce.school.nz
Accountant / Service Provider:	Accounting For Schools Limited

CLIFTON TERRACE SCHOOL

Annual Report - For the year ended 31 December 2022

Index

Page	Statement
	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 - 12	Statement of Accounting Policies
13 - 22	Notes to the Financial Statements
	Other Information
23	Members of the Board
24	Kiwisport Funding
	Independent Auditors Report
	Analysis of Variance

CLIFTON TERRACE SCHOOL
Statement of Responsibility
For the year ended 31 December 2022

The Board 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 2022 fairly reflects the financial position and operations of the school.

The School's 2022 financial statements are authorised for issue by the Board.

JONATHAN LUCAS MARSHALL
Full Name of Presiding Member


Signature of Presiding Member

27.6.2023
Date:

Robert Wemyss
Full Name of Principal


Signature of Principal

27/6/2023
Date:

CLIFTON TERRACE SCHOOL

Statement of Comprehensive Revenue and Expense For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Revenue				
Government Grants	2	2,710,772	2,446,500	2,480,500
Locally Raised Funds	3	70,687	85,100	90,911
Interest income		3,131	600	1,011
		<u>2,784,590</u>	<u>2,532,200</u>	<u>2,572,422</u>
Expenses				
Locally Raised Funds	3	45,788	31,700	36,747
Learning Resources	4	2,013,351	1,787,100	1,920,355
Administration	5	167,879	135,210	131,201
Finance		1,165	400	1,408
Property	6	509,979	573,700	459,126
Loss on Disposal of Property, Plant and Equipment		-	-	254
		<u>2,738,162</u>	<u>2,528,110</u>	<u>2,549,091</u>
Net Surplus / (Deficit) for the year		46,428	4,090	23,331
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u><u>46,428</u></u>	<u><u>4,090</u></u>	<u><u>23,331</u></u>

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

CLIFTON TERRACE SCHOOL
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2022

Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Balance at 1 January	<u>230,568</u>	<u>230,568</u>	<u>207,237</u>
Total comprehensive revenue and expense for the year	46,428	4,090	23,331
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	13,432	-	-
Equity at 31 December	<u>290,428</u>	<u>234,658</u>	<u>230,568</u>
Accumulated comprehensive revenue and expense	290,428	234,658	230,568
Equity at 31 December	<u>290,428</u>	<u>234,658</u>	<u>230,568</u>

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.

CLIFTON TERRACE SCHOOL
Statement of Financial Position
As at 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Current Assets				
Cash and Cash Equivalents	7	190,218	170,320	218,813
Accounts Receivable	8	185,028	151,500	122,954
GST Receivable		-	4,003	21,122
Prepayments		16,099	10,000	15,843
Inventories	9	2,139	1,500	1,733
Investments	10	96,074	95,000	82,582
Funds held for Capital Works Projects	17	52,263	-	-
		<u>541,821</u>	<u>432,323</u>	<u>463,047</u>
Current Liabilities				
GST Payable		4,144	-	-
Accounts Payable	12	183,473	175,000	181,943
Revenue Received in Advance	13	17,640	-	2,225
Provision for Cyclical Maintenance	14	30,647	30,647	26,392
Painting Contract Liability - Current Portion	15	13,065	13,065	13,509
Finance Lease Liability - Current Portion	16	11,935	10,000	17,242
Funds held for Capital Works Projects	17	58,419	-	77,035
		<u>319,323</u>	<u>228,712</u>	<u>318,346</u>
Working Capital Surplus/(Deficit)		222,498	203,611	144,701
Non-current Assets				
Property, Plant and Equipment	11	150,523	117,717	175,075
		<u>150,523</u>	<u>117,717</u>	<u>175,075</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	37,430	37,430	27,672
Painting Contract Liability	15	39,240	39,240	52,305
Finance Lease Liability	16	5,923	10,000	9,231
		<u>82,593</u>	<u>86,670</u>	<u>89,208</u>
Net Assets		<u>290,428</u>	<u>234,658</u>	<u>230,568</u>
Equity		<u>290,428</u>	<u>234,658</u>	<u>230,568</u>

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

CLIFTON TERRACE SCHOOL
Statement of Cash Flows
For the year ended 31 December 2022

	2022	2022	2021
Note	Actual \$	Budget (Unaudited) \$	Actual \$
Cash flows from Operating Activities			
Government Grants	693,372	545,500	565,172
Locally Raised Funds	42,340	82,565	92,812
International Students	13,913	-	-
Goods and Services Tax (net)	25,262	17,118	(9,108)
Payments to Employees	(295,237)	(276,372)	(261,438)
Payments to Suppliers	(377,292)	(305,088)	(258,163)
Interest Paid	(1,165)	(400)	(1,408)
Interest Received	2,676	260	1,175
Net cash from Operating Activities	103,869	63,583	129,042
Cash flows from Investing Activities			
Proceeds from Sale of PPE (and Intangibles)	-	11,389	-
Purchase of PPE (and Intangibles)	(28,306)	-	(36,425)
Purchase of Investments	(13,492)	(12,418)	(938)
Net cash from Investing Activities	(41,798)	(1,029)	(37,363)
Cash flows from Financing Activities			
Furniture and Equipment Grant	13,432	-	-
Finance Lease Payments	(20,156)	(20,503)	(19,533)
Painting contract payments	(13,065)	(13,509)	(13,510)
Funds Administered on Behalf of Third Parties	(70,879)	(77,035)	49,685
Net cash from Financing Activities	(90,668)	(111,047)	16,642
Net increase/(decrease) in cash and cash equivalents	(28,597)	(48,493)	108,321
Cash and cash equivalents at the beginning of the year	7 218,813	218,813	110,490
Cash and cash equivalents at the end of the year	7 190,218	170,320	218,813

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.

CLIFTON TERRACE SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

a) Reporting Entity

Clifton Terrace School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. The Board (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 2022 to 31 December 2022 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

The financial reports have been prepared for the period 1 January 2022 to 31 December 2022 and in accordance with the requirements of the Education and Training Act 2020.

Financial Reporting Standards Applied

The Education and Training Act 2020 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The 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 11.

CLIFTON TERRACE SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

Cyclical Maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 14.

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. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. 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. Finance lease liability disclosures are contained in note 16. Future operating lease commitments are disclosed in note 22b.

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.

Other Ministry Grants for directly funded programs are recorded as revenue when the School has the rights to the funding in the period they relate to. The grants are not received in cash by the School and are paid directly by the Ministry of Education.

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

Other Grants where conditions exist

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.

CLIFTON TERRACE SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

Donations, Gifts and Bequests

Donations, gifts and bequests are recognised as an asset and revenue when the right to receive funding or the asset has been established unless there is an obligation to return funds if conditions are not met. If conditions are not met funding is recognised as revenue in advance and recognised as revenue when conditions are satisfied.

Interest Revenue

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

d) Operating Lease Payments

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

e) Finance Lease Payments

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

f) Cash and Cash Equivalents

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

g) Accounts Receivable

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

h) Inventories

Inventories are consumable items held for sale and 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.

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.

CLIFTON TERRACE SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

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 (funded by the Board) to buildings owned by the Crown or directly by the board 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	10–75 years
Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

CLIFTON TERRACE SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

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. If such indication exists, the School estimates the asset's recoverable service amount. 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.

In determining fair value less costs to sell the school engages an independent valuer to assess market value based on the best available information. The valuation is based on [details of the valuer's approach to determining market value (i.e. what valuation techniques have been employed, comparison to recent market transaction etc.)].

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. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognised.

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, and also annual leave earned, by non teaching staff, to but not yet taken at balance date.

Long-term employee entitlements

Employee benefits that are not expected to be settled wholly before 12 months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis.

The calculations are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows. Remeasurements are recognised in surplus or deficit in the period in which they arise.

n) Revenue Received in Advance

Revenue received in advance relates to fees received from students 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.

o) 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.

CLIFTON TERRACE SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

p) Funds Held for Capital Works

The school directly receives funding from the Ministry of Education for capital works projects that are included in the School five year capital works agreement. These funds are held on behalf and for a specified purpose as such 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.

q) 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 is a reasonable estimate, based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition.

The school carries out painting maintenance of the whole school over a 7 to 10 year period, the economic outflow of this is dependent on the plan established by the school to meet this obligation and is detailed in the notes and disclosures of these accounts.

r) Financial Instruments

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 initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

Investments that are shares are categorised as 'financial assets at fair value through other comprehensive revenue and expense' for accounting purposes in accordance with financial reporting standards. On initial recognition of an equity investment that is not held for trading, the School may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive revenue and expense. This election has been made for investments that are shares. Subsequent to initial recognition, these assets are measured at fair value. Dividends are recognised as income in surplus or deficit unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive revenue and expense and are never reclassified to surplus or deficit.

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in surplus or deficit

s) 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.

t) Budget Figures

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

u) 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.

CLIFTON TERRACE SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2022

2. Government Grants

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Government Grants – Ministry of Education	682,971	535,000	560,358
Teachers' Salaries Grants	1,694,101	1,500,000	1,628,592
Use of Land and Buildings Grants	323,299	401,000	286,736
Other Government Grants	10,401	10,500	4,814
	<u>2,710,772</u>	<u>2,446,500</u>	<u>2,480,500</u>

3. Locally Raised Funds

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Revenue			
Donations & Bequests	11,429	23,800	26,310
Fees for Extra Curricular Activities	42,062	35,600	37,088
Trading	2,676	6,700	3,853
Fundraising & Community Grants	9,120	19,000	23,660
	<u>70,687</u>	<u>85,100</u>	<u>90,911</u>
Expenses			
Extra Curricular Activities Costs	40,457	25,000	30,312
Trading	1,881	6,700	3,435
Fundraising and Community Grant Costs	3,450	-	3,000
	<u>45,788</u>	<u>31,700</u>	<u>36,747</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>24,899</u>	<u>53,400</u>	<u>54,164</u>

4. Learning Resources

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Curricular	53,588	36,100	39,919
Depreciation	64,398	60,000	64,162
Equipment Repairs	483	500	470
Information and Communication Technology	14,718	10,000	12,871
Library Resources	3,112	8,200	3,083
Employee Benefits - Salaries	1,863,368	1,657,000	1,786,843
Staff Development	13,684	15,300	13,007
	<u>2,013,351</u>	<u>1,787,100</u>	<u>1,920,355</u>

CLIFTON TERRACE SCHOOL
Notes to the Financial Statements
For the year ended 31 December 2022

5. Administration

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Audit Fee	4,854	4,700	4,713
Board of Trustees Fees	4,640	4,800	4,800
Board of Trustees Expenses	13,448	8,100	7,942
Communication	8,364	8,110	8,416
Consumables	13,456	8,000	13,855
Other	8,850	8,300	8,194
Employee Benefits - Salaries	100,484	79,600	71,423
Insurance	7,862	7,800	6,271
Service Providers, Contractors and Consultancy	5,921	5,800	5,587
	<u>167,879</u>	<u>135,210</u>	<u>131,201</u>

6. Property

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Caretaking and Cleaning Consumables	4,015	4,000	4,575
Consultancy and Contract Services	34,068	46,000	38,674
Cyclical Maintenance Provision	14,013	22,000	22,471
Grounds	5,593	3,500	6,677
Heat, Light and Water	32,320	24,200	26,943
Repairs and Maintenance	48,139	32,500	33,152
Use of Land and Buildings	323,299	401,000	286,736
Security	5,589	2,500	3,161
Employee Benefits - Salaries	42,943	38,000	36,737
	<u>509,979</u>	<u>573,700</u>	<u>459,126</u>

The use of land and buildings figure represents 5% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

CLIFTON TERRACE SCHOOL
Notes to the Financial Statements
For the year ended 31 December 2022

7. Cash and Cash Equivalents

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	400	400	400
Bank Current Accounts	120,726	100,000	30,609
Bank Call Account	69,092	69,920	187,804
	<u>190,218</u>	<u>240,240</u>	<u>218,813</u>
Cash and cash equivalents for Cash Flow Statement			

Of the \$190,218 Cash and Cash Equivalents, \$58,419 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2023 on Crown owned school buildings under the School's Five Year Property Plan.

8. Accounts Receivable

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables from the Ministry of Education	30,539	1,000	690
Interest Receivable	615	500	160
Teacher Salaries Grant Receivable	153,874	150,000	122,104
	<u>185,028</u>	<u>151,500</u>	<u>122,954</u>
Receivables from Exchange Transactions	615	500	160
Receivables from Non-Exchange Transactions	184,413	151,000	122,794
	<u>185,028</u>	<u>151,500</u>	<u>122,954</u>

9. Inventories

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	2,139	1,500	1,733

CLIFTON TERRACE SCHOOL
Notes to the Financial Statements
For the year ended 31 December 2022

10. Investments

The School's investment activities are classified as follows:

	2022	2022	2021
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	96,074	95,000	82,582

11. Property, Plant and Equipment

2022	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Building Improvements	28,010	-	-	-	(3,735)	24,275
Furniture and Equipment	47,208	8,048	-	-	(12,938)	42,318
Information Technology	31,724	17,132	-	-	(17,243)	31,613
Motor Vehicles	9,577	-	-	-	(6,682)	2,895
Leased Assets	25,957	11,541	-	-	(19,692)	17,806
Library Resources	32,599	3,124	-	-	(4,107)	31,616
Balance at 31 December 2022	175,075	39,845	-	-	(64,397)	150,523

	2022 Cost or Valuation \$	2022 Accumulated Depreciation \$	2022 Net Book Value \$	2021 Cost or Valuation \$	2021 Accumulated Depreciation \$	2021 Net Book Value \$
Building Improvements	207,924	(183,649)	24,275	207,926	(179,916)	28,010
Furniture and Equipment	243,303	(200,985)	42,318	235,254	(188,046)	47,208
Information Technology	181,334	(149,721)	31,613	167,581	(135,857)	31,724
Motor Vehicles	31,820	(28,926)	2,895	31,820	(22,243)	9,577
Leased Assets	92,622	(74,816)	17,806	81,081	(55,124)	25,957
Library Resources	48,970	(17,354)	31,616	45,845	(13,246)	32,599
Balance at 31 December	805,973	(655,451)	150,523	769,507	(594,432)	175,075

The net carrying value of equipment held under a finance lease is \$17,806 (2021: \$25,957).

CLIFTON TERRACE SCHOOL
Notes to the Financial Statements
For the year ended 31 December 2022

12. Accounts Payable

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Creditors	9,720	10,000	53,354
Accruals	4,854	15,000	4,713
Employee Entitlements - Salaries	168,186	150,000	123,107
Employee Entitlements - Leave Accrual	713	-	769
	183,473	175,000	181,943
Payables for Exchange Transactions	183,473	175,000	181,943
	183,473	175,000	181,943

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
International Student Fees	13,913	-	-
Other	3,727	-	2,225
	17,640	-	2,225

14. Provision for Cyclical Maintenance

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	54,064	54,064	40,511
Increase/ (decrease) to the Provision During the Year	14,013	64,489	22,471
Use of the Provision During the Year	-	(50,476)	(8,918)
Other Adjustments	-	-	-
Provision at the End of the Year	68,077	68,077	54,064
Cyclical Maintenance - Current	30,647	30,647	26,392
Cyclical Maintenance - Non Current	37,430	37,430	27,672
	68,077	68,077	54,064

CLIFTON TERRACE SCHOOL
Notes to the Financial Statements
For the year ended 31 December 2022

15. Painting Contract Liability

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Liability	13,065	13,065	13,509
Non Current Liability	39,240	39,240	52,305
	<u>52,305</u>	<u>52,305</u>	<u>65,814</u>

In 2019 the Board signed an agreement with Programmed Maintenance Services Ltd (the contractor) for an agreed programme of work covering a seven year period. The programme provides for an interior and exterior repaint of the Ministry owned buildings in 2020, with regular maintenance in subsequent years. The agreement has an annual commitment of \$21,866. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

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:

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
No Later than One Year	12,791	10,000	17,823
Later than One Year and no Later than Five Years	6,260	10,000	9,494
Future Finance Charges	(1,193)	-	(844)
	<u>17,858</u>	<u>20,000</u>	<u>26,473</u>
Represented by			
Finance Lease Liability - Current	11,935	10,000	17,242
Finance Lease Liability - Non Current	5,923	10,000	9,231
	<u>17,858</u>	<u>20,000</u>	<u>26,473</u>

CLIFTON TERRACE SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2022

17. 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. The amount of cash held on behalf of the Ministry for capital works project is included under cash and cash equivalents in note 7.

Project Number	Opening	Receipts		BOT		Closing
	Balances	from MoE	Payments	Contributions	Balances	
	\$	\$	\$	\$	\$	
AMS Combined: A: Replace Roofing, Room 1 & 2 ILE	201946	117,915	228,547	(386,965)	-	(40,503)
SIP Combined: Site: Stormwater Upgrade and Hardcourt Installation	224897	(40,880)	33,211	(4,091)	-	(11,760)
Create Integrated Learning Environment and Outdoor Shaded Space	227272	-	62,194	(3,775)	-	58,419
Totals		77,035	323,952	(394,831)	-	6,156

Represented by:

Funds Held on Behalf of the Ministry of Education
Funds Due from the Ministry of Education

58,419
(52,263)
6,156

2021	Opening	Receipts	Payments	BOT	Closing
	Balances	from MoE		Contributions	Balances
	\$	\$	\$	\$	\$
AMS Combined: A: Replace Roofing, Room 1 & 2 ILE <i>in progress</i>	11,020	470,641	(363,746)	-	117,915
SIP Combined: Site: Stormwater Upgrade and Hardcourt Installation <i>in progress</i>	16,330	217,391	(274,601)	-	(40,880)
Totals	27,350	688,032	(638,347)	-	77,035

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.

CLIFTON TERRACE SCHOOL
Notes to the Financial Statements
For the year ended 31 December 2022

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.

	2022	2021
	Actual	Actual
	\$	\$
<i>Board Members</i>		
Remuneration	4,640	4,800
<i>Leadership Team</i>		
Remuneration	250,173	259,180
Full-time equivalent members	2	2
Total key management personnel remuneration	<u>254,813</u>	<u>263,980</u>
Total full-time equivalent personnel	<u>2.00</u>	<u>2.00</u>

There are 7 members of the Board excluding the Principal. The Board had held 5 full meetings of the Board in the year. The Board also has Finance 1 member and Property 2 members that meet monthly and quarterly respectively. As well as these regular meetings, including preparation time, the Chair and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal

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

	2022	2021
	Actual	Actual
	\$000	\$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	150 - 160	140 - 150
Benefits and Other Emoluments	4 - 5	4 - 5

Other Employees

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

Remuneration	2022	2021
\$000	FTE Number	FTE Number
100 - 110	2	3

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

CLIFTON TERRACE SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2022

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:

	2022 Actual	2021 Actual
Total	-	-
Number of People	-	-

21. Contingencies

There are no contingent liabilities and no contingent assets (except as noted below) as at 31 December 2022 (Contingent liabilities and assets at 31 December 2021: nil).

In 2022 the Ministry of Education provided additional funding for both the support staff in School's Collective Agreement (CA) Settlement and the Teacher Aide Pay Equity Settlement. The School is yet to receive a final wash up that adjusts the estimated quarterly installments for the actual teacher aides employed in 2022. The Ministry is in the process of determining the amount of the final wash up payment for the year ended 31 December 2022. Even though the payment is confirmed, the amount to be received is not known with a high level of certainty. The School has therefore not recognised the expected receipt (asset) and income in its financial statements. The payment is expected to be received in July 2023.

Holidays Act Compliance – schools payroll

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

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

To the extent that any obligation cannot reasonably be quantified at 31 December 2022, a contingent liability for the school may exist.

22. Commitments

(a) Capital Commitments

As at 31 December 2022 the Board has entered into contract agreements for capital works as follows:

(a) \$801,233 Contract for AMS Combined: A: Replace Roofing, Room 1 & 2 ILE project which will be fully funded by the Ministry of Education. To date \$767,735 has been received and \$808,238 has been spent.

(b) \$305,740 Contract for SIP Combined: Site: Stormwater Upgrade and Hardcourt Installation project which will be fully funded by the Ministry. To date \$270,532 has been received and \$282,292 has been spent.

(c) \$62,194 Contract for Create Integrated Learning Environment and Outdoor Shaded Space project will be fully funded by the Ministry. To date \$62,194 has been received of which \$3,775 has been spent.

(Capital commitments at 31 December 2021: Contracts of \$1,094,575 with \$699,476 spent).

(b) Operating Commitments

As at 31 December 2022 the Board has not entered into any operating contracts (31 December 2021: nil)

CLIFTON TERRACE SCHOOL
Notes to the Financial Statements
For the year ended 31 December 2022

23. 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

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash and Cash Equivalents	190,218	240,240	218,813
Receivables	185,028	151,500	122,954
Investments - Term Deposits	96,074	95,000	82,582
Total Financial assets measured at amortised cost	471,320	486,740	424,349

Financial liabilities measured at amortised cost

Payables	183,473	175,000	181,943
Finance Leases	17,858	20,000	26,473
Painting Contract Liability	52,305	52,305	65,814
Total Financial Liabilities Measured at Amortised Cost	253,636	247,305	274,230

24. Events After Balance Date

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

CLIFTON TERRACE SCHOOL

Members of the Board

For the year ended 31 December 2022

Name	Position	How position on Board gained	Term expired/expires
Jon Marshall	Presiding Member	September 2022	September 2025
Robert Wemyss	Principal	Appointed January 2004	
Angela Hunter	Parent Rep	Elected September 2022	September 2025
Trevor Voyce	Parent Rep	Elected September 2022	September 2025
Michelle Day	Staff Rep	Elected June 2019, re-elected 2022	September 2025
Elliot Riley	Parent Rep	Elected September 2022	September 2025
Bonnie Slade	Parent Rep	Selected May 2021	September 2025
Bryce MacDonald	Parent Rep	Elected June 2019	September 2022
Serean Gallagher	Parent Rep	Elected June 2019	September 2022
Shannon Nicholson	Parent Rep	Elected June 2019	September 2022
Jon Marshall	Parent Rep	Selected May 2020	September 2022

CLIFTON TERRACE SCHOOL
Kiwisport Funding
For the year ended 31 December 2022

Kiwisport is a Government funding initiative to support sport for school aged children.

In 2022 the School received Kiwi Sport funding of \$4,421 (2021: \$4,547).

The funding was spent on sports equipment, coaching of teams and providing a Sports Program for Years 5 and 6.

