



ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

School Directory

Ministry Number: 903

Principal: Denise Powell

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KO TAKU REO DEAF EDUCATION NEW ZEALAND

Annual Financial Statements - For the year ended 31 December 2024

Index

Page	Statement
1	Statement of Responsibility
2	Members of the Board
3	Statement of Comprehensive Revenue and Expense
4	Statement of Changes in Net Assets/Equity
5	Statement of Financial Position
6	Statement of Cash Flows
7 - 20	Notes to the Financial Statements
	Independent Auditor's Report

Ko Taku Reo Deaf Education New Zealand

Statement of Responsibility

For the year ended 31 December 2024

The Commissioner 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 Commissioner, 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 2024 fairly reflects the financial position and operations of the School.

The School's 2024 financial statements are authorised for issue by the Board.

Michael Peter Rondel

Full Name of Commissioner



Signature of Commissioner

28.05.2025

Date:

Dr Denise Rachel Allen Powell

Full Name of Principal



Signature of Principal

28.05.2025

Date:

Ko Taku Reo Deaf Education New Zealand

Members of the Board

For the year ended 31 December 2024

Name	Position	How Position Gained	Term Expired/ Expires
The Board was dissolved in September 2022 and a commissioner appointed.			
Michael Rondel	Commissioner		

Ko Taku Reo Deaf Education New Zealand

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2024

		2024	2024	2023
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Revenue				
Government Grants	2	43,465,982	42,804,240	41,757,664
Locally Raised Funds	3	414,765	311,696	86,521
Interest		387,796	221,965	302,298
Gain on Sale of Property, Plant and Equipment		-	-	547
Total Revenue		44,268,543	43,337,901	42,147,030
Expenses				
Learning Resources	4	32,622,639	33,232,678	32,482,511
Administration	5	7,648,054	8,606,874	8,000,464
Interest		35,162	30,000	52,328
Property	6	3,290,154	3,379,366	3,533,250
Loss on Disposal of Property, Plant and Equipment		13,896	-	-
Total Expense		43,609,905	45,248,918	44,068,553
Net Surplus/(Deficit) for the year		658,638	(1,911,017)	(1,921,523)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		658,638	(1,911,017)	(1,921,523)

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

Ko Taku Reo Deaf Education New Zealand

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2024

	Notes	2024 Actual \$	2024 Budget (Unaudited) \$	2023 Actual \$
Equity at 1 January		6,724,243	6,724,243	8,645,766
Total comprehensive revenue and expense for the year		658,638	(1,911,017)	(1,921,523)
Contribution - Furniture and Equipment Grant		42,453	-	-
Equity at 31 December		7,425,334	4,813,226	6,724,243
Accumulated comprehensive revenue and expense		5,922,131	4,813,226	5,303,620
Reserves	27	1,503,203	-	1,420,623
Equity at 31 December		7,425,334	4,813,226	6,724,243

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.

Ko Taku Reo Deaf Education New Zealand

Statement of Financial Position

As at 31 December 2024

		2024	2024	2023
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	7	5,082,531	1,142,487	3,394,667
Accounts Receivable	8	2,340,706	1,917,613	2,200,996
GST Receivable		101,856	210,539	210,539
Prepayments		221,347	250,212	250,212
Investments	9	2,328,894	2,328,894	2,328,894
Funds Receivable for Capital Works Projects	16	15,558	-	90,443
		10,090,892	5,849,745	8,475,751
Current Liabilities				
Accounts Payable	11	4,173,302	3,094,954	3,568,764
Revenue Received in Advance	12	345,763	-	16,169
Finance Lease Liability	14	236,384	150,000	418,784
Funds held in Trust	15	3,500	-	-
Funds held for Capital Works Projects	16	12,600	-	-
		4,771,549	3,244,954	4,003,717
Working Capital Surplus		5,319,343	2,604,791	4,472,034
Non-current Assets				
Property, Plant and Equipment	10	2,388,050	2,405,419	2,623,915
		2,388,050	2,405,419	2,623,915
Non-current Liabilities				
Provision for Cyclical Maintenance	13	109,286	94,928	94,928
Finance Lease Liability	14	172,773	102,056	276,778
		282,059	196,984	371,706
Net Assets		7,425,334	4,813,226	6,724,243
Equity		7,425,334	4,813,226	6,724,243

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

Ko Taku Reo Deaf Education New Zealand

Statement of Cash Flows

For the year ended 31 December 2024

		2024	2024	2023
	Note	Actual \$	Budget (Unaudited) \$	Actual \$
Cash flows from Operating Activities				
Government Grants		19,440,122	18,956,699	18,057,448
Locally Raised Funds		752,616	311,696	24,718
Goods and Services Tax (net)		108,683	-	(144,899)
Payments to Employees		(13,355,443)	(14,010,743)	(13,053,544)
Payments to Suppliers		(4,912,481)	(6,673,456)	(5,713,571)
Interest Received		391,030	221,965	309,003
Net cash from/(to) Operating Activities	24	2,424,527	(1,193,839)	(520,845)
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment		565	-	-
Purchase of Property Plant & Equipment		(415,820)	(500,000)	(401,144)
Proceeds from Sale of Investments		-	-	11,261
Net cash (to)/from Investing Activities		(415,255)	(500,000)	(389,883)
Cash flows from Financing Activities				
Furniture and Equipment Grant		42,453	-	-
Finance Lease Payments		(423,156)	(648,784)	(521,389)
Funds Administered on Behalf of Third Parties		59,295	90,443	(276,609)
Net cash (to)/from Financing Activities		(321,408)	(558,341)	(797,998)
Net increase/(decrease) in cash and cash equivalents		1,687,864	(2,252,180)	(1,708,726)
Cash and cash equivalents at the beginning of the year	7	3,394,667	3,394,667	5,103,393
Cash and cash equivalents at the end of the year	7	5,082,531	1,142,487	3,394,667

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

Ko Taku Reo Deaf Education New Zealand

Notes to the Financial Statements

For the year ended 31 December 2024

1. Statement of Accounting Policies

1.1. Reporting Entity

Ko Taku Reo Deaf Education New Zealand (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 is of the view that the School is a public benefit entity for financial reporting purposes. The principal activity of the School is to educate and support deaf students in New Zealand.

1.2. Basis of Preparation

Reporting Period

The financial statements have been prepared for the period 1 January 2024 to 31 December 2024 and in accordance with the requirements of the Education and Training Act 2020.

Basis of Preparation

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards as appropriate to public benefit entities that qualify for Tier 1 reporting as the School has had expenditure greater than \$33 million over the past two years.

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 as appropriate to public benefit entities that qualify for Tier 1 reporting as the School has had expenditure greater than \$33 million over the past two years. 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 has applied all relevant PBE standards. There are no new PBE standards which have been issued, but are not yet effective and not early adopted which will affect the School.

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 whole 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.

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 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. During the year, the Board assesses the reasonableness of its painting maintenance plan on which the provision is based. Cyclical maintenance is disclosed at note 13.

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the significant accounting policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 10.

Critical Judgements in applying accounting policies

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

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the School. 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 14. Future operating lease commitments are disclosed in note 21b.

Recognition of grants

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

1.3. Revenue Recognition

Government Grants

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

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

Teachers salaries grants are recorded as revenue when the School has the rights to the funding in the salary period to which they relate. 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 to which they relate. 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 recognised as revenue as the conditions are fulfilled.

Donations, Gifts and Bequests

Donations, gifts and bequests which are not for specific purposes are recognised as revenue as soon as they are received. Gifts or bequests which are for specific purposes are transferred to a separate reserve within equity and are recognised as revenue as the conditions are met. These reserves are disclosed in the notes to the financial statements.

Interest Revenue

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

1.4. Operating Lease Payments

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

1.5. Finance Lease Payments

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

1.6. Cash and Cash Equivalents

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

1.7. Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (uncollectable debts). The School's 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.

1.8. 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.

1.9. 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.

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	10–75 years
Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Motor vehicles	5 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

1.10. Impairment of property, plant and equipment

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 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 as 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.

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.

1.11. Accounts Payable

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

1.12. Employee Entitlements

Short-term employee entitlements

Employee entitlements that are expected to be settled within 12 months after the end of the reporting period in which the employees provide 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 by non teaching staff, 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.

1.13. 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 or grants are recorded as revenue as the obligations are fulfilled and the fees or grants are earned.

1.14. 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 Comprehensive Revenue and Expense.

The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

1.15. 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 of the School, makes up the most significant part of the Board's responsibilities outside the 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 variety of periods in accordance with the conditional assessment of each area of the School. 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.

1.16. 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.

The School's financial liabilities comprise accounts payable, and finance lease 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 the Statement of Comprehensive Revenue and Expense.

1.17. Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

1.18. Budget Figures

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

1.19. 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

	2024 Actual \$	2024 Budget (Unaudited) \$	2023 Actual \$
Government Grants - Ministry of Education	19,245,773	18,663,885	17,771,908
Teachers' Salaries Grants	21,877,705	21,826,835	21,293,191
Use of Land and Buildings Grants	2,235,701	2,287,920	2,675,609
Other Government Grants	106,803	25,600	16,956
	<u>43,465,982</u>	<u>42,804,240</u>	<u>41,757,664</u>

3. Locally Raised Funds

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

	2024 Actual \$	2024 Budget (Unaudited) \$	2023 Actual \$
Revenue			
Donations and Bequests	1,555	-	493
Other Revenue	413,210	311,696	86,028
	<u>414,765</u>	<u>311,696</u>	<u>86,521</u>
<i>Surplus for the year Locally raised funds</i>	<u>414,765</u>	<u>311,696</u>	<u>86,521</u>

4. Learning Resources

	2024 Actual \$	2024 Budget (Unaudited) \$	2023 Actual \$
Curricular	1,430,301	1,482,557	1,527,328
Information and Communication Technology	426,879	454,867	332,714
Employee Benefits - Salaries	29,836,769	30,182,018	29,528,427
Other Learning Resources	49,407	52,000	70,846
Staff Development	82,341	142,740	91,200
Depreciation	796,942	918,496	931,996
	<u>32,622,639</u>	<u>33,232,678</u>	<u>32,482,511</u>

5. Administration

	2024 Actual \$	2024 Budget (Unaudited) \$	2023 Actual \$
Audit Fees	22,955	24,000	23,058
Board Fees and Expenses	2,348	26,110	11,362
Intervention Costs	117,456	85,000	147,962
Operating Leases	361,357	161,590	323,498
Legal Fees	49,279	100,000	41,732
Other Administration Expenses	1,714,282	2,591,899	2,486,049
Employee Benefits - Salaries	4,980,024	5,144,987	4,679,264
Insurance	4,883	2,388	47,309
Service Providers, Contractors and Consultancy	395,470	470,900	240,230
	<u>7,648,054</u>	<u>8,606,874</u>	<u>8,000,464</u>

6. Property

	2024	2024	2023
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Consultancy and Contract Services	167,561	185,683	161,854
Cyclical Maintenance Provision	13,248	-	13,094
Adjustment to the Provision- Other Adjustments	1,110	-	81,834
Heat, Light and Water	126,795	113,500	111,124
Rates	21,399	20,000	19,595
Repairs and Maintenance	148,044	173,790	150,225
Use of Land and Buildings	2,235,701	2,287,920	2,675,609
Other Property Expenses	71,123	87,900	102,278
Employee Benefits - Salaries	505,173	510,573	217,637
	<u>3,290,154</u>	<u>3,379,366</u>	<u>3,533,250</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.

7. Cash and Cash Equivalents

	2024	2024	2023
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Accounts	4,082,531	1,142,487	2,394,667
Short-term Bank Deposits	1,000,000	-	1,000,000
Cash and Cash Equivalents for Statement of Cash Flows	<u>5,082,531</u>	<u>1,142,487</u>	<u>3,394,667</u>

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

8. Accounts Receivable

	2024	2024	2023
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	83,756	75,844	75,844
Receivables from the Ministry of Education	72,918	1,467	158,091
Interest Receivable	29,062	32,296	32,296
Banking Staffing Underuse	-	-	126,759
Teacher Salaries Grant Receivable	2,154,970	1,808,006	1,808,006
	<u>2,340,706</u>	<u>1,917,613</u>	<u>2,200,996</u>
Receivables from Exchange Transactions	112,818	108,140	108,140
Receivables from Non-Exchange Transactions	2,227,888	1,809,473	2,092,856
	<u>2,340,706</u>	<u>1,917,613</u>	<u>2,200,996</u>

9. Investments

The School's investment activities are classified as follows:

	2024	2024	2023
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	2,328,894	2,328,894	2,328,894
Total Investments	<u>2,328,894</u>	<u>2,328,894</u>	<u>2,328,894</u>

10. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2024	\$	\$	\$	\$	\$	\$
Building Improvements	749,473	59,739	-	-	(53,075)	756,137
Furniture and Equipment	746,028	52,776	(306)	-	(142,818)	655,680
Information and Communication Technology	359,482	281,963	(11,525)	-	(167,094)	462,826
Motor Vehicles	22,805	-	-	-	(5,584)	17,221
Leased Assets	658,491	159,718	-	-	(415,077)	403,132
Library Resources	87,636	21,343	(2,631)	-	(13,294)	93,054
Balance at 31 December 2024	2,623,915	575,539	(14,462)	-	(796,942)	2,388,050

The net carrying value of furniture and equipment held under a finance lease is \$403,132 (2023: \$658,491)

Restrictions

With the exception of the contractual restrictions relating to the above noted finance leases, there are no other restrictions over the title of the school's property, plant and equipment, nor are any property, plant and equipment pledged as security for liabilities.

	2024 Cost or Valuation	2024 Accumulated Depreciation	2024 Net Book Value	2023 Cost or Valuation	2023 Accumulated Depreciation	2023 Net Book Value
	\$	\$	\$	\$	\$	\$
Building Improvements	1,272,162	(516,025)	756,137	1,212,423	(462,950)	749,473
Furniture and Equipment	1,603,255	(947,575)	655,680	1,555,762	(809,734)	746,028
Information and Communication Technology	1,156,233	(693,407)	462,826	891,782	(532,300)	359,482
Intangible Assets	64,445	(64,445)	-	64,445	(64,445)	-
Motor Vehicles	30,060	(12,839)	17,221	30,060	(7,255)	22,805
Leased Assets	1,672,204	(1,269,072)	403,132	2,359,891	(1,701,400)	658,491
Library Resources	393,857	(300,803)	93,054	384,044	(296,408)	87,636
Balance at 31 December	6,192,216	(3,804,166)	2,388,050	6,498,407	(3,874,492)	2,623,915

11. Accounts Payable

	2024 Actual	2024 Budget (Unaudited)	2023 Actual
	\$	\$	\$
Creditors	607,847	470,957	470,957
Accruals	754,272	166,818	640,628
Employee Entitlements - Salaries	2,241,942	1,908,669	1,908,669
Employee Entitlements - Leave Accrual	569,241	548,510	548,510
	4,173,302	3,094,954	3,568,764
Payables for Exchange Transactions	4,173,302	3,094,954	3,568,764
	4,173,302	3,094,954	3,568,764

The carrying value of payables approximates their fair value.

12. Revenue Received in Advance

	2024 Actual	2024 Budget (Unaudited)	2023 Actual
	\$	\$	\$
Grants in Advance - Ministry of Education	-	-	16,169
Other Revenue in Advance	345,763	-	-
	345,763	-	16,169

13. Provision for Cyclical Maintenance

	2024 Actual \$	2024 Budget (Unaudited) \$	2023 Actual \$
Provision at the Start of the Year	94,928	94,928	-
Increase to the Provision During the Year	13,248	-	13,094
Other Adjustments	1,110	-	81,834
Provision at the End of the Year	109,286	94,928	94,928
Cyclical Maintenance - Non current	109,286	94,928	94,928
	109,286	94,928	94,928

The School's cyclical maintenance schedule details annual painting & other significant cyclical maintenance work to be undertaken. The costs associated with this annual work will vary depending on the requirements during the year. This plan is based on the School's most recent 10 Year Property plan, adjusted as identified and confirmed appropriate by the Board, to other reliable sources of evidence.

14. Finance Lease Liability

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

	2024 Actual \$	2024 Budget (Unaudited) \$	2023 Actual \$
No Later than One Year	254,706	179,396	448,180
Later than One Year and no Later than Five Years	184,370	114,417	289,139
Future Finance Charges	(29,919)	(41,757)	(41,757)
	409,157	252,056	695,562
Represented by:			
Finance lease liability - Current	236,384	150,000	418,784
Finance lease liability - Non-current	172,773	102,056	276,778
	409,157	252,056	695,562

15. Funds Held in Trust

	2024 Actual \$	2024 Budget (Unaudited) \$	2023 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	3,500	-	-
	3,500	-	-

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

16. 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, and includes retentions on the projects, if applicable.

2024	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
SIP -Marae Complex Upgrade	(90,443)	50,000	(19,296)	59,739	-
MOE Capital Reimbursements	-	82,917	(97,925)	-	(15,008)
MOE Re-roofing Project (#248183)	-	-	(270)	-	(270)
MOE BMS Replacement (#248190)	-	12,600	-	-	12,600
MOE Plumbing (#248185)	-	-	(280)	-	(280)
Totals	(90,443)	145,517	(117,771)	59,739	(2,958)

Represented by:

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

12,600
(15,558)

2023	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
SIP -Marae Complex Upgrade	182,879	-	(273,322)	-	(90,443)
MOE Projects	(32,098)	111,781	(79,683)	-	-
Totals	150,781	111,781	(353,005)	-	(90,443)

Represented by:

Funds Receivable from the Ministry of Education

(90,443)

17. 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.

18. Remuneration

Key management personnel compensation

Key management personnel of the School include the Commissioner, Principal, and Senior Leadership team

	2024 Actual \$	2023 Actual \$
Board Members		
Remuneration	1,560	9,885
Leadership Team		
Remuneration	2,365,073	1,901,027
Full-time equivalent members	14.90	13.50
Total key management personnel remuneration	2,366,633	1,910,912

Costs for the Commissioner are paid by the School and the Ministry of Education totalling \$117,456 for the 2024 year (2023: \$147,292). As part of his role, the Commissioner oversees 3 Committees which meet monthly. These are Finance & Property, HR & Health & Safety, and Compliance & Risk. No Board was in place for 2024, however the Commissioner does have an Advisory Group he calls on for information dissemination and feedback – remuneration costs for the Advisory Group have been recorded in BOT Fees.

Principal

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

	2024 Actual \$000	2023 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	220 - 230	210 - 220
Benefits and Other Emoluments	6 - 7	6-7
Termination Benefits	0 - 0	0 - 0

Other Employees

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

Remuneration \$000	2024 FTE Number	2023 FTE Number
100 - 110	89.00	80.00
110 - 120	40.00	38.00
120 - 130	14.00	3.00
130 - 140	6.00	3.00
140 - 150	4.00	3.00
150 - 160	-	2.00
160 - 170	2.00	1.00
170 - 180	1.00	-
180 - 190	1.00	-
	157.00	130.00

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

19. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be board members, committee members, or employees during the financial year in relation to that cessation and the number of persons to whom all or part of that total was payable was as follows:

	2024 Actual	2023 Actual
Total	\$ 183,874	\$ 50,000
Number of People	6	3

20. Contingencies

There are no contingent liabilities and no contingent assets except as noted below as at 31 December 2024 (Contingent liabilities and assets at 31 December 2023: nil).

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 continues to review the Schools Sector Payroll to ensure compliance with the Holidays Act 2003. An initial remediation payment has been made to some current school employees. The Ministry is continuing to perform detailed analysis to finalise calculations and the potential impacts of specific individuals. As such, this is expected to resolve the liability for school boards.

Pay Equity Settlement Wash Up amounts

In 2024 the Ministry of Education provided additional funding for non-teaching collective and pay equity agreements. At the date of signing the financial statements the School's final entitlement for the year ended 31 December 2024 has not yet been advised. The School has therefore not recognised an asset or a liability regarding this funding wash-up, which is expected to be settled in July 2025.

Cyclical Maintenance

The Merged School has an obligation to the Ministry of Education to maintain in good order at all times, land, buildings and other facilities on the School site. In respect to Van Ash Deaf Education Centre, the school is part of the Christchurch Schools Rebuild Programme which will result in the School's buildings either being repaired or rebuilt in the future. At the present time there is significant uncertainty over the maintenance requirements of the school in the future.

Royal Commission of Inquiry

The Board have become aware of possible legal action arising from the Royal Commission of Inquiry into Abuse in Care. The Board have sought legal advice and have advised their insurers. The impact is not yet known.

21. Commitments

(a) Capital Commitments

At 31 December 2024, the Board had capital commitments of \$6,830 (2023: \$nil) as a result of entering the following contracts:

Contract Name	2024 Capital Commitment	\$
Moe Re-roofing Project (#248183)	6,830	
Total	6,830	

The Board receives funding from the Ministry of Education for Capital Works which is disclosed in note 16

(b) Operating Commitments

As at 31 December 2024 the Board has not entered into any operating contracts.

(Operating commitments at 31 December 2023: nil)

22. Financial Instruments

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

Financial assets measured at amortised cost

	2024 Actual \$	2024 Budget (Unaudited) \$	2023 Actual \$
Cash and Cash Equivalents	5,082,531	1,142,487	3,394,667
Receivables	2,340,706	1,917,613	2,200,996
Investments - Term Deposits	2,328,894	2,328,894	2,328,894
Total Financial assets measured at amortised cost	<u>9,752,131</u>	<u>5,388,994</u>	<u>7,924,557</u>

Financial liabilities measured at amortised cost

Payables	4,173,302	3,094,954	3,568,764
Finance Leases	409,157	252,056	695,562
Total Financial liabilities measured at amortised Cost	<u>4,582,459</u>	<u>3,347,010</u>	<u>4,264,326</u>

The School's activities expose it to a variety of financial instrument risks, including market risk, credit risk, and liquidity risk. The School has policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments.

Market Risk

Price Risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. The School has no financial instruments that give rise to price risk.

Fair value interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The School's exposure to fair value interest rate risk arises from bank deposits that are at fixed rates of interest. The exposure to fair value interest rate risk is not actively managed by the School, as investments are generally held to maturity.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. The School's exposure to cash flow interest rate risk is limited to on-call deposits. This exposure is not considered significant and is not actively managed.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The School has no financial instruments that give rise to currency risk.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the School, causing it to incur a loss.

Due to the timing of the School's cash inflows and outflows, surplus cash is invested with registered banks.

In the normal course of business, exposure to credit risk arises from cash and term deposits with bank and receivables. For each of these, the maximum credit risk exposure is best represented by the carrying amount in the statement of financial position.

Investments are entered into only with registered banks that are in accordance with section 158 of the Crown Entities Act 2004. The School has experienced no defaults of interest or principal payments for term deposits and forward foreign exchange contracts.

Concentrations of credit risk for receivables is limited to the Ministry of Education, hence the school is satisfied with the level of credit risk associated with the Ministry of Education.

No collateral or other credit enhancements are held for financial instruments that give rise to credit risk.

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that the School will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, availability of funding through an adequate amount of committed credit facilities.

The School mostly manages liquidity risk by continuously monitoring forecast and actual cash flow requirements and maintaining sufficient on-call bank deposits.

Contractual maturity analysis of financial liabilities

The table below analyses financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest cash outflows.

	Carrying amount	Contractual cash flows	Less than 1 year	1-2 years	2-5 years	More than 5 years
	\$	\$	\$	\$	\$	\$
2024						
Accounts Payable	4,173,302	4,173,302	4,173,302	-	-	-
Finance leases	409,157	409,157	236,384	172,773	-	-
Total	4,582,459	4,582,459	4,409,686	172,773	-	-
2023						
Accounts Payable	3,568,764	3,568,764	3,568,764	-	-	-
Finance leases	695,562	695,562	418,784	276,778	-	-
Total	4,264,326	4,264,326	3,987,548	276,778	-	-

23. Events After Balance Date

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

24. Reconciliation of surplus/deficit with net cash flow from operating activities

	2024 Actual \$	2023 Actual \$
Reported (deficit) for the period	658,638	(1,921,523)
Non Cash items		
Depreciation	796,942	918,496
Cyclical Maintenance	14,358	94,928
Loss on asset disposal	13,896	-
Gain on asset disposal	-	(547)
Amortisation	-	13,500
Finance costs	35,162	52,328
Movement in working capital items		
(Increase)/Decrease in accounts receivable	(108,020)	107,984
(Increase)/Decrease in prepayments	28,865	(28,926)
(Increase)/Decrease in GST	108,683	(144,899)
Increase/(Decrease) in accounts payable	604,538	427,033
Increase/(Decrease) in revenue in advance	329,594	16,169
Increase/(Decrease) in Finance leases	(58,129)	(55,388)
Net cash flow from operating activities	2,424,527	(520,845)

25. Reconciliation of movements in liabilities arising from financing activities

	Finance Leases	Funds Administered on behalf of third parties
Opening Balance as at 1 January 2024	695,562	(90,443)
Net Cash flows	(387,994)	59,295
New leases	159,718	-
Other changes	(58,129)	31,690
Closing Balance as at 31 December 2024	409,157	542
Opening Balance as at 1 January 2023	937,813	164,672
Net Cash flows	(521,389)	(276,609)
New leases	297,047	-
Other changes	(17,909)	21,494
Closing Balance as at 31 December 2023	695,562	(90,443)

26. Comparatives

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

27. Reserves

Happiness Fund

	2024 Actual \$	2024 Budget (Unaudited) \$	2023 Actual \$
Opening Balance	1,420,623	-	1,358,607
Movement this year	82,580	-	62,016
Closing Balance	1,503,203	-	1,420,623
Total Reserves	1,503,203	-	1,420,623

Reserved equity comprises funds that have been received by the School for a specific purpose. The School guarantees to hold sufficient monies to enable the funds to be used for their intended purpose at any time. The School is not required to repay the funds.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF KO TAKU REO DEAF EDUCATION SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

The Auditor-General is the auditor of Ko Taku Reo Deaf Education School (the School). The Auditor-General has appointed me, Mike Hoshek, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 3 to 20, that comprise the statement of financial position as at 31 December 2024, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2024 and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector – Tier 1 Public Benefit Entity Standards.

Our audit was completed on 28 May 2025. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements

The Board is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

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

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

The Board's responsibilities arise from section 134 of the Education and Training Act 2020.

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

- We assess the risk of material misstatement arising from the school payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on the pages accompanying the financial statements 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 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

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



Mike Hoshek
Partner
for Deloitte Limited
On behalf of the Auditor General
Christchurch, New Zealand