



**Ko
Taku
Reo**

Deaf Education New Zealand

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

School Directory

Ministry Number:	903
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KO TAKU REO DEAF EDUCATION NEW ZEALAND

Annual Financial Statements - For the year ended 31 December 2025

Index

Page	Statement
1	Members of the Board
2	Statement of Responsibility
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 - 22	Notes to the Financial Statements
	Independent Auditor's Report

Ko Taku Reo Deaf Education New Zealand

Members of the Board

For the year ended 31 December 2025

During the 2025 year, the Commissioner appointed by the Ministry of Education stepped down as an elected Board was appointed from 7 November 2025.

Name	Position	How Position Gained	Term Expired/Expires
Michael Rondel	Commissioner	Ministry Appointed	7-Nov-25
Amy Geue	Principal ex Officio		
Victoria Manning	Parent Representative Presiding Member	Elected	
Adrian Easton	Parent Representative	Elected	
Edeh Sullivan	Parent Representative	Elected	
Oliver Ferguson	Parent Representative	Elected	
Patrick Stokell	Parent Representative	Elected	
Chris Sinclair	Staff Representative	Elected	

Note: The Ministry of Education issued A Notice of Direction to Appoint a Limited Statutory Manager with effect from 16 December 2025, to cover the functions, powers and duties of the Board in the areas of communications, establishment of policies and procedures, property management and employment.

Ko Taku Reo Deaf Education New Zealand

Statement of Responsibility

For the year ended 31 December 2025

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 2025 fairly reflects the financial position and operations of the School.

The School's 2025 financial statements are authorised for issue by the Board.

Victoria Manning

Full Name of Presiding Member



Signature of Presiding Member

14.05.2026

Date

Amy Geue

Full Name of Principal



Signature of Executive Principal

14.05.2026

Date

Ko Taku Reo Deaf Education New Zealand

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2025

	Notes	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Revenue				
Government Grants	2	44,440,873	45,667,736	43,465,988
Locally Raised Funds	3	420,533	312,550	414,761
Interest		418,361	292,000	387,796
Gain on Sale of Property, Plant and Equipment		803	-	-
Total Revenue		45,280,570	46,272,286	44,268,545
Expense				
Learning Resources	4	32,506,269	35,198,463	32,709,229
Administration	5	7,692,118	7,767,817	7,561,465
Interest		26,268	61,300	35,162
Property	6	3,108,185	3,707,300	3,290,154
Loss on Disposal of Property, Plant and Equipment		16,469	-	13,897
Total Expense		43,349,309	46,734,880	43,609,907
Net Surplus / (Deficit) for the year		1,931,261	(462,594)	658,638
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		1,931,261	(462,594)	658,638

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 2025

	Notes	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Equity at 1 January		7,425,334	7,425,334	6,724,243
Total comprehensive revenue and expense for the year		1,931,261	(462,594)	658,638
Contribution - Furniture and Equipment Grant		5,788	-	42,453
Equity at 31 December		9,362,383	6,962,740	7,425,334
Accumulated comprehensive revenue and expense		7,802,158	5,459,537	5,922,131
Reserves	27	1,560,225	1,503,203	1,503,203
Equity at 31 December		9,362,383	6,962,740	7,425,334

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 2025

	Notes	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Current Assets				
Cash and Cash Equivalents	7	1,521,543	4,555,261	5,082,531
Accounts Receivable	8	2,821,396	2,340,706	2,340,706
GST Receivable		28,782	115,721	101,856
Prepayments		208,550	212,626	221,347
Investments	9	8,000,000	2,328,894	2,328,894
Funds Receivable for Capital Works Projects	16	1,915	15,558	15,558
		<u>12,582,186</u>	<u>9,568,766</u>	<u>10,090,892</u>
Current Liabilities				
Accounts Payable	11	3,493,616	4,140,124	4,173,304
Revenue Received in Advance	12	1,277,971	345,763	345,763
Provision for Cyclical Maintenance	13	146,340	-	-
Finance Lease Liability	14	258,976	438,852	236,384
Funds held in Trust	15	10,000	3,500	3,500
Funds held for Capital Works Projects	16	187,551	12,600	12,600
		<u>5,374,454</u>	<u>4,940,839</u>	<u>4,771,551</u>
Working Capital Surplus/(Deficit)		7,207,732	4,627,927	5,319,341
Non-current Assets				
Property, Plant and Equipment	10	2,375,994	3,745,545	2,388,052
		<u>2,375,994</u>	<u>3,745,545</u>	<u>2,388,052</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	13	-	109,286	109,286
Finance Lease Liability	14	221,343	1,301,446	172,773
		<u>221,343</u>	<u>1,410,732</u>	<u>282,059</u>
Net Assets		<u>9,362,383</u>	<u>6,962,740</u>	<u>7,425,334</u>
Equity		<u>9,362,383</u>	<u>6,962,740</u>	<u>7,425,334</u>

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 2025

	Note	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Cash flows from Operating Activities				
Government Grants		20,544,387	19,511,291	19,440,122
Locally Raised Funds		469,998	426,297	752,616
Goods and Services Tax (net)		73,074	64,367	108,683
Payments to Employees		(11,064,735)	(12,097,400)	(13,355,443)
Payments to Suppliers		(7,651,752)	(7,655,345)	(4,912,481)
Interest Received		398,498	292,000	391,030
Net cash from/(to) Operating Activities	24	2,769,470	541,210	2,424,527
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		2,714	-	565
Purchase of Property Plant & Equipment (and Intangibles)		(349,174)	(500,000)	(415,820)
Purchase of Investments		(5,671,106)	-	-
Proceeds from Sale of Investments		-	-	-
Net cash from/(to) Investing Activities		(6,017,566)	(500,000)	(415,255)
Cash flows from Financing Activities				
Furniture and Equipment Grant		5,788	-	42,453
Finance Lease Payments		(311,688)	(568,480)	(423,156)
Funds Administered on Behalf of Other Parties		(6,992)	-	59,295
Net cash from/(to) Financing Activities		(312,892)	(568,480)	(321,408)
Net increase/(decrease) in cash and cash equivalents		(3,560,988)	(527,270)	1,687,864
Cash and cash equivalents at the beginning of the year	7	5,082,531	5,082,531	3,394,667
Cash and cash equivalents at the end of the year	7	1,521,543	4,555,261	5,082,531

The Statement of Cash Flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries, use of land and buildings grant and expense and other notional items 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 2025

1. Statement of Accounting Policies

a) 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.

b) Basis of Preparation

Reporting Period

The financial statements have been prepared for the period 1 January 2025 to 31 December 2025 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 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 with reference to generally accepted accounting practice. The financial statements have been prepared with reference to 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 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

The 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 21.

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.

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.

Other Ministry 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.

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.

Donations, Gifts and Bequests

Donations, gifts and bequests which are not for specific purposes are recognised as an asset and 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.

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 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.

h) 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 material.

i) 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	10–40 years
Furniture and Equipment	10 years
Information and Communication Technology	3–5 years
Intangible Assets	3 years
Motor Vehicles	5 years
Leased Assets held under a Finance Lease	Term of Lease
Library Resources	12.5% Diminishing value

j) 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 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.

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 surplus or deficit.

The reversal of an impairment loss is recognised in 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.

k) 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.

l) 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 and 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.

m) Revenue Received in Advance

Revenue received in advance relates to 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.

n) 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 Comprehensive Revenue and Expense.

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

o) 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.

p) 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.

q) 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 initially recognised at fair value and 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.

r) 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 statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

s) Budget Figures

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

t) 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

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Government Grants - Ministry of Education	20,034,573	19,603,922	19,245,779
Teachers' Salaries Grants	22,360,776	23,367,700	21,877,705
Use of Land and Buildings Grants	2,022,611	2,675,000	2,235,701
Other Government Grants	22,913	21,114	106,803
	<u>44,440,873</u>	<u>45,667,736</u>	<u>43,465,988</u>

3. Locally Raised Funds

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

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Revenue			
Donations and Bequests	2,232	600	1,555
Other Revenue	418,301	311,950	413,206
	<u>420,533</u>	<u>312,550</u>	<u>414,761</u>
	<u>420,533</u>	<u>312,550</u>	<u>414,761</u>

Surplus/ (Deficit) for the year Locally Raised Funds

4. Learning Resources

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Curricular	776,073	844,107	812,403
Information and Communication Technology	638,577	696,506	737,369
Employee Benefits - Salaries	27,909,283	29,967,600	28,112,368
Staff Development	148,444	99,950	70,882
Depreciation	760,548	912,500	796,943
Other Learning Resources	2,273,344	2,677,800	2,179,264
	<u>32,506,269</u>	<u>35,198,463</u>	<u>32,709,229</u>

5. Administration

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Audit Fees	25,591	25,590	22,955
Board Fees and Expenses	7,135	26,850	2,348
Intervention Expenses	73,647	85,000	117,456
Operating Leases	298,995	297,800	361,357
Legal Fees	47,694	64,250	49,279
Other Administration Expenses	1,809,621	1,798,237	1,598,958
Employee Benefits - Salaries	5,033,118	5,179,200	5,008,758
Insurance	1,929	3,800	4,883
Service Providers, Contractors and Consultancy	394,388	287,090	395,471
	<u>7,692,118</u>	<u>7,767,817</u>	<u>7,561,465</u>

6. Property

	2025 Actual	2025 Budget (Unaudited)	2024 Actual
	\$	\$	\$
Consultancy and Contract Services	157,178	168,000	167,561
Cyclical Maintenance	37,054	-	14,358
Heat, Light and Water	119,744	130,400	126,795
Rates	22,215	21,000	21,399
Repairs and Maintenance	213,575	120,100	148,044
Use of Land and Buildings	2,022,611	2,675,000	2,235,701
Employee Benefits - Salaries	475,769	518,300	505,173
Other Property Expenses	60,039	74,500	71,123
	<u>3,108,185</u>	<u>3,707,300</u>	<u>3,290,154</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

	2025 Actual	2025 Budget (Unaudited)	2024 Actual
	\$	\$	\$
Bank Accounts	1,021,543	3,555,261	4,082,531
Short-term Bank Deposits	500,000	1,000,000	1,000,000
Cash and cash equivalents for Statement of Cash Flows	<u>1,521,543</u>	<u>4,555,261</u>	<u>5,082,531</u>

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

Of the \$1,521,543 Cash and Cash Equivalents \$10,000 is subject to restrictions for the following reasons:

- \$10,000 of unspent Funds Held in Trust is subject to conditions which specify how the fund is required to be spent. If these conditions are not met, the funds will need to be returned. This is included in Funds Held in Trust in note 15.

8. Accounts Receivable

	2025 Actual	2025 Budget (Unaudited)	2024 Actual
	\$	\$	\$
Receivables	27,475	83,756	83,756
Receivables from the Ministry of Education	666,013	72,918	72,918
Interest Receivable	48,925	29,062	29,062
Teacher Salaries Grant Receivable	2,078,983	2,154,970	2,154,970
	<u>2,821,396</u>	<u>2,340,706</u>	<u>2,340,706</u>
Receivables from Exchange Transactions	76,400	112,818	112,818
Receivables from Non-Exchange Transactions	2,744,996	2,227,888	2,227,888
	<u>2,821,396</u>	<u>2,340,706</u>	<u>2,340,706</u>

9. Investments

The School's investment activities are classified as follows:

	2025 Actual	2025 Budget (Unaudited)	2024 Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	8,000,000	2,328,894	2,328,894
Total Investments	<u>8,000,000</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)
2025	\$	\$	\$	\$	\$	\$
Building Improvements	756,137	1,272	-	-	(53,139)	704,270
Furniture and Equipment	655,680	122,409	(891)	-	(141,187)	636,011
Information and Communication Technology	462,827	191,052	(11,963)	-	(181,255)	460,661
Motor Vehicles	17,221	-	-	-	(5,585)	11,636
Leased Assets	403,133	417,696	-	-	(365,512)	455,317
Library Resources	93,054	23,428	(5,526)	-	(13,870)	97,087
Work in Progress	-	11,012	-	-	-	11,012
	<u>2,388,052</u>	<u>766,869</u>	<u>(18,380)</u>	<u>-</u>	<u>(760,548)</u>	<u>2,375,994</u>

The net carrying value of Information and Communication Technology held under a finance lease is \$282,493 (2024: \$209,981)

The net carrying value of motor vehicles held under a finance lease is \$172,824 (2024: \$193,151)

Restrictions

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

	2025 Cost or Valuation	2025 Accumulated Depreciation	2025 Net Book Value	2024 Cost or Valuation	2024 Accumulated Depreciation	2024 Net Book Value
	\$	\$	\$	\$	\$	\$
Building Improvements	1,273,434	(569,164)	704,270	1,272,162	(516,025)	756,137
Furniture and Equipment	1,720,077	(1,084,066)	636,011	1,603,255	(947,575)	655,680
Information and Communication Technology	1,324,454	(863,793)	460,661	1,156,234	(693,407)	462,827
Intangible Assets	64,445	(64,445)	-	64,445	(64,445)	-
Motor Vehicles	30,060	(18,424)	11,636	30,060	(12,839)	17,221
Leased Assets	972,858	(517,541)	455,317	1,672,204	(1,269,071)	403,133
Library Resources	393,896	(296,809)	97,087	393,857	(300,803)	93,054
Work in Progress	11,012	-	11,012	-	-	-
	<u>5,790,236</u>	<u>(3,414,242)</u>	<u>2,375,994</u>	<u>6,192,217</u>	<u>(3,804,165)</u>	<u>2,388,052</u>

11. Accounts Payable

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Creditors	612,650	710,607	607,848
Accruals	153,111	618,334	754,273
Employee Entitlements - Salaries	2,163,680	2,241,942	2,241,942
Employee Entitlements - Leave Accrual	564,175	569,241	569,241
	<u>3,493,616</u>	<u>4,140,124</u>	<u>4,173,304</u>
Payables for Exchange Transactions	3,493,616	4,140,124	4,173,304
	<u>3,493,616</u>	<u>4,140,124</u>	<u>4,173,304</u>

The carrying value of payables approximates their fair value.

12. Revenue Received in Advance

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Grants in Advance - Ministry of Education	1,239,024	300,000	300,000
Other Revenue in Advance	38,947	45,763	45,763
	<u>1,277,971</u>	<u>345,763</u>	<u>345,763</u>

13. Provision for Cyclical Maintenance

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Provision at the Start of the Year	109,286	109,286	94,928
Increase/(decrease) to the Provision During the Year	15,637	-	13,248
Other Adjustments	21,417	-	1,110
Provision at the End of the Year	<u>146,340</u>	<u>109,286</u>	<u>109,286</u>
Cyclical Maintenance - Current	146,340	-	-
Cyclical Maintenance - Non current	-	109,286	109,286
	<u>146,340</u>	<u>109,286</u>	<u>109,286</u>

The School's cyclical maintenance schedule details annual painting 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 appropriate to other reliable sources of evidence including recent painting quotes.

14. Finance Lease Liability

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

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
No Later than One Year	283,176	-	254,706
Later than One Year	245,276	-	184,370
Future Finance Charges	(48,133)	-	(29,919)
	<u>480,319</u>	<u>-</u>	<u>409,157</u>
Represented by			
Finance lease liability - Current	258,976	438,852	236,384
Finance lease liability - Non current	221,343	1,301,446	172,773
	<u>480,319</u>	<u>1,740,298</u>	<u>409,157</u>

15. Funds held in Trust

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	10,000	3,500	3,500
	<u>10,000</u>	<u>3,500</u>	<u>3,500</u>

These funds relate to arrangements where the school is acting as an agent. These amounts are not revenue or expense 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.

2025	Opening Balances \$	Receipts from MOE \$	Payments \$	Board Contributions / Transfers \$	Closing Balances \$
Other Capital Works	(15,008)	42,994	(27,986)	-	-
MOE Projects	-	-	-	-	-
5YA Project - AMS	-	40,698	(39,812)	-	886
5YA Project - Roofing	(270)	8,814	(8,544)	-	-
5YA Project - Electrical	-	16,028	(14,731)	-	1,297
5YA Project - Plumbing	(280)	8,491	(8,211)	-	-
5YA Project - Heating	-	24,922	(26,837)	-	(1,915)
5YA Project - Site -Drainage	-	196,321	(15,210)	-	181,111
5YA Project - Cladding	-	10,005	(10,005)	-	-
5YA Project - Residential Cabinerty	-	11,565	(11,565)	-	-
5YA Project - BMS Replacement	12,600	(1,115)	(11,485)	-	-
5YA Project - Lighting Work	-	12,189	(12,189)	-	-
5YA Project - Site, B Residential, Security, CCTV and F	-	178,617	(174,360)	-	4,257
5YA Project - Site Burst Water Pipe 264930	-	7,343	(7,343)	-	-
Totals	<u>(2,958)</u>	<u>556,872</u>	<u>(368,278)</u>	<u>-</u>	<u>185,636</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	187,551
Funds Receivable from the Ministry of Education	(1,915)

2024	Opening Balances \$	Receipts from MOE \$	Payments \$	Board Contributions / Transfers \$	Closing Balances \$
SIP Marae Complex Upgrade	(90,443)	50,000	(19,296)	59,739	-
Other Capital Works	-	82,917	(97,925)	-	(15,008)
5YA Project - Roofing	-	-	(270)	-	(270)
5YA Project - Plumbing	-	-	(280)	-	(280)
5YA Project - BMS Replacement	-	12,600	-	-	12,600
Totals	<u>(90,443)</u>	<u>145,517</u>	<u>(117,771)</u>	<u>59,739</u>	<u>(2,958)</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	12,600
Funds Receivable from the Ministry of Education	(15,558)

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, all Board members, Principal and Senior Leadership Team.

	2025 Actual \$	2024 Actual \$
<i>Board Members</i>		
Remuneration	6,771	1,560
<i>Leadership Team</i>		
Remuneration	2,326,279	2,365,073
Full-time equivalent members	14.75	14.90
Total key management personnel remuneration	<u>2,333,050</u>	<u>2,366,633</u>

Ko Taku Reo was under the direction of the Commissioner until a Board was appointed in November 2025. Costs for the Commissioner are paid by the School totalling \$73,647 for the 2025 year (2024: \$117,456). As part of his role, the Commissioner oversaw four Committees which met monthly or six weekly. These were the Finance, Property, HR & Health & Safety, and Compliance & Risk Committees. A Board was appointed in November 2025. There are 6 members of the Board excluding the Principal. The Board held two meetings in the year. The first meeting involved training from NZSBA as it is a fully new Board. The intention is that subcommittees for Finance and Property, Risk and Compliance, HR, Teaching & Learning will be setup in 2026. As well as these regular meetings, including preparation time, the Presiding Member has also been involved in ad hoc meetings to support the Principal.

Principal

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

	2025	2024
	Actual	Actual
	\$000	\$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	250 - 260	220 - 230
Benefits and Other Emoluments	7 - 8	6 - 7
Termination Benefits	-	-

Other Employees

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

Remuneration	2025	2024
\$000	FTE Number	FTE Number
100 - 110	84.00	89.00
110 - 120	50.00	40.00
120 - 130	12.00	14.00
130 - 140	5.00	6.00
140 - 150	4.00	4.00
150 - 160	2.00	0.00
160 - 170	0.00	2.00
170 - 180	2.00	1.00
180 - 190	1.00	1.00
190 - 200	0.00	0.00
200 - 210	0.00	0.00
	160.00	157.00
	160.00	157.00

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 number of persons to whom all or part of that total was payable was as follows:

	2025	2024
	Actual	Actual
Total	\$63,645	\$183,874
Number of People	2	6

20. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2025 (Contingent liabilities and assets at 31 December 2024: 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 for specific individuals. As such, this is expected to resolve the liability for school boards.

Pay Equity and Collective Agreement Funding Wash-up

In 2025 the Ministry of Education provided collective agreement and pay equity settlement funding. At the date of signing the financial statements, the School's final entitlement for the year ended 31 December 2025 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 2026.

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 of the Sumner site, 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 2025, the Board had capital commitments of \$175,542 (2024:\$6,830) as a result of entering the following contracts:

Contract Name	Remaining Capital Commitment \$
MOE Drainage Project (#250959)	175,542
Total	175,542

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 2025, the Board has not entered into any operating contracts.
(Operating commitments as at 31 December 2024: 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

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Cash and Cash Equivalents	1,521,543	4,555,261	5,082,531
Receivables	2,821,396	2,340,706	2,340,706
Investments - Term Deposits	8,000,000	2,328,894	2,328,894
Total financial assets measured at amortised cost	<u>12,342,939</u>	<u>9,224,861</u>	<u>9,752,131</u>

Financial liabilities measured at amortised cost

Payables	3,493,616	4,140,124	4,173,304
Finance Leases	480,319	1,740,298	409,157
Total financial liabilities measured at amortised cost	<u>3,973,935</u>	<u>5,880,422</u>	<u>4,582,461</u>

Financial Instrument risk

The school activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The School has policies to manage these risks and seeks to minimise exposure from financial instruments. These policies do not allow transactions that are speculative in nature to be entered into.

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 held 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 banks and receivables. For each of these, the maximum credit risk exposure is best represented by the carrying amount in the statement of financial positions.

Risk Management

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.

Security

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, excluding derivatives

The table below analyses financial liabilities into their 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
2025						
Accounts Payable	3,493,616	3,493,616	3,493,616			
Finance Leases	480,319	480,319	258,976	95,009	126,334	-
Total	3,973,935	3,973,935	3,752,592	95,009	126,334	-
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	-	-

23. Events After Balance Date

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

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

	2025 Actual \$	2024 Actual \$
Reported surplus/(deficit) for the period	1,931,261	658,638
Add/(Deduct) Non Cash Items		
Depreciation	760,548	796,942
Cyclical Maintenance	37,054	14,358
Amortisation	-	-
Finance costs	26,268	35,162
Add/(Deduct) Movements in Other Working Capital Items		
(Increase)/Decrease in accounts receivable	(278,604)	(108,020)
(Increase)/Decrease in prepayments	12,797	28,865
(Increase)/Decrease in GST	73,074	108,683
Increase/(Decrease) in accounts payable	(679,688)	604,538
Increase/(Decrease) in revenue in advance	932,208	329,594
Increase/(Decrease) in Finance leases	(61,114)	(58,129)
Add/(Deduct) Items Classified as Investing of Financing Activities		
Loss on Disposal of Property, Plant and Equipment	16,469	13,896
Gain on Sale of Property, Plant and Equipment	(803)	-
Net cash flow from operating activities	2,769,470	2,424,527

25. Reconciliation of Movement in Liabilities Arising from Financing Activities

	Finance Leases	Funds Administered on Behalf of Third Parties
Opening Balance as at 1 January 2025	409,157	542
Net cash flows	(311,688)	(6,992)
New leases	417,696	
Other changes	(34,846)	202,086
Closing Balance as at 31 December 2025	<u>480,319</u>	<u>195,636</u>
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	<u>409,157</u>	<u>542</u>

26. Comparatives

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

27. Reserves

Happiness Fund

	2025 Actual \$	2024 Actual \$
Opening Balance as at 1 January	1,503,203	1,420,623
Movement During the Year	57,022	82,580
Closing Balance as at 31 December	<u>1,560,225</u>	<u>1,503,203</u>
Total Reserves	<u>1,560,225</u>	<u>1,503,203</u>

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 NEW ZEALAND'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

The Auditor-General is the auditor of Ko Taku Reo Deaf Education New Zealand (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 pages 3 to 22, that comprise the statement of financial position as at 31 December 2025, 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.

Opinion

In our opinion the financial statements:

- present fairly, in all material respects:
 - the School's financial position as at 31 December 2025; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 14th May 2026. This is the date at which our opinion is expressed.

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 audit 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 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 the Board intends to close or merge the School, or has 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 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 required to prepare an annual report which includes the annual financial statements and the audit report, as well as a Statement of Variance, an Evaluation of the School's Students' Progress and Achievement, a Statement of Compliance with Employment Policy, and a Statement of KiwiSport funding. The Board is responsible for the other information that it presents alongside its annual financial statements.

The other information obtained at the date of our audit report includes copies of the Statement of Variance, Evaluation of the School's Students' Progress and Achievement, Statement of Compliance with Employment Policy, and Statement of KiwiSport funding.

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 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)* issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, 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