

**Statement of Service Performance
and Financial Statements for the
year ended 30 June 2025**



WHĀNAU MANAAKI



Statement of Service Performance and Financial Statements for the year ended 30 June 2025

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Statement of Service Performance and Financial Statements for the year ended 30 June 2025

Directory

Board Members

Anne Prescott	
Daniel Wark	
Emma McGregor	
Hayley Galo	
Jessica Firmin	
Kathleen Cooper	
Martin Robinson	
Miranda Zander	
Natasha Munro	
Kylie Semu	Appointed 7 November 2024
Rachel Graves	Appointed 7 November 2024
Martha Iosia	Appointed 13 May 2025
Anna Faasolo	Resigned 7 November 2024
Ashley Newson	Resigned 7 November 2024

Registered Office

Unit F
15 John Seddon Drive
Elsdon
PORIRUA 5022

Nature of Business

Provision of Early Childhood Education services

Charities Commission Number

CC11092

Independent Auditor

Grant Thornton New Zealand Audit Limited
Grant Thornton House
215 Lambton Quay
WELLINGTON 6011

Statement of Service Performance For the year ended 30 June 2025



Statement of Service Performance for the year ended 30 June 2025

Introduction

The reporting entity is Whānau Manaaki o Tararua Free Kindergarten Association (WMK).

WMK operates 110 kindergartens and a homebased network.

WMK is an Incorporated Society with Charitable Status. As such, it is governed by an elected board and bound by a set of rules captured in our constitution. The objectives of WMK, as detailed in the constitution are:

- a. To provide quality, inclusive and accessible early childhood education environments that are warm and welcoming and where learning is fun.
- b. To establish, maintain and administer free kindergartens and other early childhood services in Aotearoa.
- c. To do all such other things as are incidental or conducive to the attainment of any of the above objectives, including (but not limited to) working to improve the health and wellbeing of children enrolled with the Association, and their communities.

To give effect to these objectives, WMK has developed in consultation with our membership (parents and whānau), staff, leadership and board, Te Rautakina | Our Strategic Plan which sets out our vision, our values, and our strategic intentions to ensure those objectives are realised.

The service performance statements are aligned to the WMK Whāinga | Strategic Intentions, as the operational action-based focus of WMK planning and service delivery. The Whāinga | Strategic Intentions are:

1. Improve access for children, their parents and whānau to increasingly relevant services.
2. Improve quality and effectiveness of our relationships with our communities.
3. Innovate and continuously improve teaching and learning.
4. Strengthen our financial and organisational health
5. Strengthen our capability and capacity as a Te Tiriti o Waitangi led organisation

Reported in reference to the Whānau Manaaki Whāinga | Strategic Intentions

Whāinga Tahi | Strategic Intention One

Improve access for children, their parents and whānau to increasingly relevant services.

- 1.1 *This whāinga is intended to support whānau to access services that increase participation of children in ECE.*
- 1.2 *The specific measure associated with this whāinga is the proportion of kindergartens diversified operational model.*

Proportion of kindergartens with diversified models

Current Year	Prior Year	Change	Expected Trend	Note
60.9%	47.2%	↑ 13.7%	Stable or Increasing Trend	1

This statement should be read in conjunction with the notes to the statement of service performance.

Statement of Service Performance for the year ended 30 June 2025

Reported in reference to the Whānau Manaaki Whāinga | Strategic Intentions

Whāinga Rua | Strategic Intention Two

Improve quality and effectiveness of our relationships with our communities.

- 2.1 This whāinga is intended to support active engagement with our communities through specific channels and processes.
- 2.2 The specific measure associated with this whāinga is the proportion of parents/whānau engaging with StoryPark (i.e. enrolment, viewing, liking or commenting on entries).

Proportion of parents/whānau engaging with StoryPark

Current Year	Prior Year	Change	Expected Trend	Note
87.7%	90.1%	↓-2.4%	Greater than 85 percent	2

Whāinga Toru | Strategic Intention Three

Innovate and continuously improve teaching and learning.

- 3.1 This whāinga is intended to support and promote teaching and learning innovations.
- 3.2 The specific measure associated with this whāinga is the proportion of staff who attend professional learning and development (PLD) courses.

Proportion of staff who attend PLD courses

Current Year	Prior Year	Change	Expected Trend	Note
58.4%	62.1%	↓-3.7%	Stable or Increasing Trend	3

Whāinga Whā | Strategic Intention Four

Strengthen our financial and organisational health

- 4.1 This whāinga is intended to encourage activities that can increase our market position within the areas our services are situated.
- 4.2 The specific measure associated with this whāinga is the market share that Whānau Manaaki has in all regions that it operates.

Market share that Whānau Manaaki has in all regions where it operates

Current Year	Prior Year	Change	Expected Trend	Note
19.6%	18.9%	→0.7%	Stable or Increasing Trend	4

This statement should be read in conjunction with the notes to the statement of service performance.

Statement of Service Performance for the year ended 30 June 2025

Reported in reference to the Whānau Manaaki Whāinga | Strategic Intentions

Whāinga Rima | Strategic Intention Five

Strengthen our capability and capacity as a Te Tiriti o Waitangi led organisation

- 5.1 *This whāinga is intended to encourage activities that result in increasing the level of te reo Māori used by our people.*
- 5.2 *The specific measure associated with this whāinga is the percentage of services using te reo Māori more than 11% of the time, as measured by the Ministry of Education.*

Percentage of services using te reo Māori more than 11% of the time

Current Year	Prior Year	Change	Expected Trend	Note
49.1%	48.2%	➔0.9%	Stable or Increasing Trend	5, 6

Notes to the Statement of Service Performance for the year ended 30 June 2025

Note 1 Diversified Services

Diversified in this context refers to any kindergarten offering full year, or full day sessions, or with some other special character. Examples of special character include where the programme is offered in a language other than english or where the kindergarten shares a location with another organisation like a community centre or marae.

Note 2 StoryPark

StoryPark is a web based application designed specifically to share tamariki teaching and learning experiences with parents and whānau. The adult or adults named on tamariki enrolment forms are invited to StoryPark and encouraged to access their child's learning stories.

Note 3 Professional Learning and Development

Professional development opportunities are available to all Whānau Manaaki employees, although attendance is only mandatory for permanent teachers. The decrease reported is the result of a change in the methodology for calculating this measure. Previously reported values only included permanently appointed staff, the current reported values now also include casual staff, i.e. relievers.

Note 4 Market Share - Territorial Local Authority (TLAs)

Reported TLAs: Carterton, Clutha District, Horowhenua, Kapiti Coast, Lower Hutt City, Masterton, Porirua, Ruapehu, South Wairarapa, Upper Hutt City, Wellington, Whanganui.

Note 5 Language Used - Territorial Local Authority (TLAs)

Reported TLAs: Carterton, Clutha District, Horowhenua, Kapiti Coast, Masterton, Porirua, Ruapehu, South Wairarapa, Upper Hutt City, Wellington, Whanganui.

Notes to the Statement of Service Performance for the year ended 30 June 2025

Note 6 Language Used - Caveat

Reported TLAs do not include Lower Hutt City as available data is not sufficiently granular to extract the two WMK kindergartens in the region. Inclusion of the Lower Hutt TLA would result in a significant over-reporting of the number of services and impact the proportionality of language use.

The two omitted services do not represent a significant or material impact to the overall proportionality of the use of te reo Māori across WMK services.

All remaining TLAs capture exclusively WMK kindergartens.

Note 7 Judgements and Estimates made in Statement of Service Performance Reporting

In preparing the Statement of Service Performance for the year ended 30 June 2025, WMK has made a number of significant judgements about what information is presented, based on an assessment of what information would be most meaningful to support the understanding of those engaging with reporting for the purpose of assessing performance against the WMK Whāinga | Strategic Intentions.

Due to the diverse nature of WMK activities, decisions about what service performance information to present were made in consultation with the Governance Board and Senior Leadership. They were chosen to ensure a meaningful focus on what is most important to our members, those areas that may have collateral impacts for funding, and where the data available was reliably collected and already retained for operational monitoring purposes.

In consultation with the Governance Board and Senior Leadership, WMK has decided not to report a broader range of performance measures, at this time, as the data are not easily available, reliable or independently verifiable.



Financial Statements for the year ended 30 June 2025



Statement of Comprehensive Revenue and Expenses for the year ended 30 June 2025

	Note	Year ended 30 June 2025 \$000s	Year ended 30 June 2024 \$000s
Revenue From Non-Exchange Transactions			
Ministry of Education Funding	4	71,226	66,729
Donations	5	554	597
Fundraising		300	305
Grants		214	274
Other Revenue		1,783	3,800
Total Revenue From Non-Exchange Transactions		74,077	71,705
Revenue From Exchange Transactions			
Fees		3,867	3,732
Other Revenue		1,913	1,444
Interest Revenue		510	629
Total Revenue From Exchange Transactions		6,290	5,805
Total Revenue		80,367	77,510
Expenses			
Employee Benefits	6	68,523	66,705
Facilities	7	4,375	4,022
Operating & Consumables	8	1,916	1,925
Digital & Telecommunications	9	1,247	1,175
Administration	10	815	591
Community Services	11	626	1314
Insurance		415	419
Marketing & Operations		166	169
Vehicles		168	205
Depreciation		2,380	2,373
Amortisation		53	53
Total Expenses		80,684	78,951
Total (Deficit)/Surplus for the Year		(317)	(1,441)
Other Comprehensive Revenue and Expenses		0	0
Total Comprehensive Revenue and Expenses		(317)	(1,441)

These financial statements should be read in conjunction with the notes to the financial statements.

Statement of Changes in Net Assets for the year ended 30 June 2025

	Retained Surplus \$000s	Asset Revaluation Reserve \$000s	Total Equity \$000s
Opening Balance at 1 July 2024	16,107	15,664	31,771
Deficit for the Year	(317)	0	(317)
Other Comprehensive Revenue and Expenses	0	0	0
Closing Equity at 30 June 2025	15,790	15,664	31,454
Opening Balance at 1 July 2023	17,548	15,664	33,212
Deficit for the Year	(1,441)	0	(1,441)
Other Comprehensive Revenue and Expenses	0	0	0
Closing Equity at 30 June 2024	16,107	15,664	31,771

These financial statements should be read in conjunction with the notes to the financial statements.

Statement of Financial Position as at 30 June 2025

	Note	As at 30 June 2025 \$000s	As at 30 June 2024 \$000s
Current Assets			
Cash and Cash Equivalents	12	4,572	3,050
Receivables from Exchange Transactions	13	758	787
Receivables from Non-Exchange Transactions	13	859	2,212
Total Current Assets		6,189	6,049
Non-Current Assets			
Property, Plant and Equipment	14	29,911	29,869
Finance Lease Asset	18	1,058	1,111
Work in Progress		43	289
Total Non-Current Assets		31,012	31,269
Total Assets		37,201	37,318
Current Liabilities			
Employee Entitlements	16	4,811	4,221
Trade and Other Payables	15	576	603
Revenue in Advance		337	694
Other Liabilities		23	29
Total Current Liabilities		5,747	5,547
Net Assets		31,454	31,771
Equity			
Retained Surplus		15,790	16,107
Asset Revaluation Reserve		15,664	15,664
Total Equity		31,454	31,771

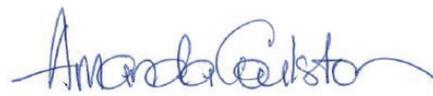
Signed as approved on behalf of the Board of He Whānau Manaaki o Tararua Free Kindergarten Association Incorporated



Martin Robinson

Chair

13 August 2025



Amanda Coulston

Chief Executive

13 August 2025

These financial statements should be read in conjunction with the notes to the financial statements.

Statement of Cashflow for the year ended 30 June 2025

	Note	Year ended 30 June 2025 \$000s	Year ended 30 June 2024 \$000s
Cash Flow From Operating Activities			
Ministry of Education Funding		82,820	76,889
Other Receipts		9,925	10,415
Interest Receipts		510	629
Employee Benefit Payments		(68,153)	(67,528)
Supplier Payments		(21,078)	(20,380)
Net Cash Flow From Operating Activities	24.1	4,024	25
Cash Flow From Investing Activities			
Sale of Property, Plant & Equipment		0	42
Payment for Property, Plant & Equipment		(2,502)	(2,795)
Net Cash Flow used in Investing Activities		(2,502)	(2,753)
Net Increase/(Decrease) in Cash and Cash Equivalents		1,522	(2,728)
Cash and Cash Equivalents at the Start of the Year		3,050	5,778
Net Increase/(Decrease) in Cash and Cash Equivalents		1,522	(2,728)
Cash and Cash Equivalents at the End of the Year	12	4,572	3,050

These financial statements should be read in conjunction with the notes to the financial statements.

Notes to the Financial Statements for the year ended 30 June 2025

Note 1 Reporting Entity

The reporting entity is He Whānau Manaaki o Tararua Free Kindergarten Association Incorporated ("WMK"). WMK is domiciled in New Zealand and is a charitable organisation registered under the Charities Act 2015. WMK was incorporated under the Incorporated Societies Act 1908 on 21 August 1984.

The financial statements of WMK are presented for the year ended 30 June 2025.

The reporting entity consists of the WMK Offices and its constituent kindergartens and the principal activity of WMK is the provision of Early Childhood Education. The financial statements have been prepared on the assumption that WMK is a going concern. They have been approved and were authorised for issue by the Board on 13 August 2025.

Note 2 Basis of Preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable financial reporting standards issued by the New Zealand Accounting Standards Board for Not-For-Profit entities. For the purpose of complying with NZ GAAP WMK is a public benefit not-for-profit entity and is applying Tier 1 Not-For-Profit PBE IPSAS as it has expenditure of more than \$33 million. The Board has elected to report and is compliant with Tier 1 Not-For-Profit PBE IPSAS Standards.

Note 3 Summary of Accounting Policies

The significant accounting policies used in the preparation of these financial statements as set out below have been applied consistently to both years presented in these financial statements.

3.1 Basis of Measurement

The financial statements have been prepared on the historical cost basis, except for assets and liabilities acquired through business combinations which have been recorded at fair value.

3.2 Functional and Presentation Currency

The financial statements are presented in New Zealand dollars which is WMK's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest thousand dollars.

3.3 Use of Judgements and Estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of WMK's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Information about judgements and estimates that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 3.7	Financial Assets - Allowance for doubtful debts
Note 3.9	Property, Plant and Equipment - Depreciation

Notes to the Financial Statements for the year ended 30 June 2025

Note 3 Summary of Accounting Policies (continued)

3.4 Business Combinations

WMK accounts for business combinations using the acquisition method when control is transferred to WMK. The acquisition method involves recognising at acquisition date the identifiable assets acquired and the liabilities assumed. The consideration transferred at the acquisition is measured at fair value, as are the identifiable net assets acquired. Any gain on acquisition is recognised in the surplus immediately and any transaction costs are expensed as incurred.

3.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to WMK and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

Revenue from non-exchange transactions

Ministry of Education Funding

Ministry of Education Funding received for Kindergarten, Homebased or Playgroup services is recognised as earned by reference to actual enrolled child hours. Other funding received from the Ministry of Education is recognised as received except where "use or return" conditions are attached in which case a liability is recognised and extinguished to revenue when the conditions are met.

Donations and Fundraising

Donations and Fundraising are recognised as revenue on receipt as this is when the revenue is reliably measurable. Due to the difficulty in reliably determining the value of services donated by kindergarten volunteers, donated services are not recognised in these financial statements.

Grants

Grant revenue includes grants given by other charitable organisations, philanthropic organisations and businesses. Grant revenue is recognised when the conditions attached to a grant have been complied with. Where there are unfulfilled conditions attached to the grant, the amount relating to the unfulfilled condition is recognised as a liability and released to revenue as the conditions are fulfilled. In the case where there is no return obligation specified the grant is recognised as revenue.

Revenue from exchange transactions

Fees

WMK provides Early Childcare Services for children over and above the 20 free hours provided by the Government. In this instance an additional fee is charged at an hourly rate. Fee revenue of this nature is recognised as incurred by reference to actual enrolled child hours.

Interest

Interest revenue is recognised as it accrues, using the effective interest rate method.

Notes to the Financial Statements for the year ended 30 June 2025

Note 3 Summary of Accounting Policies (continued)

3.6 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash in bank accounts with entities where there is an insignificant risk of changes in value.

3.7 Financial Assets

WMK's financial assets include Cash and Cash Equivalents, Fee Receivables, Ministry of Education Funding Receivables and Trade and Other Receivables. Classification and measurement of WMK's financial assets has been determined by applying the sole payments of principal and interest ('SPPI') test and the business model test.

All WMK financial assets are classified as 'amortised cost' because the cashflows WMK is entitled to receive are limited to the agreed receivable amount. WMK does not have any financial assets classified as 'fair value through surplus or deficit' or 'fair value through comprehensive revenue and expenses'.

All receivables are initially recognised at the invoiced amount, or the amount entitled to be received under the relevant contract agreements and then this value is reduced by any allowance for doubtful debts. The level of doubtful debt allowance is based on expected credit losses which management determines with reference to past due dates. Receivables are considered doubtful when they become 60 days past due and any losses arising when a financial asset is derecognised is immediately recorded in the statement of comprehensive revenue and expenses.

3.8 Impairment of Financial Assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. If there is objective evidence that a financial asset or group of financial assets is impaired then any impairment losses are recognised in the surplus or deficit within the statement of comprehensive revenue and expenses. In the case where impairment losses are considered to have reversed, the amount of the reversal is recognised in the statement of comprehensive revenue and expenses, but only to the extent that impairment losses have been recorded in prior reporting periods.

3.9 Property, Plant and Equipment

Property, Plant and Equipment is reflected at modified historical cost less accumulated depreciation and impairment losses. Land, Buildings and Fitouts are carried at modified historical cost having previously been revalued by an independent valuer, last valued in 2005.

The cost of an item of Property, Plant and Equipment is recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to WMK and the cost of the item can be measured reliably. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value at the date of acquisition.

Gains or losses on disposal of Property, Plant and Equipment (as determined by comparing proceeds of disposal with the carrying value of the asset) are recorded in the statement of comprehensive revenue and expenses. When revalued assets are sold, the amounts included in revaluation reserves in respect of those assets are transferred to retained earnings.

Notes to the Financial Statements for the year ended 30 June 2025

Note 3 Summary of Accounting Policies (continued)

3.9 Property, Plant and Equipment (continued)

Depreciation is provided on all Property, Plant and Equipment with the exception of Land. Depreciation is provided on a straight line basis so as to write off the cost of an asset, less any expected residual value, over its useful life. The following straight line depreciation rates have been applied to Property, Plant and Equipment:

Buildings and Fitouts	2% to 8%
Motor Vehicles	22%
Office Equipment	3% to 19%
Computer Equipment	36%
Play Equipment	12% to 24%

The estimated useful lives and residual values of Property, Plant and Equipment, as well as depreciation rates, are reviewed at the end of each reporting period.

3.10 Asset Revaluation Reserve

The asset revaluation reserve was created when revaluations were last performed in 2005. It then increased with the addition of the asset revaluation reserve from the Rimutaka Kindergarten Association when the merger with Wellington Region Free Kindergarten Association occurred in 2014. On transition to PBE IPSAS, WMK elected to transition to a "deemed cost" basis of accounting for Land and Buildings. The asset revaluation reserve will be extinguished on disposal or retirement of the relevant assets and its use is not restricted. It may be used for any purposes intended by the Association.

3.11 Impairment of Property, Plant and Equipment

Property, Plant and Equipment are assessed for indicators of impairment at the end of each reporting period. If there is objective evidence that these assets are impaired then any impairment losses are recognised in the statement of comprehensive revenue and expenses. In the case where impairment losses are considered to have reversed the amount of the reversal is recognised in the statement of comprehensive revenue and expenses, but only to the extent that impairment losses have been recorded in prior reporting periods.

3.12 Financial Liabilities

Financial liabilities of WMK include Trade and Other Payables and Revenue in Advance.

Financial liabilities are recognised when WMK becomes a party to the contractual arrangements of the instrument and are measured at amortised cost. Financial liabilities are initially recognised at the invoiced amount or the amount entitled to be paid under the relevant contract agreements.

All interest related charges are recognised as finance expenses in the statement of comprehensive revenue and expenses.

Notes to the Financial Statements for the year ended 30 June 2025

Note 3 Summary of Accounting Policies (continued)

3.13 Employee Entitlements

Provision is made for benefits accruing to employees in respect of salaries and wages, annual leave and long service leave where it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits are recorded at nominal values. The value of provisions recognised reflect accrued entitlements at balance date calculated at the prevailing rates of pay.

3.14 Income Tax

WMK is a registered Charitable Trust. Inland Revenue has determined that WMK is exempt from paying Income Tax.

3.15 Goods and Service Tax (GST)

All items in the financial statements are recorded exclusive of GST, except for Receivables and Trade Payables which are recorded as inclusive of GST.

3.16 Changes in Classification and Presentation of Expenses

During the current financial year WMK undertook a review of its expense classification and presentation within the statement of comprehensive revenue and expenses. As a result of this review, certain expenses have been reclassified and presented under revised headings to enhance the relevance and understandability of the financial information presented. The changes were made to provide more meaningful insights into the nature and function of expenses incurred and improve comparability with financial statements of other entities operating in the same sector.

The changes made are presentation related only and do not affect the recognition, measurement, or total amount of expenses reported. Comparative figures for the prior year have been restated accordingly to ensure consistency and facilitate year-on-year analysis.

3.17 Changes In Accounting Policy

There have been no changes in accounting policy since the prior period.

Notes to the Financial Statements for the year ended 30 June 2025

	Year ended 30 June 2025 \$000s	Year ended 30 June 2024 \$000s
Note 4 Ministry of Education Funding		
Kindergarten Bulk Funding	68,405	64,000
Equity Funding	1,256	1,178
Homebased Funding	869	940
Targeted Funding For Disadvantage	340	326
Engaging Priority Families Funding	356	285
	<u>71,226</u>	<u>66,729</u>
Note 5 Donations		
Whānau Contributions	488	532
Other Donations	66	65
	<u>554</u>	<u>597</u>
Note 6 Employee Benefits		
Employee Salaries, Wages & Allowances	65,128	62,813
Kiwisaver and GSF Employer Contributions	1,629	1,656
ACC Levies	515	432
Professional Development	491	720
Movement in Annual Leave Entitlements	297	613
Travel & Accommodation	242	254
Other Employee Expenses	221	217
	<u>68,523</u>	<u>66,705</u>
Note 7 Facilities		
Cleaning & Waste	2,012	1,895
Repairs & Maintenance	1,144	1,065
Utilities	1,029	876
Building Services	190	186
	<u>4,375</u>	<u>4,022</u>
Note 8 Operating & Consumables		
Equipment	674	601
Targeted Funding For Disadvantage	329	368
Food & Catering	290	240
Art & Resources	284	301
Children's Activities & Excursions	130	144
Fundraising	98	107
Other Operating & Consumables	111	164
	<u>1,916</u>	<u>1,925</u>

Notes to the Financial Statements for the year ended 30 June 2025

	Note	Year ended 30 June 2025 \$000s	Year ended 30 June 2024 \$000s
Note 9 Digital & Telecommunications			
Software & Digital		1,029	971
Telecommunications		218	204
		<u>1,247</u>	<u>1,175</u>
Note 10 Administration			
Consultants & Other Professionals		257	104
Photocopying & Printing		145	118
Stationery, Couriers & Postage		118	102
Finance & Legal		105	107
Auditor Remuneration - Statutory Audit Only		59	55
Board Remuneration		39	37
Other Administration		92	68
		<u>815</u>	<u>591</u>
The auditor of He Whānau Manaaki o Tararua Free Kindergarten Association Incorporated is Grant Thornton.			
Note 11 Community Services			
Whanau Ora Case Payments		485	851
Child & Family Support		141	463
		<u>626</u>	<u>1,314</u>
Note 12 Cash and Cash Equivalents			
Bank accounts and cash on hand		4,572	3,050
		<u>4,572</u>	<u>3,050</u>
Represented By			
Unrestricted Cash Balances		2,419	757
Ringfenced Kindergarten Fund Balances	24.2	2,153	2,293
		<u>4,572</u>	<u>3,050</u>
Note 13 Receivables			
Receivables from Exchange Transactions			
GST Receivable		482	498
Fee Receivables		276	289
		<u>758</u>	<u>787</u>
Receivables from Non-Exchange Transactions			
Ministry of Education Funding Receivable		695	1,605
Trade and Other Receivables		164	607
		<u>859</u>	<u>2,212</u>

Receivables are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of receivables approximate their fair value.

Notes to the Financial Statements for the year ended 30 June 2025

Note 14 Property, Plant and Equipment

	Land \$000s	Buildings & Fitouts \$000s	Motor Vehicles \$000s	Office Equipment \$000s	Computer Equipment \$000s	Play Equipment \$000s	Total \$000s
As at 30 June 2025							
At Cost or Valuation							
Balance at 1 July 2024	5,583	38,368	1,090	1,529	1,447	4,421	52,438
Additions	0	1,412	47	119	131	723	2,432
Disposals	0	(5)	(23)	(7)	(44)	(7)	(86)
Balance at 30 June 2025	5,583	39,775	1,114	1,641	1,534	5,137	54,784

Accumulated Depreciation

Balance at 1 July 2024		16,121	700	1,259	1,168	3,321	22,569
Depreciation Expense		1,421	131	108	188	532	2,380
Recovered on Disposals		(5)	(21)	(6)	(37)	(7)	(76)
Balance at 30 June 2025		17,537	810	1,361	1,319	3,846	24,873

Net Book Value

Balance at 1 July 2024	5,583	22,247	390	270	279	1,100	29,869
Balance at 30 June 2025	5,583	22,238	304	280	215	1,291	29,911

	Land \$000s	Buildings & Fitouts \$000s	Motor Vehicles \$000s	Office Equipment \$000s	Computer Equipment \$000s	Play Equipment \$000s	Total \$000s
As at 30 June 2024							

At Cost or Valuation

Balance at 1 July 2023	5,583	37,012	1,145	1,440	1,376	3,965	50,521
Additions	0	1,356	86	92	172	456	2,162
Disposals	0	0	(141)	(3)	(101)	0	(245)
Balance at 30 June 2024	5,583	38,368	1,090	1,529	1,447	4,421	52,438

Accumulated Depreciation

Balance at 1 July 2023		14,761	711	1,140	1,000	2,818	20,430
Depreciation Expense		1,360	130	122	257	504	2,373
Recovered on Disposals		0	(141)	(3)	(89)	(1)	(234)
Balance at 30 June 2024		16,121	700	1,259	1,168	3,321	22,569

Net Book Value

Balance at 1 July 2023	5,583	22,251	434	300	376	1,147	30,091
Balance at 30 June 2024	5,583	22,247	390	270	279	1,100	29,869

Notes to the Financial Statements for the year ended 30 June 2025

	Year ended 30 June 2025 \$000s	Year ended 30 June 2024 \$000s
Note 15 Trade and Other Payables		
Trade Payables	290	343
Accrued Expenses	286	260
	<u>576</u>	<u>603</u>

Trade and other payables are non-interest bearing and are normally settled on 30 day terms, therefore, the carrying value of trade and other payables approximate their fair value.

Note 16 Employee Entitlements

Annual Leave Entitlements	3,273	2,975
Accrued Employee Salary Expenses	1,538	1,246
	<u>4,811</u>	<u>4,221</u>

All employee entitlements are current and short-term in nature.

Note 17 Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets at 30 June 2025 (30 June 2024: \$Nil).

Note 18 Finance Lease Asset - Johnsonville (Waitohi) Kindergarten

In 2017 WMK entered into an agreement with the Wellington City Council ("WCC") to sell Johnsonville Kindergarten at 6 Wanaka Street in exchange for a 25 year "rent free" lease on a new kindergarten in the Johnsonville Library complex. Settlement of the transaction occurred on commencement of the lease on 5 August 2019.

Accounting for the transaction involved the derecognition of WMK's 6 Wanaka Street property (and related asset revaluation reserve) and recognition of a "right to lease" asset in accordance with PBE IPSAS 17 Property, Plant and Equipment and PBE IPSAS 13 Leases. The Finance Lease Asset is being depreciated on a straight-line over 25 years (the lease term) and its value in the Financial Statements is:

Right of Use Asset at Fair Value (present value of minimum lease payments)	1,322	1,322
Accumulated Amortisation	(264)	(211)
Finance Lease Asset	<u>1,058</u>	<u>1,111</u>

Note 19 Leases

19.1 Leasing Arrangements

Operating leases relate to photocopiers and telecommunication contracts as well as office and kindergarten land and buildings with remaining lease terms of between 1 and 31 years. These lease agreements require WMK to pay contractual annual rent. Contingent rent is payable in relation to seven land leases WMK hold with the Wellington City Council. Rent for these leases are based on 1% of per annum kindergarten income. The amount of rent reflected in the statement of comprehensive revenue and expenses for these leases is the contingent rent amount paid in the period.

19.2 Operating Lease Rental Expenses

Operating Lease Rental Expense for the Period	806	678
	<u>806</u>	<u>678</u>

Notes to the Financial Statements for the year ended 30 June 2025

	Year ended 30 June 2025 \$000s	Year ended 30 June 2024 \$000s
Note 19 Leases (continued)		
19.3 Non-Cancellable Operating Lease Payments		
The future aggregate minimum lease payments to be made under non-cancellable operating lease payments are as follows:		
Not Longer Than 1 Year	494	472
Longer Than 1 Year and Not Longer Than 5 Years	1,655	1,505
Longer Than 5 Years	54	300
	<u>2,203</u>	<u>2,277</u>

Note 20 Related Party Transactions

20.1 Key Management Personnel

Key management personnel, as defined by PBE IPSAS 20 Related Party Disclosures are the members of the Board and the Senior Leadership Team. The aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration is as follows:

Board

Total Remuneration	39	37
Number of Persons	13	13

Senior Leadership Team

Total Remuneration	971	952
Number of Persons	5	5

20.2 Remuneration and Compensation Provided to Close Family Members of Key Management Personnel

During the reporting period, total remuneration and compensation of \$1,515,769 (2024: \$1,219,401) was provided by WMK to employees who are close family members of key management personnel. In addition \$20,484 (2024: Nil) was paid to entities where key management personnel held governance positions with significant influence.

Note 21 Financial Instruments

Financial Assets Measured at Amortised Cost

Cash and Cash Equivalents	4,572	3,050
Receivables from Exchange Transactions	758	787
Receivables from Non-Exchange Transactions	859	2,212

Financial Liabilities Measured at Amortised Cost

Trade and Other Payables	576	603
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All financial instruments to which WMK is a party are recognised in the financial statements.

WMK has policies in place to manage the risks associated with financial instruments. As an organisation WMK is risk adverse and seeks to minimise its exposure to financial instrument risk. There are no changes from the previous year in how WMK manages its credit risk, interest rate risk, liquidity risk and currency risk.

Notes to the Financial Statements for the year ended 30 June 2025

Note 21 Financial Instruments (continued)

21.1 Credit Risk Management

In the normal course of business WMK incurs credit risk from trade and other receivables and transactions with banking institutions. WMK manages its exposure to credit risk by holding cash and cash equivalents with New Zealand registered banking institutions and maintaining credit control procedures over trade and other receivables.

WMK has no significant concentrations of credit risk, other than all its operations are undertaken in the Greater Wellington, Horowhenua, Wairarapa, Whanganui, Central Plateau and Otago regions. The maximum exposure at balance date is equal to the total amount of cash and cash equivalents and trade and other receivables disclosed in the Statement of Financial Position. WMK does not require any collateral or security to support financial instruments it holds due to the low risk associated with the realisation of these instruments.

21.2 Interest Rate Risk Management

WMK is exposed to interest rate risk on cash and cash equivalents held at fixed interest rates. WMK is not exposed to significant fair value or cash flow risks due to the organisations minimal use of fixed interest investments. A sensitivity analysis has not been performed on cash and cash equivalent interest received. As an organisation WMK has limited reliance on interest revenue to fund its activities and therefore movement would be immaterial.

21.3 Currency Risk Management

WMK manages its risk to foreign exchange rates by not entering into significant foreign currency transactions in the normal course of business.

21.4 Liquidity Risk Management

WMK manages its exposure to liquidity risk by maintaining sufficient cash levels to meet operating and capital commitments as they fall due, as well as keeping credit lines from registered New Zealand banking institutions available. WMK uses robust cash flow forecasting techniques to identify and monitor future liquidity risk.

WMK relies heavily on revenue provided by the Government to fund its operations. It is inherently exposed to liquidity risk through changes in Government policy that impact funds available to the Early Childhood Education Sector.

21.5 Carrying Amount

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximate their fair value.

21.6 Capital Management

WMK's capital is significantly affected by changes in Early Childhood Education funding rates. The Board manages WMK's exposure to changes in Government funding by maintaining adequate liquidity within the organisation, closely monitoring costs, and maintaining a focus on developing other sources of revenue. The impact of funding rate changes or strategic decisions on forecast capital are assessed monthly using cashflow and capital modelling tools.

Notes to the Financial Statements for the year ended 30 June 2025

Note 22 Subsequent Events

On 5 May 2025 the trustees of the KidzWay Trust Board ("KTB") resolved to transfer the operations of the KidzWay Early Learning Centre ("KELC") to WMK with effect from 1 July 2025, meaning that on that date all the assets, liabilities and contractual obligations of KELC were transferred to WMK for a nominal value of \$1.

This transaction will be recorded in the 2025/26 financial statements of WMK and the impact of the transaction on the Statement of Financial Position and the Statement of Comprehensive Revenue and Expenses will be as follows:

	Total \$000s
Current Assets	
Cash and Cash Equivalents	240
Receivables from Exchange Transactions	11
Receivables from Non-Exchange Transactions	52
Total Current Assets	303
Non-Current Assets	
Property, Plant and Equipment	750
Total Non-Current Assets	750
Total Assets	1,053
Current Liabilities	
Trade and Other Payables	8
Total Current Liabilities	8
Net Assets/Other Comprehensive Revenue and Expenses	1,045

Property, Plant and Equipment will be transferred to WMK at fair value. This was determined by registered valuers from CBRE at the date of transfer. The carrying value of all other assets and liabilities will be deemed as fair value at the transfer date.

Note 23 Segment Reporting

The primary function of WMK is the provision of Early Childhood Education services in New Zealand. It does not operate in any other segment.

Notes to the Financial Statements for the year ended 30 June 2025

	Year ended 30 June 2025 \$000s	Year ended 30 June 2024 \$000s
Note 24 Additional Cash Flow Statement Information		
24.1 Reconciliation of Comprehensive Revenue and Expenses to Net Cash Flow From Operating Activities		
Total Comprehensive Revenue and Expenses	(317)	(1,441)
(Increase)/Decrease in Current Assets		
Receivables	1,382	(268)
Increase/(Decrease) in Current Liabilities		
Employee Entitlements	590	(579)
Trade and Other Payables	(27)	238
Revenue in Advance	(357)	(711)
Other Liabilities	(6)	1
GST on Investing Activities	326	359
Adjustment for Non Cash Items		
Depreciation	2,380	2,373
Amortisation	53	53
Net Cash Flow from Operating Activities	4,024	25

24.2 Restrictions on Cash and Cash Equivalents

Cash received from Grants is restricted for the purpose for which the grant was approved.

WMK maintains a record of funds ringfenced for specific kindergarten use. These funds include amounts donated and fundraised by communities for a specific kindergarten and purpose (kindergarten funds) as well as equity funding income allocated specifically for the use of an individual kindergarten. While ultimately these funds will be used for the benefit of the respective kindergarten there is no specific timeframe or obligation upon WMK to spend these funds. The following information provides details of ringfenced kindergarten funds at 30 June 2025:

	Kindergarten Funds \$	Targeted Funds \$	Grant Funds \$	Equity Funds \$	Total Funds \$
Kindergarten					
Adventure	10,266	0	0	0	10,266
Aramoho	1,616	8,555	500	1,842	12,513
Arohanui	13,282	16	0	20	13,318
Ascot Park	22,088	19,011	0	7,605	48,704
Awatea	12,079	3,453	0	20,908	36,440
Balclutha	16,150	2,119	393	1,552	20,214
Barsanti	4,495	6,792	0	23,734	35,021
Bellevue	11,350	0	0	0	11,350
Berhampore	1,055	10,401	500	0	11,956
Betty Montford	6,572	21,460	384	5,767	34,183
Birchville	26,071	2,004	65	0	28,140
Carried Forward Total	125,024	73,811	1,842	61,428	262,105

Notes to the Financial Statements for the year ended 30 June 2025

Note 24 Additional Cash Flow Statement Information (continued)

24.2 Restrictions on Cash and Cash Equivalents (continued)

	Kindergarten Funds	Targeted Funds	Grant Funds	Equity Funds	Total Funds
Kindergarten	\$	\$	\$	\$	\$
Brian Webb	(748)	0	18	0	(730)
Brooklyn	1,438	0	1,500	0	2,938
Brown Owl	5,730	2,080	430	5,751	13,991
Campbell	26,114	0	278	0	26,392
Carterton	16,644	2,052	2,233	0	20,929
Central	5,248	1,535	0	3,295	10,078
Churton Park	11,144	0	444	0	11,588
Clutha Valley	9,280	0	1,537	0	10,817
Cottle	1,643	1,157	1,128	0	3,928
Discovery	5,185	0	2,052	0	7,237
Doris Nicholson	13,771	1,453	0	0	15,224
Durie Hill	2,908	1,210	451	0	4,569
East Harbour	(2,852)	0	2,911	0	59
Fanau Pasifika	6,529	19,706	0	63,712	89,947
Goldfields	25,400	0	391	2,625	28,416
Gonville	16,801	569	133	11,373	28,876
Greytown	7,771	4,218	5,329	0	17,318
Harriette Vine	3,929	1,423	0	0	5,352
Hataitai	81,500	0	0	0	81,500
Heretaunga	9,496	0	0	0	9,496
Irmgard Ritchie	14,626	0	0	0	14,626
Island Bay	20,381	0	0	0	20,381
Johnsonville West	13,568	874	258	0	14,700
Kahurangi	28,805	0	287	0	29,092
Karori	11,949	1,557	0	0	13,506
Katoa	5,383	4,535	500	63,432	73,850
Khandallah	42,964	0	577	0	43,541
Kimbolton	655	518	0	0	1,173
Lansdowne	15,085	5,419	1,534	0	22,038
Lyall Bay	6,303	8,942	0	0	15,245
Manaia	13,595	2,018	1,408	4,344	21,365
Maraeroa	3,422	1,322	4,891	14,568	24,203
Marie McFarland	13,655	351	391	19,650	34,047
Martinborough	21,401	0	757	0	22,158
Masterton West	2,538	1,040	500	0	4,078
Matairangi	8,201	0	500	0	8,701
Matariki	9,286	0	0	0	9,286
Carried Forward Total	603,772	135,790	32,280	250,178	1,022,020

Notes to the Financial Statements for the year ended 30 June 2025

Note 24 Additional Cash Flow Statement Information (continued)

24.2 Restrictions on Cash and Cash Equivalents (continued)

	Kindergarten Funds	Targeted Funds	Grant Funds	Equity Funds	Total Funds
Kindergarten	\$	\$	\$	\$	\$
Meta Riddiford	17,672	24,311	500	33,499	75,982
Milton	22,286	5,313	175	13,534	41,308
Miramar Central	19,469	1,284	0	0	20,753
Miramar North	16,542	0	0	0	16,542
Moirā Gallagher	27,979	4,247	500	7,479	40,205
Mt Cook Preschool	13,533	5,819	104	12,879	32,335
Newlands	11,075	5	195	0	11,275
Ngahina	11,765	4,181	604	0	16,550
Ngaio	8,959	0	1,000	0	9,959
Northland	22,602	0	0	0	22,602
Nuanua	(10,120)	3,513	0	8,127	1,520
Ohakune	6,379	746	3,267	2,919	13,311
Onslow	9,096	0	440	0	9,536
Otaki	14,980	5,842	56	8,529	29,407
Owhiro Bay	17,376	0	2,500	0	19,876
Pakaraka	10,474	2,520	52	0	13,046
Papakowhai	8,132	0	0	0	8,132
Papararangi	18,379	0	317	0	18,696
Paraparaumu	16,583	0	0	0	16,583
Paremata	18,149	0	0	0	18,149
Paremata Creche	20,013	0	0	0	20,013
Parsons Ave	20,048	1,848	0	2,655	24,551
Petone	681	30	346	0	1,057
Petone Beach	4,520	0	0	0	4,520
Piko Piko	2,219	0	401	0	2,620
Plimmerton	(3,503)	0	0	0	(3,503)
Poupoutunoa	16,328	0	790	1,475	18,593
Pukerua Bay	34,184	0	0	0	34,184
Putiki	5,599	3,250	65	0	8,914
Raumati Beach	24,158	1,272	225	0	25,655
Raumati South	15,091	0	523	0	15,614
Rosebank	20,598	1,309	2,615	2,665	27,187
Seatoun	782	0	500	0	1,282
Silverstream	15,755	0	0	0	15,755
South End	994	3,582	1,000	21,397	26,973
St Johns Hill	16,720	0	121	0	16,841
Strathmore Park	20,967	2,455	0	0	23,422
Carried Forward Total	1,100,236	207,317	48,576	365,336	1,721,465

Notes to the Financial Statements for the year ended 30 June 2025

Note 24 Additional Cash Flow Statement Information (continued)

24.2 Restrictions on Cash and Cash Equivalents (continued)

	Kindergarten Funds	Targeted Funds	Grant Funds	Equity Funds	Total Funds
	\$	\$	\$	\$	\$
Kindergarten					
Sunshine	24,567	0	500	0	25,067
Tai Tamariki	30,815	0	331	0	31,146
Taihape	19,531	0	0	8,531	28,062
Tairangi	2,084	16,442	501	15,277	34,304
Taitoko	9,440	21,220	0	6,023	36,683
Tawa Central	2,433	0	251	0	2,684
Te Manawanui	10,719	6,089	0	32,452	49,260
Te O Newtown	2,081	1,245	437	0	3,763
Te Puna Ako Ki Totara Puku	28,772	873	0	0	29,645
Te Timatanga Hou	1,080	14,885	426	3,838	20,229
Titahi Bay	1,425	0	444	7,666	9,535
Toru Fetu	(20,597)	584	500	18	(19,495)
Totara Park	1,751	2,556	335	0	4,642
Trentham	1,791	226	6,205	0	8,222
Tui Park	11,068	6,713	0	9	17,790
Una Williams	701	200	255	11,127	12,283
Upper Hutt	7,428	4,752	0	0	12,180
Wadestown	21,739	0	0	0	21,739
Waikanae	7,000	872	0	0	7,872
Waiouru	4,374	0	0	8,391	12,765
Waitangirua	13,175	47	87	4,199	17,508
Waitohi	4,392	105	0	0	4,497
Whanganui East	1,223	25	332	20,365	21,945
Wellington South	15,645	707	440	4,605	21,397
York Street	8,687	8,308	842	0	17,837
	1,311,560	293,166	60,462	487,837	2,153,025

Grant Funding

He Whānau Manaaki o Tararua Free Kindergarten Association Incorporated wishes to acknowledge and thank those organisations that continue to give generously to our kindergartens. We rely heavily on grants from community organisations to keep our kindergartens well resourced and assist with their ongoing development and maintenance.

Your gifts are appreciated by us, our communities and most importantly those children who benefit from attending our kindergartens.

In the year to 30 June 2025 the following organisations contributed to our kindergartens:

Thomas George Macarthy Trust	51,500	Carterton District Council	4,000
Pelorus Trust	36,003	Clegg Family Charitable Trust	3,000
New Zealand Community Trust	30,000	Dunedin Casino Charitable Trust	2,235
The Trusts Community Foundation	13,398	Four Winds Foundation	1,500
Hutt Mana Charitable Trust	10,468	South Wairarapa District Council	1,500
Trust House Foundation	10,188	The Vogelmorn Foundation	1,500
Masterton Trust Lands Trust	9,298	Philipp Family Foundation	1,321
Trillian Trust	7,100	Havelock Commonage	915
The Lion Foundation	7,000	The Lines Company	870
Otago Masonic Charitable Trust	5,463	Kapiti Coast District Council	750
Wairarapa Building Society	5,272	Wellington City Council	436
Four Regions Trust	5,000	Waihikurangi Trust	150
Greytown Trust Lands Trust	4,869		

Aku mihi nui ki a koe

Thank you





Independent Auditor's Report

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To the Board Members of He Whānau Manaaki o Tararua Free Kindergarten Association Incorporated

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements and statement of service performance of He Whānau Manaaki o Tararua Free Kindergarten Association Incorporated (the "Association") which comprise the financial statements on pages 11 to 32 and the service performance information on pages 5 to 9. The complete set of financial statements comprise the statement of financial position as at 30 June 2025, and the statement of comprehensive revenue and expense, statement of changes in net assets, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements and statement of service performance presents fairly, in all material respects:

- the financial position of the Association as at 30 June 2025 and its financial performance and its cash flows for the year then ended; and
- the service performance for the year ended 30 June 2025 in that the service performance information is appropriate and meaningful and prepared in accordance with the Association's measurement bases or evaluation methods

in accordance with the Public Benefit Entity International Public Sector Accounting Standards (Not-for-profit) issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the service performance information in accordance the ISAs (NZ) and New Zealand Auditing Standard (NZ AS) 1 (Revised) *The Audit of Service Performance Information*. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interest in, the Association.



Other Information Other than the Financial Statements and Auditor's Report thereon

The Board are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and statement of service performance and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements and statement of service performance 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 and statement of service performance, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and statement of service performance, or our knowledge obtained in the audit of otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board.

Responsibilities of Those Charged with Governance for the Financial Statements

Those charged with governance are responsible on behalf of the Entity for:

- the preparation, and fair presentation of the financial statements and statement of service performance in accordance with applicable financial reporting framework;
- the selection elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods that present service performance information that is appropriate and meaningful in accordance with the applicable financial reporting framework;
- the preparation and fair presentation of service performance information in accordance with the Association's measurement bases or evaluation methods, in accordance with the applicable financial reporting framework;
- the overall presentation, structure and content of the service performance information in accordance with the applicable financial reporting framework; and
- such internal control as those charged with governance determine is necessary to enable the preparation of the financial statements and statement of service performance that is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, those charged with governance are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless those charged with governance either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole is 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 conducted in accordance with ISAs (NZ) and NZ AS 1 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the External Reporting Board's website at: <https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-14/>



Restriction on use of our report

This report is made solely to the Association's Board members, as a body. Our audit work has been undertaken so that we might state to them those matters which we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and its Board members, as a body, for our audit work, this report or for the opinion we have formed.

Grant Thornton New Zealand Audit Limited

A handwritten signature in black ink that reads 'Grant Thornton'.

N Breckell

Partner

Christchurch

13 August 2025



WHĀNAU MANAAKI