



Central Kids Annual Report 2023

For the year ended 31 December 2023



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Message from the Board Chair

Kia mau ki te tokanga nui-a-noho.

There is no place like home.

It takes a community to raise our tamariki, and Central Kids aims to be an extension of home, focused on learning and wellbeing. We are privileged to contribute to the development of young minds.

I would like to extend a special mihi of appreciation to our kaimahi for their dedication and commitment to tamariki and their whānau. The extended team, led by chief executive Christine Hall, has achieved significant progress toward our strategic goals over the past year. Christine's report on page 5 outlines some key achievements.

I would also like to thank the board of trustees, who continue to provide professional governance and support for the direction and leadership of Central Kids. The board is committed to a strategy of excellence and sustainability for future generations. As such, we continue to support leadership and team members to do their best mahi. The board and leadership team participated in a joint strategic workshop in December 2023 to review and refine our strategic goals and plans for the next few years. These are now being refined and will be expanded on in the coming year.

Learning through play is fundamental to our early learning services, and our large playgrounds, outdoor areas and unique environments are designed to enhance tamariki learning. Ensuring our properties are well maintained and safe for tamariki is a clear priority, however the costs are significant and present ongoing challenges to us as a non-profit organisation. A robust property strategy is being developed to prioritise the investment needed for future sustainability.



Importantly, our philosophy is to provide the highest quality early education service for young children, that is both accessible and affordable. Accessibility for all tamariki is critical to our purpose, and we continue to work with whānau to address barriers and ensure all tamariki have affordable access to high quality early education. The Mātauranga Ake team has been instrumental in supporting our services and working with whānau to foster connections and engage tamariki in early learning.

Again, thank you to our communities, whānau, kaimahi and trustees for their ongoing support of Central Kids, and delivery of our mahi for the benefit of current and future generations.

Ko ngā tamariki te pūtake.

Children are central to all we do.

Ngā manaakitanga,

A handwritten signature in black ink, appearing to read 'Suzanne Flannagan'.

Suzanne Flannagan
Board Chair

2023 Trustees



Suzanne Flannagan, Board Chair
DBA, MBA, MinstID



Darryl Jhinku, Trustee
CA, BMS, MMS, MinstID



David White, Trustee
MBA



Wendy Gatward, Trustee
BEd



Emma Gardiner, Trustee
MBA, BA Te Reo Māori and Māori Studies,
Bdes Digital Media Design

Message from the Chief Executive

Kia ora koutou katoa,

It's a privilege to work in the early childhood sector. We have a unique role in influencing the future trajectory of tamariki, supporting them to stand proud in their language, culture and identity, preparing them for future education.

There are not many organisations that can say they've served several generations of one whānau, with parents bringing their tamariki to the service they went to, and grandparents bringing their mokopuna. It takes a village to raise a child, and our kaimahi are our secret sauce within every community. I know every whānau whose lives we touch feels the mauri, which feeds the wairua. I know this because I see it every day, and I feel it too. This is what makes Central Kids so special.

2023 was a year of continued evolution for Central Kids. We changed the opening hours for 20 of our services, so they are open for longer each day, and no longer close during term breaks. This gives whānau more flexibility and choice, which we recognise is important for working parents.

In April, we made the tough decision to close three services: Whaihangā Early Learning Centre in Hamilton, Te Kūiti Kindergarten, and Te Akoranga Kindergarten in Kawerau. Financial sustainability underpinned these decisions, and this is a common driver we have seen across the early childhood sector over the past few years.

Emergency management was a constant priority, starting with Cyclone Gabrielle in February, and then continuing throughout the year with various weather events across the motu. In response to the cyclone, our services closed for two days so we could undertake thorough safety assessments of our premises before kaimahi and tamariki could re-enter.



Many of our services have old trees and aging buildings, so ensuring they were all safe was a priority. Our Coromandel based services, Tairua and Mercury Bay, were particularly affected by road closures and local economic impacts.

In November, Central Kids won twice at the Waikato Business Awards – the For Purpose category, where we were celebrated for using commercial strategies to support community impact, and People's Choice, where our whānau and communities voted for us.

Twenty Central Kids kaimahi from across the Waikato attended the event. From the laughter and celebrations when our awards were announced, to the waiata our team sang on stage, to the relationships and connections formed on the night, it was a magical experience! It made me proud to work with such a stunning, kind and energised group of kaimahi. The photos of the night speak for themselves. You can see how our kaimahi shine, and how this in turn benefits tamariki. I was particularly proud of our Kihikihi team, who showcased their service through a video, did the voice over, and embraced the whole process.

Another highlight was joining New Zealand Kindergartens, the peak body for kindergartens in Aotearoa. This was a strategic move by Central Kids to unite the kindergarten sector, strengthen our

collective voice and political influence, and celebrate the amazing legacy of kindergartens over the past 100 years in Aotearoa. In September, I was elected to the New Zealand Kindergartens Board, which means I can help influence the future and another 100 years of kindergarten.

I want to thank our wider hapori (community) for your contribution and commitment to Central Kids. The essence that makes Central Kids so special is not ours alone. It comes from the depth of whanaungatanga, the uniqueness of each service, team and community, and the support of our whānau.

Nō reira, ngā mihi nui ki a koutou katoa,

Christine Hall

Kaihautū | Chief executive



About Central Kids

Central Kids has been providing high-quality, affordable early childhood education and care across the central North Island since 1951. We offer a child-led, learning through play philosophy that enables tamariki to grow at their own pace.

Mātauranga Ake provides whānau with wrap around support towards achieving a resilient, stable and supportive home life for tamariki.

We are a bicultural organisation, we are committed to honouring Te Tiriti o Waitangi, and all kaimahi are active role models and advocates for te reo rangatira revitalisation.

Our philosophy

To provide the highest quality early education service for young children in the Central North Island, that is both accessible and affordable.

Our whakataukī

Anei te moemoeā mō ngā ririki tokomaha.
Here is the dream for our tamariki.

Whāia te kahurangi, rewa ki tawhiti.
We want tamariki to follow their destiny and seek their rightful place by pursuing the gifts for a strong cultural identity.

Kia tīaho Tamanui te rā, kia tīaho tamariki mā.
Our kaiako shine brightly on our tamariki mokopuna so that their potential is realised.

Purpose - why we exist

Ka āwhinatia te tapu ranga pea o tatou tamariki.
Tamariki are supported to achieve their full potential.

Beliefs - what we stand for

Ko ngā tamariki te pūtake.
Children are central to all we do.

Mana ki te tangāta.
Maintain the dignity and standing of others.

Tiakina a Papatūānuku.
Protect and enhance the environment.

Manaakitanga.
Gain mana through generosity and goodwill.



Our priorities

Learning through play

Our early childhood environments have large outdoor spaces that allow tamariki to explore and develop their social, cognitive, emotional and physical skills, while fostering a connection to Papatūānuku. Visits to ngahere, cultural festivals, and school are just some of the ways we work with whānau to create positive learning opportunities.

Te reo Māori ōna tikanga

Te reo Māori and tikanga are valued and legitimised. Central Kids has an important role to play in the normalisation of te reo Māori, and we actively support our kaiako to grow their competence, which in turn influences tamariki and whānau. During 2022, 113 kaiako engaged in professional development to improve their te reo Māori knowledge and use.

Aromatawai

Tamariki and whānau have a strong sense of cultural identity, supported by aromatawai – culturally relevant assessment practices. We have invested in Te Whatu Pōkeka, a kaupapa Māori assessment of learning framework, and run an internal programme to enhance Kaiako practice. Assessment, goals, and outcomes are captured through tamariki learning stories and visual displays and are shared with whānau to support the partnership between home and kura.

Whānau prosperity

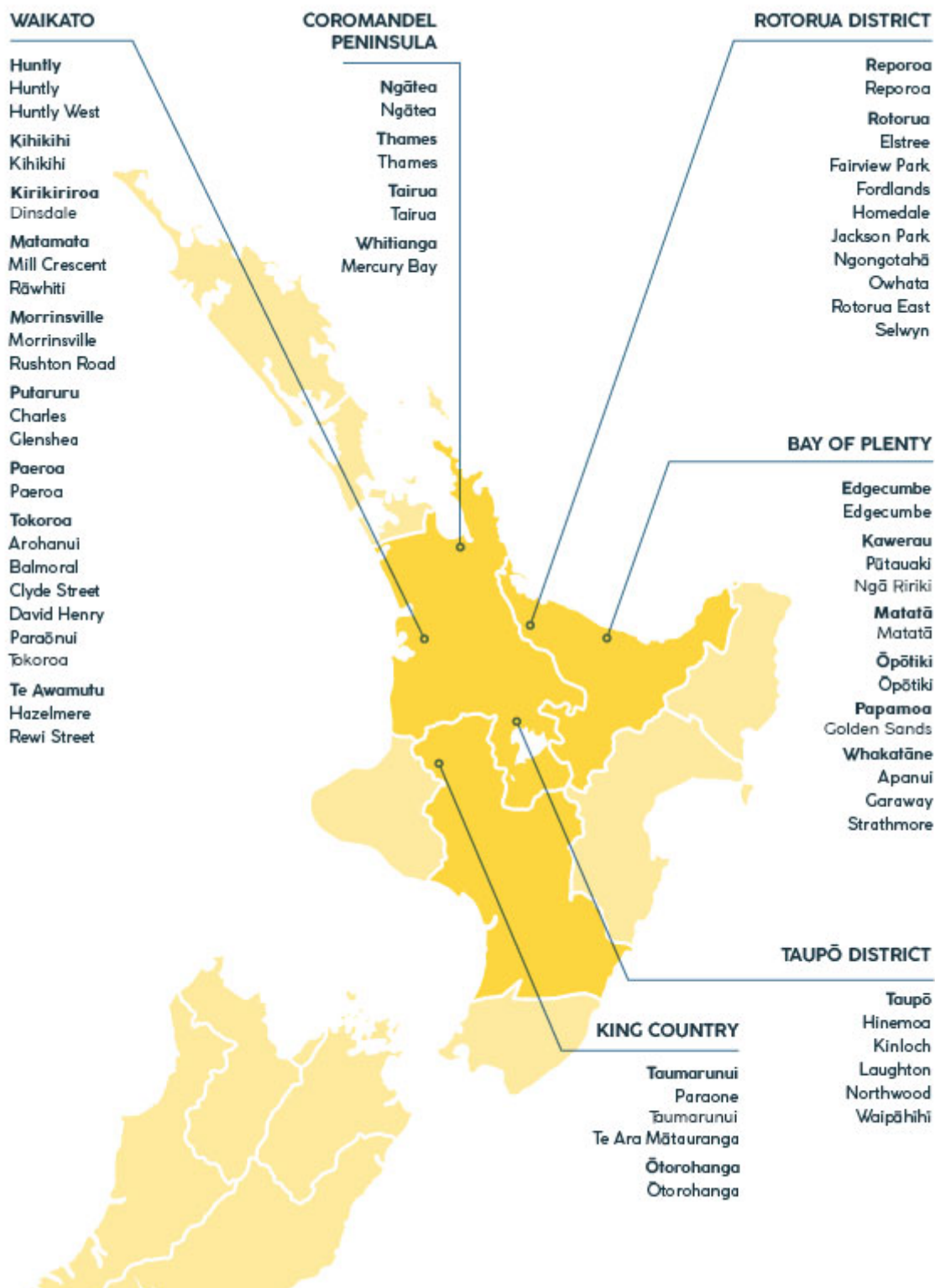
Through Mātauranga Ake, we delivered psychosocial support to help whānau achieve their aspirations and goals, because the success of tamariki starts with strong foundations. Our kaimahi support whānau into permanent housing, link tamariki to education, provide guidance to reduce debt, and connect people with mental health, addictions and counselling services.

Sustainable business

Our focus on business intelligence tools, digitisation, automation of functions in the back office, and enhancing financial literacy of managers, means that everyone has a stake in our future success. By leveraging digitisation, our goal is to free up kaimahi to do more of what is important, achieving better outcomes for tamariki.

Our locations: Where we are

Central Kids has 52 kindergartens and early learning centres in 27 towns across the central North Island. We are in regional Aotearoa New Zealand, and many of our services are in small rural towns that face challenges with employment and housing.



At a glance



46 Kindergartens



6 Early learning centres



3,793 Tamariki enrolled in early childhood education



3,195 Participating whānau



2,043 Available early childhood enrolment spaces



83% Average occupancy across early childhood services



58% Average attendance in early childhood services



1,049 Tamariki supported with subsidised fees



86% Staff cost proportional to revenue



592 Whānau supported by Mātauranga Ake social services team



287 Tamariki enrolled into education by Mātauranga Ake



82 Whānau supported into permanent housing



202 Whānau supported with debt reduction and financial literacy



286 Whānau linked to community services

Highlights of 2023

Waikato Business Awards

Central Kids was acknowledged for its early childhood education and social services mahi by being awarded two prizes at the Waikato Business Awards in November.

The For Purpose category celebrates businesses that apply commercial strategies to maximise improvements in community wellbeing, reinvesting surpluses to achieve their social mission. The People's Choice award was won because the public voted for Central Kids ahead of 20 other finalists.

The judging process was rigorous, and in their feedback, judges commented, "What an inspiring organisation! The Central Kids leadership team has clearly created an environment that allows the wider management team to thrive and pour everything into their work. We loved that the bi-cultural approach is multi-faceted and woven into the fabric of everything the organisation does, making it authentic and meaningful. Overall, we were very impressed with the energy of the team and inspired by the steps taken to embrace business intelligence tools to empower staff to make well-informed decisions. Central Kids has been educating our children for over 70 years and we look forward to seeing them continue to make an impact in their communities for many years to come!".

Growth of Mātauranga Ake

2023 saw the Mātauranga Ake team grow from a team of 6 in 2022, to a team of 14 in 2023, housing 82 whānau, supporting 202 with debt reduction, and linking 286 to community services – a massive 592 whānau supported overall.

The team, led by Henrietta Cassidy, is relatively new, and has already built excellent relationships in the sector. The focus is on working with whānau with young tamariki, to support a stable home life, with whānau housed, tamariki enrolled in early childhood education, and older siblings attending kura regularly.

In 2023, our services completed 48 reports of concern to Oranga Tamariki, which shows how important child protection is as part of our mahi. Aotearoa has some shameful and unacceptable statistics in the tamariki harm space, and we have an important role in working proactively to reduce the risk of harm to tamariki.

Central Kids has recruited experienced social workers to work alongside our early childhood teams, to support recognition of abuse, and then work with whānau and agencies to address it.

Mātauranga Ake's approach is compassionate and understanding. The team collaborates with whānau to tackle the underlying causes of child harm, which can include poverty, mental health and social support. ,

Community partnerships are key, and Mātauranga Ake takes an active community connection role, building trust and referral pathways that put tamariki at the centre of decision making.



Top challenges

A coherent and coordinated sector voice to influence change

Historically, the early childhood sector has been very disconnected, which weakens its position when it comes to lobbying government for policy and funding change. 2023 saw the sector unite with a common set of challenges and a vision for change. Central Kids chief executive Christine Hall has been at the forefront of this, alongside New Zealand Kindergartens chief executive Jill Bond. Our goals are to influence the coalition government to recognise the important mahi early learning kaiako do in preparing learners of the future, understand and value the outcomes we achieve, and ensure the funding model is fit for purpose.

Tamariki with additional needs

Our early learning services have an important role in identifying tamariki with additional learning support needs, whether behavioural, neurodiverse, child protection related, or developmental delay. Early identification and intervention is a success factor for future learning outcomes.

We engage with whānau to support referral to agencies, who are then often unable to meet the immediate needs of te tamaiti due to capacity constraints. Ministry of Education does not fund an adequate number of support hours, or properly fund the costs involved in supporting tamariki and whānau. We are also seeing a trend of more tamariki staying with our kindergartens until they are six, because schools are ill equipped to cope with their complex needs, and so transition is stalled. None of this puts the learner at the heart of the system. Our goal is to

influence tamariki centric funding, so there is flexibility in how tamariki needs are met.

Regulatory burden

The early childhood sector is audited by the Education Review Office and Ministry of Education for the same things, and sometimes they make contradictory findings. This costly duplication often manifests as micromanagement and has resulted in a sector that largely operates in fear of the regulator. The regulator is also the funder, which means an adverse finding (no matter how minor) can have a material impact on a service's financial viability. Central Kids takes its regulatory responsibilities very seriously and has introduced digitised systems to provide data insights. This tells us how we are performing and ensures tamariki are at the heart of all decision making. We are actively engaged in sector level kōrero to influence the regulatory system, simplify it, and ensure the balance between safety and learning outcomes is met.

The complex funding model

The early childhood funding model is complex, administratively burdensome, and has not kept pace with rising costs. Funding rules like the frequent absence rule mean we must continuously chase whānau for signatures when tamariki are absent, which doesn't help build a trusting relationship. Nationally these financial burdens have led to the closure of services, and Central Kids is no different. We made the very difficult decision to close three services in 2023 as a direct result. The early childhood funding model needs to be overhauled and simplified, and we are hopeful that the 2024 commitment from the Minister and Associate Minister of Education will support better financial sustainability.

Who we are: Our kaimahi



202 Kaiako (teachers and head teachers)



83 Service support staff



185 Relievers

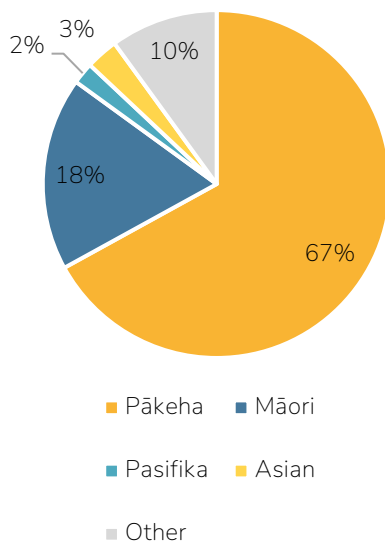


11% Average staff turnover



8 Years average kaimahi tenure

Kaimahi ethnicity



Kaimahi tenure

Our average kaimahi tenure is 8 years, and the longest is nearly 40 years!

This means our kaiako are a consistent and known face in their communities, which is why we are trusted and whānau come back to us again and again with the next generation of mokopuna.

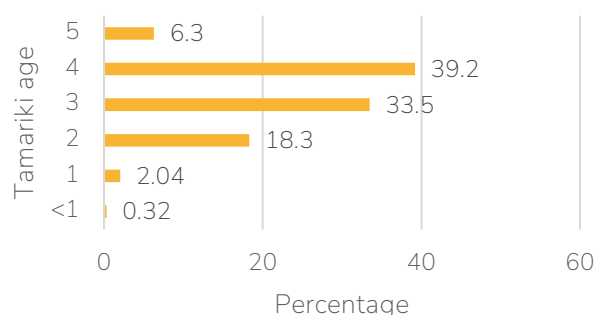
Who we are: Our tamariki

Tamariki age

Traditionally, kindergarten catered to 3, 4 and 5 year olds.

Over time we have supported an increasing number of 0, 1 and 2 year olds.

In 2023, just over 20% of our enrolled tamariki were aged 2 or under (a slight increase from 2022).

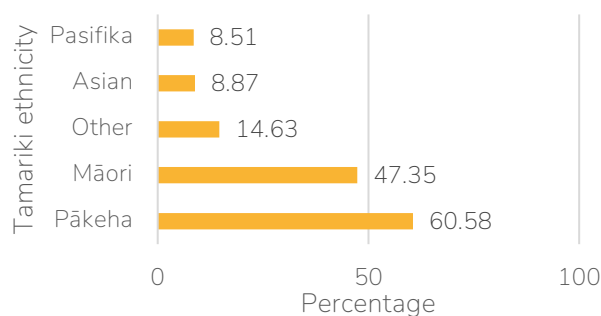


Tamariki ethnicity

We are proud of the diversity of our enrolled tamariki.

In 2023 the proportion of tamariki who identify as Pasifika nearly doubled, from 5% in 2022.

Our kaiako support tamariki to know who they are, where they come from, and the language of their ancestors, as we know this is the key to future success.



Ethnicity totals more than 100% as tamariki may identify with more than one ethnicity.



Tamariki from Laughton Kindergarten participated in Tūwharetoa Taiopenga Kapa Haka Festival.

Early childhood curriculum highlights

Central Kids conference

280 kaimahi from across the motu came together for the Central Kids conference in April, in Rotorua – the first all staff conference since 2017. The goal was to build whakawhanaungatanga (connection), kotahitanga (unity) and akoranga (learning). We were welcomed by Ngati Whakaue, and for some of our kaimahi it was their first time experiencing tikanga and Pōhiri on this scale.

A series of engaging speakers inspired us. Tūraukawa Bartlett gave a powerful talk about his experience and journey with te reo Māori, Kathryn Berkett shared her professional knowledge of trauma and its impacts, and Sue Kurtovich talked through the intricacies of funding and sustainability.

We wrapped up the conference with sessions presented by our own kaimahi, sharing our knowledge and successes.

This was a special day getting together to learn, share kai, make new connections and strengthen old ones.



Talking Matters

In 2023 Talking Matters supported six Central Kids services in Tokoroa, Putāruru and Te Awamutu to participate in a project to enrich their language environments.

Kaiako set goals and undertook online workshops, coaching sessions and recorded verbal interactions with tamariki. This resulted in teams having access to data, strategies and new learning to help them achieve their goals of:

- supporting oral language development
- enriching language development
- enhancing wellbeing.

Each participating service employed unique ideas and strategies to drive change and made considerable improvement towards achieving their goals.



Pasifika fono

Central Kids first fono for Pasifika kaiako was held in Tokoroa in October. Kaiako shared their own stories and experiences, with talanoa roaming freely to cover a wide range of themes.

The importance of strong cultural identity and being supported to be proud of your cultural identity, was shared. There was agreement that the use of Pasifika languages needs to be normalised and encouraged across our services.

As a group the kaiako unpacked *Tapasā: Cultural competencies framework for teachers of Pacific learners*, investigating the values we need to demonstrate to deliver it.

This was a very special coming together of our Pasifika kaiako, and part of our commitment to supporting our Pasifika tamariki and whānau.

Education Review Office (ERO)

ERO visited us in November 2023 to review the governance level of the organisation, as well as seven of our services.

The review notes strategic appointments to better support bicultural practice, curriculum and compliance. Mātauranga Ake, our Te Tiriti governance sub committee and our kaitiaki whakaako (Māori rohe leads) were noted as key in supporting us to achieve our goals.

Key findings focused on embedding the localised curriculum, and strengthening quality assessment, planning and evaluation practices aligned to Te Whāriki early childhood curriculum.

We were judged as being at the whāngai (establishing) stage, and effective in our approach.



Central Kids kaiako at the Pasifika fono held in October 2023

Mātauranga Ake

Mātauranga Ake is the Central Kids social support team. The team provides wrap around support and guidance for whānau, because we believe building strong foundations for whānau is key to giving tamariki the best start in life.

Mātauranga Ake supports whānau with tamariki enrolled in Central Kids early education services, and whānau in high priority areas of our communities.

We work with whānau to address life challenges and enhance their wellbeing. We do this by providing wrap around support and guidance to help remove barriers and create connections. This can include linking people with early childhood education, permanent housing, debt management and psychosocial services. It's a powerful journey that creates meaningful outcomes for tamariki.

In 2023 Mātauranga Ake continued to strengthen its relationships in the social services sector, which are key to successfully supporting whānau. The team grew from 6 to 14, enabling it to extend its support into all Central Kids services and make positive change for more tamariki and whānau.



\$1.13 million total income



Mātauranga Ake

Opening doors. Whakatuwhera kūaha.

2023 milestones achieved

592

Whānau supported



467

Tamariki supported
(0-18 years)



82

Whānau housed



287

Tamariki enrolled into
education



202

Whānau increased
financial literacy and
reduced debt



286

Whānau linked to
community services



308

Whānau with increased overall health and wellbeing



Tamariki with additional needs

Mātauranga Ake has been supporting the Manuel whānau over the past few years.

Grandma had taken on care of her four mokopuna aged 3, 4 and 5 (including a set of twins), and they were living in emergency housing.

All of the tamariki are on the autism spectrum, but it hadn't been picked up by anyone.

The team has worked closely with Grandma to find the whānau a home in Kainga Ora housing. She is now receiving her correct WINZ entitlements, and all of the tamariki are in school, with the appropriate support for their complex needs.

Walking away from gang life

Mātauranga Ake secured long-term housing for a Pāpā and three tamariki in his care, who had been living in emergency housing for four years. He faced many challenges along the way, after losing his wife and walking away from gang life.

Pāpā was determined to turn his life around but had been in and out of prison in the past, and didn't have any knowledge of how to find a home. Extra support was needed to find a suitable home, in a safe area where he would not be close to past gang connections.

Building a trusting relationship between Pāpā, Mātauranga Ake's whānau navigators and his Ministry of Social Development case worker has been life changing for this whānau, who have now reduced debt, secured donations from a local church to furnish their new home, and have all the tamariki engaged in education.

When the whānau received the keys to their new home they cried grateful tears of relief. They are looking forward to their new life, in a safe and secure home.

Collaboration achieves outcomes

Mātauranga Ake works closely with an emergency housing provider that's focused not only on providing a safe roof to sleep under but supporting people to find and sustain long-term housing. The Mātauranga Ake team works with most of the whānau this emergency housing provider supports, and emergency housing manager Amanda Marshall says she has seen significant changes since Mātauranga Ake got involved.

"They provide real, grassroots support that achieves excellent outcomes. We have observed families engaging with Mātauranga Ake and finding the skills and support to lift their whole family up to a better place. I believe their approach of non-judgmental, practical support, and wealth of knowledge, are the reasons for this."

Together the two organisations have significantly increased the number of people transitioned to long-term housing. Guests supported by the emergency housing provider are expected to treat the units with the care, respect and responsibility they would in a traditional tenancy. After this has been demonstrated for a period of time, the emergency housing provider is able to provide a reference to help them find a private rental. This helps break the cycle when people have no rental history, or a long-term emergency housing stay resulting in no recent references.

Pūrongo pūtea | Financial statement

Income



\$33.9m

Total income

| | | |
|------|---------|------------------------------------|
| 81% | \$27.7m | Ministry of Education subsidy |
| 7% | \$2.5m | Whānau fees contribution |
| 4% | \$1.3m | Equity funding |
| 4% | \$1.2m | Government contracts |
| 2% | \$590k | Investment revenue |
| 0.7% | \$230k | Targeted funding |
| 1% | \$312k | Fundraising and grants/sponsorship |
| 0.3% | \$111k | Sundry income |

Expenses

| | | |
|-----|--------|--|
| 83% | \$28m | ECE staff cost proportional to revenue |
| 9% | \$2.9m | Curriculum and administration |
| 6% | \$2.2m | Property overheads and maintenance |
| 2% | \$923k | Depreciation |



\$34k

Net deficit

Sources of income

The majority of our income is government funding.

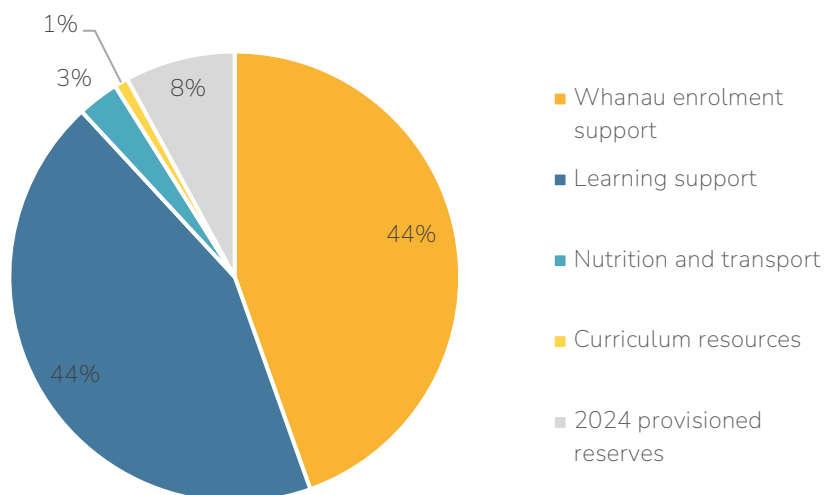
- **Early childhood education (ECE) funding subsidy** is the primary form of government funding for licensed ECE services, and includes 20 free hours for three, four and five year olds.
- **Equity funding** targets early childhood services in lower socio-economic and isolated communities.
- **Targeted funding** is for tamariki with disadvantaged backgrounds and must be used to improve learning experiences.

Grant, sponsorship and fundraising income also form an important portion of our income, helping pay for services and resources we would otherwise not have had funding for. We appreciate the organisations, and the people who support us.

Equity and targeted funding distribution

Equity and targeted funding received: \$1.53m

Equity and targeted funding utilised:



Whānau fees policy

We believe that quality education should be something all tamariki can experience, and provide flexible financial and accessibility options to help remove any barriers for our whānau to achieve this. Whānau contribute a portion of our income by paying hourly fees for any hours tamariki are enrolled for, that are not paid for by Ministry of Education 20 Hours ECE funding or the WINZ Childcare Subsidy. We aim to keep these additional fees as low as possible to reduce barriers to tamariki participating in early childhood education.

In some circumstances, where whānau meet Central Kids discretionary funding criteria, we offer additional financial support to reduce the fees whānau pay after government entitlements and subsidies have been applied.

Consolidated statement of comprehensive revenue and expense

For the 12 months ended 31 December 2023.

| Revenue | \$ 2023 | \$ 2022 |
|--|-------------------|-------------------|
| Non exchange revenue | | |
| Government funding | 30,492,245 | 28,070,263 |
| Grants and sponsorship | 203,085 | 283,005 |
| Donations and fundraising | 108,710 | 87,961 |
| Exchange revenue | | |
| Receipts from parents | 2,496,681 | 1,966,966 |
| Other income | 111,348 | 92,659 |
| Total operating revenue | 33,412,069 | 30,500,854 |
| Expenses | | |
| Personnel costs | 27,903,142 | 24,248,096 |
| Property | 2,220,275 | 1,983,647 |
| Administration/curriculum | 2,990,114 | 2,857,546 |
| Depreciation | 923,212 | 991,873 |
| Total expenses | 34,036,743 | 30,081,162 |
| Surplus / (Deficit) before net financing costs | \$ (624,674) | \$ 419,692 |
| Interest income | 477,529 | 153,158 |
| Gain or (Loss) on FVTSD | 112,695 | (164,512) |
| Net finance costs | 590,224 | (11,354) |
| Surplus / (Deficit) for the year | \$ (34,450) | \$ 408,338 |

Auditor's report



BDO ROTORUA LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CENTRAL KIDS TRUST

Opinion

We have audited the general purpose financial report of Central Kids Trust ("the Trust") and its subsidiary (together, "the Group"), which comprise the consolidated financial statements on pages 5 - 27, and the consolidated service performance information on pages 3 and 4. The complete set of consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in net assets/equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the accompanying general purpose financial report presents fairly, in all material respects:

- the consolidated financial position of the Group as at 31 December 2023, and (of) its consolidated financial performance, and its consolidated cash flows for the year then ended; and
- the consolidated service performance for the year ended 31 December 2023, in accordance with the Group's service performance criteria,

in accordance with Public Benefit Entity Standards issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the consolidated service performance information in accordance with the ISAs and New Zealand Auditing Standard (NZ AS) 1 *The Audit of Service Performance Information (NZ)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the General Purpose Financial Report section of our report. We are independent of the Group 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 interests in, the Trust or its subsidiary.

Other Information

The trustees are responsible for the other information. The other information obtained at the date of this auditor's report is information contained in the general purpose financial report, but does not include the consolidated service performance information and the consolidated financial statements and our auditor's report thereon.

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

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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.

Trustees' Responsibilities for the General Purpose Financial Report

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

- (a) the preparation and fair presentation of the consolidated financial statements and consolidated service performance information in accordance with Public Benefit Entity Standards issued by the New Zealand Accounting Standards Board;
- (b) service performance criteria that are suitable in order to prepare service performance information in accordance with Public Benefit Entity Standards; and
- (c) such internal control as those charged with governance determine is necessary to enable the preparation of the consolidated financial statements and consolidated service performance information that are free from material misstatement, whether due to fraud or error.

In preparing the general purpose financial report those charged with governance are responsible for assessing the Trust'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 Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the General Purpose Financial Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole, and the consolidated service performance information 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 conducted in accordance with ISAs (NZ) and NZ AS 1 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 or collectively, they could reasonably be expected to influence the decisions of users taken on the basis of this general purpose financial report.

A further description of the auditor's responsibilities for the audit of the general purpose financial report is located at the XRB's website at

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-13/>

This description forms part of our auditor's report.

Who we Report to

This report is made solely to the Trust's trustees, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them 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 Trust and the Trust's trustees, as a body, for our audit work, for this report or for the opinions we have formed.



BDO Rotorua Limited
Rotorua
New Zealand
20 June 2024