KAEO SCHOOL

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

School Directory

Ministry Number:	1019
Principal:	Kaiya Lafotanoa
School Address:	State Highway 10
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Accountant / Service Provider:	Education Services. Dedicated to your school

KAEO SCHOOL

Annual Financial Statements - For the year ended 31 December 2025

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Kaeo School

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.

Kylie Colbert	Kaiya Lafotanoa
Full Name of Presiding Member	Full Name of Principal
	Signed by: Kaiya Lafotanoa A59D3C7198E5EDD9
Signature of Presiding Member	Signature of Principal
Date	Date

Kaeo School

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	1,889,846	1,480,752	1,723,162
Locally Raised Funds	3	20,850	5,000	40,879
Interest		12,639	10,500	31,184
Other Revenue		1,718	-	-
Total Revenue		1,925,053	1,496,252	1,795,225
Expense				
Locally Raised Funds	3	3,369	1,000	5,612
Learning Resources	4	1,201,482	1,091,708	1,125,153
Administration	5	331,164	175,154	335,529
Interest		569	483	527
Property	6	397,436	244,399	269,562
Other Expenses	7	374	-	-
Loss on Disposal of Property, Plant and Equipment		2,278	-	-
Total Expense		1,936,672	1,512,744	1,736,383
Net Surplus / (Deficit) for the year		(11,619)	(16,492)	58,842
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		(11,619)	(16,492)	58,842

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

Kaeo School

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		909,086	836,668	850,244
Total comprehensive revenue and expense for the year		(11,619)	(16,492)	58,842
Contribution - Furniture and Equipment Grant		11,525	-	-
Equity at 31 December		908,992	820,176	909,086
Accumulated comprehensive revenue and expense		908,992	820,176	909,086
Equity at 31 December		908,992	820,176	909,086

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.

Kaeo School

Statement of Financial Position

As at 31 December 2025

	Notes	2025 Actual $	2025 Budget (Unaudited) $	2024 Actual $
Current Assets				
Cash and Cash Equivalents	8	844,778	145,425	364,114
Accounts Receivable	9	72,972	61,784	77,803
Prepayments		5,472	6,904	3,824
Inventories	10	422	293	916
Investments	11	264,078	238,083	252,558
		1,187,722	452,489	699,215
Current Liabilities				
GST Payable		52,118	17,302	600
Accounts Payable	13	105,557	222,542	133,220
Revenue Received in Advance	14	-	2,934	5,440
Provision for Cyclical Maintenance	15	17,045	5,754	-
Finance Lease Liability	16	2,652	2,415	3,307
Funds held for Capital Works Projects	17	453,097	-	34,071
		630,469	250,947	176,638
Working Capital Surplus/(Deficit)		557,253	201,542	522,577
Non-current Assets				
Property, Plant and Equipment	12	392,583	661,612	418,464
		392,583	661,612	418,464
Non-current Liabilities				
Provision for Cyclical Maintenance	15	38,650	16,754	28,409
Finance Lease Liability	16	2,194	26,224	3,546
		40,844	42,978	31,955
Net Assets		908,992	820,176	909,086
Equity		908,992	820,176	909,086

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

Kaeo School

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		550,530	519,917	544,119
Locally Raised Funds		20,413	5,000	21,898
Goods and Services Tax (net)		51,518	-	(16,702)
Payments to Employees		(385,856)	(344,721)	(297,562)
Payments to Suppliers		(175,265)	(1,294,612)	(189,125)
Interest Paid		(569)	(483)	(527)
Interest Received		12,989	-	31,327
Net cash from/(to) Operating Activities		73,760	(1,114,899)	93,428
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(19,290)	-	(150,032)
Purchase of Investments		(11,521)	-	(14,474)
Net cash from/(to) Investing Activities		(30,811)	-	(164,506)
Cash flows from Financing Activities				
Furniture and Equipment Grant		11,525	-	-
Finance Lease Payments		(1,539)	(4,138)	(1,246)
Funds Administered on Behalf of Other Parties		427,729	-	(828,024)
Net cash from/(to) Financing Activities		437,715	(4,138)	(829,270)
Net increase/(decrease) in cash and cash equivalents		480,664	(1,119,037)	(900,348)
Cash and cash equivalents at the beginning of the year	8	364,114	1,264,462	1,264,462
Cash and cash equivalents at the end of the year	8	844,778	145,425	364,114

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.

Kaeo School
Notes to the Financial Statements
For the year ended 31 December 2025

1. Statement of Accounting Policies

a) Reporting Entity
Kaeo School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a School as described in the Education and Training Act 2020. The Board is of the view that the School is a public benefit entity for financial reporting purposes.

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 on a going concern basis, and the accounting policies have been consistently applied throughout the period.

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 Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The School is considered a Public Benefit Entity as it meets the criteria specified as 'having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders'.

PBE Accounting Standards Reduced Disclosure Regime
The School qualifies for Tier 2 as the School is not publicly accountable and is not considered large as it falls below the expense threshold of $33 million per year. All relevant reduced disclosure concessions have been taken.

Measurement Base
The financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

Presentation Currency
These financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

Specific Accounting Policies
The accounting policies used in the preparation of these financial statements are set out below.

Critical Accounting Estimates And Assumptions
The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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 15.

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 12.

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

Classification of leases
Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the School. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee.

Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised. Finance lease liability disclosures are contained in note 16. Future operating lease commitments are disclosed in note 22b.

Recognition of grants
The School reviews the grants monies received at the end of each reporting period and whether any require a provision to 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.

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

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

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

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

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

g) Accounts Receivable
Short-term receivables are recorded at the amount due, less an allowance for 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) Inventories
Inventories are consumable items held for sale and are comprised of uniform. They are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is the estimated selling price in the ordinary course of activities less the estimated costs necessary to make the sale. Any write down from cost to net realisable value is recorded as an expense in the Statement of Comprehensive Revenue and Expense in the period of the write down.

i) Investments
Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is material.

j) Property, Plant and Equipment
Land and buildings owned by the Crown are excluded from these financial statements. The Board's use of the land and buildings as 'occupant' is based on a property occupancy document.

Improvements (funded by the Board) to buildings owned by the Crown or directly by the Board are recorded at cost, less accumulated depreciation and impairment losses.

Property, plant and equipment are recorded at cost or, in the case of donated assets, fair value at the date of receipt, less accumulated depreciation and impairment losses. Cost or fair value, as the case may be, includes those costs that relate directly to bringing the asset to the location where it will be used and making sure it is in the appropriate condition for its intended use.
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 are depreciated over their estimated useful lives on a straight line basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Board-owned Buildings	40 years
Building Improvements	40 years
Furniture and Equipment	5-18 years
Information and Communication Technology	4 years
Motor Vehicles	5 years
Textbooks	8 years
Library Resources	8 years
Leased Assets held under a Finance Lease	Term of Lease

k) 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. The valuation is based on a comparison to recent market transactions.

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.

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

m) Employee Entitlements
Short-term employee entitlements
Employee 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.

n) Revenue Received in Advance
Revenue received in advance relates to fees received from students and grants received where there are unfulfilled obligations for the School to provide services in the future. The fees or grants are recorded as revenue as the obligations are fulfilled and the fees or grants are earned.

The School holds sufficient funds to enable the refund of unearned fees in relation to students, should the School be unable to provide the services to which they relate.

o) Funds Held in Trust
Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Comprehensive Revenue and Expense.

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

p) Funds held for Capital works
The School directly receives funding from the Ministry of Education for capital works projects that are included in the School five year capital works agreement. These funds are held on behalf and for a specified purpose. As such, these transactions are not recorded in the Statement of Comprehensive Revenue and Expense.

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

q) Shared Funds
Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. In instances where funds are outside of the School's control, these amounts 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.

r) 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 6 to 11 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.

s) Financial Instruments
The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

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

The School's financial liabilities comprise accounts payable, borrowings 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.

t) Borrowings
Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the School has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

u) 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.

v) Budget Figures
The budget figures are extracted from the School budget that was approved by the Board.

w) 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	595,245	522,513	543,755
Teachers' Salaries Grants	831,182	771,780	796,861
Use of Land and Buildings Grants	308,198	186,459	205,839
Ka Ora, Ka Ako - Healthy School Lunches Programme	151,649	-	162,618
Other Government Grants	3,572	-	14,089
	1,889,846	1,480,752	1,723,162

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	643	-	19,045
Fees for Extra Curricular Activities	2,281	-	(272)
Trading	413	1,000	2,626
Fundraising and Community Grants	10,752	4,000	19,480
Other Revenue	6,761	-	-
	20,850	5,000	40,879
Expense			
Extra Curricular Activities Costs	355	-	502
Trading	869	1,000	2,775
Fundraising and Community Grant Costs	2,145	-	2,335
	3,369	1,000	5,612
Surplus for the year Locally Raised Funds	17,481	4,000	35,267

4. Learning Resources

	2025 Actual $	2025 Budget (Unaudited) $	2024 Actual $
Curricular	41,363	46,000	42,625
Information and Communication Technology	4,946	5,000	4,391
Employee Benefits - Salaries	1,098,656	991,347	1,013,648
Staff Development	9,659	9,900	16,548
Depreciation	44,447	36,761	43,537
Other Learning Resources	2,411	2,700	4,404
	1,201,482	1,091,708	1,125,153

5. Administration

	2025 Actual $	2025 Budget (Unaudited) $	2024 Actual $
Audit Fees	11,031	4,800	7,640
Board Fees and Expenses	5,179	5,250	6,730
Other Administration Expenses	21,940	26,950	33,752
Employee Benefits - Salaries	127,502	125,154	111,324
Insurance	3,974	4,500	4,045
Service Providers, Contractors and Consultancy	9,889	8,500	9,420
Ka Ora, Ka Ako - Healthy School Lunch Programme	151,649	-	162,618
	331,164	175,154	335,529

6. Property

	2025 Actual $	2025 Budget (Unaudited) $	2024 Actual $
Cyclical Maintenance	27,286	13,190	5,901
Heat, Light and Water	25,670	18,000	23,581
Rates	6,280	5,500	4,984
Repairs and Maintenance	24,107	14,750	23,725
Use of Land and Buildings	308,198	186,459	205,839
Other Property Expenses	5,895	6,500	5,532
	397,436	244,399	269,562

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. Other Expenses

	2025 Actual $	2025 Budget (Unaudited) $	2024 Actual $
Loss on Uncollectable Accounts Receivable	374	-	-
	374	-	-

8. Cash and Cash Equivalents

	2025 Actual $	2025 Budget (Unaudited) $	2024 Actual $
Bank Accounts	844,778	145,425	364,114
Cash and cash equivalents for Statement of Cash Flows	844,778	145,425	364,114

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

Of the $844,778 Cash and Cash Equivalents $453,097 is subject to restrictions for the following reasons:

• $453,097 is held by the School on behalf of the Ministry of Education. The funds have been provided as part of the school's 5 Year Agreement Funding and is required to be spent on the school's buildings. See note 17.

9. Accounts Receivable

	2025 Actual $	2025 Budget (Unaudited) $	2024 Actual $
Receivables	2,712	315	296
Receivables from the Ministry of Education	8,849	-	3,374
Interest Receivable	849	1,342	1,199
Teacher Salaries Grant Receivable	60,562	60,127	72,934
	72,972	61,784	77,803
Receivables from Exchange Transactions	3,648	1,657	1,495
Receivables from Non-Exchange Transactions	69,324	60,127	76,308
	72,972	61,784	77,803

10. Inventories

	2025 Actual $	2025 Budget (Unaudited) $	2024 Actual $
Uniform	422	293	916
	422	293	916

11. Investments

The School's investment activities are classified as follows:

	2025 Actual $	2025 Budget (Unaudited) $	2024 Actual $
Current Asset			
Short-term Bank Deposits	264,078	238,083	252,558
Total Investments	264,078	238,083	252,558

12. Property, Plant and Equipment

2025	Opening Balance (NBV) $	Additions $	Disposals $	Impairment $	Depreciation $	Total (NBV) $
Building Improvements	204,928	-	-	-	(6,615)	**198,313**
Furniture and Equipment	177,024	11,565	(2,278)	-	(20,708)	**165,603**
Information and Communication Technology	29,130	7,725	-	-	(13,220)	**23,635**
Motor Vehicles	-	-	-	-	-	**-**
Leased Assets	6,433	1,554	-	-	(3,622)	**4,365**
Library Resources	949	-	-	-	(282)	**667**
	418,464	20,844	(2,278)	-	(44,447)	**392,583**

The net carrying value of equipment held under a finance lease is $4,365 (2024: $6,433)

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	264,607	(66,294)	**198,313**	264,607	(59,679)	**204,928**
Furniture and Equipment	356,322	(190,719)	**165,603**	375,850	(198,826)	**177,024**
Information and Communication Technology	132,357	(108,722)	**23,635**	188,927	(159,797)	**29,130**
Motor Vehicles	1,725	(1,725)	**-**	1,725	(1,725)	**-**
Leased Assets	11,491	(7,126)	**4,365**	11,182	(4,749)	**6,433**
Library Resources	51,702	(51,035)	**667**	51,702	(50,753)	**949**
	818,204	(425,621)	**392,583**	893,993	(475,529)	**418,464**

13. Accounts Payable

	2025 Actual $	2025 Budget (Unaudited) $	2024 Actual $
Creditors	31,718	144,483	16,060
Accruals	9,531	4,654	7,640
Banking Staffing Overuse	-	9,924	32,275
Employee Entitlements - Salaries	60,562	60,127	72,934
Employee Entitlements - Leave Accrual	3,746	3,354	4,311
	105,557	222,542	133,220
Payables for Exchange Transactions	105,557	222,542	133,220
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	105,557	222,542	133,220

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2025 Actual $	2025 Budget (Unaudited) $	2024 Actual $
Grants in Advance - Ministry of Education	-	2,934	5,440
	-	2,934	5,440

15. Provision for Cyclical Maintenance

	2025 Actual $	2025 Budget (Unaudited) $	2024 Actual $
Provision at the Start of the Year	28,409	9,318	22,508
Increase/(decrease) to the Provision During the Year	27,286	13,190	5,901
Use of the Provision During the Year	-	-	-
Provision at the End of the Year	55,695	22,508	28,409
Cyclical Maintenance - Current	17,045	5,754	-
Cyclical Maintenance - Non current	38,650	16,754	28,409
	55,695	22,508	28,409

Per the cyclical maintenance schedule, the School is next expected to undertake painting works during 2026. This plan is based on the School's 10 Year Property plan / painting quotes.

16. Finance Lease Liability

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

	2025 Actual $	2025 Budget (Unaudited) $	2024 Actual $
No Later than One Year	2,968	2,415	3,782
Later than One Year	2,376	26,224	3,842
Future Finance Charges	(498)	-	(771)
	4,846	28,639	6,853
Represented by			
Finance lease liability - Current	2,652	2,415	3,307
Finance lease liability - Non current	2,194	26,224	3,546
	4,846	28,639	6,853

17. Funds Held for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects. The amount of cash held on behalf of the Ministry for capital works project is included under cash and cash equivalents in note 8, and includes retentions on the projects, if applicable.

2025	Project No.	Opening Balances $	Receipts from MoE $	Payments $	Board Contributions / Transfers	Closing Balances $
Teaching Spaces, Resource	232539	34,071	-	(34,071)	-	-
Block 1,6,8 Combined Works	255960	-	447,236	(29,166)	-	418,070
Sheds Replacement 10, 16	255958	-	19,680	(9,520)	-	10,160
Fire Alarm 1,2,6,8	255959	-	65,062	(40,195)	-	24,867
Totals		34,071	531,978	(112,952)	-	453,097

Represented by:

Funds Held on Behalf of the Ministry of Education	453,097
Funds Receivable from the Ministry of Education	-

2024	Project No.	Opening Balances $	Receipts from MoE $	Payments $	Board Contributions / Transfers	Closing Balances $
5YA and AMS Combined: 1,8	231679	(20,580)	20,580	-	-	-
Teaching Spaces, Resource	232539	871,208	445,991	(1,283,128)	-	34,071
Urgent Drainage Works	250315	-	26,800	(26,800)	-	-
Totals		850,628	493,371	(1,309,928)	-	34,071

Represented by:

Funds Held on Behalf of the Ministry of Education	34,071
Funds Receivable from the Ministry of Education	-

18. Related Party Transactions

The School is a controlled entity of the Crown, and the Crown provides the major source of revenue to the School. The School enters into transactions with other entities also controlled by the Crown, such as government departments, state-owned enterprises and other Crown entities. Transactions with these entities are not disclosed as they occur on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted if dealing with that entity at arm's length.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions 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.

19. Remuneration

Key management personnel compensation
Key management personnel of the School include all Board members, Principal, Deputy Principals and Heads of Departments.

	2025 Actual $	2024 Actual $
Board Members		
Remuneration	2,525	2,140
Leadership Team		
Remuneration	260,235	264,283
Full-time equivalent members	2.00	2.00
Total key management personnel remuneration	262,760	266,423

There are 6 members of the Board excluding the Principal. The Board has held 8 full meetings of the Board in the year. As well as these regular meetings, including preparation time, the Presiding Member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal 1
The total value of remuneration paid or payable to the Principal was in the following bands:

Salaries and Other Short-term Employee Benefits:	2025 Actual $000	2024 Actual $000
Salary and Other Payments	150 - 160	-
Benefits and Other Emoluments	4 - 5	-
Termination Benefits	-	-

Principal 2
The total value of remuneration paid or payable to the Principal was in the following bands:

Salaries and Other Short-term Employee Benefits:	2025 Actual $000	2024 Actual $000
Salary and Other Payments	1 - 2	150 - 160
Benefits and Other Emoluments	-	4 - 5
Termination Benefits	-	-

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

Remuneration $000	2025 FTE Number	2024 FTE Number
100 - 110	2.00	2.00
	2.00	2.00

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

20. 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 Actual	2024 Actual
Total	$0	$0
Number of People	0	0

21. 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.

22. Commitments

(a) Capital Commitments

As at 31 December 2025, the Board had capital commitments of $774,043 (2024: $0) as a result of entering the following contracts:

Contract Name	Remaining Capital Commitment
	$
Block 1,6,8 Combined Works	466,958
Sheds Replacement 10, 16	187,280
Fire Alarm 1,2,6,8	119,805
Total	**774,043**

The Board receives funding from the Ministry of Education for Capital Works which is disclosed in note 17.

(b) Operating Commitments

There are no operating commitments as at 31 December 2025 (Operating commitments at 31 December 2024: nil).

23. Financial Instruments

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

Financial assets measured at amortised cost

	2025 Actual $	2025 Budget (Unaudited) $	2024 Actual $
Cash and Cash Equivalents	844,778	145,425	364,114
Receivables	72,972	61,784	77,803
Investments - Term Deposits	264,078	238,083	252,558
Total financial assets measured at amortised cost	1,181,828	445,292	694,475

Financial liabilities measured at amortised cost

Payables	105,557	222,542	133,220
Finance Leases	4,846	28,639	6,853
Total financial liabilities measured at amortised cost	110,403	251,181	140,073

24. Events After Balance Date

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

25. Comparatives

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

Annual Report Kaeo School 2026

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Presiding member/principal's report

In 2025, Kaeo Primary School entered a period of transition and discovery, where we saw a commitment to deep engagement with students, staff, and whānau. 2025 year focused on reviewing current operations while successfully initiating key learning such as **Better Start Literacy Approach (BSLA)** and the new curriculum refresh. Despite the challenges of adapting to new curriculum changes and managing complex wellbeing needs, the year was successful with extracurricular sporting opportunities, the strategic introduction of new classroom technologies, and a strengthened focus on community partnerships, effectively setting the foundations for sustained academic growth and innovation in 2026.

A primary focus for 2026 is the integration of enviro schools and how Pūrākau can be part of our daily learning. By utilising Project and Place-Based Learning, we are moving toward a curriculum that is uniquely "Kaeo." This approach ensures that our tamariki are not just meeting achieving academically but are doing so through a lens that honours our local history and environment.

We will continue with the implementation of BSLA. Our focus here is on consistency and data-driven instruction to ensure that our foundational literacy levels meet and exceed Ministry benchmarks. As well as utilising resources to implement a more structured maths programme in both Juniors and Seniors.

The school is committed to a being proactive with managing student wellbeing, attendance and behaviour. Systems will identify and address specific neurodiverse and academic learning requirements earlier and more effectively. Literacy and numeracy Tier 2 intervention programmes will assist with raising achievement as well as moving beyond traditional rote learning to foster critical thinking and student agency and using technology to support this. We will also be focused on expanding our extracurricular and sporting opportunities to ensure every student has a pathway to success outside of the core academic curriculum and introduce students to science concepts and EOTC learning. To remain relevant, we are welcoming the implementation of new technologies into our classrooms. This is not about hardware, but about the pedagogical shift required to use these tools for creation and problem-solving. We will continue to support our staff as they adapt to these technologies alongside the ongoing national curriculum changes.

The success of Kaeo Primary School is linked to the strength of its whānau and community ties. A priority is to foster deeper, more transparent partnerships. We will be seeking active involvement from our community to ensure our strategic goals align with the aspirations of the people of Kāeo, Whangaroa.

List of all school board members

Board member names	Date that the board member's term finishes
Kaiya Lafotanoa	Current-ongoing
Kylie Colbert	September 2029
Paige Hikuwai	September 2029
Callum McNaughton	September 2029
Glenys Grace	September 2029
Yvette McCarthy-Secretary	September 2029
Leigh Tawharu	September 2029

Statement of variance:

Kaeo school statement of Variance Term 1 2025

School name:	Kāeo School	School number:	1019

Strategic aim:	To foster a supportive and engaging learning environment that maximises the progress and achievement of all students, equipping them with the knowledge, skills, and resilience to thrive.		
Annual aim:	Kāeo school is focused on helping every child succeed. Through accelerating their skills in reading, writing, and maths using structured approach learning. A key part of our plan is using teaching methodologies that connect with our students' culture and background, especially our Māori learners. This means weaving in our local stories and traditions to make learning more meaningful and effective. By working closely with our community, we aim to create a welcoming and supportive school where all students attend school daily and work hard to achieve their best.		
Target:	To raise achievement across the school - To improve student outcomes and achievement in reading, writing, and maths from Year 0 to Year 6		
Term 1 Baseline data:	**Writing:** Achieving above: 9% Expected level: 26% Working below: 46% Working well below: 19%	**Reading:** Above Expected: 17% At Expected:31% Below Expected: 28% Well Below Expected: 24%	**Maths:** Achieving above: 23% At Expected level: 25% Below: 32% Well below: 20%
Term 4 Data	**Writing:** Achieving above: 8% Expected level: 43% Working below: 27% Working well below: 22%	**Reading:** Above Expected: 30% At Expected: 34% Below Expected: 21% Well Below Expected: 15.0%	**Maths:** Achieving above: 12% At Expected level: 51% Below: 25% Well below: 12%

Actions: What did we do?	Outcomes: What happened ?	Reasons for the variance: Why did we have these results?	Evaluation: Where to next?
Implement professional Provided specific PLD for teachers on the Better Start Literacy Approach (BSLA) to enhance early literacy instruction and provide targeted support for students at risk of falling behind in writing. Implement or enhance a systematic, explicit phonics and phonemic awareness program, especially in early years. Provide targeted interventions (Tier 2) for older students who have gaps in these foundational skills. Using the new English Curriculum to plan for effective teaching and learning programmes. Consistent assessment to identify gaps and students who may require ongoing support.	Teachers will demonstrate increased confidence and competence in teaching writing, evidenced by observation and planning documents. This will lead to more consistent and high-quality writing instruction across all year levels. Students will have a clear understanding of writing expectations and progress through a coherent curriculum. There will be improved consistency in writing instruction and assessment across the school. BSLA across all levels, Targeted literacy groups will improve data.	Implementation of New Assessment Processes: The early part of the year has involved the implementation of new assessment processes. Kaeo School has a number of transient and high absent students. This has an enormous impact on initial performance and is reflective in the data. Students with Identified Learning Difficulties: As a diverse learning environment, our data includes students with identified learning difficulties who require differentiated instruction and progress at a different pace. Their inclusion in the overall data naturally impacts the proportion of students at expected levels.	The school is proactively addressing these variances through implementing structured intervention programmes, professional development, and collaborative partnerships with whānau and external agencies. Cross-Curricular Support: Utilisation of Resource Teachers of Learning and Behaviour (RTLB) services. Continued collaboration with outside agencies to offer individualised support for students with specific learning needs. Ongoing professional development (PD) for teachers to equip them with effective strategies to monitor student progress and tailor teaching to meet diverse learning requirements. Consistent planning expectations across the school. SMART tool PD?

Planning for next year:
Kāeo Schools primary focus is to significantly improve student achievement in Writing, Reading, and Maths by implementing consistency through all year levels. Next year we will continue to achieve this through targeted professional development for teachers, particularly in the Better Start Literacy Approach (BSLA), alongside the consistent use of structured instructional programmes across all three subjects. A core component of our strategy involves diagnostic assessments to identify specific learning gaps, enabling us to deliver Tier 2 intervention programmes for students working below or well below expected levels in both literacy and numeracy. Our goal is to substantially increase the percentage of students meeting or exceeding expected levels while significantly reducing the number of those performing below, ultimately fostering stronger foundational skills and greater confidence across the curriculum.

Evaluation and analysis of the school's students' progress and achievement

This report summarises academic achievement for the 2025 school year, tracking progress from Term 1 to Term 4. The school has seen significant curriculum advancement across all core areas. Mathematics showed the most substantial acceleration in progress over the year.

School-Wide Curriculum Achievement

The 2025 academic year saw a marked increase in the percentage of students meeting or exceeding curriculum expectations across all core subjects.

Subject	Term 1 (BOY)	Term 4 (EOY)	Progress
Reading	50.8%	64.2%	+13.4%
Writing	30.0%	51.7%	+21.7%
Mathematics	27.5%	61.5%	+34.0%

Reading

- Performance: Finished the year with the highest overall achievement at 64.2% of students at or above the expected curriculum level.
- Excellence: Demonstrated strong results in higher bands, with 11.7% Well Above and 29.2% Above curriculum expectations.
- Cohort Strength: Year 5 students achieved the highest result in this area at 80.8%.

Mathematics

- Accelerated Growth: This subject demonstrated the most significant shift in achievement, gaining 34.0 percentage points over the year.
- Consistency: 41.7% of students are securely "At" the expected level, representing the largest group in this subject.
- Cohort Strength: Years 1 and 5 both reached 100% achievement, while Year 4 reached 94.4%.

Writing

- Gap Reduction: Writing saw a 21.7% increase in students meeting expectations.
- Focus Area: Despite growth, Writing remains the priority area for the 2026 Strategic Plan, as 48.4% of students remain below or well below the curriculum standard.
- Cohort Strength: Year 1 students reached 100% achievement.

Evaluation of Success Factors

The Board can attribute these positive shifts to the following school-wide initiatives:

- Data-Driven Practice: Regular use of e-asTTle (Reading, Writing, Maths) and PATs provided clear evidence for teacher planning.
- Professional Consistency: Collaborative Moderation of Writing ensured teacher judgments were accurate and aligned with curriculum levels.
- Junior Literacy: The implementation of BSLA (Better Start Literacy Approach) strengthened outcomes for our youngest learners.

Future Strategic Priorities

To maintain this momentum into 2026, the school will focus on:

- Digital Access: Moving toward individual student accounts on devices to support personalised learning and agency.
- Writing Intervention: Developing targeted support for the 48.4% of students currently working towards the curriculum level.

How we have given effect to Te Tiriti o Waitangi

Kaeo School's Board is committed to giving effect to Te Tiriti o Waitangi as one of its primary objectives, in line with Section 127(1)(d) of the Education and Training Act 2020. Beyond what has been reported in other sections of our annual report, we are beginning to work on the following:

- **Reflecting Local Tikanga Māori, Mātauranga Māori, and Te Ao Māori:**
    - Our local curriculum is being reviewed to ensure it incorporates local tikanga Māori and mātauranga Māori, developed in consultation with local iwi and hapū and whānau representatives. This has led to the integration of local pūrākau (stories) and historical narratives into our social sciences and literacy programmes.
    - School policies, including our behaviour management, attendance and pastoral care policies, are being reviewed through to incorporate a Te ao Māori lens to ensure they are culturally responsive and inclusive for all students.
    - Staff professional development has focused on enhancing understanding of Te ao Māori, fostering culturally safe learning environments, and embedding Māori values into daily school life.
- **Making Instruction Available in Tikanga Māori and Te Reo Māori:**
    - We have Whaea Gee who teachers te reo Māori across all year levels. All students now participate in dedicated te reo Māori lessons weekly.
    - Kaeo School will actively supported staff in undertaking professional learning in te reo Māori and pūrākau of the area by myself and local kaumatua and kuia.
    - Where possible Tikanga Māori is regularly woven into school routines, including karakia (prayers) at assemblies, waiata (songs), and mihimihi (introductions). Specific tikanga lessons are also being developed and integrated into the curriculum, focusing on local protocols and customs relevant to our community.
- **Achieving Equitable Outcomes for Māori Students:**
    - Targeted support programmes have been implemented to address specific learning needs identified for Māori students, leading to improved engagement and progress in key learning areas.
    - We have strengthened partnerships with whānau Māori through regular hui and open communication channels, ensuring their voices are heard and incorporated into decision-making processes that impact their children's education.
    - Data analysis is regularly conducted to monitor the progress and achievement of Māori students, allowing us to identify and respond to disparities promptly and effectively.

These ongoing efforts reflect our commitment to honouring Te Tiriti o Waitangi and ensuring that Kaeo School provides an enriching and equitable educational experience for all students, with a particular focus on the success and cultural identity of our Māori learners.

Statement of compliance with employment policy

This statement confirms Kaeo School's unwavering commitment to, and compliance with, its Employment Policy, which is founded on the principle of being a good employer as required by the Education and Training Act 2020 (s 597).

The Kaeo School Board and leadership are dedicated to fostering an employment environment characterized by fair and proper treatment of all staff members, built upon relationships of good faith. We diligently adhere to all relevant employment legislation, regulations, and collective or individual employment agreements.

We affirm that all reasonably practicable steps are taken to meet our primary duty of care obligations, ensuring a safe, healthy, and supportive working environment for every staff member. Our commitment extends to providing equal employment opportunities, employing appropriately qualified staff through fair processes, maintaining proper staffing levels, upholding high standards of integrity and conduct, implementing fair performance management, and offering professional development opportunities. Furthermore, our processes for ending employment strictly comply with all legal and contractual requirements.

Our compliance with this policy, including our equal employment opportunities programme, is regularly reviewed and reported transparently in the school's annual report. The Employment Policy itself is readily accessible to all staff members.

We assure the Board that the school's operations consistently reflect the principles and practices outlined in our Employment Policy, demonstrating our ongoing commitment to being a good employer.

Reporting on the principles of being a Good Employer	
How have you met your obligations to provide good and safe working conditions?	*Yes*
What is in your equal employment opportunities programme? **How have you been fulfilling this programme?**	*NZ Teachers council agreement for all teachers in NZ.* *Yes*
How do you practise impartial selection of suitably qualified persons for appointment?	*We have an interview process with three people part of the employment process. Before interviewing all applicants must be registered teachers, with current police checks.*
How are you recognising, – **The aims and aspirations of Māori,** – **The employment requirements of Māori, and** – **Greater involvement of Māori in the Education service?**	***Aims and Aspirations of Māori:*** *We actively engage with whānau and the wider Māori community to understand their educational aspirations for their tamariki. This includes regular hui to discuss desired learning pathways, cultural identity development, and future success for Māori students. Our strategic planning will incorporate these aspirations, ensuring our curriculum and school environment empower Māori students to achieve their full potential as Māori. We celebrate Māori success in all its forms, from academic achievement to cultural excellence in kapa haka and te reo Māori.*
How have you enhanced the abilities of individual employees?	*Providing on going professional development for all. Encourage them to seek opportunities for areas of growth.*
How are you recognising the employment requirements of women?	*The recognition of women's specific employment requirements largely revolves around ongoing efforts to achieve pay equity, promote work-life balance and flexible arrangements, address underrepresentation in leadership, and foster inclusive workplace cultures, despite recent setbacks in pay equity legislation*
How are you recognising the employment requirements of persons with disabilities?	***Focus on Ability:*** *The aim is to focus on what a person can do, rather than what they can't, and*

	remove barriers so they can contribute their skills and talents. *Employers **cannot** treat someone unfairly because they have a disability. This is covered by the Human Rights Act 1993.* *Employers **must** make changes (adjustments or modifications) to the workplace or job so a person with a disability can do the work.*

Good employer policies should include provisions for an Equal Employment Opportunities (EEO) programme/policy. The Ministry of Education monitors these policies:

Reporting on Equal Employment Opportunities (EEO) Programme/Policy	YES	NO
Do you operate an EEO programme/policy?	√	
Has this policy or programme been made available to staff?	√	
Does your EEO programme/policy include training to raise awareness of issues which may impact EEO?	√	
Has your EEO programme/policy appointed someone to coordinate compliance with its requirements?	√	
Does your EEO programme/policy provide for regular reporting on compliance with the policy and/or achievements under the policy?	√	
Does your EEO programme/policy set priorities and objectives?	√	

Report on other special and contestable funding

NIL

Kiwi sport funding

Our Kiwi sport funding was strategically allocated to directly enhance student participation and engagement in physical activity. A significant portion went towards procuring new sports gear for the playground, including a diverse range of balls (rugby, soccer, basketball), skipping ropes, hoops, and soft-play equipment. This ensured that all students had access to varied options during breaks, encouraging active play and skill development. We also utilised a portion to subsidise transport costs for inter-school competitions, removing barriers for students to participate in competitive events.

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INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF KAEO PRIMARY SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

The Auditor-General is the auditor of **Kaeo Primary School** (the School). The Auditor-General has appointed me, Angela Edwards, using the staff and resources of BDO Northland, to carry out the audit of the financial statements of the School on pages 1 to 20, 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
  - the 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

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.

BDO New Zealand Ltd, a New Zealand limited liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO New Zealand is a national association of independent member firms which operate as separate legal entities

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 included in the Board's annual report

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 Presiding member/principal's report, Members of the Board, Statement of Variance, Evaluation of the School's Student Progress and Achievement, Evaluation of the School's Student Progress and Achievement, Report on how the school has given effect to Te Tiriti o Waitangi, Statement of Compliance with Employment Policy and Kiwisport report.

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.

Angela Edwards
BDO Northland
On behalf of the Auditor-General
Kerikeri, New Zealand

Date:

Angela Edwards
BDO Northland
108 Kerikeri Road
Kerikeri 0230

REPRESENTATION LETTER FOR THE YEAR ENDED 31 DECEMBER 2025

This representation letter is provided in connection with your audit, carried out on behalf of the Auditor-General, of the financial statements of Kaeo Primary School (the School) for the year ended 31 December 2025 for the purpose of expressing an independent opinion about whether the financial statements:

- present fairly, in all material respects:
  - the financial position as at 31 December 2025; and
  - the financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity (Public Sector) Reduced Disclosure Regime Accounting Framework as applicable to Tier 2 entities.

We understand that your audit was carried out in accordance with the Auditing Standards issued by the Auditor-General, which incorporate the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

General representations

To the best of our knowledge and belief:

- the resources, activities have been operating effectively and efficiently;
- we have complied with our statutory obligations including laws, regulations and contractual requirements;
- we have carried out our decisions and actions with due regard to minimising waste;
- we have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector (that is, we have carried out our decisions and actions with due regard to probity); and
- any decisions or actions have been taken with due regard to financial prudence.

We also acknowledge that we have responsibility for designing, implementing, and maintaining internal control (to the extent that is reasonably practical given the size of the School) to prevent and detect fraud or error, and which enables the preparation of the financial statements that are free from material misstatement whether due to fraud or error (*a requirement of paragraph NZ40.1(a) in ISA (NZ) 240*).

Representations for the financial statements

We confirm that all transactions have been recorded in the accounting records and are reflected in the financial statements, and that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have fulfilled our responsibilities for preparing and presenting the financial statements as required by section 134 of the Education and Training Act 2020 and, in particular, that the financial statements:

- present fairly, in all material respects:
  - the financial position as at 31 December 2025; and
  - the financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity (Public Sector) Reduced Disclosure Regime Accounting Framework as applicable to Tier 2 entities.

- we believe the methods, significant assumptions, and data used in making and supporting the accounting estimates and the related disclosures in the financial statements are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework;
- we have appropriately accounted for and disclosed the related party relationships and transactions in the financial statements;
- we have adjusted or disclosed all events subsequent to the date of the financial statements that require adjustment or disclosure; and
- we believe the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this representation letter;
- we have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. Where applicable, such litigation and claims have been accounted for and disclosed in accordance with Public Benefit Entity (Public Sector) Reduced Disclosure Regime Accounting Framework as applicable to Tier 2 entities.

Representations about the provision of information

We confirm that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have provided you with:
  - all information, such as records and documentation, and other matters that are relevant to preparing and presenting the financial statements; and
  - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence;
- we have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- we have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements;
- we have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others;
- we have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements;
- we have disclosed the identity of the related parties, all of their relationships, and all of their transactions of which we are aware; and
- we have provided you with all the other documents ("other information") which will accompany the financial statements which are consistent with the financial statements, and the other information does not contain any material misstatements.

Going concern basis of accounting

We confirm that, to the best of our knowledge and belief, the School has adequate resources to continue operations at its current level for the foreseeable future. For this reason, the Board continues to adopt the going concern basis of accounting in preparing the financial statements for the year ended 31 December 2025. We have reached this conclusion after making enquiries and having regard to circumstances that we consider likely to affect the School during the period of one year from the date of signing the financial statements, and to circumstances that we know will occur after that date which could affect the validity of the going concern basis of accounting.

We consider that the financial statements adequately disclose the circumstances, and any uncertainties, that we can reasonably be expected to be aware of concerning the adoption of the going concern basis of accounting by the School.

Publication of the financial statements and related audit report on a website

We confirm that we are responsible for the electronic presentation of the audited financial statements, and:

- that the electronic version of the audited financial statements and the related audit report presented on the website are the same as the final signed version of the audited financial statements and audit report.
- that the audited and unaudited information on the website has been clearly differentiated and we understand the risk of potential misrepresentation without appropriate controls.
- that we have assessed the security controls over audited financial information and the related audit report and are satisfied that procedures are adequate to ensure the integrity of the information provided.
- that the full financial statements have been provided on the website.

The representations in this letter are made at your request, and to supplement information obtained by you from the records of the School and to confirm information given to you orally.

Yours faithfully

Kylie Colbert
Presiding Member

Signed by:
Kaiya Lafotanoa
A59D3C7108F5FDD9

Kaiya Lafotanoa
Principal

Unadjusted differences

The following misstatement has been identified during the course of our audit, and have not been adjusted as they were considered by management not to be material:

	Assets	Liabilities	Reserves	Profit
	Dr(cr)	Dr(cr)	Dr(cr)	Dr(cr)
	$	$	$	$
To bring in unadjusted differences in bulk grant		-7850.00		7,850.00
To bring in unadjusted difference for pay equity wash up per ministry confirmations	6,080.70			-6,070.80
Total unadjusted differences	6,080.70	-7850.00	-	1,779.20