Ngā Tamariki Puāwai o Tāmaki
AUCKLAND KINDERGARTEN ASSOCIATION

ANNUAL REPORT 2024

KA WHĀNGAIA, KA TUPU, KA PUĀWAI

THAT WHICH IS NURTURED WILL BLOSSOM THEN GROW

Kotahi te kākano,
he nui ngā hua o te rākau.
A tree comes from one seed
but bears many fruit.

In our commonality we are all different.
In early learning we celebrate those differences while maintaining our relationship with each other.

E rere ana ngā mihi ki a koutou katoa,
i runga ngā āhuatanga o te wā.
Acknowledgements to you all, in these times.

E ngā mana, e ngā reo, e ngā rau rangatira.
To all authorities, to all voices,
to you all as leaders.

Tēnā koutou, tēnā koutou, tēnā koutou katoa.
Greetings, greetings, greetings.

CONTENTS

REPORT FROM THE CHAIR AND CHIEF EXECUTIVE

Tēnā koutou katoa and warm Pacific greetings

It has been another challenging and wonderful year at Ngā Tamariki Puāwai o Tamaki – Auckland Kindergarten Association. We continue with our financial recovery in a difficult operating environment, ending the year with a deficit of $652,000. This is the third year we have had a deficit, after working extremely hard to deliver a surplus in 2021. We expect to take further time to get to break even.

Despite the head winds, we keep delivering quality education, founded on Te Whāriki, Aoteraroa New Zealand's respected early childhood education curriculum. Whenever we visit kindergartens, tamariki greet us: "Kia ora, look at our wētā," "Kia ora, what's your name?" "Do you want to read this book?" "Why are you here?" Their curiosity and manaakitanga reflects their confidence and spirit of inquiry, supporting this year's Annual Report theme.

"Ka whāngaia, ka tupu, ka puāwai – That which is nurtured, will blossom, then grow" reflects what we have been doing for 116 years. We nurture learning and knowledge in mokopuna, working alongside whānau to grow our future generations. This year we will commemorate the centenary of Grey Lynn Kindergarten, celebrating one hundred years of a changing community and educational approaches that have evolved with it.

We joyfully work to to ensure excellence in education continues to be the right of all tamariki. Tamariki have been exploring and making sense of the world, developing their skills of communication, numeracy and problem-solving; making friends and learning social skills; running, jumping and gaining physical confidence; and through active play, exploring, thinking and reasoning.

Highlights

- Developing Kumanutia Te Rito – AKA's framework for achieving education equity and excellence
- Lifting enrolment and attendance, as we recovered from the pandemic and floods
- Parent-Whānau Group support – 89 kindergartens have Chairs or Co-Chairs
- Qualified kaiako – our Mātauranga Huānga programme ensures high-quality education, with the majority of kindergartens (90) staffed 100% by qualified kaiako
- Welcoming the new Minister of Education, Hon. Erica Stanford, to Chelsea Kindergarten
- Fostering sustainability through 45 Enviroschools kindergartens
- Celebrating significant milestones for Kauri Park, Ferndale and Roskill South
- Generating support from mana whenua, community grants bodies, Ministry of Education, Auckland Council, Local Boards, NZEI Te Riu Roa, ERO, and other local and national agencies.

Ngā mihi to our wonderful kindergarten kaiako, Board Directors, the Executive Team and staff, Life Members, and our Parent and Whānau Group Chairs and communities.

Challenges

Uncertainty in global affairs and at home had an impact on our operations. Our communities and AKA feel the effects of high costs, housing constraints, rising unemployment, social disruption, and unfolding policy changes in the early education sector. We reduced the deficit that arose as a result of the pandemic, floods and cost of living increases, and came out $179,000 ahead of the budgeted deficit. Our working capital ratio was sound, and enrolment steady at 87.6%. However, we need to break even or bring in a surplus in order to be sustainable. We stopped two programmes that were operating at a cost to the organisation: AKA Playgroups, along with the Incredible Years programme, which was a Ministry of Education contract for delivering education to kaiako from around Tāmaki Makaurau. Instead, we will focus on our core.

▲ Head Teacher Hui
◄ AGM Life Members

Our beloved Titirangi Kindergarten remained closed as we worked with AT, Auckland Council and engineering experts to have assurance about the safety of the site following last year's floods. We are delighted that we are on track to re-open in 2025.

The year ahead

In 2025, we will continue to focus on our core, providing education equity and excellence so all tamariki can thrive and learn. We will manage costs tightly, look carefully where we focus resources, consider increasing fees, and ensure our kindergartens continue to grow enrolment and maintain attendance, as we practice both the art and business of education. We will invest in our technology infrastructure and processes. We need to work smart and avoid spending on additional costs.

We continue to respond to our communities, reflecting the rapidly changing demography of Tāmaki Makaurau. Results from the 2023 Census shows that 43% of Aucklanders were born overseas. Younger age groups are more likely to be Māori, Pasifika and Asian (mostly Indian, Chinese and Filipino.)

Research by the Education Review Office says teachers report that Covid-19 has impacted children's language development. ERO highlights that quality early education supports language development and could accelerate literacy by up to a year, especially for children from poorer communities. We continue to do all we can to foster early childhood education that is affordable, accessible, inclusive and culturally responsive for all children. We continue to advocate for kindergartens through our membership in the Early Childhood Advisory Council and the Early Learning Regulatory Review Advisory Group, and by making submissions to Government on legislation such as Auckland speed limits and the ECE Regulatory Review. While we welcome streamlining operations that make life easier for whānau and less costly for us, we want to uphold safety and quality. Learning support is a growing need, and we provide many hours from our own budget. Issues around access, quality and affordability are bigger than us, so we ask whānau to press for improvements for the benefit of all.

We are part of a proud kindergarten movement. In a fast-changing world, we want to ensure that tamariki have access to high-quality education provided by qualified teachers, so they have the critical skills needed for school and life-long learning. Thank you for your ongoing support. We need it more than ever if we are to remain a strong, stable of Tāmaki Makaurau communities well into the future.

Bruce McLachlan
Chair

Pauline A. Winter
Chief Executive

OUR STRATEGIC FRAMEWORK

Vision

Excellence in early childhood education continues to be the right of all tamariki.

Purpose

To ensure tamariki and whānau of Tāmaki Makaurau fully participate in kindergarten and KiNZ early childhood education.

Mission

Weave Te Whāriki – He whāriki mātauranga mō ngā mokopuna o Aotearoa, through ako and learning through play in the spirit of partnership and respect.

Our strategic priorities

- Educational excellence
- Whānau and community engagement
- Future focus

Values

Manawanui / Commitment to Purpose
To show commitment and dedication

Kotahitanga / Collaboration
Oneness or unity; working collaboratively towards the same goal

Manaakitanga / Respect
Caring and respecting each other

Ngākau Pono / Trust
To act in a way which shows your trust in others and engenders trust in others

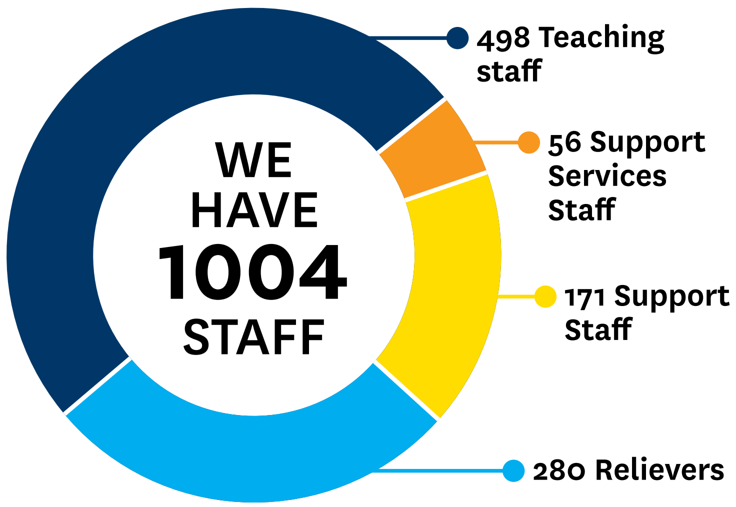
Whakamana / Empower
Supporting others to become stronger and more confident

Atawhai / Kindness
Sincere use of one's time, talents and resources to better the lives of others by showing compassion, generosity and service

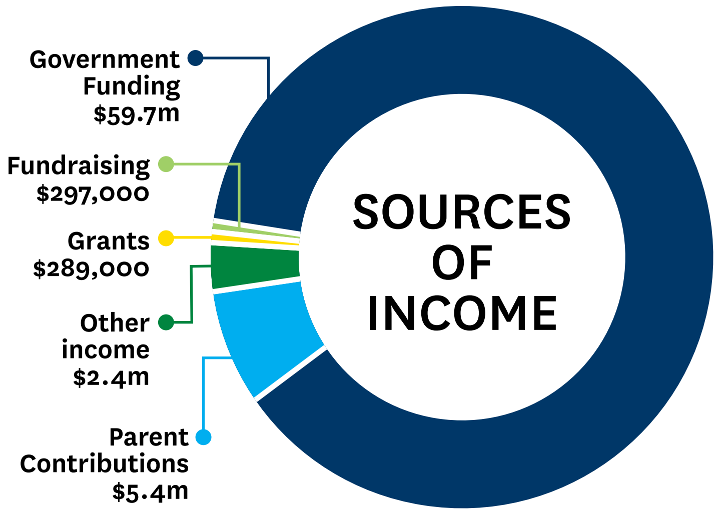
NGĀ TAMARIKI PUĀWAI O TĀMAKI AKA AT A GLANCE

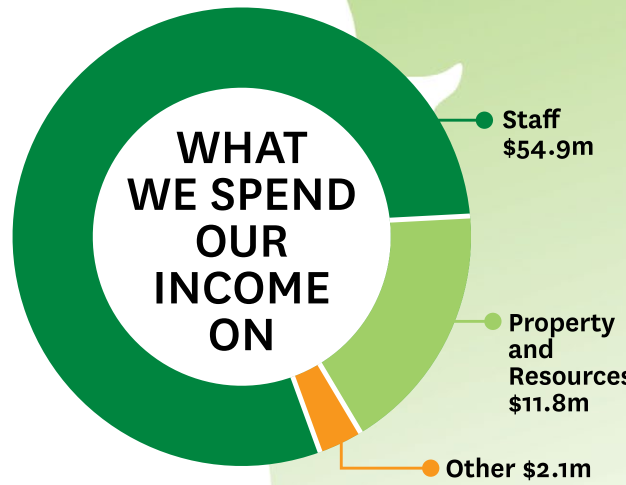
WE HAVE...

107 KINDERGARTENS
4 KINZ CENTRES
5 PLAYGROUPS
45 OF OUR SITES ARE ENVIROSCHOOLS
52 SITES RECEIVE EQUITY OR TARGETED FUNDING



THIS YEAR WE EDUCATED 9,311 TAMARIKI





◂ **Birdwood Kindergarten**
Beginning kindergarten or school is a big change for tamariki. Kaiako and whānau smooth these transitions, allowing relationships and learning to flourish. At Birdwood, tamariki develop working theories and make sense of the world through experimentation, cause and effect and problem solving. Empowerment|whakamana helps them become successful learners at school.

▸ **Kauri Park Kindergarten**
Celebrating 50 years of educating tamariki, Kauri Park Kindergarten fosters mana whenua|a sense of belonging, mana atua |wellbeing, and whanaungatanga|connection. This sense of connection is important in today's world, and makes our long-standing community kindergartens unique.

▾ **Aorere Kindergarten**
Tamariki are learning about sustainability. With whānau support they are working towards rubbish-free lunch boxes. By reusing, refusing, and recycling, they halved the kindergarten waste bins going to landfill to one per week.

IN OUR KINDERGARTENS

Tamariki flourish in our kindergartens, learning about themselves, their communities and the world around them, continuing their life-long learning journey. This year, tamariki explored neighbouring ngahere (forest), learning about the place, people and creatures, past and present, acknowledging our bicultural foundation. They investigated the stars and the constellation Matariki. They gathered information and communicated their inquiries, through data, writing, dance, song, art, and technology. Tamariki helped sustain their environments, celebrated our many cultures, explored their world through excursions, and developed the foundations for literacy and numeracy. Many began their transitions to school. They discovered, played and enjoyed learning!

▲ **Birdwood Kindergarten**

Making friends is part of a child's holistic development|kotahitanga. Tamariki learn through reciprocal relationships|ngā hononga. Kindergarten is a warm environment to develop and explore communication and feel a sense of belonging|mana whenua.

▼ **St Johns Kindergarten**

Tamariki initiated a wētā inquiry project in response to many tree wētā in the gardens. This grew into a major STEAM (science, technology, engineering, the arts and maths) focus. Tamariki explored wētā species and habitats in caves, bush, ice and snow, by playing with plastic wētā figurines, using drama, reading books, watching videos and exploring coding robots.

▲ **Colwill Kindergarten**

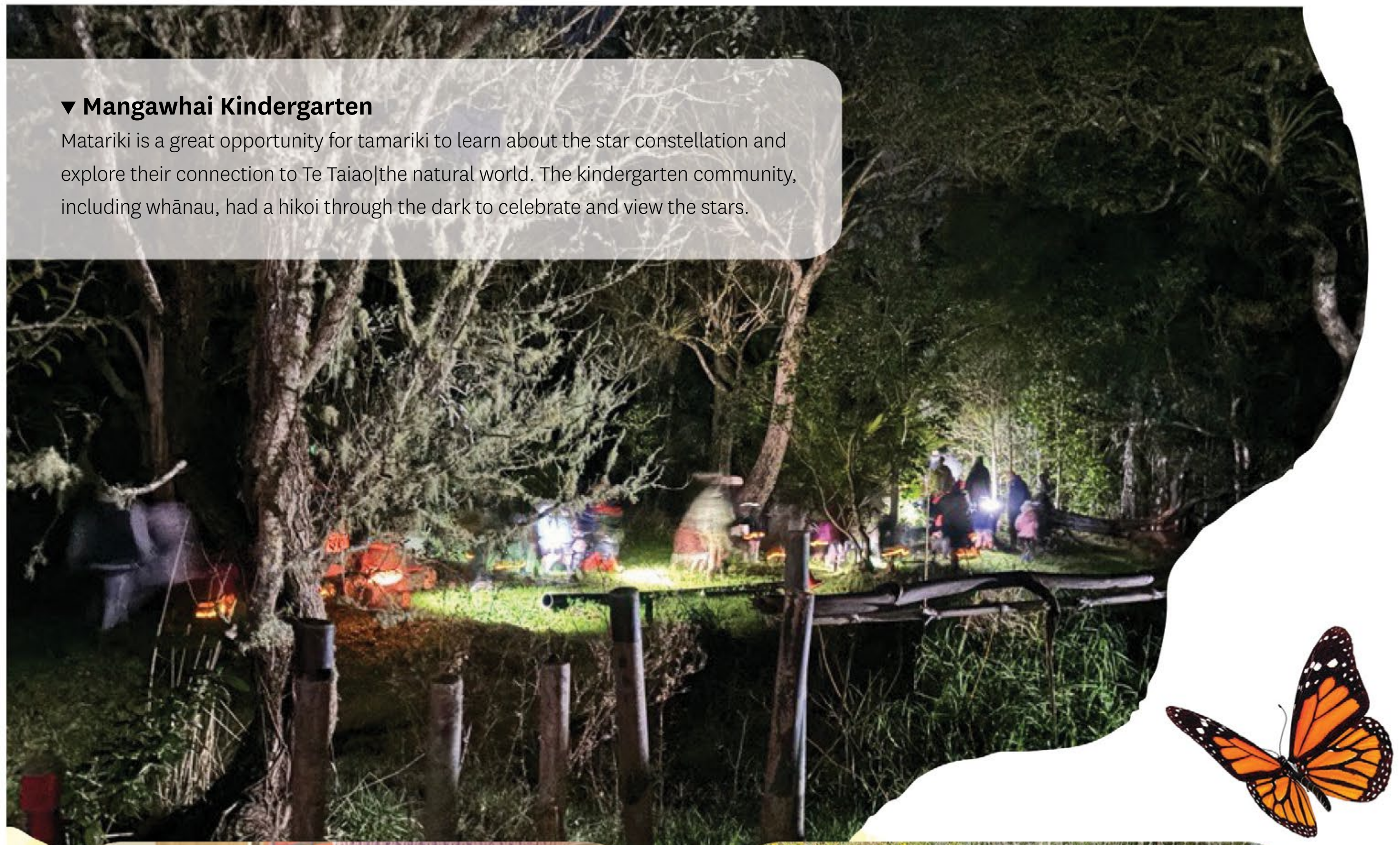
Numeracy is fun when tamariki can eat the results. They sorted and counted their harvest of vegetables, sliced fruit from the trees, and baked. They made spring rolls for Chinese New Year and learnt to make Korean gimmari (crispy seaweed rolls.) Tamariki learned to grow and cook food, shared it with whānau, and learned about kaitiakitanga.

◀ **Glenfield Kindergarten**

One of nine teams participating in the One Billion Trees project, Glenfield Kindergarten tamariki planted trees and learnt about why trees are important in the environment. Other kindergartens participating were Glendowie, St Heliers, Laingholm, Ponsonby, Epsom South, Freemans Bay and Ōtāhuhu.

◀▼ **Epsom North Kindergarten**

One of four kindergartens extensively damaged by the Auckland Anniversary Weekend floods in 2023, Epsom North Kindergarten was reinstated after a closure. We are grateful for the support of surrounding kindergartens, community and our teams for working hard to maintain early childhood education in this difficult time. The playground, interior and resources were replaced, and tamariki were able to return to their learning.



▼ Mangawhai Kindergarten
Matariki is a great opportunity for tamariki to learn about the star constellation and explore their connection to Te Taiao|the natural world. The kindergarten community, including whānau, had a hikoi through the dark to celebrate and view the stars.

▼ Highland Park Kindergarten
Sharing culture and background supports wellbeing and a sense of belonging in tamariki. Dihansa drew a cat. Kaiako Shelley used Google Translate for the name for cat |balalā in Sinhala and Dihansa copied it. “Children are more likely to feel at home if they regularly see their own culture, language and world views valued in the ECE setting.” (Te Whāriki)

▲ Laingholm Kindergarten
Planting day is an opportunity for community and tamariki to learn about the importance of trees. The Laingholm community planted lots of pòhuehue, a shrub which attracts native skinks.

◀ Kauri Park Kindergarten
Tamariki take regular “inquiry walks” into the adjacent ngahere|native bush to learn about the plants and creatures that grow there. The goal is to nurture wonderment, intellectual curiosity, and discovery in the natural environment, fostering a sense of belonging to place (tūrangawaewae), strengthening mana, and developing confident kaitiaki ao tūroa (guardians of nature.)

▲ Glenfield Kindergarten
The kaupapa of Enviroschools is to create a healthy, peaceful, sustainable world through learning and working together. Glenfield is one of 45 AKA Enviroschools kindergartens.

Kumanutia Te Rito

Kaiako, our qualified teachers support tamariki to learn and grow, working in partnership with whānau. AKA continues to evolve our pedagogy and approach to ensure our best practice. This year, AKA developed a new framework for promoting educational excellence and equity, focusing on the things that "matter most." Evidence based and culturally relevant, it involves everyone in the organisation.

The name Kumanutia Te Rito was gifted by Professor Tania Ka'ai, inspired by the harakeke (flaxbush) representing whānau, with the rito (new shoot) at the centre, surrounded by awhi rito (representing parents and whānau) protecting the young. "As an organisation, everyone is charged with looking after the development of our tamariki, our "rito". It is about teaching, tending to, and caring for them as you would a seedling, so they may grow up to be healthy and strong. This care sets in place a pathway for each "rito" to grow into a nourished and beautiful harakeke – its own whānau, so they too can prosper and flourish."

▸ Māngere Bridge Kindergarten
Inspired by Sea Week, Māngere Bridge tamariki learned about sea creatures. They watched video clips, learned new waiata, found out fascinating facts, and painted art works. They sewed sea creatures by hand and were guided by kaiako to use technology, including the sewing machine.

▴ Roskill South Kindergarten
A pou was carved to commemorate 50 years in the Roskill South community. This was a collaborative effort involving the kindergarten community, Ngāti Whātua Ōrākei, and community groups Roskill Together and Mad Ave. The unveiling of Pou Te Ōhāki brought the community together to celebrate the wairua, mauri and memories of the area.

▴ Aorere Kindergarten
Exploring the local awa, Waikauri Creek, as part of a Curious Mind project earned Aorere Kindergarten second place in the Eye on Nature Award. Kaiako led an investigation with tamariki and whānau, considering how to protect the home of longfin eel, shortfin eel, damselfly, fresh water shrimps and fresh water snails.

▾ Chelsea Kindergarten
The Minister of Education Hon. Erica Stanford was welcomed by tamariki, whānau and staff of Chelsea Kindergarten. She was shown around the kindergarten and talked with tamariki about their learning.

▴ Aorere Kindergarten
A garden-to-table programme saw whānau sharing cultural cooking and baking recipes, and tamariki having cooking sessions. Aorere Kindergarten is one of AKA's 45 Enviroschools.

▲ Ōrākei Kindergarten

Reading with friends is a step on the path to literacy. Our kindergartens have plenty of books, and tamariki are encouraged to explore their interests through written and oral literacy.

▼ Ranui Kindergarten

Learning their pepeha connects tamariki and whānau with the past and present, and people and place. We follow the national curriculum Te Whāriki and are on a bi-cultural journey recognising partnership as a foundation drawing together all of our cultures.

◂ St Johns Kindergarten

Tamariki created art and made a stop motion movie to tell the story of how Wētāpunga, the Giant Wētā and world's heaviest insect, made a wish to Hiwa-i-te-rangi the Matariki Wishing Star that people would not be scared of him.

▸ Ferndale Kindergarten

Whānau, tamariki, and the local community shared in a celebration of Ferndale Kindergarten's 80 years. Quality early childhood education with trained teachers sets children on a pathway to learning and life. Our kaiako, whānau and community together value our active learners, and empower them to grow.

NGĀ TAMARIKI PUĀWAI O TĀMAKI AUDITED - STATEMENT OF SERVICE PERFORMANCE

For the year ended 30 June 2024

Ngā Tamariki Puāwai o Tāmaki is driven by its vision that excellence in early childhood education continues to be the right of all tamariki. Our mission is to weave Te Whāriki – He whāriki mātauranga mō ngā mokopuna o Aotearoa, through ako and learning through play in the spirit of partnership and respect. Driven by our core values, our strategic goals provide the framework against which we measure the impact of our mahi.

Educational Excellence

Outcome: Tamariki learning is supported by qualified teachers who provide a balance of child-initiated play-based experiences, using tamariki strengths and interests, along with intentional teaching strategies consistent with Te Whāriki.

Priorities

- Deliver high quality early childhood education
- Teaching and learning pedagogy is culturally responsive
- Value fully qualified teachers
- Collaborate and share expertise

KEY ACTIVITY	TARGET	2024	2023	COMMENTARY
Professional Learning and Development to build educator and leader knowledge, culture and capability	**75** internal PLD workshops are offered across the network.	141	77	The association supports the network with internal PLD opportunities, including inductions and ongoing training.
	100% of our Kindergartens operate in the 100% qualified band	84%	95%	Value is placed on fully qualified teachers.
Organisation-wide internal and external evaluation processes use evidence to inform learner centred decision making	**100%** of the network are engaging in internal evaluation.	100%	100%	Internal evaluation processes are established in the services with teams guided by specialists, drawing on Ngā Aronga Whai Hua. Focussed on continuous improvement to curriculum.
	We achieve a **Sustaining** ERO rating.	Developing	Developing	2023 was the first year the Association as a governing organisation had an ERO review. ERO provides impartial and objective monitoring and evaluation of pre-tertiary education.
Provide and invest in optimal learning environments	**100%** Building Warrant of Fitness (BWOF) property compliance	100%	100%	BWOF ensures that all the systems in the building are functional and operating effectively, without any risk to health and safety.
	Maintain a vacancy rate of >**5%** across the network	0.78%	1.06%	A low vacancy rate ensures there is consistency of resourcing across our network.

Whānau and Community Engagement

Outcome: Whānau are able to participate in tamariki learning, using and supporting their kindergarten's services.

Priorities

- Deliver services our communities want
- Engage with whānau in their tamariki learning
- Build strong resilient relationships with our communities
- Ensure kindergartens are a community resource

KEY ACTIVITY	TARGET	2024	2023	COMMENTARY
Whānau are able to participate in tamariki learning	**80%** of kindergartens have a PWG representative.	83%	83%	PWG is the Association's Parent and Whānau Group.
	We achieve a monthly average of 3500 Storypark parent responses.	3143	3481	Storypark is the Association's online portal for tamariki and their whānau.
Communities use and support their kindergarten's services	**85%** enrolment across all sites.	87%	85%	This is based on an average over the financial year.
	5500 tamariki on average are enrolled in our services daily.	5243	5009	Average number of tamariki enrolled each day.
	75% average attendance.	69%	60%	Attendance has improved from FY23, as we continue to work towards our 75% target.

Future Focus

Outcome: We make an influential contribution to the early learning sector and take a leadership role for kindergartens.

Priorities

- Be an effective leader in the early learning sector
- Maintain and promote the kindergarten point of difference

KEY ACTIVITY	TARGET	2024	2023	COMMENTARY
We make an influential contribution to the early learning sector	Kaimahi average annual turnover rate is below **5%**	2.3%	1.9%	We are focussed on attracting and keeping kaimahi. We are viewed as a workplace of choice.
	Grow the number of sites that are Enviroschools.	45 sites	39 sites	Enviroschools' kaupapa is about creating a healthy, peaceful, sustainable world through learning and working together.
	MoE provider of Incredible Years (IY) and Beginning Years (BY) workshops.	12 IY 0BY	13 IY 2 BY	This programme is based on strengthening teacher classroom management strategies.
We take a leadership role for kindergartens	Pilot a Pacific language nest – co designed with local community	1	1	Opening of Fonua 'Alaha Manongi in March 2023.
	Remain an active voice on the Early Childhood Advisory Committee (ECAC). Attend all 4 hui.	4 hui attended	4 hui attended	The purpose of ECAC is to foster a relationship between Government and the early learning sector to achieve common goals.
	Submissions are developed on current issues facing the sector.	5	5	We are proactive in providing submissions, and have a clear voice on current issues.

AUDITED - STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

For the year ended 30 June 2024

Revenue	Note	2024	2023
Government funding		59,688	53,288
Grant revenue		289	199
Parent contributions		5,399	4,958
Fundraising revenue		297	284
Interest revenue		1,081	609
Other sundry revenue		1,345	3,139
Total revenue	3	**68,099**	**62,477**

Expenses	Note	2024	2023
Staff	4	54,905	49,814
Professional and consultancy fees		1,215	1,254
Property and resources		9,251	9,092
Depreciation	11	2,527	2,423
Loss/(gain) on sale or disposal of non-current assets		12	282
Office administration		710	717
Marketing and public relations		130	140
Total expenses		**68,751**	**63,722**
(Deficit)/Surplus for the year		**(652)**	**(1,245)**
Total comprehensive revenue		**(652)**	**(1,245)**

AUDITED - CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2024

Current assets	Note	2024	2023
Cash and cash equivalents	18(a)	9,625	11,157
Trade and other receivables	7	2,103	3,394
Taxes receivable	9	146	6
Other assets	10	90	74
Total current assets		**11,964**	**14,631**
Non-current assets			
Property, plant and equipment	11	21,083	20,484
Total non-current assets		**21,083**	**20,484**
Total assets		**33,047**	**35,115**
Current liabilities			
Trade and other payables	12	1,379	1,316
Income in advance	13	1,050	1,604
Employee entitlements		3,272	4,277
Taxes payable	9	671	571
Provisions	14	-	20
Total current liabilities		**6,372**	**7,788**
Total liabilities		**6,372**	**7,788**
Net assets		**26,675**	**27,327**
Net assets/equity			
Accumulated comprehensive revenue and expense		26,675	27,327
Total net assets/equity		**26,675**	**27,327**

On behalf of Auckland Kindergarten Association Board:

Bruce McLachlan
Chair
21 October 2024

Katherine Souness
Chair, Audit Risk Assurance Committee
21 October 2024

AUDITED - CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS/EQUITY

For the year ended 30 June 2024

	2024	2023
Accumulated comprehensive revenue and expense at the start of the year	**27,327**	**28,572**
(Deficit)/Surplus for the year	(652)	(1,245)
Accumulated comprehensive revenue and expense at the end of the year	**26,675**	**27,327**

AUDITED - CONSOLIDATED CASHFLOW STATEMENT

For the year ended 30 June 2024

Cash flows from operating activities	**Note**	**2024**	**2023**
Government funding received		61,668	52,854
Grant revenue received		252	105
Parent contributions received		5,373	4,591
Fundraising revenue received		297	284
Interest received		941	609
Other sundry revenue received		276	457
Payments to employees		(55,810)	(48,779)
Payments to suppliers		(11,391)	(10,810)
Net cash provided by/(used in) operating activities	18(b)	**1,606**	**(689)**
Cash flow used in investing activities			
Payment for property, plant and equipment		(3,138)	(2,145)
Net cash used in investing activities		**(3,138)**	**(2,145)**
Net increase/(decrease) in cash and cash equivalents		(1,532)	(2,834)
Cash and cash equivalents at the beginning of the period		11,157	13,991
Cash and cash equivalents at the end of the period	18(a)	**9,625**	**11,157**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

1. Basis of Preparation

The financial statements of Ngā Tamariki Puāwai o Tāmaki – Auckland Kindergarten Association are for the year ended 30 June 2024. The financial statements were authorised by the Board of Directors on 21 October 2024. The following accounting policies that materially affect the measurement of financial performance, financial position and cash flows have been applied:

Reporting Entity
Auckland Kindergarten Association was founded in 1908 and is domiciled in New Zealand. Auckland Kindergarten Association is registered as a charitable entity under the Charities Act 2005. The financial statements comprise Auckland Kindergarten Association (the Association), which includes its constituent kindergartens and its wholly owned subsidiary, Kindergarten NZ Limited (collectively, the Group).

The principal activity of the Group is the provision of early childhood education.

Statement of Compliance
The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and the requirements of the Charities Act 2005. For the purposes of complying with NZ GAAP, the Group is a public benefit entity.

The financial statements comply with New Zealand Public Benefit Entity International Public Sector Accounting Standards. The financial statements also comply with Tier 1 Public Benefit Entity International Public Sector Accounting Standards.

Measurement Base
The financial statements for the Group have been prepared on the basis of historical cost.

Functional and presentation currency
All transactions and balances are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated. The functional currency of the Group is New Zealand dollars.

Use of judgements and estimates
In the process of applying the accounting policies, management makes judgements, estimates and assumptions. Actual results may differ from these estimates. Information about critical judgements that have the most significant effect on the amounts recognised in the financial statements are included below:

Provisions (note 14)
A provision is recognised for future expenditure of uncertain amount or timing when:
- there is a present obligation (either legal or constructive) as a result of a past event.
- it is probable that an outflow of future economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

Contingent liabilities (note 15)
Contractual lease obligations require the Group to make good the conditions of land and buildings upon terminating a lease and vacating the premises. Estimation and assumptions are made in determining the likelihood, amount and timing of cash necessary to settle the obligations.

Contractual lease obligations for leases assigned to a third party require the Group to pay the outstanding rent due to the leasor should the assignee default on the lease. Estimation and assumptions are made in determining the likelihood, amount and timing of cash necessary to settle the obligations.

2. Statement of Accounting Policies

Basis of consolidation
Controlled entities are investees controlled by the Group. The Group controls an investee if it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of the controlled entities are included in the Group's financial statements from the date on which control commences until the date control ceases.

All intra-group balances and transactions, and unrealised income and expenses resulting from intra-group transactions are eliminated on consolidation. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

When the Group loses control over a controlled entity, it derecognises the related assets and liabilities, and any other components of equity. Any interest in the former controlled entity is measured at fair value when control is lost.

Business combination
Business combinations are accounted for using the acquisition method. The consideration transferred in the acquisition is measured at fair value at the acquisition date. Acquisition related costs are expensed as incurred, except if they are related to the issue of debt or equity securities.

Goodwill is initially measured at cost, being the excess of the consideration transferred and the fair value net identifiable assets acquired and liabilities assumed. Any gain on a bargain purchase is recognised in surplus or deficit immediately. After initial recognition goodwill is measured at cost less any accumulated impairment losses.

PBE IPSAS 41 Financial instruments
PBE IPSAS 41 consolidates the accounting for financial instruments into three key areas: classification and measurement, impairment, and hedge accounting.

(i) Classification and Measurement of financial assets and liabilities
Under PBE IPSAS 41, financial assets are subsequently measured at fair value through surplus or deficit (FVTSD), amortised cost or fair value through surplus or deficit (FVTSD) or amortised cost. Financial instruments measured at amortised cost replaces the previous measurement category: loans and receivables. The classifications are based on two criteria:

(1) the Group's business model for management the assets: and
(2) whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest are made based on the facts and circumstances as at the initial recognition of the assets.

Receivables from exchange and non-exchange transactions and term deposits are classified as Loans and Receivables and are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Debt instruments at amortised cost.

(ii) Impairment
PBE IPSAS 41 requires the Group to recognise an allowance for ECL's for all debt instruments not held at fair value through surplus and deficit.

PBE FRS 48 Service Performance Reporting is effective for financial years beginning on or after 1 January 2022. The standard seeks to guide entities in defining what service performance information is and how this should be reported in their annual reports. FY23 was the first year the Group presented the Statement of Service Performance (see pages 18 to 19 of the annual report).

Financial Assets
Financial assets are classified, at initial recognition, and subsequently measured at amortised costs, and fair value through surplus or deficit.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of short-term receivables and payables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial not at fair value through surplus or deficit, transaction costs.

In order for a financial asset to be classified and measured at amortised cost it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified at fair value through surplus or deficit, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

(i) Financial assets at fair value though surplus or deficit
Financial assets at fair value through surplus or deficit are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of financial performance.

After initial recognition the financial assets in this category are measured at fair value with gains or loss on re-measurement recognised in surplus or deficit. The Group has not recognised any financial assets in this category.

(ii) Debt instruments at amortised costs
Debt instruments at amortised costs are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, are subsequently measured at amortised cost using the effect interest method (EIF), and are subject to impairment. Gains and losses are recognised in surplus or deficit when the asset is derecognised, modified or impaired.

The Group's cash and cash equivalents, trade receivables and taxes receivable are categorised as debt instruments at amortised costs.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement: and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred not retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged, waived, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, then such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The different in the respective carrying amounts is recognised in the statement of financial performance.

Impairment of financial assets
Financial assets are assessed for evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit. The Group considers writing off a financial asset primarily when the debt is older than 6 months and there is no ongoing financial transactions with the other party involved.

Financial liabilities
Financial liabilities at amortised cost are classified, at initial recognition and included trade payables. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowing and payables, net of directly attributable transactions costs. The Group's financial liabilities include payables under exchange transactions, income in advance, employee entitlements and taxes payable.

Subsequent measurement
After initial recognition, payables are subsequently measured at amortised costs using the effective interest rate (EIR) method. Gains or losses are recognised in surplus or deficit when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as office administration costs in the statement of financial performance.

Impairment of non-financial assets
Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An annual internal review of asset values is performed at the end of each financial year. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

An impairment loss is recognised for any amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is determined using a discounted cash flow model. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Any impairment losses are recognised in surplus or deficit. Non-financial assets that suffered impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

Property, plant and equipment
Land and Buildings include buildings which have been purchased with government assistance and are recorded at historical cost. Whilst the Group is responsible for the care and maintenance of these buildings, there may be restrictions on the entitlements to any proceeds from a sale or disposition of such land and buildings.

Land used but not owned by the Group, is not attributed any value in the Group's accounts.

Buildings used by the Group, under a lease to occupy are not attributed a value on commencement of the lease. Any improvements of a capital nature required to ensure the buildings meet the needs of the Group are capitalised and depreciated over their estimated economic useful life.

Depreciation is provided on property, plant and equipment, including buildings developed and owned by the Group but excluding land.

Depreciation is calculated on a straight-line basis so as to write off the net cost of an asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each annual reporting period.

Buildings erected on land owned by the Group are depreciated at the rate of 3% per annum on cost. Other buildings used by the Group are depreciated at rates calculated to amortise the cost of the buildings over their useful economic life.

The following estimated useful lives are used in the calculation of depreciation:

Buildings	25–50 Years
Building Improvements	5–25 Years
Playgrounds	10 Years
Plant and Equipment	5 Years

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

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

Leases
Payments made under operating leases are charged to surplus or deficit on a straight-line basis over the period of the lease. Any lease incentives are amortised over the estimated occupancy periods and offset against lease expenditure in surplus or deficit. The estimated occupancy period is based on the contractual terms of the lease and is reviewed annually.

Taxes
Current tax
Auckland Kindergarten Association, along with its subsidiary is a registered charitable entity. The Inland Revenue Department has confirmed that the charitable entity is exempt from income tax.

Goods and services tax
All revenues and expenses are recognised net of goods and services tax (GST). Any GST on expenses that is not recoverable is recognised in surplus or deficit. Receivables and payables are recognised inclusive of any applicable GST. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Revenue recognition
Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Revenue is classified as exchange and non-exchange. The Group has determined exchange transactions to include interest revenue, dividend income and parent fees. All other sources are considered to be non-exchange.

Government funding
Government funding is recognised in surplus or deficit on completion of the relevant services.

Grant revenue
The recognition of revenue from grants depends on whether the grant comes with any stipulations imposed. Stipulations that are conditions specifically require the Group to return the grant if they are not used in the way stipulated, resulting in the recognition of a liability that is subsequently recognised as revenue as and when the conditions are satisfied. Stipulations that are restrictions do not specifically require the Group to return the grant received if they are not utilised in the way stipulated, and therefore do not result in the recognition of liability, which results in the immediate recognition of revenue.

Parent contributions
Parent contributions include parent fees and optional charges. Parent fees are recognised in surplus or deficit on completion of the relevant services. Parent optional charges are recognised in surplus or deficit on receipt.

Fundraising revenue and donations
Money raised from fundraising activities and donations is recognised in surplus or deficit when received.

Interest revenue
Interest revenue is recognised using the effective interest method.

Donated services
The work of kindergartens is partly dependent on the voluntary service of parents, caregivers and the general

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

public. Since these services are not normally purchased by the Group and because of the difficulty of determining their value with reliability, donated services are not recognised in these financial statements.

3. Revenue

Government funding	Note	2024	2023
Operational funding		57,734	51,831
Equity funding	20	1,737	1,267
Targeted funding		217	190
Total Government funding		**59,688**	**53,288**
Grant revenue		289	199
Parent contributions		5,399	4,958
Fundraising revenue		297	284
Interest revenue		1,081	609
Other sundry revenue	3(a)	1,345	3,139
Total revenue		**68,099**	**62,477**

3(a) Other sundry revenue includes funding
- Received from the Ministry of Education for Incredible Years and Incredible Beginnings programmes $464k (2023: $522k)
- Received from Ministry of Social Development for Covid leave payments $14k (2023: $138k).
- Received from ACC $486k (2023: $379k)
- Received and receivable from the Groups insurance company $164k (2023: $1,508k)

4. Staff

	2024	2023
Salaries and wages	53,349	48,524
Defined contribution - KiwiSaver	1,556	1,290
	54,905	**49,814**

5. Remuneration of Auditors

	2024	2023
Audit of the financial statements	68	65
	68	**65**

Ngā Tamariki Puāwai o Tāmaki - Auckland Kindergarten Association Group auditor is Crowe New Zealand Audit Partnership.

6. Key Management Personnel

	2024	2023
Key management personnel compensation comprises:		
Board member fees - 7 FTE people (2023: 5 FTE people)	202	128
Executive Leadership Team - 6 FTE people (2023: 6 FTE people)	1,371	1,442
	1,573	**1,570**

Key Management personnel include the Chief Executive Officer, permanent, seconded or contract members of the Executive Leadership Team, and Board Directors.

7. Trade and other Receivables

	2024	2023
Non exchange transactions		
Funding receivable	1,835	2,315
Interest Receivable	140	-
Exchange Transactions		
Debtors	252	1,207
Provision for expected credit loss	(124)	(128)
	2,103	**3,394**

8. Administration Costs

Administration costs include the movement in provision for expected credit loss expense of $32k (2023: $96k) and bad debt expense incurred of $37k (2023: $46k).

Doubtful debt provision	2024	2023
Opening balance	(128)	(78)
Additional provision made	(32)	(96)
Amounts used	37	46
Closing balance	**(124)**	**(128)**

9. Taxes receivable/(payable)

	2024	2023
Payroll tax (PAYE)	(671)	(571)
Goods and services tax (GST)	146	6
	(525)	**(565)**

10. Other Assets

	2024	2023
Prepayments	90	74
	90	**74**

11. Property Plant and Equipment

The Group has disposed of the property, plant and equipment that has been assessed to be materially damaged during the year. The Group has not impaired any property, plant and equipment in the year as all materially damaged property, plant and equipment has been disposed of.

	Land	Buildings	Playgrounds	Plant and Equipment	Total
Gross value at 30 June 2022	342	33,131	9,359	7,385	50,217
Additions	-	549	945	667	2,161
Disposals	-	(474)	(85)	(631)	(1,190)
Gross value at 30 June 2023	342	33,206	10,219	7,421	51,188
Additions	-	1,646	1,060	825	3,531
Disposals	-	(6)	(423)	(1,1921)	(1,6210)
Gross value at 30 June 2024	**342**	**34,846**	**10,856**	**7,054**	**53,098**
Accumulated depreciation at 30 June 2022	-	(15,783)	(7,006)	(6,383)	(29,172)
Disposals	-	309	32	478	891
Depreciation expense	-	(1,431)	(563)	(429)	(2,423)
Accumulated depreciation at 30 June 2023	-	(16,905)	(7,537)	(6,334)	(30,776)
Disposals	-	4	418	866	1,288
Depreciation expense	-	(1,478)	(602)	(448)	(2,527)
Accumulated depreciation at 30 June 2024	-	**(18,379)**	**(7,721)**	**(5,916)**	**(32,015)**
Net book value					
At 30 June 2023	342	16,3018	2,682	1,087	20,412
At 30 June 2024	**342**	**16,467**	**3,135**	**1,138**	**21,083**

12. Trade and Other Payables

Payables from exchange transactions	2024	2023
Trade and other payables	1,360	1,316
	1,360	**1,316**

All creditors are due within 50 days of purchase. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

13. Income in Advance

Income in advance from non exchange transactions	2024	2023
Targeted funding for disadvantaged	-	328
Equity funding for disadvantaged	668	913
Grant funding in advance	66	104
Other income in advance	316	259
	1,050	**1,604**

14. Provisions

Make good	2024	2023
Opening balance	20	79
Additional provisions and increases to exisiting provisions	-	20
Reversal of previously recognised provisions	(20)	(79)
Closing balance	**-**	**20**

The provisions for make good arose from one non-cancellable contract where the Group is required to reinstate the condition of a leased asset to its condition as it was at the commencement of the lease. During the year one non-cancellable contract expired and a new non-cancellable contract was entered into, both which require the Group to reinstate the condition of the leased assets.

15. Commitments and Contingencies

Operating lease commitments	2024	2023
Payable within 1 year	516	504
Payable after 1 year and within 5 years	1,137	1,624
Payable after 5 years	-	-
	1,653	**2,128**

Capital commitments	2024	2023
Property upgrades	76	219
	76	**219**

Contingent Liabilities

The Group leases properties from Auckland Council. Auckland Council is now issuing new lease agreements with an initial term of 3 years, with a tenant rights of renewal and obligations to make good properties to pre-lease conditions. There is now some doubt regarding the likelihood of leases being renewed or extended beyond their initial terms, although the Group has no historical experience of leases being terminated by Auckland Council. The Group is not able to reliably estimate the costs of reinstatement and has made no provision for any future reinstatement costs.

The Group assigned the leases of one early childhood education centre (Lease 1) and two development sites (Lease 2 and Lease 3) in 2019. Under New Zealand Law the Group remains liable to the landlord for the payment of rent and the performance of the covenants of each lease until the end of the term of each lease. The Group is contingently liable to the landlord, following the date of assignment, in the event of a default by the assignee. The Group is not able to determine the likelihood or timing of any default or reliably estimate the cost of any default and has made no provision for any costs of a default. In addition, the Group has provided to the landlord of Lease 1 a bank guarantee irrevocable until and including the first renewal date and equivalent to twelve months passing rent. The bank guarantee has been provided as security for the observance and performance of the terms and conditions contained in the lease.

	Anniversary date	1st renewal date	Annual rent at date of assignment	Full years since assignment	Fixed rent increase
Lease 1	18th April	18/04/2030	$306,306	5	2% per annum
Lease 2	8th October	26/08/2033	$312,000	5	2% per annum
Lease 3	16th June	16/06/2032	$283,920	5	2% per annum

16. Subsequent Events

There are no subsequent events after reporting date

17. Related Party Disclosures

A member of the Executive Leadership Team of The Group is also a board member of Tui Ora Limited. Included in Professional and consultancy fees is $10k (2023: $24k) for the provision of services by Tui Ora Limited to The Group. Included within Creditors is Nil (2023: $14k) due to Tui Ora Limited.

18. Reconciliation of Cashflow from Operating Activities

(a) Reconciliation of cash and cash equivalents
For the purposes of the Cash Flow Statement, cash and cash equivalents includes cash on hand, in banks and in short term deposits of less than 90 days. Cash and cash equivalents at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Statement of Financial Position as follows:

	2024	2023
Cash on hand	4	-
Cash in bank	2,621	1,657
Short term deposits	7,000	9,500
	9,625	**11,157**

In addition to the above, the Group has a credit card facility of $250k (2023: $250k).

(b) Reconciliation of profit for the period to net cash flows from operating activities

	2024	2023
(Deficit) / surplus for the year	(652)	(1,245)
Loss / (gain) on sale or disposal of non-current assets	12	282
Depreciation of non-current assets	2,527	2,423
Changes in net assets and liabilities:		
(Increase)/decrease in assets:		
Current receivables	1,341	(2,539)
Other current assets	(156)	82
Increase/(decrease) in liabilities:		
Current payables	(1,466)	308
Net cash inflow provided by operating activities	**1,606**	**(689)**

Gross cash flows are presented exclusive of GST.

(c) Restrictions on cash received
Cash received from grants is restricted to the purpose for which the grant was approved this was $64k for FY24 (FY23 $104k).

Equity funding and targeted funding for disadvantaged is received from the Government for the expressed purpose of making early learning opportunities available for all Auckland children. There is no specific timeframe or obligation on the Group to spend these funds. Refer notes 20 & 21 for further details.

19. Financial Instruments

All financial instruments to which the Group is a party are recognised in the financial statements.

There are no changes from the previous year in how the Group manages its credit risk, interest risk and liquidity risk.

(a) Credit risk management
In the normal course of business, the Group incurs credit risk from trade and other receivables and banking institutions. The Group manages its exposure to credit risk by:
(i) holding cash and cash equivalents and term deposits with New Zealand registered banking institutions; and
(ii) maintaining credit control procedures over trade and other receivables.

The Group has no significant concentration of credit risk, however the Group only deals with one bank currently ASB, and its funding receivable is from the Ministry of Education. The maximum exposure at balance date is equal to the total amount of cash and cash equivalents, short term deposits and trade and other receivables disclosed in the Statement of Financial Position.

The Group does not require any collateral or security to support financial instruments it holds due to the low risk associated with the realisation of these instruments.

(b) Interest rate risk management
The interest rate risk on funds held is managed through the use of term investments, held until maturity. The interest rate risk associated with short term deposits is considered minimal as the Group's deposits mature within 3 months from investment date.

(c) Liquidity risk management
Liquidity risk is the risk that the Group will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents on hand as disclosed in Note 18 Cash flows.

All financial liabilities fall due within 50 days of balance date.

(d) Capital risk management
The Group manages its capital to ensure that the Group will be able to continue as a going concern.

The capital structure of the Group consists of net assets/equity, comprising accumulated comprehensive revenue and expense as disclosed on the Statement of Changes in Net Assets/Equity.

The Group's overall strategy remains unchanged from 2023.

There are no externally imposed capital requirements on the Group.

(e) Fair values
Management considers that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair value.

(f) Categories of financial instruments

Consolidated at 30 June 2024

Financial assets	Debt instruments at amortised cost	Financial liabilities at amortised cost	Total
Cash and cash equivalents	9,625	-	9,625
Trade and other receivables	2,103	-	2,103
Taxes receivable	146	-	146
Total financial assets	**11,874**	-	**11,874**
Liabilities			
Trade and other payables	-	1,379	1,379
Employee entitlements	-	3,272	3,272
Taxes payable	-	671	671
Total financial liabilities	-	**5,322**	**5,322**

Consolidated at 30 June 2023

Assets	Debt instruments at amortised cost	Financial liabilities at amortised cost	Total
Cash and cash equivalents	11,157	-	11,157
Trade and other receivables	3,394	-	3,394
Taxes receivable	6	-	6
Total financial assets	**14,557**	-	**14,557**
Liabilities			
Trade and other payables	-	1,316	1,316
Employee entitlements	-	4,277	4,277
Taxes payable	-	571	571
Total financial liabilities	-	**6,164**	**6,164**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

20. Equity Funding

Equity funding received from the Government provides targeted funding to make early learning opportunities available for all Auckland children.

Equity funding income:	2024	2023
Low socio economic	1,129	916
Special needs & non-English speaking backgrounds	608	351
	1,737	**1,267**

Equity funding utilised:	2024	2023
Discounted parent contributions	1,421	1,160
Learning Support	144	68
Other	172	39
	1,737	**1,267**

During the year the Group focused on increasing the participation of children in early learning by offering parents from 41 communities discounted parent contributions.

21. Target Funding

Target funding for the disadvantaged received from the Government provides targeted funding to make early learning opportunities available for all Auckland children.

	2024	2023
Target funding for the disadvantged income	217	190

Target funding utilised	2024	2023
Discounted parent contributions	126	162
Learning Support	-	13
Other	91	15
	217	**190**

Crowe

Crowe New Zealand Audit Partnership
Level 17, 88 Shortland Street Auckland 1010
C/- Crowe Mail Centre Private Bag 90106
Invercargill 9840 New Zealand
Main +64 9 303 4586
Fax +64 9 309 1198
www.crowe.nz

INDEPENDENT AUDITOR'S REPORT

To the Members of Auckland Kindergarten Association

Opinion

We have audited the consolidated general purpose financial report of Auckland Kindergarten Association (the Association) and its controlled entities (the group) which comprise the consolidated financial statements on pages 20 to 32, and the consolidated service performance information on pages 18 to 19. The complete set of consolidated financial statements comprise the consolidated statement of financial position as at 30 June 2024, and the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in net assets/equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

- the consolidated financial position of the Group as at 30 June 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended; and
- the consolidated service performance of the Group for the year ended 30 June 2024 in accordance with the entity's service performance criteria

in accordance with Public Benefit Entity Accounting 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 (NZ) and New Zealand Auditing Standard (NZ AS) 1 *The Audit of Service Performance Information*. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated 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 Group.

Information Other Than the Consolidated General Purpose Financial Report and Auditor's Report

The Association are responsible for the other information. The other information comprises the information included in the Annual report on pages 4 to 17 but does not include the consolidated general purpose financial report and our auditor's report thereon.

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

If, based on the work we have performed, 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.

Board's Responsibilities for the Consolidated General Purpose Financial Report

The Board 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 Accounting Standards issued by the New Zealand Accounting Standards Board;

(b) service performance criteria that are suitable in order to prepare consolidated service performance information in accordance with Public Benefit Entity Accounting and

(c) such internal control as the Board 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 consolidated general purpose financial report, the Board are responsible for assessing the Group'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 the Board 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 Consolidated 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, they could reasonably be expected to influence the decisions of users taken on the basis of this consolidated general purpose financial report.

As part of an audit in accordance with ISAs (NZ) and NZ AS 1, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the consolidated service performance information, 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.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and the consolidated service performance information 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Obtain an understanding of the process applied by the entity to select what and how to report its consolidated service performance.

- Evaluate whether the service performance criteria are suitable so as to result in consolidated service performance information that is in accordance with the Public Benefit Entity Accounting Standards Reduced Disclosure Regime.

- Conclude on the appropriateness of the use of the going concern basis of accounting by the Group and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 consolidated general purpose financial report 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated general purpose financial report, including the disclosures, and whether the consolidated general purpose financial report represents the underlying transactions, events and service performance information in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and service performance information of the entities or business activities within the Group to express an opinion on the consolidated general purpose financial report. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for the audit opinion.

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.

Restriction on Use

This report is made solely to the Members of the Association, as a body. Our audit has been undertaken so that we might state to the Members those matters 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 Members as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe

Crowe New Zealand Audit Partnership
CHARTERED ACCOUNTANTS

Dated at Auckland this 22nd day of October 2024

OUR BOARD

Bruce McLachlan
Board Chair
Member Audit Risk Assurance Committee

Katherine Souness
Deputy Chair
Chair Audit Risk Assurance Committee

Professor Tania Ka'ai
Māori Director
Member Audit Risk Assurance Committee

Ankita Sharma
Teacher Director

Dannielle Chandler
Community Director

Michelle Moffitt
Community Director

Andrew Simms
Community Director
Member Audit Risk Assurance Committee

OUR EXECUTIVE LEADERSHIP TEAM

Pauline A. Winter
Chief Executive Officer

Melissa Glew
Chief Financial Officer

Amanda Lanuola-Dunlop
General Manager
Education and Innovation

Cecilia Leung-Scholz
General Manager
People and Capability

Toni Nealie
General Manager
Strategy, Governance and Advocacy

Casey Taylor
General Manager
Community Engagement

▼ Pigeon Mountain Kindergarten
Science is fun for tamariki as they investigate how water is displaced and how vortexes are created. Play-based learning encourages active exploration of foundational skills in maths, science and literacy.

ACKNOWLEDGEMENTS

We are very grateful to the following organisations for funding, donations, advice and support:

- Auckland Airport Community Trust
- Auckland Council and local boards
- BlueSky Community Trust
- Bunnings
- Constellation Community Trust
- Dragon Community Trust
- Duffy Books
- Early Childhood Council
- EcoMatters Environment Trust
- Four Winds Foundation
- Howick Club
- Kāinga Ora
- Lion Foundation
- Mangawhai Community Opportunity Shop Trust
- Milestone Foundation Limited
- Ministry of Education
- NZEI Te Riu Roa
- North and South Trust
- NZ Community Trust
- One Billion Tree Project
- Our parents
- Pest Free Howick Ward
- Pub Charity
- Real World Living
- Roskill Together Trust
- Sir Michael Jones Foundation
- Steadfast NZ Foundation
- Sustainable Schools
- Te Hononga Akoranga COMET
- Teaching Council of Aotearoa New Zealand
- The Trusts Community Foundation
- Toimata Foundation
- Trillian Trust
- Unitec
- Watercare

We also acknowledge our Life Members:
Sue Crockett
Jeremy Drummond ONZM
Denise Iverson
Hewitt Harrison
Robin Houlker

Thank you to the kindergartens who feature in our photographs.

And to our whānau, business partners and communities who support AKA kindergartens.

▲ AKA Annual General Meeting
Parent and Whānau Group Chairs represent their kindergartens at the AKA Annual General Meeting. They help guide our democratic organisation. Families are involved in their children's learning, fundraising, and the life of their kindergarten.

▲ Freemans Bay Kindergarten
A rich, responsive and inclusive curriculum supports holistic learning and development. Music play helps tamariki develop numeracy, literacy, emotional wellbeing, communication and imagination.

▲ Bairds Kindergarten
Our kindergarten environments are well-resourced, with culturally responsive learning practices and experiences.

▶ Farm Cove Kindergarten
Counting, sorting, stacking and collaborating with friends develops foundations for maths learning and relational skills.

▲ Ponsonby Kindergarten
A large outdoor learning environment at Ponsonby Kindergarten provides opportunities for physical exploration, gaining confidence, looking at patterns, and gathering and interpreting data about the world. Ponsonby Kindergarten is one of our 45 Enviroschools.

Ngā Tamariki Puāwai o Tāmaki
AUCKLAND KINDERGARTEN ASSOCIATION

KiNZ
care and early learning
Te Tiaki, Te Ako Kōhungahunga

Playgroup

aka.org.nz

09 373 5635
info@aka.org.nz

PO Box 6933
Wellesley Street
Auckland 1141