

2024 ANNUAL REPORT



Contents

The Skills Active Aotearoa group is a not-for-profit organisation, 50% owned by Māori shareholders, supporting capability development in te ahumahi ā-rēhia: the active recreation, leisure, entertainment and events sectors.

Skills Active Aotearoa is the parent company of Te Mahi Ako, which provides work-based learning to our sectors.

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Chair's report



Sam Napia
Kaiwhakahaere Poari
Board Chairperson
Skills Active Aotearoa

Tēnā koutou

E mihi atu ana ki a koutou i runga anō i te ahuatanga o wā tātou tini mate maha.

Nā, me kau ake pēnei te kōrero mo rātou:

“He rarangi maunga tū te ao, tū te pō. He rarangi tangata, e hinga ana, e hinga ana”.

Nā reira, rātou ki a rātou; tātou ngā kanohi ora ki a tātou; tēnā anō hoki tātou katoa.

As the governing body for Skills Active Aotearoa Group, our role is to provide strong, steady stewardship and to hold fast to the kaupapa that drives us: a belief in vocational learning that uplifts individuals, whānau, and the sectors that shape our communities.

2024 brought new pressures across the system. Funding constraints, reform proposals, and changing sector needs tested providers’ resilience across Aotearoa. Through that landscape, our group remained anchored. We upheld our responsibility to safeguard the kaupapa, support our delivery arm Te Mahi Ako, and act with integrity as a Te Tiriti-honouring entity.

In this year, the Group Board oversaw a period of governance transition for our subsidiary. The Chair of the Te Mahi Ako Board, Steve Ruru, signalled his intention to stand down from the Board, effective 31 December 2024. In preparation, we exercised our constitutional right to appoint two members, Morris Bradley and Stephen Gacsal, to support the continued stability of Te Mahi Ako’s governance.

At the same time, we reinforced our strategic partnerships and funding frameworks. We endorsed the Business Development Grants and Youth Coaching Scholarships, directing investment to small and medium enterprises and rangatahi. We also strengthened alliances with industry—ensuring that our group-level oversight translates into real-world impact on the ground.

These efforts speak to more than funding or programmes; they reflect our role as structural guardians. Our duty is to ensure that Te Mahi Ako is equipped to serve its learners, uphold equity, and deliver results with integrity and care. That includes appointing leaders who bring cultural insight, professional expertise, and an unwavering commitment to the values we stand for.

As a group, we remain confident in our strategy, our delivery arm, and the sector partnerships that support this mahi. We continue to invest in strong foundations, transparent oversight, and a group structure that enables both autonomy and accountability.

In a climate where confidence can be hard-won, Skills Active Aotearoa stands with clarity and purpose. Our goal is not short-term compliance; it is long-term capability, cultural leadership, and trust that endures.

Nāku noa, nā



Sam Napia
Chair, Skills Active Aotearoa Group

Why we are here

We are passionate about reducing disparities and championing a vibrant and equitable future for Aotearoa. We believe that embracing Te Tiriti o Waitangi and ngā mahi ā te rēhia is not just integral to the identity of Aotearoa, it also enables transformative change. They guide us to empower individuals with the capabilities to thrive and impact the world around them.

PURPOSE	To enliven our Te Tiriti identity through ngāmahi ā terēhia.
ROLE	We provide leadership, training, advice, and connection in Aotearoa-New Zealand’s cultural context.
VALUES	Tika - We do what is right. Pono - We are true to ourselves and others. Aroha - We demonstrate care and respect.
OUTCOMES	<ol style="list-style-type: none"> 1. At Skills Active Te Mahi Ako, Māori, and Pacific learners’ success and completion rates outperform the relative population. 2. Our partners and communities are positively influenced through our Te Tiriti commitment, which is reflected in our training provision, leadership initiatives, advisory services, and stakeholder connections. 3. The organisations we work with report they are strengthened due to support from the Skills Active Group. 4. Financial sustainability is achieved through effective resource allocation, diversification, and prudent management; securing the long-term viability to deliver on our purpose.
PRINCIPLES	<ol style="list-style-type: none"> 1. The success of our learners and partners is at the heart of everything we do. 2. Tino rangatiratanga and kāwanatanga require a sharing of power as envisaged by Te Tiriti o Waitangi. 3. Skills Active Group’s success adds to the prosperity of Aotearoa-New Zealand.

Shareholder allocations



Community recreation

New Zealand Recreation Association Incorporated	33
Water Safety New Zealand	33
National Council of YMCAs of New Zealand Incorporated	34



Exercise

Exercise Association of New Zealand	100
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Ngā mahi a te rehia

Aotearoa Māori Providers of Training Education and Employment (AMPTEE)	67
Aotearoa Māori Tennis Association Incorporated	67
Handball New Zealand	67
Hauraki Māori Trust Board	67
Te Tohu Taakaro o Aotearoa Charitable Trust - National Māori Sports Awards	67
New Zealand Māori Rugby Board	67
Te Arawa Lakes Trust	66
Te Roopu o te Pātaka	66
Whakaruruhau Ngā Mahi a Te Rēhia	66

Shareholder allocations



Outdoor recreation

Christian Camping New Zealand Incorporated	20
Education Outdoors New Zealand Incorporated	20
New Zealand Mountain Safety Council Incorporated	20
New Zealand Outdoors Instructors Association Incorporated	20
Sir Edmund Hillary Outdoors Education Centres	20



Snowsport

New Zealand Snowsport Instructors Alliance Incorporated	33
New Zealand Snow Industries Federation Incorporated	34
Ski Areas Association (New Zealand) Incorporated	33



Sport

Sport and Exercise Science New Zealand Incorporated	100
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Performing arts

Entertainment Venues Association of New Zealand (EVANZ)	33
Dance Aotearoa New Zealand Limited	34
Entertainment Technology New Zealand	33

Total shares

1,200

Directors information



Sam Napia
Chair

Director — Skills Active Aotearoa
Director - Freedom Excel Limited

Meeting attendance					
Board meetings	AGM	Strategy Planning	Audit and risk committee	Kaupapa Māori	People and Culture committee
8/9	1/1	1/1	3/6	2/3	-



Stephen Gacsal
Director

Director — Skills Active Aotearoa
Director — Skills Active Te Mahi Ako

Meeting attendance					
Board meetings	AGM	Strategy Planning	Audit and risk committee	Kaupapa Māori	People and Culture committee
9/9	1/1	1/1	6/6	-	-



Andrew Gunn
Director

Director — Skills Active Aotearoa
Director — Snake Point Lodge Limited
Director — Bertney #35 Limited
Director — Trafalgar Nominees
Director — Kokoroa Farms

Meeting attendance					
Board meetings	AGM	Strategy Planning	Audit and risk committee	Kaupapa Māori	People and Culture committee
6/9	1/1	1/1	5/6	-	-



Jordan Pomana
Director

Director — Skills Active Aotearoa
Chair — HB Lead Kahungunu Poitukohu Inc.
Director — Takitimu Maori District Council Whakatou

Meeting attendance					
Board meetings	AGM	Strategy Planning	Audit and risk committee	Kaupapa Māori	People and Culture committee
7/9	1/1	1/1	-	2/3	1/4



Butch Bradley
Director

Director — Skills Active Aotearoa
Director — Te Ara a Maui Inc. (Māori Development)
Deputy Chair — EPA Māori Advisory Komiti
Director — CSE Company Ltd
Governance Lead — ESR Crown Research Institute
Independent Chair — Te Tautoko Ora Foundation Charitable Trust

Meeting attendance					
Board meetings	AGM	Strategy Planning	Audit and risk committee	Kaupapa Māori	People and Culture committee
9/9	1/1	1/1	4/6	3/3	4/4



Kirsty Knowles
Director

Director — Skills Active Aotearoa
Director — Skills Active Te Mahi Ako
Director/shareholder - Community Leisure Management
Board member — Recreation Aotearoa
Board member - Community Leisure Charitable Trust
General Manager of Operations — Community Leisure Management

Meeting attendance					
Board meetings	AGM	Strategy Planning	Audit and risk committee	Kaupapa Māori	People and Culture committee
6/9	1/1	1/1	-	-	3/4



Hinemaua Rikirangi
Director

Director — Skills Active Aotearoa
Director — Skills Active Te Mahi Ako
Director — Tumu Kaupapapa Maori, Internet NZ

Meeting attendance					
Board meetings	AGM	Strategy Planning	Audit and risk committee	Kaupapa Māori	People and Culture committee
6/9	1/1	0/1	-	3/3	3/4



**SKILLS ACTIVE AOTEAROA LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF SKILLS ACTIVE AOTEAROA LIMITED

Opinion

We have audited the general-purpose financial report of Skills Active Aotearoa Limited ("Company") and its subsidiary (together, "the Group"), which comprise the consolidated financial statements and the service performance information. The complete set of financial statements comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the accompanying consolidated financial statements presents fairly, in all material respects:

- the consolidated financial position of the Group as at 31 December 2024 and (of) its financial performance, and its cash flows for the year then ended; and
- the consolidated service performance for the year ended 31 December 2024, in accordance with the entity's service performance criteria, in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the consolidated service performance information in accordance with the ISAs and New Zealand Auditing Standard (NZ AS) 1 *The Audit of Service Performance Information (NZ)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the General Purpose Financial Report section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In addition to our audit services, our firm provides other services in the area of business services. We have no other relationship with, or interests in, the Group.

Directors' Responsibilities for the General Purpose Financial Report

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

- (a) the preparation and fair presentation of the consolidated financial statements and service performance information in accordance with Public Benefit Entity Standards RDR issued by the New Zealand Accounting Standards Board;
- (b) service performance criteria that are suitable in order to prepare service performance information in accordance with Public Benefit Entity Standards RDR; and

(c) such internal control as those charged with governance determine is necessary to enable the preparation of the consolidated financial statements and service performance information that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, those charged with governance 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 those charged with governance either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole, and the service performance information are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS 1 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate or collectively, they could reasonably be expected to influence the decisions of users taken on the basis of these consolidated financial statements.

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

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-14/>

Who we Report to

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



BDO WELLINGTON AUDIT LIMITED
Wellington
New Zealand
16 May 2025

SKILLS ACTIVE AOTEAROA LIMITED

Statement of Service Performance FOR THE YEAR ENDED 31 DECEMBER 2024

Who are we and why do we exist?

Our Vision

Aotearoa is a place where we create equitable, vibrant, productive and safe futures for the generations to come, through the sphere of rehia - active recreation, leisure and entertainment- and the individuals and organisations within.

Our Purpose

Together creating tomorrow

We support people, organisations and communities with pathways to develop and strengthen their capability.

Ambition

We want collaboration and connectedness to be at the core of who we are. We want to be an authentic and transformative bicultural organisation, bringing together those that share a passion for the kaupapa so we can work hand-in-hand creating a better future. We wish to honour the knowledge and experience around us. In the pathways and solutions we create, we will seek to weave together matauranga from people, communities, and cultures across Aotearoa.

We aspire to be purpose-driven, delivering value and always striving to do better. We will always be looking beyond the horizon, and continuing to improve on the future ahead of us, so that it will nurture generations to come.

What are our strategic focus areas?

Ensuring the continuity of support for our learners and workplaces within te ahumahi a-rehia for work-based training through the establishment of a private training establishment:

- Maintain and grow the number of enrolments in our programmes in order to grow the skill and knowledge base in te ahumahi a-rehia
- To provide accessible education and contribute to equitable outcomes for previously underserved or hard-to-reach learners
- Ensuring that our learners are successful in completing their courses of study.

Identifying areas of growth to provide value added learning outcomes to rehia which may fall outside of the scope of a PTE.

Key judgements

Since 1 October 2022, Te Mahi Ako has been operating as a PTE. The 2024 year represents the second full year of operations for which TEC provided funding for the delivery against agreed targets. Learner enrolment and course progress is recorded in our internal learner management system with data transferred to the TEC system. There is a matching process in place to ensure that the data in the two systems is aligned.

In addition to the number of learners enrolled, equivalent full time students (EFTS) before offsets are useful because these reflect the active enrolment of our learners during the period and enable comparability of our programs with varying duration. At the beginning of each year we set agreed EFTS targets with the TEC, therefore our achievement can be compared with this target.

SKILLS ACTIVE AOTEAROA LIMITED

Statement of Service Performance FOR THE YEAR ENDED 31 DECEMBER 2024

How did we perform?

Participation and completion levels for our priority learner groups has remained strong in 2024 with participation for both Māori and Disabled learners increasing year on year. Pasifica learner participation maintained the same level as in 2023. Overall completion levels increased by 4% year on year, the increase in Pasifica completions are a particular highlight with a 9% increase, and Disabled learner completions up 2% year on year. Māori learner completion rates fell slightly to be 1% below target. Credit reported is largely in line with the lower learner volumes.

We have continued to support industries (particularly snowfields and community recreation) most affected by the government reset in not providing funded education for non-NZ citizens or residents. The result is that in our efforts to support the continued operations of these industries we have not received full funding of our learner support, nor are results in the table below reflective of these non-funded learners.

The following measures reflect the performance during the 12 months to 31 December 2024 for the Skills Active Group, compared with 2024 Targets and 2023 Actuals.

Measure	2024 Actual	2024 Target	2023 Actual
Participation (out of total learners enrolled)¹			
- Māori learners	20%	15%	17%
- Pasifica learners	6%	5%	6%
- Disabled learners ²	5%	10%	2%
Number of EFTS			
- Total EFTS	1,006	1,687	1,215
Number of completions			
- Total credit completion EPI	74%	75%	70%
- Māori learner completion EPI	74%	75%	76%
- Pasifica learner completion EPI	75%	75%	66%
- Disabled learner completion EPI ²	78%	75%	76%
Number of credits reported			
- Total learner credits reported	87,161	150,570	10,1942
- Māori learner credits reported	16,455	22,586	17,796
- Pasifica learner credits reported	5,288	7,529	5,925
- Disabled learner credits reported	5,162	15,057	2,504

Notes:

1. Participation is the number of learners who identify under each category, divided by the number of learners with a minimum of one funded month
2. For definition of this category, refer to the Office for Disability Issues.

What do these metrics tell us?

To help to understand the results presented in the table, the following explanations are provided to help make sense of the numbers.

1. Economic influences

We have experienced a significant drop off in enrolment levels during the year which mirrors the economic downturn being experienced in New Zealand and a “pulling back” in discretionary spending on the likes of training and in hiring of new staff.

2. Number of completions

Completion rates for Pasifica were on target and disabled learners were above target. Both exceeded the prior year. For both Māori learners and for all learners we achieved 74% versus the target of 75%. In comparison to the prior year, overall completion rates were 4% above with Māori learner completions slightly below by 2%. Pasifica learner completions excelled with an increase from 66% last year to 75% this year. The general trend of increasing completion rates demonstrates the positive impact the learner engagement plan, introduced in late 2023, is having on improving the learning experience for our akonga.

3. Credit reporting

Although we didn't achieve our credit reporting targets, it was pleasing to see the level of reporting of credits for Disabled learners more than doubling compared to the prior year. The reduction in credit reporting is largely in line with the lower enrolment levels.

SKILLS ACTIVE AOTEAROA LIMITED

**Statement of Comprehensive Revenue and Expenses
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	2024 \$	2023 \$
CONTINUING OPERATIONS			
Revenue			
Revenue from Exchange Transactions			
Other revenue		78,814	51,634
Total Revenue from Exchange Transactions		78,814	51,634
Revenue from Non-Exchange Transactions			
Industry Training Fund (ITF)	4	6,441,910	7,135,126
Workplace fees and registration fees		400,004	544,974
Total Revenue from Non-exchange Transactions		6,841,914	7,680,100
Total revenue		6,920,728	7,731,734
Less Cost of Sales	5	727,847	518,288
Gross Surplus		6,192,881	7,213,446
Expenses			
Employee benefits expense	6	5,694,013	5,623,839
Other operating costs	7	1,416,123	1,361,439
Client servicing and training resources	8	330,315	275,621
Total expenses		7,440,451	7,260,899
Surplus/(Deficit) before financing revenue		(1,247,570)	(47,453)
Interest revenue		361,862	254,817
Surplus/(Deficit) for the year from continuing operations		(885,708)	207,364
DISCONTINUED OPERATION			
Surplus/(Deficit) for the year from discontinuing operations		-	(87,702)
Surplus/(Deficit) for the year		(885,708)	119,662
Total Comprehensive Revenue/(Loss)		(885,708)	119,662

SKILLS ACTIVE AOTEAROA LIMITED

**Statement of Changes in Equity
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	2024 \$	2023 \$
Equity at the beginning of the year		6,616,498	6,496,836
Surplus/(Deficit) for the year		(885,708)	119,662
Total Comprehensive Revenue/(Loss) for the year		(885,708)	119,662
Equity at the end of the year	9	5,730,790	6,616,498

SKILLS ACTIVE AOTEAROA LIMITED

**Statement of Financial Position
As at 31 December 2024**

	Note	2024 \$	2023 \$
Current Assets			
Cash and cash equivalents	10	1,528,689	5,548,727
Short term deposits	11	4,325,640	3,053,284
Receivables	12	497,132	155,970
Prepayments		203,901	157,836
		6,555,362	8,915,817
Non-Current Assets			
Property, plant and equipment	16	164,819	198,473
Intangible assets	17	217,159	2,102
		381,978	200,575
Total Assets		6,937,340	9,116,392
Current Liabilities			
Trade payables		203,823	187,392
Employee benefits payable		270,976	432,024
Goods & services tax payable		562	238,615
Provision for TEC repayment		13,731,188	1,641,863
		1,206,549	2,499,894
Net Assets		5,730,790	6,616,498
Equity			
Retained earnings	9	5,730,790	6,616,498
TOTAL EQUITY		5,730,790	6,616,498

For and on behalf of the Board



Sam Napia
Chairman
Date: 16 May 2025



Stephen Gacsal
Chair - Audit & Risk Committee
Date: 16 May 2025

SKILLS ACTIVE AOTEAROA LIMITED

**Statement of Cash Flows
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	2024 \$	2023 \$
Cash Flows from Operating Activities			
Receipts from TEC funding		5,065,032	8,173,431
Receipts from charges for goods and services		630,585	903,663
Payments to suppliers and employees		(8,528,614)	(9,056,655)
Interest paid		(1,622)	-
Proceeds from Interest received		335,135	234,425
		(2,499,484)	254,864
Cash Flows from Investing Activities			
Proceeds from sale of property, plant and equipment		499	-
Payment for property, plant and equipment		(35,441)	(42,376)
Payment for intangible assets		(213,256)	-
Movement in investments		(1,272,356)	2,069,007
		(1,520,554)	2,026,631
Cash Flows from Financing Activities			
Other cash items from financing activities		-	-
Total Cash Flows from Financing Activities		-	-
Net Cash Flows		(4,020,038)	2,281,495
Cash Balances			
Cash and cash equivalents at beginning of period		5,548,727	3,267,231
Cash and cash equivalents at end of period	10	1,528,689	5,548,727
Net change in cash for period		(4,020,038)	2,281,495

SKILLS ACTIVE AOTEAROA LIMITED

Notes to and forming part of the financial statements For the year ended 31 December 2024

1. Reporting Entity

These financial statements comprise the financial statements of Skills Active Aotearoa Limited {"Skills Active Aotearoa"} and its subsidiary Skills Active Te Mahi Ako Limited {"Te Mahi Ako"} for the period beginning 1 January 2024 to 31 December 2024. Skills Active Aotearoa is a Company incorporated in New Zealand, registered under the Companies Act 1993. The registered office of the Company is 14 Sages Lane, Te Aro, Wellington. The financial statements of the Company are for the year ended 31 December 2024. The financial statements were authorised for issue by the Directors on 16 May 2025.

2. Statement of compliance and basis of presentation

The Company is a reporting entity for the purposes of the Companies Act 1993, the Financial Reporting Act 1993 and the Charities Act 2005.

These consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with the Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") as appropriate for Tier 2 not-for-profit public benefit entities, and disclosure concessions have been applied. The company qualifies as a Tier 2 reporting entity as for the two most recent reporting periods they are not publicly accountable and not large (operating expenditure was between \$5 million and \$33 million in the current and prior year for Skills Active Aotearoa Limited).

The financial statements are presented in New Zealand Dollars (NZD). All financial information presented has been rounded to the nearest dollar.

The financial statements are prepared on the historical cost basis.

The Directors have approved these financial statements on a going concern basis. The Directors have concluded the going concern basis is appropriate, as Skills Active Aotearoa Limited has sufficient reserves to meet its planned commitments in 2025 and Te Mahi Ako has confirmed funding from TEC for the 2025 calendar year.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

a) Revenue

Revenue is identified as either exchange or non-exchange. A transaction is classified as an exchange transaction if it has all of the following three components otherwise it is classified as non-exchange:

- There are two parties that have agreed to enter into the transaction
- There is a direct exchange of economic benefits or service potential between the parties
- The exchange is of approximately equal value

i. Revenue from non-exchange transactions

i. Industry Training Fund {ITF}

Te Mahi Ako received funding from the Tertiary Education Commission (TEC) based on Equivalent Full-time students (EFTS). From 2023, TEC's new Unified Funding System {UFS} is the basis for providing funding on a per EFTS basis. Revenue is recognised when received in accordance with contracted delivery and when conditions of the agreement are met. Any potential repayment of funding is an end of year clawback adjustment due to over-funding by TEC and is recognised as a liability in the Balance Sheet. This revenue is

considered non-exchange on the basis that TEC does not receive a direct benefit from the funding.

ii. Workplace and registration fees

Workplace and registration fees are recognised in the year which the related programme commences. This revenue is considered non-exchange on the basis that the fees are significantly subsidised by TEC, so the transaction is not of approximately equal value.

iii. Other TEC Funding

Other TEC funding is recognised in the year that the funding conditions are fulfilled. This revenue is considered non-exchange on the basis that TEC does not receive a direct benefit from the funding.

ii. Revenue from exchange transactions

i. Interest Revenue

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

b) Property, plant and equipment

Property, plant and equipment are recognised at cost, less depreciation. All assets are depreciated using the straight-line or diminishing value methods and with the following useful life parameters:

Asset	Expected Useful Life	Residual Value
Motor Vehicles	3 - 5 years	20%
Computer Equipment	2 - 5 years	-
Office Equipment	4-5 years	-
Office Furniture	3 - 10 years	-
Telecommunications Equipment	2 years	-
Leasehold Improvements	Length of the Lease	-

Subsequent costs are added to the carrying amount of an item of property, plant and equipment, when that cost is incurred, if it is probable that the future economic benefits embodied within the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised in the Statement of Comprehensive Revenue and Expenses when incurred. The residual value of assets is reassessed annually.

c) Leases

The Company leases certain buildings. Operating lease payments, where the lessors effectively retain substantially all of the risks and benefits of ownership of the leased items, are recognised in the determination of the operating surplus in equal instalments over the lease term.

d) Intangible Assets

An intangible asset is recognised only if all of the following conditions are met:

- An asset is controlled by the Company as a result of past events;
- It is probable that the asset created will generate future economic benefits; and
- The cost of the asset can be measured reliably.

SKILLS ACTIVE AOTEAROA LIMITED

Notes to and forming part of the financial statements For the year ended 31 December 2024

Intangible assets are categorised into those with finite lives and those with indefinite lives. Intangible assets with finite lives i.e. software is amortised using the straight-line method with a useful life of 3 years and no residual value. Where an intangible asset cannot be recognised, the expenditure is charged to profit or loss in the period in which it is incurred.

The residual value of intangible assets is reassessed annually.

e) Trade and other Receivables

Trade and other receivables are stated at cost less impairment losses.

A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original receivable terms. Subsequent recoveries of amounts previously written off are credited against other income.

f) Employee benefits

The Company's net obligation in respect of annual leave is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using current pay rates and actual leave accrued. The Company has no obligation in respect to defined contribution pension plans, long service leave, or share-based payment transactions.

g) Income tax

The Company is registered with the Charities Commission under the Charities Act 2005, and is therefore exempt from tax under section CW 42.

h) Goods and services tax

All items are stated exclusive of GST except for trade receivables and trade creditors that are stated inclusive of GST.

i) Cash and cash equivalents

These include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

j) Short term deposits

Short term deposits are Bank held term deposits with maturities of 3 months or greater from inception. Short term deposits are recognised at the face value of the deposit plus any accrued interest.

k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

l) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of

past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

m) Financial Instruments

Financial instruments are recognised in the Balance Sheet when the Company becomes party to a financial contract. They include cash balances, deposits, bank overdraft, receivables, and payables. The business invests funds only with entities with satisfactory credit ratings. Exposure to any one financial institution is restricted in accordance with the business' policy.

(a) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. At initial recognition, an entity may measure short-term receivables and payables at the original invoice amount if the effect of discounting is immaterial.

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(b) Classification and subsequent measurement

Financial assets

On initial recognition, all of the Company's financial assets are classified and measured at amortised cost. A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a management model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses.

Interest income, foreign exchange gains and losses and impairment are recognised in surplus or deficit. Any gain or loss on derecognition is recognised in surplus or deficit.

Financial liabilities

All of the Company's financial liabilities are classified and measured at amortised cost.

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in surplus or deficit. Any gain or loss on derecognition is also recognised in surplus or deficit.

SKILLS ACTIVE AOTEAROA LIMITED

Notes to and forming part of the financial statements For the year ended 31 December 2024

(c) Impairment of financial assets

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 90 days past due.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

n) Controlled Entities

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

4. Tertiary Education Commission Revenue

Te Mahi Ako is an NZQA accredited private training establishment (PTE) and receives funding from TEC which is provided to deliver against the targets set out in the investment plan as agreed between the TEC and Te Mahi Ako. In addition to core funding comprising delivery and learner components, discretionary strategic component funding is granted by TEC on the proviso that certain milestones are met.

	2024	2023
	\$	\$
Industry Training Fund (ITF)		
ITF Funding - Core	5,647,878	6,535,351
ITF Funding - Targeted Training and Apprentices Fund	-	579,468
Other TEC Funding	794,032	20,307.00
Net TEC Revenue	6,441,910	7,135,126

5. Cost of Sales

	2024	2023
	\$	\$
Assessment Fee	193,081	180,456
NZQA Credit Reporting	169,586	152,209
NZQA Managing Consistency	18,224	20,429
NZQA Programme Consultation	53,803	3,158
NZRA PLPC Fees	23,270	14,145
Other Administration costs	147,805	800
Resource Courier Costs	-	1,117
Resource Printing	94,702	86,665
TTAF costs	27,376	59,309
Total Cost of Sales	727,847	518,288

6. Employee Benefit Expense

	2024	2023
	\$	\$
Wages and Salaries	5,324,155	5,314,833
Contract Staff	147,357	37,145
Training	19,701	64,177
Other Costs	202,800	207,684
	5,694,013	5,623,839

SKILLS ACTIVE AOTEAROA LIMITED

Notes to and forming part of the financial statements For the year ended 31 December 2024

7. Other Operating Costs

	2024	2023
	\$	\$
Depreciation and Amortisation	66,796	62,333
Net Loss on Disposal of Assets	498	-
Rental Expenses	225,462	210,422
ACC Levies	9,998	12,246
Audit Fees	30,038	35,579
Directors' Fees	205,960	229,595
Legal Fees	8,184	73,200
IT Expenses	207,539	232,002
Insurance	124,768	117,167
Travel Expenses	38,254	40,455
Postage, Printing and Stationary Expenses	18,591	25,278
Phone and Internet Expenses	40,327	43,275
Professional Fees	250,706	53,600
Office Expenses	43,239	41,295
Repairs and Maintenance Expenses	11,034	19,850
Subscriptions and Membership Expenses	10,513	19,105
Staff Expenses	21,933	87,295
Other	102,283	58,701
	1,416,123	1,361,439

8. Client Servicing and Training Resources

	2024	2023
	\$	\$
Client Servicing	289,253	236,295
Conferences and Events	18,062	9,326
Partnership Agreements	23,000	30,000
	330,315	275,621

9. Equity and Reserves

The Company has a policy of maintaining retained funds between a minimum of \$3.1 million and a maximum of \$7.2 million based on the current Strategic and Operational Risk Analysis. Retained funds as at 31 December 2024 were \$5.7 million.

At 31 December 2024, share capital comprised 1,200 ordinary shares (2023: 1,200) all of which were uncalled and unpaid at the balance date. The holders of ordinary shares are entitled to one vote per share at meetings of the Company. They have no right to the Company's residual assets. Ordinary shares have no par value.

	2024	2023
	\$	\$
Equity		
Issued and Paid Up Capital		
Total Issued and Paid Up Capital		
Retained Earnings		
Balance at Beginning of Year	6,616,498	6,496,836
Net Surplus/(Deficit)	(885,708)	119,662
Retained Earnings at end of year	5,730,790	6,616,498
Total Equity	5,730,790	6,616,498

10. Cash and Cash Equivalents

	2024	2023
	\$	\$
ANZ Bank	20,654	69,112
ASB	171	167
Kiwibank	440	440
Westpac	1,507,423	5,479,008
	1,528,689	5,548,727

Kirsty Knowles is the General Manager of Operations at Community Leisure Management Ltd (CLM). CLM comprises of multiple entities and the “paid to Skills Active” is a sum received from all those entities. Payments received represent learner enrolment fees paid by CLM.

Stephanie Hadley is the Chairperson of Pilates Aotearoa which is a subsidiary of Exercise Association of New Zealand.

16. Property, Plant and Equipment

Cost	Computer - Equipment	Leasehold Improvements	Motor Vehicles	Office Equipment	Office Furniture	Total
Opening	317,705	338,066	382,303	88,555	70,439	1,197,068
Additions	28,991	-	-	-	-	28,991
Disposals	(57,269)	(1,865)	-	(9,460)	-	(68,594)
Closing	289,427	336,201	382,303	79,095	70,439	1,157,465
Accumulated Depreciation						
Opening	233,115	285,803	340,940	82,410	56,327	998,595
Depreciation	37,887	8,321	11,263	1,976	2,700	62,147
Disposals Depreciation write-back	(56,904)	(1,8231)	-	(9,369)	-	(68,096)
Closing	214,098	292,301	352,203	75,017	59,027	992,646
Net Book Value 2024	75,329	43,900	30,100	4,078	11,412	164,819
Net Book Value 2023	84,590	52,263	41,363	6,145	14,112	198,473

17. Intangible Assets

Cost	Computer - Software	Work in Progress	Total
Opening	130,022	-	130,022
Additions	6,450	213,256	219,706
Disposals	(82,318)	-	(82,318)
Closing	54,154	213,256	267,410
Accumulated Depreciation			
Opening	127,920	-	127,920
Depreciation	4,649	-	4,649
Disposals Depreciation write-back	(82,318)	-	(82,318)
Closing	50,251	-	50,251
Net Book Value 2024	3,903	213,256	217,159
Net Book Value 2023	2,102	-	2,102

SKILLS ACTIVE AOTEAROA LIMITED

**Notes to and forming part of the financial statements
For the year ended 31 December 2024**

18. Remuneration paid to employees

	2024	2023
\$100,000 - \$110,000	8	3
\$110,000 - \$120,000	8	12
\$120,000 - \$130,000	2	1
\$130,000 - \$140,000	1	-
\$140,000 - \$150,000	1	-
\$150,000 - \$160,000	1	2
\$160,000 - \$170,000	-	3
\$170,000 - \$180,000	1	-
\$190,000 - \$200,000	1	-
\$200,000 - \$210,000	2	-
\$250,000 - \$260,000	-	1

19. Directors remuneration paid

2024	Skills Active Board Fees	Skills Active Board Advisory Fees	Te Mahi Ako Board Fees	Qual-Worx Board Fees	Audit & Risk Committee	Total
	\$	\$	\$	\$	\$	\$
Sam Napia	39,000	-	-	-	-	39,000
Butch Bradley	15,000	-	-	-	-	15,000
Stephen Gacsal	15,000	-	-	-	980	15,980
Andrew Gunn	15,000	-	-	-	980	15,980
Hinemaua Rikirangi	15,000	-	-	-	-	15,000
Kirsty Knowles	15,000	-	-	-	-	15,000
Jordan Pomana	15,000	-	-	-	-	15,000
Steve Ruru	-	-	30,000	-	-	30,000
Robyn Cockburn	-	-	15,000	-	-	15,000
Brandi Hudson	-	-	15,000	-	-	15,000
Stephanie Hadley	-	-	15,000	-	-	15,000
	129,000	0	75,000	0	1,960	205,960
2023						
Sam Napia	39,000	-	-	-	-	39,000
Butch Bradley	15,000	-	-	-	-	15,000
Stephen Gacsal	15,000	-	-	-	980	15,980
Andrew Gunn	15,000	-	-	26,135	980	42,115
Hinemaua Rikirangi	15,000	-	-	-	-	15,000
Kirsty Knowles	15,000	-	-	-	-	15,000
Jordan Pomana	15,000	-	-	-	-	15,000
Steve Ruru	-	3,750	30,000	-	-	33,750
Robyn Cockburn	-	-	15,000	-	-	15,000
Brandi Hudson	-	-	13,750	-	-	13,750
Stephanie Hadley	-	-	13,750	-	-	13,750
	129,000	3,750	72,500	26,135	1,960	233,345

Andrew Gunn undertook the role of Acting Chief Executive of Qualworx until its sale on 31 July 2023 and during the 2023 year he was remunerated \$26,135 (2024: nil). Steve Ruru acted as an advisor to the Skills Active board until stepping down as at 31 March 2023. He received remuneration for this of \$3,750 during 2023 (2024: nil). Steve stepped down as Chair of the Te Mahi Ako Board with effect from 31 December 2024.



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