




**SKILLS
ACTIVE**
AOTEAROA

2025
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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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 a 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 ngā mahi a te rēhia.

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

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

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.



CHAIR'S REPORT

*Ko Te Kore, ko Te Pō, ko Te Pō, ko Te Ao - ka Awatea te Ao Mārama
 Ko Ranginui e tū iho nei, ko Papatūānuku e takoto nei
 Ko ahau ki raro, e rapu ana, e hāhau ana i Te Ara o Io Matua
 He ara tauwhāiti te ara; he ara namunamu te ara; ara kauorohia
 Kauorohia e Io-Te-Hā-Ngā-Rangi, e Io-Te-To-Uru-Rangi
 Toi-Uru-Roa, Toi-Uru-Tapu, Toi-Uru-Ora, Toi-Uru-Ariki
 Whakaheke i runga; whakaheke i raro; whakaheke i roto;
 whakaheke i waho
 Whakaheke i tua i tēnei kaupapa
 Nāu ra, e Io, e Rangi e!*



Ka riro mā tēnei karakia tawhito no Te Hokianga e tuwhera kau ake ana taku pūrongo kōrero nei. Pūtake mai tēnei karakia i ngā wānanga tawhito mō Io Matua. Te tino tikanga tā te karakia nei, kia maumahara ai tātou ki tā Io tino mahere; kōia kia hakaputaina mai te mate kore me te oranga tonutanga o te tangata.

Nā reira ka tukua nei te reo hakamoemiti me te korōria ki a Ia, āke, āke tonu atu.

Mauri tū, mauri oho, mauri ora ki a tātou katoa.

Going into 2025, the board set its attention on guiding the Skills Active Aotearoa Group's efforts to make good decisions, ensure that things stay steady, and keep everyone focused on what matters. At the heart of our efforts is a strong belief in vocational learning to help people grow, support families, and make our industries and communities stronger. In 2025, our role as governors became even more important as things around us kept changing and required careful attention.

One of our main objectives for 2025 was improving Te Mahi Ako's performance. As the Group parent, it was our job to make sure the governance stayed solid and that Te Mahi Ako got the support it needed for the year ahead.

In pursuing that objective, we turned our attention to the Group structure, including how Te Mahi Ako's board was set up and worked. Some changes were made, including Skills Active directors joining the Te Mahi Ako Board.

Alongside these changes, we kept a close eye on the things that support good governance—like financial checks, managing risks, meeting regulations, and making sure learners succeed. We also focused on the systems, skills, and relationships needed to do our work well.

We balanced these governance priorities with our ongoing focus on the group's bigger picture: strengthening our Te Tiriti-led identity, improving organisational capability, and helping Te Mahi Ako deliver quality work-based learning. We also kept in mind how important it is to build lasting relationships with industry, our partners, and the community, knowing that progress is best when it's made together and through shared understanding.

All these efforts show the broader responsibility we have as governors. It's not just about meeting rules—it's about protecting the integrity of our organisation, including its financial sustainability, and ensuring we make a real difference in vocational education. Our job is to make sure Te Mahi Ako can serve learners well, stay true to its values, and carry out its purpose with care and good judgment.

Looking ahead, the board is confident in the direction the Group is heading, and in the people taking us there. In a year that required steady leadership and careful thought, we stayed focused on being strong, open, and ready for change, while still planning for long-term success. That focus will continue to guide us in the future.

Nāku noa, nā



Sam Napia

**Kaiwhakahaere Poari
 Board Chairperson
 Skills Active Aotearoa**

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 rēhia

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

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	33
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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	
Skills Active group board	Audit & risk
8/9	3/6



Andrew Gunn
Director

Director – Skills Active Aotearoa
Director – Skills Active Te Mahi Ako

MEETING ATTENDANCE	
Skills Active group board	Audit & risk
8/9	6/6



Butch Bradley
Director

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

MEETING ATTENDANCE				
Skills Active group board	Te Mahi Ako board	Audit & risk	People & culture	Kaupapa Māori
9/9	4/4	4/6	4/4	1/1



Stephen Gacsal
Director

Director – Skills Active Aotearoa

MEETING ATTENDANCE		
Skills Active group board	Te Mahi Ako board	Audit & risk
9/9	4/4	6/6



Jordan Pomana
Director

Director – Skills Active Aotearoa
Chair – HB Lead Kahungunu Poitukohu Inc.
Director – Takitimu Māori District Council Whakatu

MEETING ATTENDANCE		
Skills Active group board	People & culture	Kaupapa Māori
6/9	2/4	1/1



Hinemaua Rikirangi
Director

Director – Skills Active Aotearoa
Director – Skills Active Te Mahi Ako
Director – Tumu Kaupapapa Māori, Internet NZ

MEETING ATTENDANCE		
Skills Active group board	Te Mahi Ako board	Kaupapa Māori
6/9	3/4	1/1



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		
Skills Active group board	Te Mahi Ako board	People & culture
8/9	4/4	4/4



SKILLS ACTIVE FINANCIAL STATEMENTS

For the year ended 31 December 2025

COMPANY DIRECTORY

For the year ended 31 December 2025

Date of incorporation: 27 Feb 2001

Incorporation number: 1117307

IRD number: 078-532-539

Registered office: 14 Sages Lane, Te Aro, Wellington, 6011, New Zealand

Business address: 14 Sages Lane, Te Aro, Wellington, 6011, New Zealand

Nature of business: Private Training Establishment (PTE)

DIRECTORS	APPOINTMENT DATE
Morris Peter MacDonald Bradley	27 May 2009
Stephen Gacsal	29 Jun 2012
Andrew Michael Gunn	30 Apr 2002
Kirsty Joanne Knowles	21 Jun 2022
Samuel Wake Scott Napia	10 May 2007
Jordan Renata Pomana	21 Jun 2022
Hinemaia Rikirangi	26 Jun 2020

SHAREHOLDERS	SHARE ALLOCATION
Exercise Association of New Zealand	100
Sport Science New Zealand Incorporated	100
Aotearoa Maori Tennis Association Inc	67
Hauraki Maori Trust Board	67
Aotearoa Māori Providers of Training Education and Employment	67
Handball New Zealand	67
New Zealand Māori Rugby Board	67
Te Tohu Taakaro O Aotearoa Charitable Trust - Māori Sports Awards	67
Te Roopu O Te Pataka	66
Whakaruruhau Ngā Mahi a Te Rēhia	66
Te Arawa Lakes Trust	66
National Council of YMCAS of New Zealand Incorporated	34
Dance Aotearoa New Zealand Limited	34
NZ Snow Industries Federation Incorporated	34
Entertainment Venues Association of New Zealand Incorporated	33
Recreation Aotearoa Te Whai Oranga Incorporated	33
Water Safety New Zealand Incorporated	33
Entertainment Technology New Zealand Incorporated	33
New Zealand Snowsport Instructors Alliance Incorporated	33
Ski Areas Association (New Zealand) Incorporated	33
Sir Edmund Hillary Outdoors Education Trust	20
New Zealand Mountain Safety Council Incorporated	20
Education Outdoors New Zealand Incorporated	20
New Zealand Outdoor Instructors Association Incorporated	20
Christian Camping New Zealand Incorporated	20

Bankers: Westpac, ASB, ANZ, Kiwi Bank

Solicitors: Dentons Kensington Swan, Duncan Cotterill, Wotton Kearney

CONSOLIDATED STATEMENT OF SERVICE PERFORMANCE

For the year ended 31 December 2025

Who are we and why do we exist?

Our vision

Everyone in our sectors is empowered with the skills to thrive.

We are working towards a future where every person and organisation in te ahumahi ā-rēhia has the opportunity to unlock their potential and gain the skills and knowledge they need to realise the ambitions they have for themselves, their whānau, their customers and communities.

Our purpose

Weaving together work, learning and skills to support learner and workforce success.

Our goal is to provide work-based learning to grow confident, capable, connected people and organisations across our sectors. We will deliver vocational education that upholds the mana of Te Tiriti o Waitangi, fuels a passion for lifelong learning, and supports ākongā and workforce success through flexible and tailored provision - where, when and how they need it.

Ambition

Be the preferred partner and provider of high-quality work-based learning.

We will be the preferred provider of quality, personalised work-based learning to ākongā and organisations across the motu, increasing skills and employability for those working in or aspiring to our sectors. We will deliver access and equity for those who have previously been underserved or hard to reach.

What are our strategic focus areas?

The key outcomes for the company are centred around learner outcomes, therefore the measures that demonstrate our progress in helping our learners to achieve are considered to be the following:

- Maintain and grow the number of enrolments in our programs in order to grow the skill and knowledge base in te ahumahi ā-rēhia
- 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.

Key judgements

Since 1 October 2022, Te Mahi Ako has been operating as a PTE. The 2025 year represents the third 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) offsets are useful because these reflect the active enrolment of our learners during the period and enable comparability of our programmes 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.

How did we perform?

Performance for the year ended 31 December 2025 reflects a challenging operating environment, with learner volumes below target in key sectors like aquatics and exercise and activity weighted toward the second half of the year allowing the organisation to achieve its funding target. Participation outcomes for priority learner groups remained strong. Māori and Pasifika learner participation exceeded target levels and improved year on year, while participation by disabled learners increased compared with 2024, but remained below target.

Total EFTS achieved, while slightly below target was an increase on the previous year and achieved TEC funding target due to the funding category differences. This uplift was driven by renewed enrolment momentum in the second half of the year, particularly across programmes grounded in Mātauranga Māori, which continued to demonstrate strong relevance and uptake across our sectors.

Māori, Pasifika and disabled ākongā credit achievement dropped below the broader level for the year. The learner engagement initiatives introduced in late 2023 continue to support learner progression and retention however the outcome of the effort did not reflect in this result.

The following measures reflect the performance of Te Mahi Ako during the 12 months to 31 December 2025.

MEASURE	2025 ACTUAL	2025 TARGET	2024 ACTUAL
Participation (out of total learners enrolled)¹			
- Māori learners	21.6%	15.0%	20.0%
- Pasifika learners	6.8%	5.0%	6.0%
- Disabled learners ²	7.8%	10.0%	5.0%
Number of EFTS			
- Total EFTS	1,177	1,200	1,006
Credit Completion Educational Performance Indicator (EPI)			
- Total credit completion EPI	61.6%	75.0%	74.0%
- Māori credit completion EPI	58.2%	75.0%	74.0%
- Pasifika credit completion EPI	54.4%	75.0%	75.0%
- Disabled credit completion EPI	54.2%	75.0%	78.0%
Number of credits reported			
- Total learner credits reported	86,925	108,000	87,161
- Māori learner credits reported	17,504	16,200	16,455
- Pasifika learner credits reported	5,271	6,480	5,288
- Disabled learner credits reported	5,899	10,800	5,162

¹ 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.

1. Economic influences

Economic conditions throughout 2025 remained subdued. Employers across te ahumahi ā-rēhia continued to exercise caution, reducing discretionary investment in training and delaying recruitment while awaiting clearer signals of recovery. This contributed to lower enrolment volumes in the first half of the year, with more stable demand emerging in the second half.

2. Credit completion EPI

Outcomes were below target in 2025 and declined compared with the prior year. This reflects the timing of learner commencements, with a higher proportion of learners enrolling later in the year and therefore not reaching completion within the reporting period. While this constrained full-year completion performance, learners who commenced earlier in the year continued to progress broadly as expected, indicating that learner support and engagement settings remain sound.

3. Credit reporting

Credit reporting outcomes were primarily impacted by the timing of enrolments rather than programme delivery. Learners who enrolled later in the year had limited opportunity to progress to credit completion by 31 December 2025. Operational improvements are underway to better align enrolment timing and credit recognition, with a focus on strengthening reported outcomes in 2026.

CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE & EXPENSES

For the year ended 31 December 2025

REVENUE	NOTE	2025 \$	2024 \$
Revenue from Exchange Transactions			
Other Revenue		39,929	78,814
Total Revenue from Exchange Transactions		39,929	78,814
Revenue from Non-Exchange Transactions			
Tertiary Education Commission (TEC)	4	6,827,591	6,441,910
Workplace fees and registration fees		401,854	400,004
Total Revenue from Non-Exchange Transactions		7,229,444	6,841,914
Total Revenue		7,269,373	6,920,728
Less Cost of Sales	5	596,684	727,847
Gross Surplus		6,672,689	6,192,881
Expenses			
Employee benefits expense	6	5,023,107	5,694,013
Other operating costs	7	1,095,410	1,416,123
Client servicing and training resources	8	256,714	330,315
Total expenses		6,375,230	7,440,451
Surplus/(Deficit) before financing revenue		297,459	(1,247,570)
Interest revenue		209,656	361,862
Surplus/(Deficit) for the year		507,115	(885,708)
Total Comprehensive Revenue/(loss) for the year		507,115	(885,708)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	NOTE	2025 \$	2024 \$
Equity at the beginning of the year		5,730,790	6,616,498
Surplus/(Deficit) for the year		507,115	(885,708)
Total Comprehensive Revenue/(Loss) For The Year		507,115	(885,708)
Equity at the end of the year	9	6,237,905	5,730,790

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2025

	NOTE	2025 \$	2024 \$
Current Assets			
Cash and cash equivalents	10	2,665,531	1,528,689
Short term deposits	11	3,338,769	4,325,640
Receivables	12	305,078	497,132
Prepayments		155,247	203,901
		6,464,625	6,555,362
Non-Current Assets			
Property, plant and equipment	16	118,419	164,819
Intangible assets	17	418,220	217,159
		536,639	381,978
Total Assets		7,001,264	6,937,340
Current Liabilities			
Trade payables		154,523	203,823
Employee benefits payable		420,868	270,976
Goods & services tax payable		187,967	562
Provision for TEC repayment	13	-	731,188
		763,358	1,206,549
Net Assets		6,237,905	5,730,790
Equity			
Retained earnings	9	6,237,905	5,730,790
Total Equity		6,237,905	5,730,790

For and behalf of the Board



Sam Napia
Chairman
Date: 29 May 2026



Stephen Gacsal
Chair - Audit & Risk Committee
Date: 29 May 2026

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	NOTE	2025 \$	2024 \$
Cash Flows from Operating Activities			
Receipts from TEC funding		6,382,660	5,065,032
Receipts from charges for goods and services		268,177	630,585
Payments to suppliers and employees		(6,533,510)	(8,528,614)
Total Cash Flows from Operating Activities		117,327	(2,832,997)
Cash Flows from Investing Activities			
Proceeds from sale of property, plant and equipment		18,869	499
Payment for property, plant and equipment		(12,781)	(35,441)
Payment for intangible assets		(231,602)	(213,256)
Payments to Term deposits		(4,954,641)	(2,616,431)
Proceeds from Term deposits		5,941,511	1,344,075
Interest paid		(2,931)	(1,622)
Proceeds from Interest received		261,091	335,135
Total Cash Flows from Investing Activities		1,019,516	(1,187,041)
Net Cash Flows		1,136,843	(4,020,038)
Cash Balances			
Cash and cash equivalents at beginning of period		1,528,689	5,548,727
Cash and cash equivalents at end of period	10	2,665,531	1,528,689
Net change in cash for period		1,136,843	(4,020,038)

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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 2025 to 31 December 2025. 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 2025. The financial statements were authorised for issue by the Directors on 29 May 2026.

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 three 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 2026 and Te Mahi Ako has confirmed funding from TEC for the 2026 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. Tertiary Education Commission (TEC)
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.

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

ASSET	EXPECTED USEFUL LIFE
Motor Vehicles	3 - 5 years
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

following useful life parameters:

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.

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 income 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.

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.

i. **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.

ii. **Classification and subsequent measurement**

Financial assets

On initial recognition, all Company 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.

iii. **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 (TEC) 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 certain milestones are met.

TERTIARY EDUCATION COMMISSION (TEC)	2025 \$	2024 \$
TEC Funding	6,827,591	5,647,878
Other TEC Funding	-	794,032
Net TEC Revenue	6,827,591	6,441,910

5. **Cost of Sales**

	2025 \$	2024 \$
Assessment Fee	248,311	193,081
NZQA Credit Reporting	147,865	169,586
NZQA Managing Consistency	25,523	18,224
NZQA Programme Consultation	40,699	53,803
NZRA Pool Lifeguard Practising Certificate Fees	16,955	23,270
Other Administration Costs	4,000	147,805
Resource Printing	113,332	94,702
Targeted Training Apprentice Fund Costs	-	27,376
Total Cost of Sales	596,684	727,847

6. **Employee Benefit Expenses**

	2025 \$	2024 \$
Wages and Salaries	4,609,327	5,324,155
Contract Staff	243,893	147,357
Training	14,663	19,701
Other Costs	155,223	202,800
Total Employee Benefit Expenses	5,023,107	5,694,013

7. **Other operating costs**

	2025 \$	2024 \$
ACC Levies	9,941	9,998
Audit Fees	41,900	30,038
Depreciation and Amortisation	86,727	66,796
Directors' Fees	130,960	205,960
Insurance	115,862	124,768
Interest Expense	6,262	-
IT Expenses	183,487	207,539
Legal Fees	18,957	8,184
Net Loss on Disposal of Assets	-	498
Office Expenses	43,110	43,239
Phone and Internet Expenses	25,707	40,327
Postage, Printing and Stationary Expenses	13,818	18,591
Professional Fees	85,812	250,706
Rental Expenses	219,020	225,462
Repairs and Maintenance Expenses	4,838	11,034
Staff Expenses	24,062	21,933
Subscriptions and Membership Expenses	16,259	10,513
Travel Expenses	35,207	38,254
Other	33,483	102,283
Total Other Operating Costs	1,095,410	1,416,123

8. **Client Servicing and Training Resources**

	2025 \$	2024 \$
Client Servicing	220,711	289,253
Conferences and Events	13,003	18,062
Partnership Agreements	23,000	23,000
Total Client Servicing and Training Resources	256,714	330,315

9. Equity and reserves

At 31 December 2025, share capital comprised 1,200 ordinary shares (2024: 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.

10. Cash and cash Equivalents

	2025 \$	2024 \$
ANZ Bank	29,145	20,654
ASB	1,252,209	171
Kiwibank	440	440
Westpac	1,383,738	1,507,423
Total Cash and Cash Equivalents	2,665,531	1,528,689

11. Short term deposits

	2025 \$	2024 \$
ANZ Bank	526,646	500,000
ASB	-	1,194,363
Kiwibank	703,746	1,631,277
Westpac	2,108,377	1,000,000
Total Short Term Deposits	3,338,769	4,325,640

12. Receivables

	2025 \$	2024 \$
Accrued revenue	220,264	431,049
Trade receivables	84,814	66,083
Total Receivables	305,078	497,132

13. Provision for TEC payback

The TEC letter dated 25 May 2026 confirms the wash up position for 2025 funding. There is no claw-back required as a result of delivering 1,177 STM compared to the target of 1,128 STM.

14. Operating lease commitments

Non-cancellable operating lease rentals are payable as follows:

	2025 \$	2024 \$
Less than one year	140,000	210,000
Later than one year, but less than 5 years	-	140,000
Total Operating Lease Commitments	140,000	350,000

Skills Active has one leased office in Wellington. Skills Active entered the Wellington lease with effect from 1 September 2023 for a term of three years to 31 August 2026 with a right of renewal for a further term of three years with a final expiry on 31 August 2029. The rent for the initial three year term is \$210,000 per annum.

15. Related parties

The company has one subsidiary company in which it holds 100% of the shares of which are issued and fully paid up. This subsidiary company has its principle place of business in New Zealand.

Skills Active Te Mahi Ako Limited - 1,000,000 ordinary shares

The Company has related party relationships with two of its Directors. The transactions between those Directors and organisations in which they hold an interest are:

DIRECTORS & ORGANISATION	PAID TO SKILLS ACTIVE (\$)	PAID BY SKILLS ACTIVE (\$)
2025		
Kirsty Knowles - Community Leisure Management Limited	40,235	-
2024		
Kirsty Knowles - Community Leisure Management Limited	23,390	1,535
Stephanie Hadley - Exercise Association of New Zealand	-	10,000

Kirsty Knowles is the General Manager of Operations at Community Leisure Management Ltd (CLM) who own and operate community facilities such as swimming pools. Te Mahi Ako learner fees will be invoiced to CLM, either directly, or to entities owned by CLM that operate the pools.

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

16. Property, plant and equipment

	COMPUTER EQUIPMENT	LEASEHOLD IMPROVMENTS	MOTOR VEHICLES	OFFICE EQUIPMENT	OFFICE FURNITURE	TOTAL
Cost						
Opening	289,427	336,201	382,303	79,095	70,439	1,157,465
Additions	10,529	2,252	-	-	-	12,781
Disposals	(588)	-	(2,407)	-	-	(2,995)
Closing Cost	299,368	338,453	379,896	79,095	70,439	1,167,250
Accumulated Depreciation						
Opening	214,098	292,301	352,203	75,017	59,027	992,646
Depreciation	34,809	7,348	10,565	908	2,555	56,185
Closing Accumulated Depreciation	248,907	299,649	362,768	75,925	61,582	1,048,831
Net Book Value 2025	50,462	38,804	17,127	3,170	8,857	118,419
Net Book Value 2024	75,329	43,900	30,100	4,078	11,412	164,819

17. Intangible assets

	COMPUTER SOFTWARE	WORK IN PROGRESS	CAPITALISED PROGRAMMES	TOTAL
Cost				
Opening	54,154	213,256	-	267,410
Additions	-	242,936	11,311	254,247
Transfer from WIP	-	(212,366)	212,366	-
Disposals	-	(22,645)	-	(22,645)
Closing Cost	54,154	221,181	223,677	499,012
Accumulated Depreciation				
Opening	50,251	-	-	50,251
Depreciation	2,580	-	27,961	30,541
Closing Accumulated Amortisation	52,831	-	27,961	80,792
Net Book Value 2025	1,323	221,181	195,716	418,220
Net Book Value 2024	3,903	213,256	-	217,159

18. Remuneration paid to employees

	2025 \$	2024 \$
\$100,000 - \$110,000	4	8
\$110,000 - \$120,000	8	8
\$120,000 - \$130,000	1	2
\$130,000 - \$140,000	1	1
\$140,000 - \$150,000	-	1
\$150,000 - \$160,000	2	1
\$160,000 - \$170,000	1	-
\$170,000 - \$180,000	1	1
\$180,000 - \$190,000	1	-
\$190,000 - \$200,000	-	1
\$200,000 - \$210,000	-	2
\$240,000 - \$250,000	1	-

Key management personnel

Total full time employees (FTE)	7	6
Total remuneration paid (\$)	1,178,765	1,009,727

During the year Sam Napia and Butch Bradley undertook the role of Executive Directors. Their respective remuneration is included at Note 19.

19. Directors remuneration paid

	2025 \$	2024 \$
Sam Napia	55,520	39,000
Butch Bradley	43,320	15,000
Stephen Gacsal	15,980	15,980
Andrew Gunn	15,980	15,980
Hinemaui Rikirangi	15,000	15,000
Kirsty Knowles	15,000	15,000
Jordan Pomana	15,000	15,000
Steve Ruru	-	30,000
Robyn Cockburn	-	15,000
Brandi Hudson	-	15,000
Stephanie Hadley	-	15,000
Total Directors remuneration paid	175,800	205,960

Sam Napia undertook the role of Executive Director of Skills Active Aotearoa Limited on 25 August 2025 and during the 2025 year was remunerated \$16,520 (2024: nil). Butch Bradley undertook the role of Executive Director of Skills Active Te Mahi Ako Limited on 25 August 2025 and during 2025 was remunerated \$28,320 (2024: nil).

20. Financial assets and liabilities

All financial assets are classified at amortised cost for financial measurement purposes. These are:

FINANCIAL ASSETS AT AMORTISED COSTS	2025 \$	2024 \$
Cash and cash equivalents	2,665,531	1,528,689
Short term deposits	3,338,769	4,325,640
Receivables	305,078	497,132
Total Financial Assets at amortised costs	6,309,378	6,351,461

21. Commitments and contingencies

There are no commitments or contingent liabilities as at 31 December 2025 (2024: Nil).

22. Subsequent events

There are no events subsequent to balance date that require disclosure in these financial statements.

23. Going concern

These financial statements have been prepared based on management's and the Board's assessment that Skills Active is a going concern. It is noted that there are currently no plans to liquidate or cease the business. Skills Active are seeking further opportunities to serve the New Zealand community to improve educational outcomes for all New Zealanders associated with rēhia - active recreation, leisure and entertainment. Skills Active has sufficient reserves to draw upon whilst it operationalises these opportunities. It is therefore expected that Skills Active will continue to operate as a going concern for the foreseeable future.





**SKILLS
ACTIVE**
AOTEAROA

14 Sages Lane, Te Aro, Wellington
www.skillsactive.org.nz
info@skillsactive.org.nz
0508 475 455