

# NGAIO SCHOOL



## SOAR TO NEW HEIGHTS

**Ngaio School Annual Report 2025**

## Governance Statement

During 2025, the Ngaio School Board focused on navigating a landscape of significant national curriculum transformation while providing steady governance oversight. Perhaps the biggest event for the school was the resignation of Raewyn Watson who served for many years as the Ngaio School Principal. In term 4, the board was pleased to announce that Phil McIntosh had been appointed to the role of Principal. This position begins in 2026.

Another major strategic milestone was the completion of our newly developed Graduate Profile, which integrated comprehensive community feedback and incorporated invaluable voice and aspirations from our Whānau Group (Moemoeā).

The Board prioritized targeted teaching approaches to support both student achievement and the rollout of updated national frameworks. We formally acknowledge our leadership team and teaching staff for their dedication in embedding these intense structural adjustments into daily classroom practice. Looking forward to 2026, the Board remains committed to supporting staff wellbeing, refining school-wide curriculum guidelines, and progressing delayed property and outdoor maintenance projects.

## Analysis of Variance (AoV) Summary

A detailed report information can be found [here](#).

### Strategic Pillar 1: Our Learners

- **Target:** Complete, implement, and monitor the new Graduate Profile; embed Positive Behaviour for Learning (PB4L) across all school areas; investigate structured 'play' curriculum integration; and establish senior digital literacy parameters.
- **Achievements:**
  - The Graduate Profile content was fully completed, and feedback was incorporated.
  - PB4L implementation overviews, staff meetings, and behavior rubrics for most school areas were successfully completed. Behavior tracking was fully integrated into the HERO student management system.
  - Digital awareness, scam prevention, and ethical AI modules were successfully completed and embedded into the Year 6 curriculum.
- **Variance / Gaps:** Connecting the Graduate Profile directly to classroom planning, and differentiating its competencies from school ROCKET values, was not completed. School-wide understanding of "play pedagogy" remains inconsistent, and website updates for play initiatives were deferred.
- **Next Steps for 2026:** Conduct targeted staff sessions to weave the Graduate Profile into planning. Establish formal school-wide guidelines for AI tools. Consult with the community to determine if the school wishes to officially adopt a multi-year, externally-led play pedagogy change.

### Strategic Pillar 2: Our Staff

- **Target:** Unpack and implement the revised New Zealand Curriculum Te Mataiaho, updating internal school frameworks for both mathematics and structured literacy[cite: 1, 2].

- **Achievements:**
  - Documented guidance regarding structured mathematics provision was fully developed and handed over to kaiako.
  - The literacy leadership team successfully embedded Better Start Literacy Approach (BSLA) practices across Years 1–3, advanced Structured Literacy across Years 4–6, and updated overall literacy implementation expectations.
- **Variance / Gaps:** Due to shifting national curriculum messaging, staff require ongoing implementation support. The initiative to design formal measures monitoring staff wellbeing via *Te Whare Tapa Whā* was not achieved.
- **Next Steps for 2026:** Transition practices to interpret the incoming 2026 curriculum requirements. Move the staff wellbeing monitoring framework directly into the 2026 annual plan.

### Strategic Pillar 3: Our Community

- **Target:** Transition student progress reporting to the HERO app and increase family engagement via parent education and targeted Whānau Group consultation.
- **Achievements:** HERO was successfully launched as the primary student management system for progress reporting, utilizing ongoing work examples and success milestones. The Whānau Roopu met regularly, providing active Māori community voice toward strategic targets.
- **Variance / Gaps:** The planned community information campaign and parent education sessions outlining specific updates to Mathematics and Structured Literacy were not completed.
- **Next Steps for 2026:** Move the deferred parent education and curriculum communication objectives into 2026 target planning.

### Strategic Pillar 4: Our Environment

- **Target:** Develop an asset maintenance plan for the school pool and work alongside the PTA to fund and replace outdoor playground safety matting.
- **Achievements:** Specific pool plant and building vulnerabilities were successfully audited and identified. The PTA secured multiple grants and successful fundraising targets.
- **Variance / Gaps:** A comprehensive, ongoing pool maintenance layout was not finalized. The new playground safety matting was not fully paid off by the close of the reporting cycle.
- **Next Steps for 2026:** Carry both the long-term pool upgrade strategy and outstanding playground matting financial objectives forward into 2026 operations.

## Student Achievement Data Summary (End-Year 2025)

### Context Statement

In 2025, student attainment was measured against the updated New Zealand Curriculum Te Mataiaho progress indicators. Because these indicators mandate specific year-by-year content mastery rather than broad multi-year curriculum levels, overall achievement counts show a predictable downward shift compared to historic data, specifically regarding the proportion of students categorized as "exceeding" expectations. A more detailed report can be found [here](#).

### Whole-School Achievement Totals

Data represents the 295 total ākonga enrolled at end-year 2025:

Curriculum Area	Within or Beyond Expectation	Towards Expectation	With Support to Meet
Reading	87.46% ( <i>Within: 84.07%</i> <i>  Beyond: 3.39%</i> )	8.47%	4.07%
Writing	81.70% ( <i>Within: 80.68%</i> <i>  Beyond: 1.02%</i> )	13.56%	4.75%
Mathematics	85.71% ( <i>Within: 84.69%</i> <i>  Beyond: 1.02%</i> )	11.22%	3.06%

## Cohort & Demographic Breakdowns

### 1. "Focus Learner" Student Tracking

Performance tracking for students who finished mid-year at the lower edge of expectations and required accelerated intervention to sustain end-year standards:

- **Reading:** 18 out of 22 students successfully maintained or exceeded expectations; the remaining 4 moved to "Towards".
- **Writing:** 22 out of 40 students maintained expectations; 16 moved to "Towards", 1 to "Well Below", and 1 left the school. Inconsistencies in daily writing volume and independent transcription skills (spelling/editing) impacted results.
- **Mathematics:** 19 out of 38 students maintained expectations; 14 shifted to "Towards", 4 to "Well Below", and 1 left the school.

### 2. Māori Ākonga Achievement (20 Students Total)

- **Reading:** 14 Within | 3 Towards | 3 With Support to Meet.
- **Writing:** 13 Within | 3 Towards | 4 With Support to Meet.
- **Maths:** 14 Within | 2 Towards | 4 With Support to Meet.
- Note: The 3 students in the "With Support to Meet" tier across all three core areas are supported by extensive learning plans.

### 3. Gender Achievement Profile

No statistically significant performance gaps emerged between genders across the school. A slight discrepancy was noted in writing, where 23 males were classified as "Towards" compared to 16 females; all identified students within this subset are managed via individualized learning stories, specific learning diagnoses, or behavior profiles.

## **Kiwisport Funding 2025**

Kiwisport is a Government funded initiative to support students' participation in organised sport.

In 2022, the school received Kiwisport funding of \$4,592.00.

The funding was spent on sporting endeavours with children being encouraged to take part in such activities as athletics, cross country, miniball, netball, hockey, and swimming.

# NGAIO SCHOOL

## ANNUAL FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2025

**School Directory**

**Ministry Number:** 2927

**Principal:** Phil McIntosh

**School Address:** 45 Abbott Street, Ngaio

**School Postal Address:** 45 Abbott Street, Ngaio, Wellington, 6035

**School Phone:** 04 939 6455

**School Email:** k.robertson@ngaio.school.nz

**Accountant / Service Provider:**

**Education**  *Services.*  
*Dedicated to your school*

# NGAIO SCHOOL

Annual Financial Statements - For the year ended 31 December 2025

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### **Other Information**

Members of the Board

Kiwisport / Statement of Compliance with Employment Policy

Statement of Variance

Evaluation of the School's Student Progress and Achievement



## Ngaio School

### Statement of Responsibility

For the year ended 31 December 2025

The Board accepts responsibility for the preparation of the annual financial statements and the judgements used in these financial statements.

The management (including the Principal and others, as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the School's financial reporting.

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2025 fairly reflects the financial position and operations of the School.

The School's 2025 financial statements are authorised for issue by the Board.

Emma Andrews

Full Name of Presiding Member

EA

Signature of Presiding Member

17/6/2026

Date

Phil McIntosh

Full Name of Principal

PM

Signature of Principal

17.6.2026

Date



**Ngaio School**  
**Statement of Comprehensive Revenue and Expense**  
For the year ended 31 December 2025

		2025	2025	2024
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Revenue</b>				
Government Grants	2	4,173,240	3,947,730	4,176,546
Locally Raised Funds	3	182,259	140,304	198,069
Interest		20,094	15,000	30,991
Other Revenue		-	-	749
<b>Total Revenue</b>		<b>4,375,593</b>	<b>4,103,034</b>	<b>4,406,355</b>
<b>Expense</b>				
Locally Raised Funds	3	10,645	500	37,462
Learning Resources	4	2,504,371	2,259,786	2,513,556
Administration	5	192,440	186,788	208,770
Interest		2,305	1,785	2,851
Property	6	1,663,164	1,705,819	1,601,832
Loss on Disposal of Property, Plant and Equipment		1,970	-	790
<b>Total Expense</b>		<b>4,374,895</b>	<b>4,154,678</b>	<b>4,365,261</b>
<b>Net Surplus / (Deficit) for the year</b>		<b>698</b>	<b>(51,644)</b>	<b>41,094</b>
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b>698</b>	<b>(51,644)</b>	<b>41,094</b>

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

**Ngaio School**  
**Statement of Changes in Net Assets/Equity**  
For the year ended 31 December 2025

	Notes	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
<b>Equity at 1 January</b>		646,208	457,676	605,114
Total comprehensive revenue and expense for the year		698	(51,644)	41,094
<b>Equity at 31 December</b>		646,906	406,032	646,208
Accumulated comprehensive revenue and expense		646,906	406,032	646,208
<b>Equity at 31 December</b>		646,906	406,032	646,208

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes which form part of these financial statements.

**Ngaio School**  
**Statement of Financial Position**  
As at 31 December 2025

	Notes	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	7	31,467	139,912	38,380
Accounts Receivable	8	238,382	102,510	177,274
GST Receivable		19,102	-	15,785
Prepayments		78,309	10,411	9,930
Inventories	9	447	-	659
Investments	10	408,913	180,867	414,249
Funds Receivable for Capital Works Projects	17	27,194	-	7,296
		<u>803,814</u>	<u>433,700</u>	<u>663,573</u>
<b>Current Liabilities</b>				
GST Payable		-	9,868	-
Accounts Payable	12	270,388	110,823	199,762
Borrowings	13	10,053	-	10,053
Revenue Received in Advance	14	35,000	7,691	16,221
Provision for Cyclical Maintenance	15	-	18,675	-
Finance Lease Liability	16	10,161	7,534	10,439
Funds held for Capital Works Projects	17	58,899	-	58,755
		<u>384,501</u>	<u>154,591</u>	<u>295,230</u>
<b>Working Capital Surplus/(Deficit)</b>		<u>419,313</u>	<u>279,109</u>	<u>368,343</u>
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	370,013	144,865	410,617
		<u>370,013</u>	<u>144,865</u>	<u>410,617</u>
<b>Non-current Liabilities</b>				
Borrowings	13	17,593	-	27,646
Provision for Cyclical Maintenance	15	104,916	8,069	94,355
Finance Lease Liability	16	19,911	9,873	10,751
		<u>142,420</u>	<u>17,942</u>	<u>132,752</u>
<b>Net Assets</b>		<u>646,906</u>	<u>406,032</u>	<u>646,208</u>
<b>Equity</b>		<u>646,906</u>	<u>406,032</u>	<u>646,208</u>

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

**Ngaio School**  
**Statement of Cash Flows**  
For the year ended 31 December 2025

	Note	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		688,478	638,000	770,521
Locally Raised Funds		206,367	140,304	197,206
Goods and Services Tax (net)		(3,317)	-	(9,970)
Payments to Employees		(403,988)	(372,792)	(564,111)
Payments to Suppliers		(448,370)	(554,927)	(404,420)
Interest Paid		(2,305)	(1,785)	(3,701)
Interest Received		21,888	15,000	29,794
Net cash from/(to) Operating Activities		58,753	(136,200)	15,319
<b>Cash flows from Investing Activities</b>				
Purchase of Property Plant & Equipment (and Intangibles)		(33,228)	(29,500)	(106,253)
Purchase of Investments		(164,497)	-	(23,123)
Proceeds from Sale of Investments		169,832	-	-
Net cash from/(to) Investing Activities		(27,893)	(29,500)	(129,376)
<b>Cash flows from Financing Activities</b>				
Finance Lease Payments		(7,181)	(13,516)	(6,600)
Repayment of Borrowings		(10,053)	(10,053)	(10,053)
Funds Administered on Behalf of Other Parties		(20,539)	-	58,435
Net cash from/(to) Financing Activities		(37,773)	(23,569)	41,782
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(6,913)</b>	<b>(189,269)</b>	<b>(72,275)</b>
Cash and cash equivalents at the beginning of the year	7	38,380	329,181	110,655
<b>Cash and cash equivalents at the end of the year</b>	7	<b>31,467</b>	<b>139,912</b>	<b>38,380</b>

The Statement of Cash Flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries, use of land and buildings grant and expense and other notional items have been excluded.

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

# Ngaio School

## Notes to the Financial Statements

### For the year ended 31 December 2025

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

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

##### b) Basis of Preparation

###### *Reporting Period*

The financial statements have been prepared for the period 1 January 2025 to 31 December 2025 and in accordance with the requirements of the Education and Training Act 2020.

###### *Basis of Preparation*

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

###### *Financial Reporting Standards Applied*

The Education and Training Act 2020 requires the School, as a Crown entity, to prepare financial statements with reference to generally accepted accounting practice. The financial statements have been prepared with reference to generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The School is considered a Public Benefit Entity as it meets the criteria specified as 'having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders'.

###### *PBE Accounting Standards Reduced Disclosure Regime*

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

###### *Measurement Base*

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

###### *Presentation Currency*

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

###### *Specific Accounting Policies*

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

###### *Critical Accounting Estimates And Assumptions*

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

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

###### *Cyclical maintenance*

The School recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the School buildings. The estimate is based on the School's best estimate of the cost of painting the School and when the School is required to be painted, based on an assessment of the School's condition. During the year, the Board assesses the reasonableness of its painting maintenance plan on which the provision is based. Cyclical maintenance is disclosed at note 15.

*Useful lives of property, plant and equipment*

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment, as disclosed in the significant accounting policies, are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 11.

**Critical Judgements in applying accounting policies**

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

*Classification of leases*

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

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

*Recognition of grants*

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carry forward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

**c) Revenue Recognition**

**Government Grants**

The School receives funding from the Ministry of Education. The following are the main types of funding that the School receives:

Operational grants are recorded as revenue when the School has the rights to the funding, which is in the year that the funding is received.

Teachers salaries grants are recorded as revenue when the School has the rights to the funding in the salary period they relate to. The grants are not received in cash by the School and are paid directly to teachers by the Ministry of Education.

Other Ministry Grants for directly funded programs are recorded as revenue when the School has the rights to the funding in the period they relate to. The grants are not received in cash by the School and are paid directly by the Ministry of Education.

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. Grants for the use of land and buildings are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes.

This is a non-cash revenue that is offset by a non-cash expense. The use of land and buildings grants and associated expenditure are recorded in the period the School uses the land and buildings.

**Other Grants where conditions exist**

Other grants are recorded as revenue when the School has the rights to the funding, unless there are unfulfilled conditions attached to the grant, in which case the amount relating to the unfulfilled conditions is recognised as a liability and released to revenue as the conditions are fulfilled.

#### **Donations, Gifts and Bequests**

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

#### **Interest Revenue**

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

#### **d) Operating Lease Payments**

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

#### **e) Finance Lease Payments**

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

#### **f) Cash and Cash Equivalents**

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

#### **g) Accounts Receivable**

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (uncollectable debts). The School's receivables are largely made up of funding from the Ministry of Education. Therefore the level of uncollectable debts is not considered to be material. However, short-term receivables are written off when there is no reasonable expectation of recovery.

#### **h) Inventories**

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

#### **i) Investments**

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

#### **j) Property, Plant and Equipment**

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

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

Property, plant and equipment are recorded at cost or, in the case of donated assets, fair value at the date of receipt, less accumulated depreciation and impairment losses. Cost or fair value, as the case may be, includes those costs that relate directly to bringing the asset to the location where it will be used and making sure it is in the appropriate condition for its intended use.

Gains and losses on disposals (i.e. sold or given away) are determined by comparing the proceeds received with the carrying amounts (i.e. the book value). The gain or loss arising from the disposal of an item of property, plant and equipment is recognised in the Statement of Comprehensive Revenue and Expense.

#### **Finance Leases**

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty whether the School will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

### **Depreciation**

Property, plant and equipment except for library resources are depreciated over their estimated useful lives on a straight line basis. Library resources are depreciated on a diminishing value basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Building Improvements	10-50 years
Furniture and Equipment	5-20 years
Information and Communication Technology	5 years
Library Resources	12.5% Diminishing value
Leased Assets held under a Finance Lease	Term of Lease

### **k) Impairment of property, plant, and equipment**

The School does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

#### *Non cash generating assets*

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indication exists, the School estimates the asset's recoverable service amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

In determining fair value less costs to sell, the School engages an independent valuer to assess market value based on the best available information. The valuation is based on a comparison to recent market transactions.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in surplus or deficit.

The reversal of an impairment loss is recognised in surplus or deficit. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognised.

### **l) Accounts Payable**

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

### **m) Employee Entitlements**

#### *Short-term employee entitlements*

Employee entitlements that are expected to be settled within 12 months after the end of the reporting period in which the employees provide the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date and annual leave earned, by non teaching staff, but not yet taken at balance date.

#### *Long-term employee entitlements*

Employee benefits that are not expected to be settled wholly before 12 months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis.

The calculations are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows. Remeasurements are recognised in surplus or deficit in the period in which they arise.

**n) Revenue Received in Advance**

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

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

**o) Funds Held in Trust**

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

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

**p) Funds held for Capital works**

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

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

**q) Shared Funds**

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. In instances where funds are outside of the School's control, these amounts are not recorded in the Statement of Comprehensive Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

**r) Provision for Cyclical Maintenance**

The property from which the School operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the school, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision is a reasonable estimate, based on the School's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition.

The School carries out painting maintenance of the whole school over a 10 to 17 year period. The economic outflow of this is dependent on the plan established by the School to meet this obligation and is detailed in the notes and disclosures of these accounts.

**s) Financial Instruments**

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

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

The School's financial liabilities comprise accounts payable, borrowings and finance lease liability. Financial liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in surplus or deficit.

**t) Borrowings**

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

**u) Goods and Services Tax (GST)**

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

**v) Budget Figures**

The budget figures are extracted from the School budget that was approved by the Board.

**w) Services received in-kind**

From time to time the School receives services in-kind, including the time of volunteers. The School has elected not to recognise services received in kind in the Statement of Comprehensive Revenue and Expense.

## 2. Government Grants

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Government Grants - Ministry of Education	703,111	643,430	767,860
Teachers' Salaries Grants	2,051,848	1,844,329	1,906,688
Use of Land and Buildings Grants	1,413,505	1,459,971	1,492,243
Other Government Grants	4,776	-	9,755
	<u>4,173,240</u>	<u>3,947,730</u>	<u>4,176,546</u>

## 3. Locally Raised Funds

Local funds raised within the School's community are made up of:

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
<b>Revenue</b>			
Donations and Bequests	119,879	99,804	113,748
Fees for Extra Curricular Activities	24,627	18,000	57,576
Trading	1,047	-	1,563
Fundraising and Community Grants	36,706	22,500	3,214
Pta	-	-	21,968
	<u>182,259</u>	<u>140,304</u>	<u>198,069</u>
<b>Expense</b>			
Extra Curricular Activities Costs	9,238	500	13,464
Trading	212	-	29
Fundraising and Community Grant Costs	1,195	-	1,668
Pta	-	-	22,301
	<u>10,645</u>	<u>500</u>	<u>37,462</u>
<i>Surplus for the year Locally Raised Funds</i>	<u>171,614</u>	<u>139,804</u>	<u>160,607</u>

The school received a grant from the TG Macarthy Trust for \$4,000 which is included in the Fundraising and Community Grants line in the above note.

## 4. Learning Resources

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Curricular	61,102	55,700	65,115
Employee Benefits - Salaries	2,339,466	2,096,886	2,331,451
Staff Development	8,848	15,300	21,728
Depreciation	93,161	90,000	93,549
Other Learning Resources	1,794	1,900	1,713
	<u>2,504,371</u>	<u>2,259,786</u>	<u>2,513,556</u>

## 5. Administration

	2025	2025	2024
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fees	11,594	7,630	9,682
Board Fees and Expenses	9,463	9,613	6,011
Other Administration Expenses	32,091	28,610	33,062
Employee Benefits - Salaries	117,700	120,235	139,698
Insurance	11,512	10,500	11,035
Service Providers, Contractors and Consultancy	10,080	10,200	9,282
	<u>192,440</u>	<u>186,788</u>	<u>208,770</u>

## 6. Property

	2025	2025	2024
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Consultancy and Contract Services	127,218	129,817	124,239
Cyclical Maintenance	16,921	27,381	(118,745)
Heat, Light and Water	44,601	29,500	32,163
Rates	324	5,000	6,544
Repairs and Maintenance	21,189	17,450	23,267
Use of Land and Buildings	1,413,505	1,459,971	1,492,243
Other Property Expenses	20,251	25,700	30,780
Pool	19,155	11,000	11,341
	<u>1,663,164</u>	<u>1,705,819</u>	<u>1,601,832</u>

The use of land and buildings figure represents 5% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

## 7. Cash and Cash Equivalents

	2025	2025	2024
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Accounts	31,467	139,912	38,380
Cash and cash equivalents for Statement of Cash Flows	<u>31,467</u>	<u>139,912</u>	<u>38,380</u>

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

Of the \$31,467 Cash and Cash Equivalents and \$408,913 of Investments \$93,899 is subject to restrictions for the following reasons:

- \$58,899 is held by the School on behalf of the Ministry of Education. The funds have been provided as part of the school's 5 Year Agreement Funding and is required to be spent on the school's buildings. See note 17.
- \$35,000 of Revenue Received in Advance is held by the school, as disclosed in note 14.

**8. Accounts Receivable**

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Receivables	-	10,671	28
Receivables from the Ministry of Education	5,271	-	2,237
Interest Receivable	3,095	6,045	4,889
Teacher Salaries Grant Receivable	230,016	85,794	170,120
	<u>238,382</u>	<u>102,510</u>	<u>177,274</u>
Receivables from Exchange Transactions	4,702	16,716	4,917
Receivables from Non-Exchange Transactions	233,680	85,794	172,357
	<u>238,382</u>	<u>102,510</u>	<u>177,274</u>

**9. Inventories**

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Stationery	447	-	659
	<u>447</u>	<u>-</u>	<u>659</u>

**10. Investments**

The School's investment activities are classified as follows:

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Current Asset			
Short-term Bank Deposits	408,913	180,867	414,249
Total Investments	<u>408,913</u>	<u>180,867</u>	<u>414,249</u>

## 11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2025	\$	\$	\$	\$	\$	\$
Building Improvements	187,783	-	-	-	(39,604)	<b>148,179</b>
Furniture and Equipment	109,654	2,643	-	-	(26,569)	<b>85,728</b>
Information and Communication Technology	48,708	26,131	-	-	(18,030)	<b>56,809</b>
Leased Assets	40,129	20,516	-	-	(5,406)	<b>55,239</b>
Library Resources	24,343	5,237	(1,970)	-	(3,552)	<b>24,058</b>
	<b>410,617</b>	<b>54,527</b>	<b>(1,970)</b>	<b>-</b>	<b>(93,161)</b>	<b>370,013</b>

The net carrying value of equipment held under a finance lease is \$55,239 (2024: \$40,129)

### Restrictions

With the exception of the contractual restrictions related to the above noted finance leases, there are no restrictions over the title of the school's property, plant and equipment, nor are any property, plant and equipment pledged as security for liabilities.

	2025	2025	2025	2024	2024	2024
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Building Improvements	1,002,554	(854,375)	<b>148,179</b>	1,002,554	(814,771)	<b>187,783</b>
Furniture and Equipment	531,961	(446,233)	<b>85,728</b>	529,318	(419,664)	<b>109,654</b>
Information and Communication Technology	393,141	(336,332)	<b>56,809</b>	367,010	(318,302)	<b>48,708</b>
Leased Assets	90,887	(35,648)	<b>55,239</b>	106,672	(66,543)	<b>40,129</b>
Library Resources	45,259	(21,201)	<b>24,058</b>	56,458	(32,115)	<b>24,343</b>
	<b>2,063,802</b>	<b>(1,693,789)</b>	<b>370,013</b>	<b>2,062,012</b>	<b>(1,651,395)</b>	<b>410,617</b>

**12. Accounts Payable**

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Creditors	26,386	14,875	14,948
Accruals	9,444	6,244	9,682
Employee Entitlements - Salaries	230,016	85,794	170,120
Employee Entitlements - Leave Accrual	4,542	3,910	5,012
	270,388	110,823	199,762
Payables for Exchange Transactions	270,388	110,823	199,762
	270,388	110,823	199,762

The carrying value of payables approximates their fair value.

**13. Borrowings**

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Loans due in one year	10,053	-	10,053
	10,053	-	10,053
Loans due after one year	17,593	-	27,646
	17,593	-	27,646

**14. Revenue Received in Advance**

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Income In Advance	35,000	250	10,920
Grants in Advance - Ministry of Education	-	7,441	5,301
	35,000	7,691	16,221

**15. Provision for Cyclical Maintenance**

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Provision at the Start of the Year	94,355	(637)	213,100
Increase/(decrease) to the Provision During the Year	16,921	27,381	(118,745)
Use of the Provision During the Year	(6,360)	-	-
Provision at the End of the Year	<u>104,916</u>	<u>26,744</u>	<u>94,355</u>
Cyclical Maintenance - Current	-	18,675	-
Cyclical Maintenance - Non current	104,916	8,069	94,355
	<u>104,916</u>	<u>26,744</u>	<u>94,355</u>

Per the cyclical maintenance schedule, the School is next expected to undertake painting works during 2027. This plan is based on the School's 10 Year Property plan / painting quotes.

**16. Finance Lease Liability**

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

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
No Later than One Year	12,598	7,534	12,278
Later than One Year	22,239	9,873	12,082
Future Finance Charges	(4,765)	-	(3,170)
	<u>30,072</u>	<u>17,407</u>	<u>21,190</u>
<b>Represented by</b>			
Finance lease liability - Current	10,161	7,534	10,439
Finance lease liability - Non current	19,911	9,873	10,751
	<u>30,072</u>	<u>17,407</u>	<u>21,190</u>

## 17. Funds Held for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects. The amount of cash held on behalf of the Ministry for capital works project is included under cash and cash equivalents in note 7, and includes retentions on the projects, if applicable.

	2025	Project No.	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions / Transfers	Closing Balances \$
Fencing		239761	666	-	(666)	-	-
HWC Replacement		243510	1,000	-	(1,000)	-	-
Guttering & Roofing		249490	(1,981)	4,154	(2,173)	-	-
Accessible Bathroom		248214	57,089	-	(66,472)	-	(9,383)
Flood Damage		247816	(5,315)	5,315	-	-	-
LSPM Fencing & Gates		252078	-	65,084	(12,276)	-	52,808
Boiler Replacement & Heating Upgrade		249491	-	-	(17,811)	-	(17,811)
Internal Glass Joinery		257380	-	6,091	-	-	6,091
<b>Totals</b>			<b>51,459</b>	<b>80,644</b>	<b>(100,398)</b>	<b>-</b>	<b>31,705</b>

### Represented by:

Funds Held on Behalf of the Ministry of Education	58,899
Funds Receivable from the Ministry of Education	(27,194)

	2024	Project No.	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions / Transfers	Closing Balances \$
DQLS ILE Upgrade		215443	2,291	-	(2,291)	-	-
Cubbie Boxes Block B Income			4,823	-	(4,823)	-	-
Cubbie Project			(4,823)	4,823	-	-	-
Stairs Driveway to Court		228625	1	-	(1)	-	-
SIP Astroturf		223250	(6,676)	6,726	(50)	-	-
Fencing		239761	(6,424)	16,893	(9,803)	-	666
HWC Replacement		243510	1,000	-	-	-	1,000
Arb Fence -			(7,500)	-	7,500	-	-
Heatpump Replacement		246017	-	5,820	(5,820)	-	-
Guttering & Roofing		249490	-	86,981	(88,962)	-	(1,981)
Accessible Bathroom		248214	-	151,876	(94,787)	-	57,089
Flood Damage		247816	-	53,341	(58,656)	-	(5,315)
<b>Totals</b>			<b>(17,308)</b>	<b>326,460</b>	<b>(257,693)</b>	<b>-</b>	<b>51,459</b>

### Represented by:

Funds Held on Behalf of the Ministry of Education	58,755
Funds Receivable from the Ministry of Education	(7,296)

## 18. Related Party Transactions

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

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the School would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

## 19. Remuneration

### *Key management personnel compensation*

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

	2025 Actual \$	2024 Actual \$
<i>Board Members</i>		
Remuneration	3,405	3,130
<i>Leadership Team</i>		
Remuneration	540,098	519,291
Full-time equivalent members	4.19	4.11
Total key management personnel remuneration	543,503	522,421

There are 6 members of the Board excluding the Principal. The Board has held 7 full meetings of the Board in the year. As well as these regular meetings, including preparation time, the Presiding Member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

### *Principal*

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

	2025 Actual \$000	2024 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	170 - 180	160 - 170
Benefits and Other Emoluments	23 - 24	23 - 24
Termination Benefits	-	-

### *Other Employees*

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

Remuneration \$000	2025 FTE Number	2024 FTE Number
100 - 110	7.00	4.00
110 - 120	0.00	1.00
120 - 130	2.00	1.00
	9.00	6.00

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

## 20. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be board members, committee members, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

	2025 Actual	2024 Actual
Total	\$0	\$0
Number of People	0	0

## 21. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2025 (Contingent liabilities and assets at 31 December 2024: nil).

### Holidays Act Compliance – Schools Payroll

The Ministry of Education performs payroll processing and payments on behalf of boards, through payroll service provider, Education Payroll Limited.

The Ministry continues to review the Schools Sector Payroll to ensure compliance with the Holidays Act 2003. An initial remediation payment has been made to some current school employees. The Ministry is continuing to perform detailed analysis to finalise calculations and the potential impacts for specific individuals. As such, this is expected to resolve the liability for school boards.

### Pay Equity and Collective Agreement Funding Wash-up

In 2025 the Ministry of Education provided collective agreement and pay equity settlement funding. At the date of signing the financial statements, the School's final entitlement for the year ended 31 December 2025 has not yet been advised. The School has therefore not recognised an asset or liability regarding this funding wash-up, which is expected to be settled in July 2026.

## 22. Commitments

### (a) Capital Commitments

As at 31 December 2025, the Board had capital commitments of \$184,590 (2024: \$69,859) as a result of entering the following contracts:

Contract Name	Remaining Capital Commitment \$
Accessible Bathroom	23,408
LSPM Fencing & Gates	67,672
Boiler Replacement & Heating Upgrade	86,743
Internal Glass Joinery	6,767
<b>Total</b>	<b>184,590</b>

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

### (b) Operating Commitments

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

### 23. Financial Instruments

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

#### Financial assets measured at amortised cost

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Cash and Cash Equivalents	31,467	139,912	38,380
Receivables	238,382	102,510	177,274
Investments - Term Deposits	408,913	180,867	414,249
<b>Total financial assets measured at amortised cost</b>	<b>678,762</b>	<b>423,289</b>	<b>629,903</b>

#### Financial liabilities measured at amortised cost

Payables	270,388	110,823	199,762
Borrowings - Loans	27,646	-	37,699
Finance Leases	30,072	17,407	21,190
<b>Total financial liabilities measured at amortised cost</b>	<b>328,106</b>	<b>128,230</b>	<b>258,651</b>

### 24. Events After Balance Date

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

### 25. Comparatives

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

## Ngaio School

### Members of the Board

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Term Expired/ Expires</b>
Joe Winton	Presiding Member	Elected	Sep 2025
Emma Andrews	Presiding Member	Elected	Sep 2028
Raewyn Watson	Principal	ex Officio	
Emma Andrews	Parent Representative	Elected	Sep 2025
Daniel Mumford	Parent Representative	Elected	Sep 2025
Hannah Ross-McAlpine	Parent Representative	Co-opted	Sep 2025
Sarah Deans	Parent Representative	Appointed	Sep 2025
Joe Winton	Parent Representative	Elected	Sep 2028
Sarah Deans	Parent Representative	Co-opted	Sep 2028
Kirsty Donbavand	Parent Representative	Elected	Sep 2028
Kirsten Fraser	Parent Representative	Elected	Sep 2028
Mike Mercer	Parent Representative	Elected	Sep 2028
Dan Byrne	Staff Representative	Elected	Sep 2025
Dan Byrne	Staff Representative	Elected	Sep 2028

## **Ngaio School**

## **Kiwisport**

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2025, the school received total Kiwisport funding of \$4,618 (excluding GST). The funding was spent on sporting endeavours.

## **Statement of Compliance with Employment Policy**

For the year ended 31st December 2025 the Ngaio School Board:

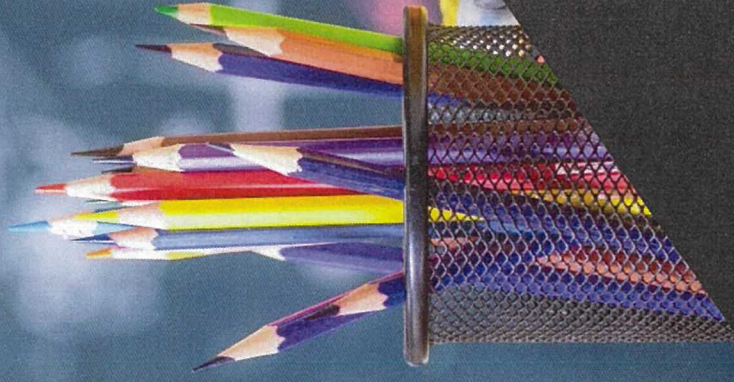
- Has developed and implemented personnel policies, within policy and procedural frameworks to ensure the fair and proper treatment of employees in all aspects of their employment.
- Has reviewed its compliance against both its personnel policy and procedures and can report that it meets all requirements and identified best practice.
- Is a good employer and complies with the conditions contained in the employment contracts of all staff employed by the Board.
- Ensures all employees and applicants for employment are treated according to their skills, qualifications and abilities, without bias or discrimination.
- Meets all Equal Employment Opportunities requirements.



# NGAIO SCHOOL

Annual audit completion report

Year ended 31 December 2025



IDEAS | PEOPLE | TRUST



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Dear Emma,

We are pleased to present this report to the Board of Ngaio School in relation to the 31 December 2025 annual audit.

As at the date of this report, we have substantially completed our audit and subject to the satisfactory resolution of the matters outlined in the Executive Summary, we expect to issue an unmodified audit report.

We have set out in this document the significant matters arising from our audit. This summary covers those matters we believe to be material in the context of our work.

We are happy to answer any questions you may have in respect of our Report ahead of your Board Meeting on the 07<sup>th</sup> May 2025 where this report will be tabled.

We also welcome your feedback on the effectiveness of the audit process and are available to discuss our performance.

Should you require clarification on any matter in this report before this date, please do not hesitate to contact me on +64 4 474 1051.

We would like to take this opportunity to extend our appreciation to Phil McIntosh and Katy Robertson for their assistance and cooperation throughout the course of our audit.

Yours faithfully,

A handwritten signature in black ink that reads 'Brooke Rodriguez'. The signature is written in a cursive style with a large, looped 'B' at the beginning.

**Brooke Rodriguez**  
Engagement Partner



## Executive summary

### Purpose

The purpose of this report is to communicate significant matters arising from our audit to the Board. This report has been discussed with management.

### Scope

Our audit for the year ended 31 December 2025 was conducted in accordance with International Standards on Auditing (New Zealand) (“ISAs (NZ)”).

### Status of the audit

Our audit of the financial report is substantially complete. We expect to issue an unmodified audit report, subject to satisfactory completion of the following:

- ▶ Review of the final draft financial statements
- ▶ Receipt of a signed letter of representation
- ▶ Approval by the Board of the financial statements
- ▶ Finalisation of the audit completion procedures

### Summary of misstatements

We have identified misstatements during our audit. The list of corrected and uncorrected misstatements is included in the respective [section](#) of this report.

We have not identified any uncorrected misstatements that, in our judgement, either individually or in aggregate, could have a material effect on the financial report for the year ended 31 December 2025.

### Areas of audit focus

In performing our audit, we have identified those matters that, in the auditor’s judgement, were of the most significance in the audit of the financial report. Our audit procedures also focused on areas that were considered to represent significant and elevated risks of material misstatement. These areas of focus are outlined below:

- ▶ Management Override
- ▶ Fraud Risk over Revenue Recognition/Completeness
- ▶ Cyclical Maintenance
- ▶ Capital Works Projects

Refer to the relevant section for details on the key audit matters, significant risk areas and other areas focused on during the audit.



## Areas of audit focus

We identified the risk areas as part of our risk assessment procedures undertaken during the planning phase and continued to be alert for risks during the course of the audit. Our audit procedures focused on areas that were considered to represent risks of material misstatement.

We set out the areas that were considered key areas of focus along with an outline of the work performed and a summary of findings.

### MANAGEMENT OVERRIDE

Description	Audit work performed	Summary of findings
<p>Management override is the terminology used to describe the fact that Management (the Principal, primary Administrator and your Accounting Service Provider) are in a position where they are able to circumvent the controls that are in place that protect the School against the risk of fraud. Under Auditing Standards we are required to assume that there is a risk that Management are able to do this and plan our audit procedures accordingly.</p> <p>Due to the unpredictable way in which such override could occur, Management override of controls is a significant risk of material misstatement.</p>	<p>▶ Review journals posted during the reporting period and during the financial close process that meet certain criteria that may exhibit fraud risk characteristics,</p> <p>▶ For any such journal we will gain an understanding of the business rationale from Management and trace to supporting documentation, and</p> <p>▶ We will also consider if significant accounting estimates and uncorrected audit misstatements provide an indication of Management-imposed biases that could result in material misstatement.</p>	<p>We reviewed manual journals and focused on any areas where a risk of judgement, estimation or cut-off risk existed with management override in mind.</p> <p>Auditor noted no issues throughout our testing.</p>



## Areas of audit focus *continued*

### Fraud Risk Over Revenue Recognition/Completeness

Description	Audit work performed	Summary of findings
<p>There is a rebuttable presumption of fraud risk over Government Grants, Other Grant and Donations, Fundraising Income. In particular, this fraud risk is present in revenue streams requiring manual journals. Within schools, journals are predominantly found within Use of Land and Buildings revenue stream, and community grants which include conditions on use.</p>	<ul style="list-style-type: none"> <li>▶ Assess the systems and controls over revenue for potential weaknesses that could enable fraud,</li> <li>▶ Perform a walk-through test to verify control effectiveness, with any inadequacies reported and addressed through tailored audit procedures,</li> <li>▶ Analytic procedures for Parent Donations and Fundraising completeness, confirming Government Grants with MOE, and reviewing grant documents to ensure correct revenue recognition, and</li> <li>▶ We will seek corroborating evidence where management representations are relied upon.</li> </ul>	<p>We have developed an understanding of the systems and controls over revenue and assessed any weaknesses that may lead to fraud. We performed a walk-through test to verify the controls are in place and where controls are considered inadequate these have been reported to the school and we designed specific audit procedures to mitigate the risk of a material misstatement. We completed analytic procedures based off our expectations for Completeness of Parent Donations and Fundraising. We confirmed Government Grants to MOE Confirmation. We obtained material Grant documents to determine if Revenue has been correctly recognised based off return clauses within the agreements.</p> <p>Auditor notes that there has been one journal adjustment made in relation to Community Grants. This has been outlined further below.</p>

## Areas of audit focus continued

Cyclical Maintenance		
Description	Audit work performed	Summary of findings
<p>Cyclical Maintenance is an area of judgment and could lead to material misstatement in the financial statements. Misstatements can occur due to:</p> <ul style="list-style-type: none"> <li>▶ Incorrect dates for when painting was last done</li> <li>▶ Incorrect dates for when the next paint is due</li> <li>▶ The plan is incomplete in considering all buildings</li> <li>▶ Inaccurate or out of date cost estimates.</li> </ul> <p>It is the responsibility of the Board to review the 10 Year Property Plan (10YPP) for Cyclical Maintenance annually and check the elements of the plan are accurate and remain appropriate. It is a statutory requirement to have the plan reviewed and updated by an expert every 3 years.</p>	<ul style="list-style-type: none"> <li>▶ Obtain and review the School's 10YPP and any other supporting documentation to assess whether the provision at balance date is materially correct, and</li> <li>▶ Ensure that the 10YPP and the cyclical maintenance provision calculation have been updated recently, otherwise will consider the impact of inflation.</li> </ul>	<p>We obtained and reviewed the School's 10YPP and any other supporting documentation to assess whether the provision at balance date is materially correct. We ensured that the 10YPP and the cyclical maintenance provision calculation have been updated recently, otherwise factored in the impact of inflation.</p> <p>Auditor notes no issues surrounding the cyclical maintenance testing.</p>

## Areas of audit focus *continued*

Capital Work Projects		
Description	Audit work performed	Summary of findings
<p>Capital works projects involve significant levels of expenditure, with funds being held on behalf of the Ministry for the purpose of managing these undertakings. Due to both the magnitude of the projects and the necessity to accurately allocate and monitor funds assigned to each initiative, there is an inherent risk that the reported balance of funds held for capital works projects at the year-end may be materially misstated.</p>	<ul style="list-style-type: none"> <li>▶ Reconcile the funds received and spent for capital works projects during the year,</li> <li>▶ Corroborate this against data reporting from the Ministry for capital works projects, to confirm the treatment for funds received and spent on capital works projects is correct, and</li> <li>▶ Review the school's commitments disclosure to ensure this includes any material commitments arising from ongoing capital works at balance date.</li> </ul>	<p>We reconciled funds received and spent on capital works projects during the year and corroborated these amounts to Ministry reporting to confirm the appropriateness of the treatment of capital works expenditure and funding. We also reviewed the school's commitments disclosure to ensure any material commitments relating to capital works at balance date were appropriately included. Auditor notes no issues surrounding the capital works project testing.</p>



## Summary of misstatements

### Uncorrected misstatements

During the course of our audit, we have not identified misstatements which have not been corrected. Misstatements have not been included if they are considered to be clearly trivial. Matters which are clearly trivial are regarded as clearly inconsequential when taken individually or in aggregate.

### Corrected misstatements

We identified the following misstatements during the course of our audit which have been corrected:

DESCRIPTION	ASSETS INC/(DEC)	LIABILITIES INC/(DEC)	RESERVES INC/(DEC)	PROFIT/(LOSS) INC/(DEC)
Adjusting community grants figure as building for the playground only started in Jan 2026		35,000		(35,000)
<b>Net effect of corrected misstatements</b>	<b>0</b>	<b>35,000</b>	<b>0</b>	<b>(35,000)</b>

## Internal control

### Current year

In accordance with ISA (NZ) 265 *Communicating Deficiencies in Internal Control to Those Charged with Governance and Management*, we are required to communicate in writing, significant deficiencies in internal control identified during our audit to those charged with governance on a timely basis.

The standard defines a deficiency in internal control as:

1. A control is designed, implemented or operated in such a way that it is unable to prevent, or detect and correct, misstatements in the financial report on a timely basis; or
2. A control necessary to prevent, or detect and correct, misstatements in the financial report on a timely basis is missing.

Significant deficiency in internal control means a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgement, is of sufficient importance to merit the attention of the Board.

The matters being reported are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to the Board.

To enable management to set priorities on their action plans we have assessed our findings on the following basis, namely, critical, high, moderate, and low based on our assessment of the importance of each finding. Classifications of findings are detailed in Appendix 1 of this report.

	Critical	High	Moderate	Low
Number of findings	0	0	2	0



## Internal control continued

### Current period

DEFICIENCY IN INTERNAL CONTROL	POTENTIAL EFFECTS	RECOMMENDATION	MANAGEMENT COMMENTS
<p>1 <b>Vague and insufficient asset descriptions in School's FAR</b></p> <p>We noted that a number of older assets (purchased c.1998-early 2000s, fully depreciated by 2025) have generic descriptions and missing identifiers in the Fixed Asset Register (FAR). Examples include entries such as "Admin Upgrade", "Classroom".</p>	<p>This creates a heightened risk that assets no longer held or in use remain on the register, that disposals are not recorded, and that components of capital projects are misclassified. The weakness also undermines safeguarding and insurance accuracy, reduces the reliability of the annual asset count, and is inconsistent with good practice under PBE IPSAS 17 for property, plant and equipment, which relies on verifiable records to support existence, valuation, and depreciation.</p>	<p>We recommend that you update the asset descriptions in the fixed asset register so that each item can be clearly identified during an asset check. Asset names should include enough detail—such as the type of item, make or model, quantity, and location—to make it obvious what the asset actually is. Entries with very broad labels, such as "Library upgrade", "Classroom", or "Laptops HP", should be rewritten so that the individual items making up those costs are clearly described and easy to match to what is physically at the school.</p>	<p>Ngaio School management accepts the auditor's recommendation; we recognise the importance of strengthening our internal controls in this area. To address this, the Principal will implement a revised policy to ensure that our asset register accurately reflects the school's actual holdings and prevents any future discrepancies.</p>



## Internal control *continued*

### Follow up on prior period findings

We have detailed below the current status of matters relating to internal control that have been raised in prior communications and are not referred to in the current period findings.

DESCRIPTION OF MATTER	DATE PREVIOUSLY COMMUNICATED	CURRENT STATUS	MANAGEMENT COMMENTS
<p>1 <b>Principal Professional Coaching and Wellbeing Support Funding - no concurrence obtained for sensitive expenditure</b></p> <p>From a review of a sample of expenditure allocated to the Principal's professional coaching and wellbeing support funding, we noted a cost of \$2,032.23 for a resolution retreat attended by the Principal. This retreat, targeted exclusively at women's health and wellness, has the potential to provide a private benefit to the Principal.</p> <p>While we can see from the declaration approved by the Presiding Member that the board were satisfied that this met the criteria for the funding, this type of expenditure has the potential to provide a private benefit to the principal. The Board did not apply for concurrence for this expenditure.</p> <p>Payments made without approved concurrence may be unlawful. We note that the Ministry of Education does not provide concurrence retrospectively.</p> <p>If the school board is to provide similar benefits in the future, they should apply for Ministry concurrence before the payment is made. Any additional benefits provided to the principal might also attract Fringe Benefit Tax.</p>	2024 Audit Completion Report	Cleared	



## Internal control continued

DESCRIPTION OF MATTER	DATE PREVIOUSLY COMMUNICATED	CURRENT STATUS	MANAGEMENT COMMENTS
<p>2 Lack of review of fixed asset register During the audit we noted that the fixed asset register includes items with book value of nil but have cost value of \$957,817.71. We would suspect many of these items (some dating back to 1992) may not currently be in use or existence at the school. We consider there is a risk that many of these assets are either no longer at the school or currently in use. It is important that all assets purchased and disposed of during the year are recorded in the fixed assets register immediately. The register needs to be an up-to-date record of the actual assets that are held at the school. You should periodically check the existence of all assets, through an asset count. We recommend that you do this at least yearly for valuable and mobile items and on an annual basis for other items. Any items that have been lost, discarded or are no longer in use should be written off. 2025 Update: We have re-raised this point, we noted that the fixed asset register includes items with book value of nil but have cost value of \$718,880.46.</p>	2024 Audit Completion Report	Re-Raised	



**Internal control continued**

DESCRIPTION OF MATTER	DATE PREVIOUSLY COMMUNICATED	CURRENT STATUS	MANAGEMENT COMMENTS
<p>3 <b>Budgeting for a deficit in 2025 financial year</b> During the audit we noted that the school has been budgeting for losses in 2024 and 2025. However, the actual financial performance has resulted in surpluses. This discrepancy may indicate a need for more accurate financial forecasting and planning processes to ensure that budgets reflect realistic expectations and support strategic goals of the school. We recommend for the school to review their budgeting processes to improve its financial planning and ensure that resources are effectively allocated to support its mission and Objectives.</p>	2024 Audit Completion Report	Cleared	

## Other reporting requirements

### Independence and ethics

In conducting our audit, we are required to comply with the independence requirements of PES-1 International Code of Ethics for Assurance Practitioners (including Internal Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We have obtained independence declarations from all staff engaged in the audit.

We also have policies and procedures in place to identify any threats to our independence, and to appropriately deal with and if relevant mitigate those risks.

For the comfort of the Board, we note that the following processes assist in maintaining our independence:

- ▶ No other work is permitted to be undertaken by any BDO office without the express approval of the audit engagement partner.
- ▶ All services performed by any national BDO office will be reported to the governing body.

We have not become aware of any issues that would cause any member of the engagement team, BDO or any BDO network firm to contravene any ethical requirement or any regulatory requirement that applies to the audit engagement.

BDO has not provided any other services during the audit to Ngaio School.

### Non-compliance with laws and regulations

We have made enquiries in relation to any non-compliance with laws and regulations during the course of our audit. We have not identified any instances of non-compliance with laws and regulations as a result of our enquiries.

We have not identified any reportable matters during the course of our audit.

### Fraud

Management have confirmed that there were no matters of fraud identified for the period under audit, or subsequently. It should be noted that our audit is not designed to detect fraud however should instances of fraud come to our attention we will report them to you.

We have not identified any instances of fraud during the course of our audit.

### Management judgements and estimates

Under International Standards on Auditing (NZ) we have a responsibility to ensure that you have been informed about the process used by the Ngaio School in formulating particularly sensitive accounting estimates, assumptions, or valuation judgements. Overall, we note that the judgements and estimates for the year ended 31 December 2025 appear appropriate.

### Matters requiring Board input

We have placed reliance on the Board's review and approval of the following matters:

- ▶ Minutes of Board meetings
- ▶ Implementation of such controls as is needed to ensure that financial statements are presented fairly
- ▶ Review and approval of management accounts
- ▶ Review and approval of annual budget
- ▶ Notification of fraud; and
- ▶ Review and approval of the financial statements

## Other reporting requirements *continued*

### Accounting policies

There were no changes in accounting policies or interpretations of accounting policies that impacted on your financial statements in the current year.

Auditing standards require us to discuss with you the qualitative aspects of the School's accounting practices and financial reporting. There were no new accounting standards that had a significant effect on the School's financial statements for the year ending 31 December 2025.

### Materiality and adjusted/unadjusted differences

Materiality means, in the context of an audit, if financial information is omitted, misstated, or not disclosed it has the potential to affect the decisions of users of the financial statements. Materiality is used by auditors in making judgements on the amount of work to be performed and which financial statement balances require audit consideration and evaluation. Materiality is initially calculated at the planning stage and has an influence on the amount of work we do, as well as where we direct our audit efforts. Materiality is not only based on a numeric quantification but is assessed qualitatively for some balances and disclosures within the financial statements.

Adjusted and unadjusted differences have been detailed as above in this report.

### Going concern

We have undertaken a review of Management's and the Board's assessment of the ability of Ngaio School to continue as a going concern for 12 months from the date of signing the audit report, and whether the going concern basis for the preparation of the financial statements is appropriate.

We identified no issues or concerns that lead us to conclude the going concern assumption cannot be relied upon

## Appendix 1 Internal control findings rating

The following framework for ratings has been developed to facilitate discussion with the Company's management to prioritise issues according to their relative significance.

RATING	DEFINITION
CRITICAL	Issue represents a control weakness, which could cause or is causing severe disruption of the process or severe adverse effect on the ability to achieve process objectives.
HIGH	Issue represents a control weakness, which could have or is having major adverse effect on the ability to achieve process objectives.
MODERATE	Issue represents a control weakness, which could have or is having significant adverse effect on the ability to achieve process objectives.
LOW	Issue represents a minor control weakness, with minimal but reportable impact on the ability to achieve process objectives.

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We have prepared this report solely for the use of Ngaio School. As you know, this report forms part of a continuing dialogue between the company and us and, therefore, it is not intended to include every matter, whether large or small, that has come to our attention. For this reason we believe that it would be inappropriate for this report to be made available to third parties and, if such a third party were to obtain a copy of this report without prior consent, we would not accept any responsibility for any reliance they may place on it.

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