



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

School Directory

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SOUTHBROOK SCHOOL

Annual Financial Statements - For the year ended 31 December 2025

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Southbrook School

Members of the Board

For the year ended 31 December 2025

Name	Position	How Position Gained	Term Expired/ Expires
Louise Moore	Presiding Member	Elected Sep 2023	Sept 2026
Rebekah Hennessey	Presiding Member	Elected Feb 2023	Sept 2025
Stacey Moore	Parent Representative	Elected Sep 2025	Sept 2028
Lauren Lincoln	Parent Representative	Elected Sep 2023	Sept 2026
Breeze Adams	Parent Representative	Elected Sep 2025	Sept 2028
Dan Daly	Parent Representative	Elected Sep 2025	Sept 2028
Richard Hogg	Parent Representative	Elected Sep 2022	Sept 2025
Holly Marsh	Staff Representative	Re-Elected Sep 2025	Sept 2028
Julie Walls	Principal ex Officio		

Southbrook 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.

Louise Moore

Julie Walls

Full Name of Presiding Member

Full Name of Principal

Signed by:
Louise Moore
FB9BBB07A485CEB5

Signed by:
Julie Walls
94DEA4009BEB45A1

Signature of Presiding Member

Signature of Principal

26/05/2026

25/05/2026

Date

Date

Southbrook School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2025

	Notes	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Revenue				
Government Grants	2	3,165,734	3,133,479	2,957,649
Locally Raised Funds	3	94,298	33,250	101,231
Interest		6,540	6,000	13,738
Total Revenue		3,266,572	3,172,729	3,072,618
Expense				
Locally Raised Funds	3	60,901	12,000	68,010
Learning Resources	4	2,314,147	2,127,004	2,000,203
Administration	5	138,989	121,738	130,144
Interest		4,170	4,346	5,745
Property	6	747,301	911,982	841,591
Loss on Disposal of Property, Plant and Equipment		671	-	(216)
Total Expense		3,266,179	3,177,070	3,045,477
Net Surplus / (Deficit) for the year		393	(4,341)	27,141
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		393	(4,341)	27,141

Southbrook School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2025

	Notes	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Equity at 1 January		428,573	428,573	388,869
Total comprehensive revenue and expense for the year		393	(4,341)	27,141
Contribution - Furniture and Equipment Grant		-	-	12,563
Contributions from the Ministry of Education		-	-	-
Distributions to the Ministry of Education		-	-	-
Equity at 31 December		428,966	424,232	428,573
Accumulated comprehensive revenue and expense		428,966	424,232	428,573
Reserves		-	-	-
Equity at 31 December		428,966	424,232	428,573

Southbrook School

Statement of Financial Position

As at 31 December 2025

	Notes	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Current Assets				
Cash and Cash Equivalents	7	250,132	259,061	198,684
Accounts Receivable	8	170,017	142,820	133,690
GST Receivable		-	3,443	3,444
Prepayments		8,203	9,731	9,731
Investments	9	115,246	114,787	109,069
		<u>543,598</u>	<u>529,842</u>	<u>454,618</u>
Current Liabilities				
GST Payable		(484)	-	-
Accounts Payable	11	194,233	190,915	155,739
Revenue Received in Advance	12	-	8,340	8,340
Provision for Cyclical Maintenance	13	36,122	-	20,785
Finance Lease Liability	14	24,275	39,174	36,549
Funds held in Trust	15	102	-	-
Funds held for Capital Works Projects	16	41,656	-	-
		<u>295,904</u>	<u>238,429</u>	<u>221,413</u>
Working Capital Surplus/(Deficit)		247,694	291,413	233,205
Non-current Assets				
Property, Plant and Equipment	10	283,190	259,013	311,690
		<u>283,190</u>	<u>259,013</u>	<u>311,690</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	13	82,704	108,846	98,584
Finance Lease Liability	14	19,214	17,348	17,738
		<u>101,918</u>	<u>126,194</u>	<u>116,322</u>
Net Assets		<u>428,966</u>	<u>424,232</u>	<u>428,573</u>
Equity		<u>428,966</u>	<u>424,232</u>	<u>428,573</u>

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

Southbrook School

Statement of Cash Flows

For the year ended 31 December 2025

	Note	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Cash flows from Operating Activities				
Government Grants		737,195	688,445	759,112
Locally Raised Funds		91,090	33,250	100,524
Goods and Services Tax (net)		2,958	(1)	14,952
Payments to Employees		(459,688)	(358,300)	(465,058)
Payments to Suppliers		(303,373)	(283,034)	(305,664)
Interest Paid		(4,170)	(4,346)	(5,745)
Interest Received		8,026	6,000	12,441
Net cash from/(to) Operating Activities		72,038	82,014	110,562
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(13,040)	-	(14,843)
Purchase of Investments		(6,177)	(5,718)	(5,099)
Net cash from/(to) Investing Activities		(19,217)	(5,718)	(19,942)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	12,563
Finance Lease Payments		(43,131)	(15,919)	(32,868)
Funds Administered on Behalf of Other Parties		41,758	-	(15,195)
Net cash from/(to) Financing Activities		(1,373)	(15,919)	(35,500)
Net increase/(decrease) in cash and cash equivalents		51,448	60,377	55,120
Cash and cash equivalents at the beginning of the year	7	198,684	198,684	143,564
Cash and cash equivalents at the end of the year	7	250,132	259,061	198,684

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.

Southbrook School

Notes to the Financial Statements

For the year ended 31 December 2025

1. Statement of Accounting Policies

a) Reporting Entity

Southbrook 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 13.

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 10.

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 14. Future operating lease commitments are disclosed in note 21.

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) 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.

e) 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.

f) 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.

g) 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.

h) 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	10–75 years
Board-owned Buildings	10–75 years
Furniture and Equipment	10–15 years
Information and Communication Technology	4–5 years
Leased Assets held under a Finance Lease	Term of Lease
Library Resources	12.5% Diminishing value

i) 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.

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.

j) 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.

k) 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.

l) Revenue Received in Advance

Revenue received in advance relates to fees received from Minisr of Education 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 international students, should the School be unable to provide the services to which they relate.

m) 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.

n) 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.

o) 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 7 to 10 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.

p) 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.

The School's financial liabilities comprise of accounts payable and finance lease. 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.

q) 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.

r) Budget Figures

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

s) 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	720,205	655,201	725,278
Teachers' Salaries Grants	1,810,046	1,714,673	1,493,407
Use of Land and Buildings Grants	609,897	755,105	697,702
Other Government Grants	25,586	8,500	41,262
	<u>3,165,734</u>	<u>3,133,479</u>	<u>2,957,649</u>

3. Locally Raised Funds

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

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Revenue			
Donations and Bequests	6,505	1,500	6,095
Fees for Extra Curricular Activities	29,265	-	30,642
Trading	4,046	-	5,174
Fundraising and Community Grants	34,598	12,000	39,809
Other Revenue	19,884	19,750	19,511
	<u>94,298</u>	<u>33,250</u>	<u>101,231</u>
Expense			
Extra Curricular Activities Costs	47,942	-	31,898
Trading	3,526	-	2,060
Fundraising and Community Grant Costs	9,433	12,000	13,587
Other Locally Raised Funds Expenditure	-	-	20,465
	<u>60,901</u>	<u>12,000</u>	<u>68,010</u>
<i>Surplus/ (Deficit) for the year Locally Raised Funds</i>	<u>33,397</u>	<u>21,250</u>	<u>33,221</u>

4. Learning Resources

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Curricular	47,423	54,600	45,357
Information and Communication Technology	5,173	2,700	1,279
Employee Benefits - Salaries	2,163,268	1,984,673	1,853,513
Staff Development	22,941	14,000	25,606
Depreciation	75,202	70,831	74,448
Other Learning Resources	140	200	-
	<u>2,314,147</u>	<u>2,127,004</u>	<u>2,000,203</u>

5. Administration

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Audit Fees	10,896	10,896	10,485
Board Expenses	4,190	5,000	3,915
Legal Fees	3,394	4,100	5,127
Other Administration Expenses	32,198	29,100	27,116
Employee Benefits - Salaries	68,019	52,000	66,715
Insurance	10,888	11,400	8,284
Service Providers, Contractors and Consultancy	9,404	9,242	8,502
	<u>138,989</u>	<u>121,738</u>	<u>130,144</u>

6. Property

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Consultancy and Contract Services	43,656	43,300	43,217
Cyclical Maintenance	(543)	25,227	12,944
Heat, Light and Water	24,963	24,000	22,063
Rates	5,854	6,500	5,352
Repairs and Maintenance	6,265	5,350	5,368
Use of Land and Buildings	609,897	755,105	697,702
Employee Benefits - Salaries	39,751	32,500	35,200
Other Property Expenses	17,458	20,000	19,745
	<u>747,301</u>	<u>911,982</u>	<u>841,591</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 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Bank Accounts	250,132	259,061	198,684
Cash and cash equivalents for Statement of Cash Flows	<u>250,132</u>	<u>259,061</u>	<u>198,684</u>

Of the \$250,132 Cash and Cash Equivalents \$41,758 is subject to restrictions for the following reasons:

- \$41,656 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 16.

- \$102 of Funds Held in Trust Received are held by the School, as disclosed in note 15.

8. Accounts Receivable

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Receivables	3,915	707	707
Receivables from the Ministry of Education	4,525	4,525	4,269
Interest Receivable	456	1,942	1,942
Teacher Salaries Grant Receivable	161,121	135,646	126,772
	<u>170,017</u>	<u>142,820</u>	<u>133,690</u>
Receivables from Exchange Transactions	4,371	2,649	2,649
Receivables from Non-Exchange Transactions	165,646	140,171	131,041
	<u>170,017</u>	<u>142,820</u>	<u>133,690</u>

9. Investments

The School's investment activities are classified as follows:

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Current Asset			
Short-term Bank Deposits	115,246	114,787	109,069
Total Investments	<u>115,246</u>	<u>114,787</u>	<u>109,069</u>

10. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2025						
Buildings	169,998				(5,930)	164,068
Building Improvements	87				(87)	-
Furniture and Equipment	34,240	4,653			(7,485)	31,408
Information and Communication Technology	45,855	8,732			(18,505)	36,082
Leased Assets	52,077	32,619	(286)		(41,893)	42,517
Library Resources	9,433	1,369	(385)		(1,302)	9,115
	<u>311,690</u>	<u>47,373</u>	<u>(671)</u>	<u>-</u>	<u>(75,202)</u>	<u>283,190</u>

Restrictions

There are no restrictions over the title of the school's property, plant and equipment, nor are any property, plant and equipment pledged as security for liabilities.

	2025 Cost or Valuation \$	2025 Accumulated Depreciation \$	2025 Net Book Value \$	2024 Cost or Valuation \$	2024 Accumulated Depreciation \$	2024 Net Book Value \$
Buildings	296,548	(132,480)	164,068	296,548	(126,550)	169,998
Building Improvements	11,941	(11,941)	-	11,941	(11,854)	87
Furniture and Equipment	181,165	(149,757)	31,408	176,513	(142,273)	34,240
Information and Communication Technology	136,028	(99,946)	36,082	127,296	(81,441)	45,855
Leased Assets	106,353	(63,836)	42,517	131,636	(79,559)	52,077
Library Resources	68,592	(59,477)	9,115	70,082	(60,649)	9,433
	<u>800,627</u>	<u>(517,437)</u>	<u>283,190</u>	<u>814,016</u>	<u>(502,326)</u>	<u>311,690</u>

11. Accounts Payable

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Creditors	4,773	(507)	(507)
Accruals	8,846	16,387	11,285
Banking Staffing Overuse	-	25,000	-
Employee Entitlements - Salaries	161,121	131,209	126,772
Employee Entitlements - Leave Accrual	19,493	18,826	18,189
	<u>194,233</u>	<u>190,915</u>	<u>155,739</u>
Payables for Exchange Transactions	194,233	190,915	155,739
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>194,233</u>	<u>190,915</u>	<u>155,739</u>

The carrying value of payables approximates their fair value.

12. Revenue Received in Advance

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Grants in Advance - Ministry of Education	-	8,340	8,340
	<u>-</u>	<u>8,340</u>	<u>8,340</u>

13. Provision for Cyclical Maintenance

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Provision at the Start of the Year	119,369	98,584	106,425
Increase/(decrease) to the Provision During the Year	(543)	25,227	12,944
Use of the Provision During the Year	-	(14,965)	-
Provision at the End of the Year	<u>118,826</u>	<u>108,846</u>	<u>119,369</u>
Cyclical Maintenance - Current	36,122	-	20,785
Cyclical Maintenance - Non current	82,704	108,846	98,584
	<u>118,826</u>	<u>108,846</u>	<u>119,369</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 is prepared by a Ministry of Education appointed consultant.

14. 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	26,626	42,174	39,684
Later than One Year	20,641	18,848	18,877
Future Finance Charges	(3,778)	(4,500)	(4,274)
	<u>43,489</u>	<u>56,522</u>	<u>54,287</u>
Represented by			
Finance lease liability - Current	24,275	39,174	36,549
Finance lease liability - Non current	19,214	17,348	17,738
	<u>43,489</u>	<u>56,522</u>	<u>54,287</u>

15. Funds held in Trust

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	102	-	-
	<u>102</u>	<u>-</u>	<u>-</u>

These funds relate to arrangements where the school is acting as an agent. These amounts are not revenue or expense of the school and therefore are not included in the Statement of Comprehensive Revenue and Expense.

16. 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 9, and includes retentions on the projects, if applicable.

2025	Opening Balances \$	Receipts from MOE \$	Payments \$	Board Contributions / Transfers \$	Closing Balances \$
Project 257323 - Block 10,14,16 Internal Walls	-	43,256	(1,600)	-	41,656
Project 254370 - Security Camera/LED Upgrade	-	19,800	(19,800)	-	-
Totals	<u>-</u>	<u>63,056</u>	<u>(21,400)</u>	<u>-</u>	<u>41,656</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	41,656
Funds Receivable from the Ministry of Education	-

2024	Opening Balances \$	Receipts from MOE \$	Payments \$	Board Contributions / Transfers \$	Closing Balances \$
Project 241000 - Pool Project	13,743	48,844	(64,761)	2,174	-
Project 240854 - Block 14 ILE Upgrade	293	15,978	(16,271)	-	-
Project 240855 - Heatpumps	(615)	615	-	-	-
Project 225386 - SIP 1	1,774	-	(1,774)	-	-
Totals	<u>15,195</u>	<u>65,437</u>	<u>(82,806)</u>	<u>2,174</u>	<u>-</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	-
Funds Receivable from the Ministry of Education	-

17. 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 condition 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.

18. Remuneration

Key management personnel compensation

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

	2025	2024
	Actual	Actual
	\$	\$
<i>Board Members</i>		
Remuneration	4,190	3,915
<i>Leadership Team</i>		
Remuneration	291,151	282,258
Full-time equivalent members	2	
Total key management personnel remuneration	<u>295,341</u>	<u>286,173</u>

There are 6 members of the Board excluding the Principal. The Board had held 8 full meetings of the Board in the year. The Board also has Finance Committee (1 members) that meet 8 times a year and Property Committee (1 members) that meet quarterly. As well as these regular meetings, including preparation time, the Chair and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal 1

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

	2025	2024
	Actual	Actual
	\$000	\$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	160-170	150-160
Benefits and Other Emoluments	-	-
Termination Benefits	-	-

Other Employees

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

Remuneration	2025	2024
\$000	FTE Number	FTE Number
100 - 110	2.00	3.00
110 - 120	3.00	0.00
120 - 130	1.00	1.00
	<u>6.00</u>	<u>4.00</u>

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

19. 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	\$ -	\$ -
Number of People	-	-

20. 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.

21. Commitments

(a) Capital Commitments

At 31 December 2025, the Board had capital commitments of \$46,462 (2024:\$0) as a result of entering the following contracts:

Contract Name	Remaining Capital Commitment \$
Project 257323 - Block 10,14,16 Internal Walls The Board receives funding from the Ministry of Education for Capital Works which is disclosed in note 16.	46,462

(b) Operating Commitments

As at 31 December 2025, the Board has entered into no contracts.

22. 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	250,132	259,061	198,684
Receivables	170,017	142,820	133,690
Investments - Term Deposits	115,246	114,787	109,069
Total financial assets measured at amortised cost	<u>535,395</u>	<u>516,668</u>	<u>441,443</u>

Financial liabilities measured at amortised cost

Payables	194,233	190,915	155,739
Finance Leases	43,489	56,522	54,287
Total financial liabilities measured at amortised cost	<u>237,722</u>	<u>247,437</u>	<u>210,026</u>

23. Events After Balance Date

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

[Date] May 2026

Warren Johnstone
BDO Christchurch Audit Limited
Level 4, 287/293 Durham Street North,
Christchurch Central
CHRISTCHURCH 8013

REPRESENTATION LETTER FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

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

General representations

To the best of our knowledge and belief:

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

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

Representations for the financial statements

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

- we have fulfilled our responsibilities for preparing and presenting the financial statements as required by section 134 of the Education and Training Act 2020 and, in particular, that the financial statements:
 - present fairly, in all material respects:
 - the financial position as at 31 December 2025; and
 - the financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Sector - Public Benefit Entity Standards, Reduced Disclosure Regime
- we believe the methods, significant assumptions, and data used in making and supporting the accounting estimates and the related disclosures in the financial statements are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework;
- we have appropriately accounted for and disclosed the related party relationships and transactions in the financial statements;
- we have adjusted or disclosed all events subsequent to the date of the financial statements that require adjustment or disclosure; and
- we believe the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this representation letter;
- we have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. Where applicable, such litigation and claims have been accounted for and disclosed in accordance with Public Sector - Public Benefit Entity Standards, Reduced Disclosure Regime.

Representations about the provision of information

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

- we have provided you with:
 - all information, such as records and documentation, and other matters that are relevant to preparing and presenting the financial statements; and
 - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence;
- we have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- we have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements;
- we have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others;
- we have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements;
- we have disclosed the identity of the related parties, all of their relationships, and all of their transactions of which we are aware; and
- we have provided you with all the other documents ("other information") which will accompany the financial statements which are consistent with the financial statements, and the other information does not contain any material misstatements.¹

Going concern basis of accounting²

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

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

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

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

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

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

Yours faithfully

Presiding Member

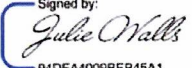
Louise Moore

Signed by:

26/05/2026
FB9BB07A485CEB5

Principal

Julie Walls

Signed by:

25/05/2026
94DEA4009BEB45A1

Appendix 1 - Uncorrected misstatements

There are no uncorrected misstatements.