

BERKLEY NORMAL MIDDLE SCHOOL

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

School Directory

Ministry Number:	1695
Principal:	Nathan Leith
School Address:	26 Berkley Avenue, Hillcrest, Hamilton
School Postal Address:	26 Berkley Avenue, Hillcrest, Hamilton 3216
School Phone:	07 856 6537
School Email:	office@berkley.school.nz
Accountant / Service Provider:	SRN Partners Chartered Accountants Ltd
Members of the Board:	

Name	Position	How Position Gained	Term Expired/ Expires
Angela Strange	Presiding Member	Elected	Sep-28
Nathan Leith	Principal ex Officio		
Carl Allan	Deputy Presiding Member	Elected	Sep-28
Owen Culliney	Parent Representative	Elected	Sep-28
Hongwei Di	Parent Representative	Elected	Sep-25
Anna Tootill	Parent Representative	Elected	Sep-28
Charlotte Watson	Parent Representative	Elected	Sep-28
Jason Hanson	Staff Representative	Elected	Sep-28

BERKLEY NORMAL MIDDLE SCHOOL

Annual Financial Statements - For the year ended 31 December 2025

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Berkley Normal Middle 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.

Angela Strange

Full Name of Presiding Member

AK Strange

Signature of Presiding Member

2/6/26

Date

Candace Allen

Full Name of Acting Principal

CA

Signature of Acting Principal

2/6/26

Date

Berkley Normal Middle 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	7,570,551	9,563,963	7,084,340
Locally Raised Funds	3	794,984	231,900	651,080
Interest		113,460	81,500	135,697
Total Revenue		8,478,995	9,877,363	7,871,117
Expense				
Locally Raised Funds	3	506,839	11,000	232,951
Learning Resources	4	5,817,091	7,771,933	5,502,323
Administration	5	425,667	467,200	432,647
Interest		8,205	-	4,010
Property	6	1,553,378	1,637,600	1,607,358
Loss on Disposal of Property, Plant and Equipment		11,958	-	11,381
Total Expense		8,323,138	9,887,733	7,790,670
Net Surplus / (Deficit) for the year		155,857	(10,370)	80,447
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		155,857	(10,370)	80,447

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

Berkley Normal Middle 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		3,516,914	3,516,914	3,393,334
Total comprehensive revenue and expense for the year		155,857	(10,370)	80,447
Contribution - Furniture and Equipment Grant		-	-	43,133
Contribution from MOE- Te Mana Tuhono		56,066	-	-
Equity at 31 December		3,728,837	3,506,544	3,516,914
Accumulated comprehensive revenue and expense		3,728,837	3,506,544	3,516,914
Equity at 31 December		3,728,837	3,506,544	3,516,914

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.

Berkley Normal Middle 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	56,154	34,544	480,165
Accounts Receivable	8	484,676	482,000	424,302
GST Receivable		18,009	17,850	-
Prepayments		69,254	65,000	198,677
Inventories	9	4,502	3,500	2,924
Investments	10	2,425,552	2,400,000	2,217,025
Funds Receivable for Capital Works Projects	18	-	-	86,237
		3,058,147	3,002,894	3,409,330
Current Liabilities				
GST Payable		-	-	15,327
Accounts Payable	12	651,606	660,700	558,417
Borrowings	13	13,759	14,000	13,759
Revenue Received in Advance	14	83,017	85,250	127,170
Provision for Cyclical Maintenance	15	12,440	10,000	37,216
Finance Lease Liability	16	61,206	72,000	56,826
Funds held in Trust	17	-	-	149,695
Funds held for Capital Works Projects	18	-	3,400	232,388
Funds held on behalf of Attendance Officer	19	-	144,000	92,856
		822,028	989,350	1,283,654
Working Capital Surplus/(Deficit)		2,236,119	2,013,544	2,125,676
Non-current Assets				
Property, Plant and Equipment	11	1,657,042	1,655,000	1,540,787
		1,657,042	1,655,000	1,540,787
Non-current Liabilities				
Borrowings	13	64,207	64,000	77,966
Provision for Cyclical Maintenance	15	37,192	40,000	26,784
Finance Lease Liability	16	62,925	58,000	44,799
		164,324	162,000	149,549
Net Assets		3,728,837	3,506,544	3,516,914
Equity		3,728,837	3,506,544	3,516,914

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



Berkley Normal Middle 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		2,164,134	5,303,664	1,925,968
Locally Raised Funds		681,399	145,150	476,958
International Students		46,292	150,000	121,660
Goods and Services Tax (net)		(33,336)	(17,850)	54,156
Payments to Employees		(1,109,175)	(971,500)	(1,129,036)
Payments to Suppliers		(1,290,669)	(726,820)	(1,288,313)
Interest Paid		(8,205)	-	(4,010)
Interest Received		124,766	71,500	136,146
Net cash from/(to) Operating Activities		575,206	3,954,144	293,529
Purchase of Property Plant & Equipment (and Intangibles)		(448,454)	(1,875,000)	(225,491)
Purchase of Investments		(208,527)	(2,400,000)	(296,558)
Net cash from/(to) Investing Activities		(656,981)	(4,275,000)	(522,049)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	43,133
Finance Lease Payments		22,506	130,000	(17,902)
Repayment of Borrowings		(13,759)	78,000	91,725
Funds Administered on Behalf of Other Parties		(350,983)	147,400	408,377
Net cash from/(to) Financing Activities		(342,236)	355,400	525,333
Net increase/(decrease) in cash and cash equivalents		(424,011)	34,544	296,813
Cash and cash equivalents at the beginning of the year	7	480,165	-	183,352
Cash and cash equivalents at the end of the year	7	56,154	34,544	480,165

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.



Berkley Normal Middle School

Notes to the Financial Statements

For the year ended 31 December 2025

1. Statement of Accounting Policies

a) Reporting Entity

Berkley Normal Middle 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 24.

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 and school uniforms. 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	20-40 years
Furniture and Equipment	3-10 years
Information and Communication Technology	5-10 years
Motor Vehicles	5-10 years
Leased Assets held under a Finance Lease	Term of Lease
Library Resources	12.5% Diminishing value

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.

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 international 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 international 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) 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 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.

r) 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.

s) 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.

t) 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.

u) Budget Figures

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

v) 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	2,233,431	1,786,750	1,904,694
Teachers' Salaries Grants	4,275,414	6,590,333	3,997,486
Use of Land and Buildings Grants	1,061,706	1,186,880	1,141,231
Other Government Grants	-	-	40,929
	<u>7,570,551</u>	<u>9,563,963</u>	<u>7,084,340</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	70,651	70,000	74,806
Fees for Extra Curricular Activities	508,837	68,900	423,475
Trading	100,699	4,000	38,391
Fundraising and Community Grants	9,006	9,000	4,348
Other Revenue	3,304	-	24,219
International Student Fees	102,487	80,000	85,841
	<u>794,984</u>	<u>231,900</u>	<u>651,080</u>
Expense			
Extra Curricular Activities Costs	390,027	-	168,780
Trading	97,368	1,000	41,070
International Student - Other Expenses	19,444	10,000	23,101
	<u>506,839</u>	<u>11,000</u>	<u>232,951</u>
<i>Surplus/ (Deficit) for the year Locally Raised Funds</i>	<u>288,145</u>	<u>220,900</u>	<u>418,129</u>

4. Learning Resources

	2025 Actual	2025 Budget (Unaudited)	2024 Actual
	\$	\$	\$
Curricular	295,045	156,500	260,166
Information and Communication Technology	6,887	5,900	13,008
Employee Benefits - Salaries	5,053,914	7,324,033	4,809,432
Staff Development	65,607	49,500	38,080
Depreciation	391,294	220,000	376,456
Other Learning Resources	4,344	16,000	5,181
	<u>5,817,091</u>	<u>7,771,933</u>	<u>5,502,323</u>



5. Administration

	2025 Actual	2025 Budget (Unaudited)	2024 Actual
	\$	\$	\$
Audit Fees	11,232	11,200	11,661
Board Fees and Expenses	7,053	9,000	11,154
Other Administration Expenses	99,900	153,700	133,059
Employee Benefits - Salaries	270,493	256,800	244,794
Insurance	32,389	32,000	27,428
Service Providers, Contractors and Consultancy	4,600	4,500	4,551
	<u>425,667</u>	<u>467,200</u>	<u>432,647</u>

6. Property

	2025 Actual	2025 Budget (Unaudited)	2024 Actual
	\$	\$	\$
Consultancy and Contract Services	110,914	113,700	110,725
Cyclical Maintenance	32,152	46,520	50,152
Heat, Light and Water	70,713	58,500	54,472
Rates	11,120	11,500	10,511
Repairs and Maintenance	145,777	86,000	123,920
Use of Land and Buildings	1,061,706	1,186,880	1,141,231
Employee Benefits - Salaries	93,770	76,000	74,454
Other Property Expenses	27,226	58,500	41,893
	<u>1,553,378</u>	<u>1,637,600</u>	<u>1,607,358</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	56,154	34,544	480,165
Cash and cash equivalents for Statement of Cash Flows	<u>56,154</u>	<u>34,544</u>	<u>480,165</u>

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

Of the \$56,154 Cash and Cash Equivalents, \$83,017 of Revenue Received in Advance is held by the School, as disclosed in note 14.



8. Accounts Receivable

	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Receivables	12,748	7,000	9,052
Receivables from the Ministry of Education	16,530	5,000	4,919
Interest Receivable	10,662	10,000	21,968
Teacher Salaries Grant Receivable	444,736	460,000	388,363
	<u>484,676</u>	<u>482,000</u>	<u>424,302</u>
Receivables from Exchange Transactions	23,410	17,000	31,020
Receivables from Non-Exchange Transactions	461,266	465,000	393,282
	<u>484,676</u>	<u>482,000</u>	<u>424,302</u>

9. Inventories

	2025 Actual	2025 Budget (Unaudited)	2024 Actual
	\$	\$	\$
Stationery	3,982	3,000	2,924
Canteen	520	500	-
	<u>4,502</u>	<u>3,500</u>	<u>2,924</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	2,425,552	2,400,000	2,217,025
	<u>2,425,552</u>	<u>2,400,000</u>	<u>2,217,025</u>

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2025	\$	\$	\$	\$	\$	\$
Buildings Improvements	543,793	119,510	(2,235)	-	(59,764)	601,304
Furniture and Equipment	462,521	225,350	(3,802)	-	(104,838)	579,231
Information and Communication Technology	200,568	93,154	(3,177)	-	(96,129)	194,416
Motor Vehicles	212,576	-	(890)	-	(63,570)	148,116
Leased Assets	78,381	71,050	-	-	(60,551)	88,880
Library Resources	42,948	10,440	(1,851)	-	(6,442)	45,095
	1,540,787	519,504	(11,955)	-	(391,294)	1,657,042

The net carrying value of furniture and equipment held under a finance lease is \$88,880 (2024: \$78,381)

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 Cost or Valuation	2025 Accumulated Depreciation	2025 Net Book Value	2024 Cost or Valuation	2024 Accumulated Depreciation	2024 Net Book Value
	\$	\$	\$	\$	\$	\$
Buildings	1,996,544	(1,395,240)	601,304	1,879,269	(1,335,476)	543,793
Furniture and Equipment	1,307,473	(728,242)	579,231	1,085,926	(623,405)	462,521
Information and Communication Technology	627,664	(433,248)	194,416	537,687	(337,119)	200,568
Motor Vehicles	352,179	(204,063)	148,116	353,069	(140,493)	212,576
Leased Assets	377,146	(288,265)	88,881	306,096	(227,715)	78,381
Library Resources	116,917	(71,823)	45,094	108,329	(65,381)	42,948
	4,777,923	(3,120,881)	1,657,042	4,270,376	(2,729,589)	1,540,787

12. Accounts Payable

	2025 Actual	2025 Budget (Unaudited)	2024 Actual
	\$	\$	\$
Creditors	80,618	80,000	78,022
Accruals	15,582	25,700	14,950
Employee Entitlements - Salaries	517,136	518,000	428,393
Employee Entitlements - Leave Accrual	38,270	37,000	37,052
	651,606	660,700	558,417
Payables for Exchange Transactions	651,606	660,700	558,417
	651,606	660,700	558,417

The carrying value of payables approximates their fair value.



13. Borrowings

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Loans due in one year	13,759	14,000	13,759
	<u>13,759</u>	<u>14,000</u>	<u>13,759</u>
Loans due after one year	64,207	64,000	77,966
	<u>64,207</u>	<u>64,000</u>	<u>77,966</u>

The school has borrowings at 31 December 2025 of \$77,966 (31 December 2024: \$91,725). This loan is from the Energy Efficiency and Conservation Authority for the purpose of reducing energy usage by upgrading the existing lighting. The loan is unsecured, interest is 0% per annum and the loan is payable in equal instalments of \$4,586.25.

14. Revenue Received in Advance

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
International Student Fees in Advance	74,625	75,000	114,920
Other revenue in Advance	8,392	10,250	12,250
	<u>83,017</u>	<u>85,250</u>	<u>127,170</u>

15. Provision for Cyclical Maintenance

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Provision at the Start of the Year	64,000	60,000	66,788
Increase/(decrease) to the Provision During the Year	32,152	30,000	25,164
Use of the Provision During the Year	(46,520)	(40,000)	(27,952)
Provision at the End of the Year	<u>49,632</u>	<u>50,000</u>	<u>64,000</u>
Cyclical Maintenance - Current	12,440	10,000	37,216
Cyclical Maintenance - Non current	37,192	40,000	26,784
	<u>49,632</u>	<u>50,000</u>	<u>64,000</u>

The School's cyclical maintenance schedule details annual painting to be undertaken. The costs associated with this annual work will vary depending on the requirements during the year. This plan is based on the School's painting agreement and painting estimation.



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	2025	2024
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
No Later than One Year	66,459	68,000	67,004
Later than One Year	67,599	70,000	41,338
Future Finance Charges	(9,927)	(8,000)	(6,717)
	<u>124,131</u>	<u>130,000</u>	<u>101,625</u>
Represented by			
Finance lease liability - Current	61,206	72,000	56,826
Finance lease liability - Non current	62,925	58,000	44,799
	<u>124,131</u>	<u>130,000</u>	<u>101,625</u>

17. Funds held in Trust-WETA

	2025	2025	2024
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Funds Held in Trust on Behalf of Third Parties - Current	-	-	149,695
Funds Held in Trust on Behalf of Third Parties - Non-current	-	-	-
	<u>-</u>	<u>-</u>	<u>149,695</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. The school has stopped acting as an agent as at 31 December 2025, the remaining fund has been fully transferred out from the school in 2025.

18. 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 \$
Carpet Replacement	232034	(35,340)	-	-	35,340	-
Cultural Centre Refurbishment	230690	(50,897)	50,897	-	-	-
Toilet Refurbishment	251247	232,388	337,525	(569,913)	-	-
Totals		146,151	388,422	(569,913)	35,340	-

Represented by:

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

	2024	Opening Balances \$	Receipts from MOE \$	Payments \$	Board Contributions \$	Closing Balances \$
Carpet Replacement	232034	(35,340)	-	-	-	(35,340)
Cultural Centre Refurbishment	230690	(50,897)	-	-	-	(50,897)
Toilet Refurbishment	251247	-	310,525	(78,137)	-	232,388
Roofing Replacement	245523	(2,138)	2,178	(40)	-	-
Open plan classroom modernisation	248922	-	20,514	(20,514)	-	-
Remedial Work in Food Tech	250334	-	8,536	(8,536)	-	-
Roofing Repairs	230686	28,554	12,303	(40,857)	-	-
Drainage Repairs	230687	44,973	-	(44,973)	-	-
Totals		(14,848)	354,056	(193,057)	-	146,151

Represented by:

Funds Held on Behalf of the Ministry of Education	232,388
Funds Receivable from the Ministry of Education	(86,237)

19. Funds Held on Behalf of Attendance Officer

Berkley Normal Middle School is the lead school and holds funds on behalf of the Attendance Officer Cluster.

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Funds Held at Beginning of the Year	-	92,000	56,554
Funds Received from MOE	-	207,000	210,293
Total funds received	-	299,000	266,847
Funds Spent on Behalf of the Cluster	-	155,000	173,991
Funds Held at Year End	-	144,000	92,856



20. 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.

21. Remuneration

Key management personnel compensation

Key management personnel of the School include all Board members, Principal, Deputy Principal and Assistant Principal.

	2025 Actual \$	2024 Actual \$
<i>Board Members</i>		
Remuneration	2,395	2,340
<i>Leadership Team</i>		
Remuneration	514,135	519,410
Full-time equivalent members	3	3
Total key management personnel remuneration	516,530	521,750

There are seven members of the Board excluding the Principal. The Board has held six full meetings of the Board in the year. The Board also has a Finance Committee (2 members) that met six times 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 1

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	200-210	200-210
Benefits and Other Emoluments	4-5	4-5
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	9	11
110-120	8	3
120-130	1	1
130-140	0	0
140-150	1	1
150-160	0	0
160-170	1	1
	20	17

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



22. 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	\$12,010	-
Number of People	1	-

23. 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.

24. Commitments

(a) Capital Commitments

At 31 December 2025, the Board had no capital commitments (2024:\$474,759).

(b) Operating Commitments

As at 31 December 2025, the Board has entered into a contract agreement with Carus Group Ltd for the painting of the school's Buildings.

	2025 Actual \$	2024 Actual \$
No later than One Year	25,600	56,570
Later than One Year and No Later than Five Years	-	25,600
Later than Five Years	-	-
	<u>25,600</u>	<u>82,170</u>

25. 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	56,154	34,544	480,165
Receivables	484,676	482,000	424,302
Investments - Term Deposits	2,425,552	2,400,000	2,217,025
Total financial assets measured at amortised cost	<u>2,966,382</u>	<u>2,916,544</u>	<u>3,121,492</u>

Financial liabilities measured at amortised cost

Payables	651,606	660,700	558,417
Borrowings - Loans	77,966	64,000	91,725
Finance Leases	124,131	130,000	101,625
Total financial liabilities measured at amortised cost	<u>853,703</u>	<u>854,700</u>	<u>751,767</u>

26. Events After Balance Date

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

27. Comparatives

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

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF BERKLEY NORMAL MIDDLE SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

The Auditor-General is the auditor of Berkley Normal Middle School (the School). The Auditor-General has appointed me, Marilyn Castillo, using the staff and resources of Owen McLeod & Co Limited, to carry out the audit of the financial statements of the School on pages 2 to 21, that comprise the statement of financial position as at 31 December 2025, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

Opinion

In our opinion the financial statements:

- present fairly, in all material respects:
 - the School's 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.

Our audit was completed on 02 June 2026. This is the date at which our opinion is expressed.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Responsibilities of the auditor* section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Board for the financial statements

The Board is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the School's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board intends to close or merge the School, or has no realistic alternative but to do so.

The Board's responsibilities arise from section 134 of the Education and Training Act 2020.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error.

Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the School's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information included in the Board's annual report

The Board is required to prepare an annual report which includes the annual financial statements and the audit report, as well as a Statement of Variance, an Evaluation of the School's Students' Progress and Achievement, a Statement of Compliance with Employment Policy, and a Statement of KiwiSport funding. The Board is responsible for the other information that it presents alongside its annual financial statements.

The other information obtained at the date of our audit report includes copies of the Statement of Variance, Evaluation of the School's Students' Progress and Achievement, Statement of Compliance with Employment Policy, Report on the implementation of Te Tiriti o Waitangi and Statement of KiwiSport funding.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the School in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in, the School.

A handwritten signature in black ink, appearing to read 'Mokcastillo'.

Marilyn Castillo
Owen McLeod & Co Limited
On behalf of the Auditor-General
Hamilton, New Zealand