



Maximising human potential



ANNUAL
REPORT
2024



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The year in review 2024

It is a pleasure to present our combined Chair and CEO Report for Skills Group. This year we have continued our transition and consolidation in response to the challenges brought about by the Reform of Vocational Education (RoVE). The shift from being an industry training organisation (ITO) to becoming a private training establishment (PTE) has been a multi-year endeavour and was a critical step in ensuring the long-term sustainability of Skills Group.

When we outlined our three-year transformation process to the Board in 2023, we set a clear strategic and operational path for Skills to become a successful PTE. At the end of 2024, we are roughly two-thirds of the way through that journey, with a clear business plan to complete the transformation in 2025.

Organisational Structure

A key area of focus for the Board this year has been the review of our organisational structure. The current structure, as an Incorporated Society, was fit for purpose when we were an ITO. Post RoVE and our evolution to a PTE, this structure no longer aligns with our purpose and the evolving needs of the industries we support. After careful consideration of the options, including maintaining the status quo, the Board has proposed a transition to a Charitable Trust. This proposal has also been endorsed by an independent review commissioned from the Hon. Murray McCully. Members will vote on this proposal at a Special General Meeting to be held on 4 June 2025.

Strategic Investments and Progress

We have made substantial progress towards our strategy of building strong regional hubs, with industry-leading facilities in Dunedin, Christchurch (2024), and Highbrook in Auckland (2025). In addition, we have invested in enhancing our academic rigour and quality standards, across the PTEs. These investments are part of our commitment to providing high-quality vocational education and supporting the future of the

workforce. The new campuses have led to an invigorated engagement with our local communities.

Our operational performance shows significant progress across multiple fronts. Health and Safety improvements include a 55% reduction in electric shock incidents compared to 2022, supported by our new Critical Incident Response Plan and enhanced PPE compliance measures. Educational Performance Indicators have improved across all parts of the business, with ICE Plumbing showing the greatest gains and Ignite exceeding TEC commitments. We've strategically refined our product portfolio, launching 18 new industry-responsive programmes while retiring 21 outdated ones. Key developments for the trades side of the business include our new electrical qualification (4204) and micro-credentials in renewable energy, EV technologies, and data cabling – all directly aligned with emerging industry needs and creating a stronger foundation for both workplace safety and educational excellence.

In 2025, a key area of focus for the Ignite business is the three new degree programmes which are currently under development with a targeted delivery date of 2026.

Despite challenging market conditions, with uncertainty around future Government reforms and the broader direction of vocational education, careful cost management has allowed us to exceed our budget deficit expectation by \$2.2M for 2024. We have also delivered substantial operational efficiencies by consolidating systems, streamlining our digital footprint, and implementing a new CRM system to improve customer service and sales effectiveness.

People and Culture

We ended the 2024 year with 502 people employed by the Skills Group. There has been a strong focus on the professional development of all staff including the introduction of career development plans. This will be rolled out across the business during 2025.

During the year, we tackled head-on the challenge of adopting AI across the organisation, implementing innovative strategies to transform our workforce capabilities.



Tim Gibson
Chair



Rosanne Graham
CEO

Looking Forward

As we complete our transformation in 2025, our strategy is focused on four key imperatives that will drive our future success:

- 1. Enabling Life-long Learning:** Building comprehensive pathways from school transition through to professional development, creating a sustainable pipeline of skilled workers for New Zealand's priority sectors.
- 2. Digital-Driven Business:** Using data and technology to improve educational outcomes and provide insights that will help shape future workforce development.
- 3. Inspirational Environments:** Creating learning spaces and experiences that attract and retain the best talent to vocational education and training.
- 4. Diversification of Revenue:** Building sustainable growth through multiple channels to ensure long-term organisational resilience and continued delivery of high-quality education.

We would like to take this opportunity to thank the Board and acknowledge the hard work and dedication of retiring directors Rod De Spong and Cassandra Crowley. We welcomed Craig O'Connell to the Board as a new director.

Finally, we would like to thank the staff and leadership team at Skills Group for their dedication throughout this period of change. Their resilience and unwavering commitment, has been critical to our ability to adapt and continue to serve our learners and industry partners.

We are committed to ongoing innovation and growth, ensuring that Skills Group continues to be a leader in vocational education and training. Thank you for your continued support as we work towards a bright and successful future.

Tim Gibson, Chair
Rosanne Graham, CEO



YEAR IN REVIEW

OUR INDUSTRIES

Industry sectors



Cross-sector expertise



OUR STRATEGIC AND REGULATORY CONTEXT: VOCATIONAL EDUCATION REFORMS

Skills Group has continued to advocate for industry in the face of ongoing change and disruption in the vocational education sector. During 2024, Skills Group transparently and consistently advocated for the ability for providers across the sector to continue to offer all modes of learning equitably, and support choice and competition in the sector.

Vocational sector reform

In 2020, New Zealand began sweeping reforms to its vocational education sector. Among other changes, these sought to subsume Industry Training Organisations (ITOs) into a centralised training provider, Te Pūkenga, along with all 16 Institutes of Technology and Polytechnics. Instead of joining the 'mega-merger', Skills Group chose to pursue an independent path as a Private Training Establishment (PTE). Since then, Skills Group has made several further moves to stabilise and consolidate its position as a multi-industry and multi-mode education provider by acquiring and integrating PTE organisations, including Etco.

Following ongoing issues at Te Pūkenga, the change of Government in 2023 precipitated a new round of vocational education reform during 2024. This aimed to re-establish regional training providers, as well as improve industry responsiveness and learner outcomes. Two possible structures for work-based learning were consulted on in 2024, with a third option subsequently announced for further targeted consultation in early 2025.

Skills Group's response

Based on our operational experience, analysis of international evidence, and feedback from our stakeholders, Skills Group consistently supported Option B – later dubbed the 'independent' industry training model. Over two rounds of consultation in 2024 and early 2025, Skills Group proactively engaged with stakeholders to gather input and feedback, as well as support understanding of the Government's proposal. We hosted five popular webinars for our employers and wider stakeholders. We proactively and transparently published position statements and our draft submissions for stakeholder input, and to support our industry and vocational education colleagues.

Our support for Option B was grounded in the firm belief that successful work-based learning depends on three fundamental elements:

1. **Integrated delivery drives learner success through:**
 - Clear accountability for both learning and learner support
 - Rapid response capability for emerging issues
 - Seamless coordination between education and pastoral care.
2. **Provider choice enhances quality through:**
 - Market responsiveness to industry needs
 - Innovation in delivery approaches
 - Competition driving continuous improvement.
3. **System sustainability requires:**
 - Efficient resource allocation
 - Building on proven delivery capability
 - Avoiding unnecessary duplication.

With these elements in mind, we strongly believed that Option B's focus on independent work-based learning would better serve the interests of learners and employers while maintaining high standards of pastoral care and industry engagement.

At the time of writing (April 2025) we are delighted that the Government has confirmed it will pursue Option B, and establish a new system of independent work-based learning, beginning in 2026. For Skills Group this validates the path we have been on since 2020, insofar as we will continue to offer full-service education and training, with learner support through different pathways and blends of provider-based,

work-based, and online learning. The changes will allow us to continue to produce high quality graduates for the industries we serve. This represents continuity not just for us, but our learners, our employers, our wider customers, and the industries we serve.

However, it's not just about us: we believe Option B offers new and exciting possibilities to collaborate, partner, and grow as a leading provider in the vocational education sector. Skills Group will also provide thought leadership and actively engage in the next steps and implementation phase of the reforms.

The changes will allow us to continue to produce high quality graduates for the industries we serve. This represents continuity not just for us, but our learners, our employers, our wider customers, and the industries we serve.



KEY STATISTICS AND COVERAGE

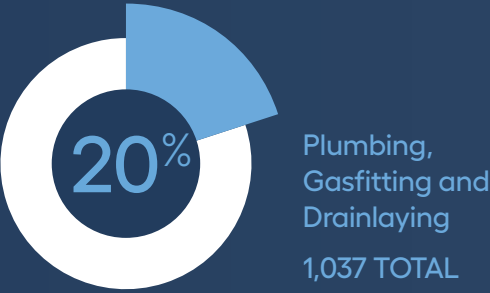
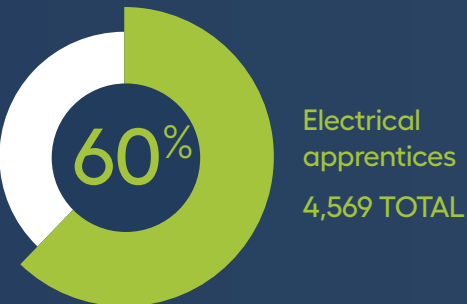
Skills Group is the largest private training establishment in New Zealand.



23,000 learners
8,718 VOCATIONAL
6,586 SPECIALIST TRADES
7,100 CORPORATE TRAINING

Across **27** industries
and professions (see page 7)

Our learners as % of
total NZ apprentices



We operate:
sites across the motu,
from Auckland to
Dunedin

\$160m
annual revenue

502
FTE staff



Sites – 17 total	Specialist Trades	Vocational	Group
Auckland – Ellerslie Head Office			●
Auckland – Wiri		●	
Auckland – Manukau		●	
Auckland – Highbrook	●		
Auckland – East Tamaki	● ●		
Hamilton	●		
Tauranga	●		
Lower Hutt		●	
Rotorua	●		
Napier	●		
Otaki	● ●		
Wellington	●		●
Nelson	●		
Christchurch	●		
Dunedin – Glenelg St	● ●		
Dunedin – Kaikorai Valley			●

KEY: ● Etco ● ICE ● E-tec ● Ignite ● Premier ● Skills Group

SPECIALIST TRADES TRAINING

ice | etco | e-tec

Specialist Trades Training is a priority market sector for Skills Group, and 2024 saw a continuation of our existing focus on this division. Our coverage includes:

- Electrical through Etco and E-tec
- Plumbing, gasfitting and drainlaying (PGD) and roofing through ICE

Our strategy revolves around enabling lifelong learning pathways through each of these trades. We aim to support every learner from school-leavers to experienced tradespeople seeking advanced professional development. Our team's unique value proposition lies in our commitment to excellence in vocational education, innovative learning approaches, and deep industry connections.

For example, in 2024, we overhauled our Level 4 electrical apprenticeship qualification, significantly increased pre-trade course enrolments, expanded future specialisations to include solar energy and automation, and enhanced our teaching staff through Continuous Professional Development (CPD).

Further integration

In April 2023, Skills Group acquired Etco. Etco was then a Category 1 PTE, established by Master Electricians in 1991. Features included a Group Employment Scheme, which on acquisition saw around 900 apprentices directly employed by Etco and placed with host businesses to learn on the job.

The Etco Group Employment scheme provides Etco with a distinct competitive advantage by fostering a close and direct connection with the industry. This scheme allows us to maintain strong relationships with industry partners, ensuring that our training programmes are aligned with current industry needs and standards. By working closely with employers, we can offer our apprentices real-world experience and insights, making them highly valuable and job-ready upon completion of their training. This direct industry engagement not only enhances the quality of our educational offerings but also ensures that our graduates are well-prepared to meet the demands of the workforce. This all works to give Etco a significant edge in the competitive construction trades landscape. During the balance of 2023, Skills Group embarked on the beginnings of a 12-24-month integration period to maximise the benefits of Etco.

Our intent in acquiring Etco was to unite the best of this organisation with our existing E-tec and ICE brands to create a Specialist Trades School. We made this a reality in 2024, refurbishing and opening multiple new multitrades facilities (see pg 15 for details). Our continued investment in infrastructure is aimed at creating inspirational environments for learning, with future developments still in the pipeline.



We also continued to action operational and strategic integration between Etco, ICE and E-tec:

- Merging our PTE brands into one EDUMIS number simplifies compliance,
- E-tec has now become part of ICE,
- Etco and ICE are both now substantially integrated with Skills Group's operational processes.

Performance in a tough environment

Financially, although Specialist Trades generated more revenue than Ignite, profitability was lower compared to other divisions like Ignite Colleges. A challenging market environment, including a recession, affected apprenticeship uptake and required the Etco Group Scheme to be downsized by approximately one third to maintain viability.

Looking forward, Skills Group intends to continue diversifying revenue streams to reduce its dependence on Government funding. This includes plans to extend into emerging areas such as solar, recharging, and automation.

Key focus areas of our team in 2025 include:

- **Delivering comprehensive apprenticeship programmes** that seamlessly integrate on-the-job training with advanced theoretical education, ensuring our apprentices receive a well-rounded and cutting-edge learning experience.
- **Providing specialised short courses and upskilling opportunities** tailored for industry professionals, enabling them to enhance their skills and stay current with the latest industry trends and technologies.
- **Offering robust pre-trade programmes** designed to equip individuals with the foundational skills and knowledge necessary for a successful entry into the trades, setting them up for long-term career success.
- **Facilitating group apprenticeship schemes** that offer mutual support for both apprentices and host companies, fostering a collaborative environment that benefits all parties involved.
- **Continuously updating our curriculum and training methods** to align with evolving industry needs and technological advancements, ensuring our educational offerings remain relevant and effective.

CAPITAL INVESTMENT IN CAMPUSES

Skills Group this year invested significantly in upgrading existing trades training facilities and establishing new ones across New Zealand. This is part of our broader plan to create inspirational environments where learners and staff can thrive.

Skills Group intends to invest \$25-30 million on enhancing campuses over the next three years. This spend on modern, fit-for-purpose spaces is necessary to provide ongoing quality training to electrical and PGD learners, especially at sites where Etco and ICE are co-located.

With the upcoming introduction of vocational education work-integrated degrees (see pg 23 for more details) it's anticipated these will prove popular, requiring campus space. The new multitrades facilities have space available to consider expansion of existing trades programmes or the addition of programmes from Skills Ignite that may address gaps in the regional mix of tertiary provision.

Facilities refurbished in 2024:

- Etco Hamilton. This site is a new addition to Skills Group's footprint but the facility itself has been refurbished.
- Etco Rotorua

New facilities opened in 2024:

- Etco Nelson
- Etco + ICE Christchurch
- Etco + ICE Dunedin, Glenelg St

Upcoming facilities changes

In early 2025, a new Specialist Trades site opened in the Auckland suburb of Highbrook. At Highbrook, we've innovatively developed the concept of workshop classrooms for our pre-trade students, relying on input from our tutors and learning from other international training facilities. Recognising that the training journey for students involves a blend of theory and practical application, we've integrated lessons into a single space for our pre-trade learners. This allows students to immediately apply what they've learned on training boards within the classroom/workshop, eliminating the need to leave their training environment.

This concept extends to our workshops, featuring large U-shaped benches where students can sit or stand to learn about appliances, hot water units, or soldering. The tutor can maintain full visibility of the class while working from the centre of the U-shaped training area.

Additionally, our training spaces include purpose-built workshops equipped with project boards, motor panel training stations, and other specialised areas. These setups ensure tutors have a clear view of the entire workshop, facilitating effective oversight of all students.

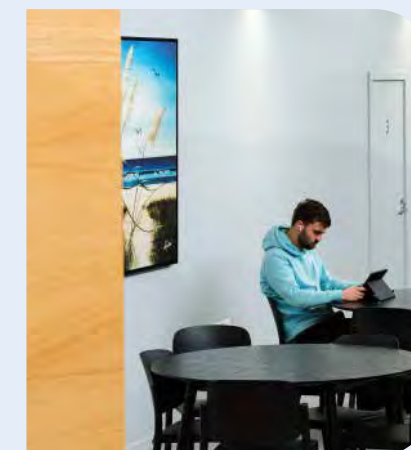
Nelson Campus,
Etco Nelson



Christchurch Campus,
Etco + ICE Christchurch



Dunedin Campus,
Etco + ICE Dunedin, Glenelg St





HIGHLIGHTS



This was a year of significant expansion and integration for Etco. After joining Skills Group in 2023, Etco made substantial progress in 2024 by developing stronger and deeper cross-functional connections within the organisation. These efforts have yielded greater operational efficiencies and opened up exciting opportunities for innovation. The company’s structure has shifted from a regional model towards a more centralised approach, enhancing coordination and resource allocation across all levels.

A major milestone for Etco in 2024 was the roll-out of the ‘New Zealand Certificate in Electrical Trade (Level 4) with strands in General Electrical, and Electricity Supply’, also known as 4204. This new qualification represents a significant advancement in our educational offerings. It includes a successful pilot programme for virtual classroom and online hybrid delivery providing flexible learning options for our apprentices. The development of this qualification was a fantastic opportunity to engage with industry stakeholders, ensuring the course is modern, relevant, and engaging.

Another significant milestone for Etco in 2024 was the expansion of pre-trade opportunities for learners. This initiative was particularly crucial for those who faced challenges in securing apprenticeship placements, due to the slowdown in the construction industry. By broadening our pre-trade programmes, we ensured that these learners could still receive comprehensive training and develop the necessary skillsets. This proactive approach not only maintained the momentum of their education but also fully prepared them for future opportunities when the construction sector rebounds and demand for skilled workers increases. Our commitment to providing continuous learning and development opportunities has positioned our graduates to seamlessly transition into the workforce as the industry recovers and grows.

These achievements reflect Etco’s commitment to providing high-quality education and training, supporting the growth and development of New Zealand’s electrical industry. Our focus on innovation and integration has positioned us well for continued success in the years to come.

CASE STUDY:

HOW ETCO IS POSITIONING LEARNERS FOR SUCCESS

An electrical pre-trade course at Etco helped 21-year-old Christchurch resident Gary Mendoza leap into avionics.

Following his studies, Gary earned a spot in Air New Zealand’s Aeronautical Engineering Level 3 course – essential for aircraft maintenance engineering apprenticeships. With 150 applicants vying for 32 spots, Gary credits his Etco training for his success.

“Pre-trades gave me a solid stepping stone to make the jump into aviation engineering,” he says. “Not only did it give me the confidence to apply for the Air New Zealand programme, but it equipped me with the right skills and knowledge for them to say ‘yes!’”

Etco’s hands-on training, expert tutors, and industry ties build strong foundations for electrical careers. Gary found their approach invaluable.

“My tutor was so knowledgeable and he made going to school really fun. Etco’s way of teaching made everything click for me – they don’t just explain the technical stuff but they also show you how it’s applied in the real world. That’s when my love of engineering really started to grow.”

Now on the fast track to an avionics career, Gary is thrilled.

“I am so excited about the future now,” says Gary. “My dream is to work on the big planes or maybe somewhere like Rocket Lab. It’s pretty cool – and it all started at Etco. My journey proves that the right training and mindset can open doors you never expected.”

Etco Campus Delivery Manager – Christchurch, Nick Burrow, says Etco’s pre-trades programme can be a launchpad to many electrical opportunities.

“We’ve had pre-traders enter commercial and industrial roles in large companies like Fonterra, a large number specialise in residential housing, and others move into renewable energy areas such as solar, wind and hydro. Etco learners have also gone into data centres, to accommodate the world’s growing appetite for AI and data storage,” says Nick.

“New Zealand electricians are in hot demand anywhere in the world, so once they finish an apprenticeship the world is their oyster.”

Gary Mendoza
Avionics

ETCO’S 2024 BY THE NUMBERS:

5 facilities opened
or refurbished

14 total network
Etco sites nationwide

4,569
electrical apprentices
served in 2024

60%
of New Zealand’s total
electrical apprentices

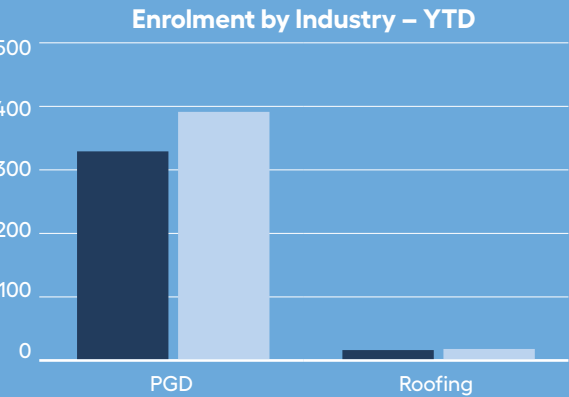
42
months to achieve the
New Zealand Certificate in
Electrical Trade (Level 4)

“I am so excited about the future now... my dream is to work on the big planes or maybe somewhere like Rocket Lab... it all started at Etco. My journey proves that the right training and mindset can open doors you never expected.”

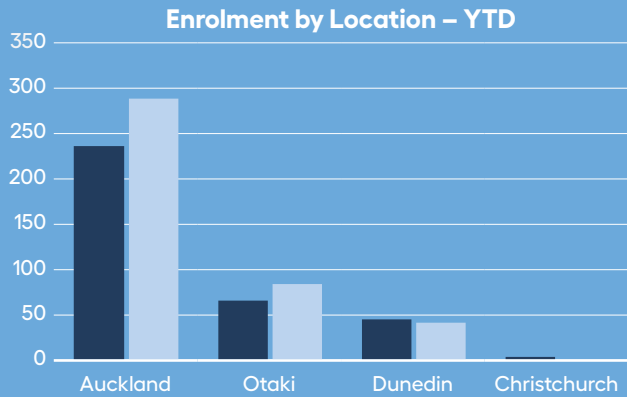




In 2024, ICE supported 1,037 apprentices. This puts its contribution at 20% of all New Zealand’s Plumbing, Gasfitting and Drainlaying (PGD) apprentices. Skills Group anticipates growing demand for skilled PGD workers and continues to invest in their training, with multiple new facilities launched in 2024 and an upcoming new plumbing qualification for 2025.



Graph shows enrolments in ICE’s programmes, split by industry.



Graph shows enrolment to January 2025 across ICE’s four locations. ICE entered Christchurch in October 2024 with the opening of its new facility.

● 2024 ● 2023



This year, E-tec became part of ICE, giving it access to state-of-the-art facilities and greater opportunity for innovation.

Skills Group expects E-tec’s short electrotechnology courses to continue to grow in popularity. In 2025, we will look to leverage this by launching new courses serving growing areas such as solar installation, and establishing E-tec’s presence in all major regions of New Zealand.



EMPOWERING LEARNER SUCCESS ACROSS SKILLS GROUP



“ Just as the tōtara stands tall with deep roots in whānau and community, we aim to surround our learners with a rich environment of connection, purpose, and support.”

In 2024, Skills Group took a transformative step by establishing a dedicated 10-person Learner Success Team within its vocational and specialist trades PTEs. This initiative reflects a bold and deliberate shift to place learner achievement at the heart of organisational practice – supporting not only academic outcomes, but holistic organisational and learner development.

As part of the wider Vocational Training and Higher Education team, the Learner Success Team plays a pivotal role in ensuring learners are equipped to succeed in both their educational journeys and their chosen careers. Their work spans several critical domains, including:

- Supporting personalised academic and wellbeing to individual learner needs
- Enhancing the capability and responsiveness of tutors through focused development initiatives
- Strengthening engagement and success of Māori and Pasifika communities to honour cultural identity and aspirations
- Providing targeted career guidance and employment support to help learners take confident steps into the workforce and enjoy a journey of life-long learning.

The Team’s ethos is the symbol of the native tōtara tree. This is a guiding metaphor that grounds their approach.

“Just as the tōtara stands tall with deep roots in whānau and community, we aim to surround our learners with a rich environment of connection, purpose, and support.”

This commitment is a strategic and cultural anchor for Skills Group. Learner success is not just a priority; it is our core business. With the Learner Success Team leading this charge, we are building a strong, inclusive foundation where every learner, regardless of background or learning context, is empowered to grow, achieve, and thrive.

VOCATIONAL TRAINING



Skills Group’s vocational programmes are delivered to learners through Skills Ignite, a Category 1 PTE. In 2024, Ignite served 8,718 learners, delivering practical courses covering:

- Business
- Cookery
- English Language and Computer skills
- Government
- Healthcare
- Hospitality
- Police and Defence Force prep
- Real Estate

Primary industries

After two years of research and industry engagement, Ignite has partnered with Growing Future Farmers to develop a new Level 4 NZ Certificate in Agriculture with an initial focus on sheep, beef, deer and wool. The programme combines seasonal farm-based training with online tools like Farm IQ, using an online mock farm and dataset.

Work-based learning improvements

Ignite’s work-based learners benefited in 2024 from a new delivery and learner support model we piloted. This boosted assessment submissions to over 90% and increased completions by 30%. The model fosters a sense of community through weekly online classes and trainer-hosted sessions, replicating a classroom-like atmosphere. We are now rolling this model out across all of Ignite’s work-based programmes.

Work-integrated bachelor degrees

Skills Group is developing three new work-integrated bachelor’s degrees in Business Leadership, Digital Technologies, and Culinary Arts, designed to create adaptable graduates ready for career growth. This work represents a strategic evolution of our educational offerings.

These programmes build on Skills’ existing strengths, address workforce needs, and align with New Zealand’s national priorities, while ensuring financial sustainability for Skills. By combining practical experience with theoretical knowledge, they offer a unique value in sectors facing skill shortages, attracting employers both in New Zealand and globally.

VOCATIONAL TRAINING

premier

Premier's Auckland and Lower Hutt campuses delivered hairdressing and nail technology courses in 2024.

In 2024, Premier launched a blended learning programme for Hairdressing Levels 3 and 4, supported by Hair and Barber NZ, offering industry learners more choice.

The programme combines face-to-face and online learning, Pivot Point resources, and strong pastoral care, receiving excellent feedback for its accessibility, support, and industry connections.



CONSULTANCY TRAINING

SKILLS GROUP

In 2024, our Skills Group consultancy continued to deliver high-quality research, insights, and consulting services that reinforced our position as New Zealand's pre-eminent vocational education organisation.

Despite market challenges and a strategic pivot away from our previous international consultancy model, we maintained strong client billings comparable to 2023 levels.

Our team successfully delivered key projects for prestigious clients including the University of Auckland, Rural Leaders NZ, Samoa Qualifications Authority, Toyota NZ, and both Centres of Vocational Excellence. Our thought leadership remained influential through multiple channels, including hosting a UK-NZ virtual study tour, leading a Germany-New Zealand Chamber of Commerce construction delegation, and securing reappointment as host organisation for the Global Apprenticeship Network in New Zealand.

Looking ahead to 2025, we are well-positioned to leverage our expertise in the changing Vocational Education and Training (VET) landscape, with our team already deeply engaged in the 2025 investment plan and professional degree-level research initiatives that will drive our continued growth and impact.

GAN NEW ZEALAND

Global Apprentice Network (GAN)

As part of our ongoing commitment to work-based learning, Skills Group hosts the Global Apprentice Network (GAN) network in New Zealand. We continue to seek ongoing opportunities to grow work-based learning locally, and in 2024 sent a delegation of leaders to research centres of excellence in the United Kingdom and Germany.

CORPORATE TRAINING HIGHLIGHTS



CORPORATE TRAINING HIGHLIGHTS

Skills Group's corporate training division began in 2024 as three separate brands – IMNZ, David Forman and SoftEd. By the end of the year, it had evolved into Skills Development Group (SkillsDG).

SkillsDG is an integrated PTE aimed at building business capability performance through short off-framework courses covering sales, business agility, business analysis, role-based AI, leadership and management. It was launched in September 2024.

The creation of SkillsDG was about consolidating Skills Group's existing brands into a coherent offering which made sense across every market. It has also strengthened the connection to Skills Group as a whole.

The Skills Group story resonates well with global partners, combining a strong and well-recognised history that spans over 30 years across the various brands that now make up SkillsDG. Now more closely aligned with Skills Group, it connects that story across our organisation. For our learners finishing their qualifications and certifications training with Skills, they now know that SkillsDG can support their ongoing lifelong learning through our comprehensive skills-based training courses.

SoftEd David Forman IMNZ SKILLS DX cdl insight consulting

SKILLS DEVELOPMENT GROUP



SKILLSDG BY THE NUMBERS:

\$8,100,000

Total Revenue (NZD)

7,700

Participants trained

+64

Learner NPS

Making SkillsDG happen

Prior to the establishment of SkillsDG, its course offering was spread across four separate websites: IMNZ, SoftEd, David Forman and the Skills Group website. Having four websites to maintain created operational cost and complexity, and also added confusion and limitations for our customers accessing our training products.

To make the shift to SkillsDG, work was undertaken to consolidate systems and align processes across the brands, teams and product offerings. This alignment improved efficiency and customer service.

Every aspect of the offering was aligned so we could show up as one consistent SkillsDG, leveraging products across all our markets. This has enabled us to look at our products into the future where we have one place where we can launch them and promote them to our audience across all our markets.

Product evolution

With Agile products reaching maturity level, product innovation has been a key focus in 2024. This included the strengthening of our AI training curriculum that was launched in late 2023, expanding our offering to eight courses now dedicated to AI training. Training revenue from AI courses increased from \$27K in 2023, to \$380K in 2024 as this new offering continues to grow.

Skills Group completed a comprehensive research project with help from the University of California, Los Angeles (UCLA) in 2024. This looked at opportunities for our leadership training programmes now available under SkillsDG globally (previously only offered in NZ under IMNZ brand). This research helped to identify an opportunity for Power Skills (also known as Soft Skills or Human Skills).

With the evolution of AI able to assist with a growing number of tasks, Skills Group and SkillsDG see Power Skills as becoming increasingly critical for individuals.

2024 has been a pivotal year with our systems, website, teams and product curriculums now aligned under SkillsDG. This now means that our customers can leverage a much wider range of our training courses here in New Zealand, as well as our global markets.

Looking ahead to 2025

Product evolution continues in 2025, as well as the need to widen our industry accreditation and affiliations. This includes the launch of Situational Leadership® in New Zealand and Australia, under partnership from the Centre of Leadership Studies in the US. This globally-recognised programme continues to strengthen our leadership curriculum, providing our customers with more options to build their teams' capabilities with SkillsDG in 2025.

PRODUCT DEVELOPMENT

Process improvements and collaboration anchored the delivery of 21 projects in 2024

We're achieving notable efficiency gains through the implementation of AI

For the Product Development team working across Skills Group's PTEs, 2024 was about planning ahead, improving processes and developing innovative programmes. The team prioritised strengthening cross-functional communication to build out smoother processes across the business.

Creating robust processes

Setting up the 2025 Product Development workplan was a key focus for 2024. This established a solid foundation for continued success, enabling the team to build robust collaborative relationships across Skills Group and improving the product launch process companywide. They have transformed from a reactive operational stance to a strategically proactive position underpinned by tight financial management.

Programme innovation was evident through solid progress on TEC strategic fund projects, the on-track completion of Real Estate Level 5, and the successful launch of the new Health Level 4 programme focused on mental health and addiction services.

The team also worked closely with Skills Ignite teams on developing primary industries training (see pg 23 for more detail) and established an exclusive relationship to bring international hairdressing platform Pivot Point to Skills Ignite. They collaborated with E-tec to licence a suite of industry leading solar training programmes.

Delivering with maximum efficiency

The Product Development team navigated a substantial workload while working within available budgets and resources. They simultaneously managed 21 projects aimed at designing and improving programmes, balancing innovation with their core deliverables.

Implementing Claude AI for assessment and content development has resulted in notable efficiency gains. With experienced team members, improved processes and innovative AI integrations already delivering results, the Product Development team is well-equipped to build on their success into 2025.

As the team continues to build on its achievements and address identified challenges, the outlook for 2025 remains promising, with opportunities to further enhance programme quality, improve learner outcomes, and strengthen Skills' market position.

SCHOLARSHIPS

MANAAKI & SHORT TERM SCHOLARSHIPS

In 2024, our **Short-Term Scholarships team** continued to demonstrate excellence in managing the Manaaki New Zealand Short-Term Training Scholarship (MNZSTTS) programme on behalf of Education New Zealand (ENZ) and the Ministry of Foreign Affairs and Trade (MFAT).

We processed over 700 applications and supported 624 scholars throughout the year. Many of the scholars came from diverse regions across the Pacific, South East Asia, Africa, Latin America, and the Caribbean, bringing with them valuable global perspectives to New Zealand's training providers and universities.

Our work with MNZSTTS embodies Skills Group's purpose of maximising human potential, with each scholar's journey reinforcing the transformative power of education. Behind the numbers are powerful human stories that remind us why this work matters.

One particularly moving example came from a 56-year-old midwife from Papua New Guinea who participated in the Public Health Management course at the University of Auckland's Public Policy Institute. During her completion ceremony speech, she shared with profound emotion that this opportunity represented the first formal training she had ever received in her decades-long career. Her experience not only enhanced her professional capabilities but ignited a passion for continued learning that she will carry back to her community.

Stories like hers highlight the ripple effect of our work – how supporting one individual's educational journey can strengthen healthcare systems and ultimately improve maternal care in communities. This exemplifies the dual impact of the MNZSTTS programme: developing individual potential while contributing to broader social and economic development in partner countries.

As we look toward 2025, the Short-Term Scholarships team remains committed to facilitating these transformative educational experiences while strengthening New Zealand's international relationships through the power of education diplomacy.

The **Skills Manaaki New Zealand Scholarship (MNZSP) Tertiary team** entered 2024 with a significant uplift to application numbers and changes to scholarship requirements. We have continued to deliver the programme above expectations on behalf of Education New Zealand (ENZ) and the Ministry of Foreign Affairs and Trade (MFAT) for applicants applying to study in New Zealand and the Pacific.

The Skills MNZSP Tertiary team responded to over 16,000 enquiries between 1 February and 29 February and screened 20,932 applications in March and April. Applicants applying for the programme can choose from a range of priority areas for their country, including **Climate Change, Renewable Energy, Disaster Management, Education, Law and Justice, Governance, Health, Economic Resilience, Infrastructure, Tourism, Food Safety and Agriculture, Information Communications and Technology and Peace and Security.**

After screening, over 1000 applicants were managed through the Skills DX assessment process, with assessments specifically designed to identify candidates that meet the ideal attributes of a Manaaki New Zealand scholar.

Throughout 2024 we facilitated over 800 interviews with applicants, in the process capturing applicants personal stories and aspirations for making change.

By close of 2024, and as testament to the delivery excellence achieved throughout 2024, the Skills MNZSP Tertiary team were invited to manage a further increase to country scholarship allocations to process for 2025.

Through the Manaaki New Zealand Short Term Training Scholarship programme, Skills Group assists scholars from all over the globe to access New Zealand tertiary programmes.



Cambodia, Lao PDR, Myanmar, Viet Nam, Indonesia, Philippines, Timor-Leste, Brunei/Singapore, Malaysia, Thailand, Samoa, Tonga, Niue, Tokelau, Tuvalu, Kiribati, North Pacific, Nauru, Fiji, Vanuatu, Solomon Islands, Papua New Guinea, Cook Islands, French Pacific, Egypt, Tunisia, Algeria, Botswana, Lesotho, Malawi, Mauritius, Namibia, South Africa, Tanzania, Zambia, Zimbabwe, Ethiopia, Ghana, Kenya, Nigeria, Rwanda, Uganda, Comoros, Djibouti, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, St Lucia, St Vincent and the Grenadines, Suriname, Argentina, Paraguay, Colombia, Ecuador, Brazil, Mexico, Guatemala, El Salvador, Nicaragua, Costa Rica, Panama, Cuba, Dominican Republic, Bolivia, Peru, Nepal, Mongolia, Jordan, Sri Lanka, India, Pakistan, Bangladesh, The Maldives, Federated States of Micronesia, Palau, Royal Marshall Islands

The Skills MNZSP Tertiary team responded to over 16,000 enquiries between 1 February and 29 February and screened 20,932 applications in March and April.



18 scholarship partners

Education New Zealand (ENZ)	Auckland University of Technology
Ministry of Foreign Affairs and Trade (MFAT) (Head office and overseas Embassies and High Commissions)	Unitec
University of Auckland Public Policy Institute	Waikato University
University of Auckland Geothermal Institute	Waikato Institute of Technology
University of Auckland's English Language Academy	Victoria University of Wellington
Massey University	Canterbury University
Wellington UniProfessionals	Lincoln University
Talent	Otago University
Auckland University	Southern Institute of Technology

Instep EAP is part of Skills Group's Corporate Training division. As an Employee Assistance Programme (EAP), Instep connects employees from partner organisations with high-quality support covering a wide range of personal and professional issues, from work stress to budgeting troubles.

INSTEP OFFERS

682

practitioners across

81

locations nationwide

Greater support with more satisfaction

During FY24, Instep supported 9,500 people, an 8% increase year-on-year. A key focal point throughout the year was additional training for case managers to quickly and accurately identify stressors for new clients, so they can make the best practitioner match possible. The success of this initiative is being seen through a rise in ongoing session completions, with fewer clients dropping off or switching practitioners after one session.

"The strongest indicator of success in therapy is the therapeutic relationship between the client and therapist."

"We are really focused on having our case managers form a really strong but really quick relationship with our clients to get to the nub of the issue that they're calling about."

Instep achieved consistently excellent customer satisfaction results throughout 2024, with over 90% of service users indicating they were very satisfied. This is especially noteworthy given that Instep's service users tend to be highly stressed at the point of making contact.

Helping clients navigate troubled times

This year has seen a continued trend of escalating client distress at presentation and complexity of cases. The present economic environment and resultant job insecurity are key drivers, coupled with general change fatigue from ongoing global instability. Work stress has consistently topped the key reasons for client approaches in 2024.

Instep invested in adding extra services for clients and improving its offering during 2024. We refreshed the website with updated content in the resources and how-to sections. This also included adding the capability of live chat for our clients.

Additionally, we launched a new service focusing on Rongoā Māori (traditional Māori healing). Offered for clients of any ethnic background, this service can include herbal remedies, physical therapies and spiritual healing. Instep is excited to add Rongoā Māori to our diverse offering, and clients have reported their satisfaction with it.

"The process in connecting with Instep is simple. There are no initial hard questions to answer, the timing is suitable and appropriate with flexibility to change if things change."

"I am so grateful for the support I received from Instep. The sessions have made a huge difference in my life. I feel more confident and capable of handling my stress. Thank you for this amazing service!"

"Instep provided me with exceptional services at a time when I had the greatest need. I'm not sure what I would have done had I not had access to Instep EAP Services."

"The Instep EAP services have helped me immensely to consider and manage my emotions for a more fulfilling and happy life."

"Instep matched me with a great practitioner very quickly. A great range of questions were asked so that the right treatment could be given to me."



FOUNDATION

In 2023 we reassessed the portfolio of assets and examined what was the best mix of investments required to provide a healthy sustainable return for the Foundation, as well as meeting Skills' charitable purpose. This saw us shift the investment focus to a commercial property portfolio, because the expected returns, income and growth, were more aligned to the return needs of the Foundation. It also had the added strategic benefit of supporting the growth and sustainability of Skills.

2024 saw the continued implementation of this strategic investment direction. During the year, we completed investment in the Dunedin property site, which is performing from an investment perspective. We also continued work on the development of the Hamilton site and, since balance date, also secured the adjacent property. This development represents a further significant investment and will provide a high-quality campus for our Hamilton-based students. The development of the enlarged site will occur over 2025 and 2026.

2024 was a successful year from an investment return perspective, with total returns being \$1.8M. At the start of the year, the financial market uncertainty centred around the potential changes to the political landscape, as over half of the world's population were scheduled to have elections with the most significant one being in the US. Closer to home, the recession still dominated the outlook for the financial markets. As the outcomes of the elections became known, that uncertainty left the markets. New Zealand also got through its recession. As a result, investors, like the Foundation, captured the financial returns available and had positive outcomes for the year. The Foundation also benefitted from its strategy to have a core property portfolio. While 2024

was successful, uncertainty rarely leaves the investment markets, with the early part of 2025 dominated by the unknowns of the US imposed tariffs and the potential for a trade war. The Foundation's investment policies are designed to manage the risks associated with such uncertainty and ensure that a sustainable level of grants can be made to Skills' members and the Skills Group.

During the year, we provided \$830k in grants. This was in line with the grants budget, as previously communicated, and the strategic plan. This amount represents the sustainable level of grants, given the level of assets within the Foundation, and the goal being to maintain this level in real terms over time.

2024 also saw the Foundation move to a grant application process split over two rounds. This saw the first round for 2025 grants being considered and announced in November 2024, with the second round in May 2025. Together, we can better prepare New Zealanders for meaningful careers and strengthen the industries represented by The Skills Organisation.

Michael Chamberlain,
Foundation Chair

FINANCIAL OVERVIEW – 2024 IN REVIEW

The 2024 financial year represents a significant milestone in Skills Group's transformation journey. After a challenging 2023, we have returned to surplus while continuing to invest in our future-focused strategy. This positions us well for sustainable growth as we continue into year three of our transformation in 2025.

As outlined by our Chair and CEO, we've made substantial progress in our transition from an ITO to a PTE, with a renewed focus on operational excellence that has directly improved our financial results.

Financial Performance

Our Group achieved a surplus of \$225,000 in 2024, a great improvement from the \$4.1 million deficit in 2023. With positive market movements in our investment portfolio, our total comprehensive revenue and expenses increased to \$1.6 million, reflecting our strengthened financial position.

The improved financial performance enables us to increase our impact across the 27 industries we serve, benefiting individual learners, employers, and the wider New Zealand economy. By balancing financial discipline with strategic investments, we're ensuring more New Zealanders can access high-quality vocational training that enhances their employment opportunities.

Investing in Our Future

In line with our 'Inspirational Environment' strategic imperative,

we invested \$15.5 million in industry-leading facilities across New Zealand in 2024. This included:

- Completing new multi-trades facilities in Christchurch and Dunedin
- Enhancing our Plumbing campus in East Tamaki, Auckland
- Making significant progress on our Highbrook, Auckland Electrical campus.

These investments are already creating inspirational learning environments for our 15,304 learners while improving operational efficiency through co-located services.

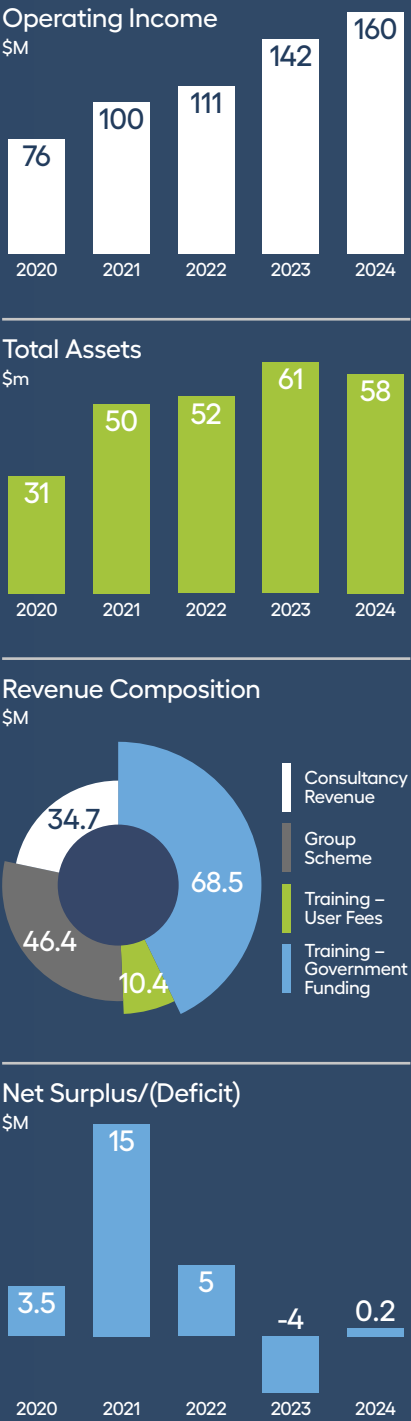
Looking forward

We enter 2025 with confidence in our financial sustainability as we continue our transformation, our financial strategy will balance continued investment in growth with prudent financial management. We have planned for approximately \$13 million of capital expenditure, focusing on:

- Completing the Highbrook campus
- Developing trades training facilities in Hamilton and Wellington
- Enhancing existing facilities through technology and equipment upgrades.

These investments will be funded through a combination of operating cash flow and strategic financing to maintain a healthy balance sheet.

Scott Bitchener, Chief Financial Officer





FINANCIALS

Financial Statements For the Year Ended 31 December 2024

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Reporting Entities

The financial statements represent the consolidation of the Skills Organisation Incorporated ('Skills') and its controlled entities (collectively the 'Group') (refer Note 1).

The Group continues to offer a range of solutions to customers (locally and internationally), providing specialist technical training, leadership, management, sales and agile courses, developing learning technology and support solutions to stakeholders and customers in vocational education, providing capability in management services, outplacement services and the wellness sector, agile consulting services and niche consulting services. In addition to this in 2023, we have added capability with the provision of electrical apprentices and delivery of apprenticeships in the electrical sector.

The Group has made a number of judgements in preparing its service performance information. The judgements to determine the grouping of measures was around the business offering, recognising that the different entities offerings have measurements that are unique to their type of delivery.

The measurement basis, basis of preparation and other significant accounting policies (including judgements and estimates) disclosed in the notes to the consolidated financial statements presented on page 42 to 47 have been consistently applied in preparing the Group's service performance information where appropriate. We have included the material entities of the Group within the Statement of Service Performance, including The Skills Organisation Incorporated, Ignite Colleges Limited, Industry Connection for Excellence Limited, Skills Group Employment Limited, and Skills Consulting Group Limited.

Why we exist

The Skills Organisation Incorporated (Group) is a charitable Group with its primary purpose to focus on advancing vocational education and training to raise skills levels in New Zealand.

Our charitable activities directly benefit:

- Individuals who receive vocational education and training, gaining skills that enhance their employment opportunities and career advancement
- Employers who benefit from a more skilled workforce, addressing critical skills shortages in key industries
- New Zealand society through increased economic productivity and social wellbeing resulting from a more skilled population

Our vision is to be a global leader in maximising human potential through training and development, with a mission to build talent that drives personal, organisational, and industry success. This vision and mission are supported by our 2023-2025 Strategic Plan, which focuses on five key areas:

- Customer Centric: We put the learner and customer at the heart of everything we do
- People and Performance: Our people achieve their best at Skills because they feel recognised, valued and developed
- Stakeholder Engagement: We engage with Members and key partners building transparency, trust and mutual respect
- Operational Excellence: We are easy to do business with because our processes and systems are efficient, effective, compliant and scalable
- Sustainable Growth: Our growth will be targeted to key markets with scalable and repeatable business to achieve ROI

These strategic focus areas are designed to help us transition towards our longer-term 2025 vision built around four strategic imperatives: Enabling Life-Long Learning, Digital-Driven Business, Inspirational Environment, and Diversification of Revenue and continuing the drive to achieve our charitable objectives.

About the Skills Group

The Skills Group, established in 1992 as an Incorporated Society, is one of the largest training organisations in New Zealand with over 30 years of experience. As a registered charity, its surpluses are applied to the furtherance of its charitable purposes. Skills' vision is to be a global leader in maximising human potential.

The Group generates revenue by delivering training through two Private Training Establishments (PTEs) that are NZQA registered and provide funded training programmes from the Tertiary Education Commission that also includes user fees:

Industry Connection for Excellence Limited (ICE), includes brands The Electrical Training Company Limited (Etco) and E-tec. ICE offers training in plumbing, gasfitting, drainlaying, roofing, and electrical.

Ignite Colleges Limited, includes brands Ignite Colleges and Premier Institute of Education. Ignite Colleges Limited offers training in various sectors including healthcare, business, hospitality, and more.

The Group also generates revenue through:

- Skills Consulting Group Limited on a user pays basis through corporate training and consulting business that helps companies and organisations upskill through tailored training and an international business that offers training and consulting services globally and attracts international students to New Zealand; and
- Skills Group Employment Limited that generates revenue by outsourcing employees to electrical firms for their work-based study to give greater flexibility to the employee through access to varied experience.

The Skills Organisation Incorporated is the parent entity and is governed by a Board of Directors and comprises 18 Member organisations representing various industries.

The Skills Group Foundation, a controlled entity within the Group exists to service the charitable distributions in line with Skills' charitable purposes whilst maintaining a capital base for the Group to invest over the long-term. The entity is a charitable trust and is governed by a board.

How We Performed in 2024

We have based the following performance measures on entity-level measures that highlight the relevance for the entity users during the period.

ICE (Includes brands Etco, ICE, E-tec)

ICE acquired The Electrical Training Company Limited on 31 March 2023, a registered private training establishment and group employment scheme. On 30 November 2023, ICE sold the Group Employment Scheme to a newly created entity Skills Group Employment Limited. This was done to segregate the separate business activities between the entities. On 1 December 2023, The Electrical Training Company Limited amalgamated into Industry Connection for Excellence Limited as a single operating Private Training Establishment entity. Then on 1 January 2025, Industry Connection Excellence Limited was amalgamated with Ignite Colleges Limited and renamed toSkills Group Training Limited

In this business we look to exceed delivery in key performance metrics to highlight outputs for a future-fit workforce that leads to industry success. There are key measures that were developed by the Tertiary Education Commission known as educational performance indicators that give a good view of these outputs where a target is put in place. They are course completion that focus on provider-based delivery and credit completion rate that focuses on work based learning. EER rating has been removed from the prior year, as with the entity shift, it has never been evaluated.

A summary of these ratings is noted below.

Measure	2024	Target	2023
Course completion rate	80%	76%	77%
Credit completion rate	62%	60%	59%

Statement of Service Performance
For the Year Ended 31 December 2024

ICE exceeded both targets in 2024, demonstrating improved educational outcomes for learners. The course completion rate improved from 77% to 80%, exceeding our target by 4 percentage points (prior year target: 70%). The credit completion rate for work-based learning also improved from 59% to 62%, exceeding our target by 2 percentage points (prior year target: 53.2%). These improvements indicate stronger learner engagement and more effective training delivery methods, compared to the previous year.

Ignite Colleges Limited (Includes brands Ignite, Premier)

Ignite Colleges Limited merged with Premier Institute of Education Limited on 1 October 2023 to join as one private training establishment. Then on 1 January 2025, Ignite Colleges Limited was amalgamated with Industry Connection for Excellence Limited and renamed to Skills Group Training Limited.

In this business, we look to exceed delivery in key performance metrics to highlight outputs for a future-fit workforce that leads to industry success. There are key measures that were developed by the Tertiary Education Commission known as educational performance indicators that give a good view of these outputs where a target is put in place. They are course completions that focus on provider based delivery and credit completion rate that focuses on work based learning.

The external evaluation rating shows the quality of organisation in a metric developed by New Zealand Qualifications Authority (NZQA). This rating has a scale from 1 to 4, where a rating of 1 means highly confident organisation.

A summary of these ratings is noted below.

Measure	2024	Target	2023
Course completion rate	81%	60%	89%
Credit completion rate	57%	60%	60%
EER	1	1	1

Ignite Colleges Limited maintained its Category 1 rating (highest quality) from NZQA in 2024 with no EER taking place. While the course completion rate of 81% exceeded our target of 60%, it represented a decrease from the exceptional 89% rate achieved in 2023. This decrease was anticipated following the amalgamated with Premier Institute and reflects a normalisation period, as systems are integrated. The credit completion rate of 57% was slightly below our 60% target. We have identified targeted improvements to address this in 2025.

Skills Consulting Group

There are commercial elements to the Group that include having a focus on generating a financial surplus to support the charitable purposes of the Group, as well as driving educational outcomes to support maximizing human potential. The focus in 2024 has been on growing the business and, therefore, the target to reflect this was a shift from prior year to be the increase of revenue on the prior year.

Measure	2024	Target	2023
Consultancy revenue growth	9%	>0%	42%

Skills Consulting Group achieved a 9% growth in revenue, continuing the positive trajectory, albeit at a more sustainable rate, after last year’s exceptional 42% growth. This performance was moderated by weakening market conditions making it a tougher year for some areas then in 2023.

The Skills Group Foundation

Key measures for performance are:

- the spend of distributions in line with budget;
- the sustainability of grant distributions relative to earnings. The target for grants distributed as a percentage of average revenue returns is to achieve distributions at less than 100%, which indicates that grants are self-funding within the year compared to the investment returns made; and
- the increase on net assets for the year against the prior year to highlight a stable capital base.

Measure	2024	Target	2023
Distribution of grants	\$830,000	\$900,000	\$1,325,000
Grants distributed as a % of average revenue returns	94%	<100%	129%
Total net assets growth	3.5%	>0%	3.7%

Our key performance measures focus on financial sustainability and impact. In 2024, our grant distributions as a percentage of average revenue returns were 94%, successfully meeting our target of less than a 100% ratio. This represents significant progress from 2023’s ratio of 129%, indicating we have achieved our goal of ensuring long-term sustainability of our grant-making activities.

In 2024, the Foundation’s net assets increased by 3.5%, from \$25,191,000 to \$26,070,000, demonstrating sound stewardship of the Foundation’s resources and progress toward building a sustainable capital base to support 2025 grant-making.

The grants distributed in 2024 totalled \$830,000, which was within our budgeted amount of \$900,000. These grants have enabled significant vocational education initiatives across the industries represented by The Skills Organisation and its members.

Looking Ahead: Strategic Development

As we implement our “Skills 2030” vision, our focus is on four key strategic imperatives:

- Enabling Life-Long Learning: Building comprehensive educational pathways from school transition through professional development in our chosen growth sectors.
- Digital-Driven Business: Transforming our information systems into strategic assets that provide real-time insights, enhance customer experiences, and drive operational efficiencies.
- Inspirational Environment: Creating physical and learning spaces where both staff and students thrive, supported by our “dream team” of industry experts.
- Diversification of Revenue: Growing domestic and international training and education, and developing innovative revenue streams through professional degrees.

These imperatives will be delivered through six strategic pillars: Learner & Customer Success, Product and Brand Relevance & Innovation, Trusted Partnerships, Operational Excellence, Talent & Engagement, and Financial Success — all working together to position Skills Group as a global leader in transforming lives through training and development.

Summary Consolidated Statement of Comprehensive Revenue and Expenses
For the Year Ended 31 December 2024

	2024 \$'000	2023 \$'000
Revenue		
Revenue from Exchange Transactions		
Training – Government Funding	68,466	56,775
Training – User Fees	10,438	9,829
Group Scheme	46,393	45,506
Consultancy Revenue	34,674	29,669
Total Revenue	159,971	141,779
Expenses		
Staff Employment	58,650	54,297
Training Delivery	10,423	9,129
Group Scheme Employment	39,894	39,035
Consultancy Expenses	19,041	14,032
Property	9,599	8,262
Technology	6,369	5,291
Depreciation & Amortisation	5,328	4,709
Other Expenses	10,442	11,150
Total Expenses	159,746	145,901
Surplus/(deficit) for the Year	225	(4,122)
Other Comprehensive Revenue and Expense		
Net Change in Fair Value on Financial Assets	1,411	1,873
Total Other Comprehensive Revenue and Expense	1,411	1,873
Total Comprehensive Revenue and Expense for the Year	1,636	(2,249)

Summary Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2024

	2024 \$'000	2023 \$'000
Opening Equity	36,900	39,217
Comprehensive Revenue and Expense		
Surplus for the Year	225	(4,122)
Other Comprehensive Revenue and Expense	1,411	1,877
Total Comprehensive Revenue and Expense for the Year	1,636	(2,249)
Changes in Ownership Interests		
Acquisition of Industry Connection for Excellence Limited without a change in control	(4,900)	-
Total Changes in Ownership Interests	(4,900)	-
Foreign subsidiary translation	260	(68)
Closing Equity	33,896	36,900
Represented By:		
Retained Earnings	31,853	32,395
Available For Sale Reserve	1,870	4,592
Foreign Currency Translation Reserve	173	(87)
Closing Equity	33,896	36,900

Summary Consolidated Statement of Financial Position
As at 31 December 2024

	2024 \$'000	2023 \$'000
ASSETS		
Current Assets		
Cash and Cash Equivalents	5,131	7,093
Receivables	6,790	9,822
Investments at Fair Value	-	7,721
Total Current Assets	11,921	24,636
Non Current Assets	46,070	35,985
Total Assets	57,991	60,621
LIABILITIES		
Current Liabilities		
Payables	8,921	9,360
Revenue in Advance	4,032	6,806
Employee Entitlements	6,642	7,338
Loans and Borrowings	-	217
Total Current Liabilities	19,595	23,721
Non Current Liabilities	4,500	-
Total Liabilities	24,095	23,721
Net Assets	33,896	36,900
Equity		
Retained Earnings	31,853	32,395
Available for Sale Reserve	1,870	4,592
Foreign Currency Translation Reserve	173	(87)
Total Equity	33,896	36,900

For and on behalf of the Board who authorise the issue of these summary financial statement on 21 May 2025.



Chair



Chief Executive

Summary Consolidated Statement of Cash Flows
For the Year Ended 31 December 2024

	2024 \$'000	2023 \$'000
Net Inflow From Operating Activities	4,950	3,397
Net Outflow From Investing Activities	(6,670)	(2,550)
Net Inflow From Financing Activities	(242)	217
Net Increase/(Decrease) In Cash Held	(1,962)	1,064
Cash & Cash Equivalents at beginning of the Year	7,093	6,029
Cash & Cash Equivalents at end of the Year	5,131	7,093

Corporate Information

The summary consolidated financial statements of The Skills Organisation Incorporated (Skills) and its subsidiaries (collectively the Group) were authorised for issue by the Board on 21 May 2025.

Measurement Basis

The functional currency is New Zealand dollars and the summary consolidated financial statements are presented in New Zealand dollars. All values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated. The summary consolidated financial statements have been prepared on a historical cost basis, except for available for sale financial assets measured at fair value.

The Group has prepared the full consolidated financial statements on the basis that it will continue to operate as a going concern.

In confirming that the going concern assumption remains appropriate the Directors have considered the Group's financial reserves and forecasts for the ensuing year and that there is sufficient cash to meet liabilities as they fall due.

Basis of Preparation

The summary financial report has been prepared in accordance with PBE FRS 43 – Summary Financial Statements and have been extracted from the audited full consolidated financial statements and statement of service performance ("full financial report"). The full financial report has been prepared in accordance with generally accepted accounting practice in New Zealand and the requirements of the Charities Act 2005. The full financial report complies with PBE Accounting Standards. The full financial report includes an explicit and unreserved statement of compliance with PBE Accounting Standards. Presentation of certain prior year comparatives have been restated to conform to current year presentation.

Basis of Consolidation

Controlled entities are entities ultimately controlled by the Parent (Skills). Control exists when Skills has the power direct the relevant activities of any entity, Skills is exposed to variable benefits from its involvement with these entities and Skills has the ability to affect the nature or amount of those benefits through its power over these entities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial position, performance and cash flows of controlled entities are included in the summary consolidated financial statements from the date that control commences until the date that control ceases.

Intercompany transactions and balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

Dividends and other distributions from controlled entities are eliminated upon consolidation of the entities.

The full financial report were authorised for issue by the Board on 28 May 2025. The full financial report has been audited and an unqualified opinion has been issued.

This summary financial report cannot be expected to provide as complete an understanding as provided by the full consolidated financial statements. The full financial report is available on request from The Skills Organisation Incorporated.

Acquisition

Industry Connection for Excellence Limited

On 14 November 2024, Skills acquired the partner shares in Industry Connection for Excellence Limited (ICE). This acquisition will be recognised as a decrease in the equity attributable to owners of the Group. The fair value of the assets acquired has been determined based on the consideration transferred, which reflects the strategic importance of the investment.

This strategic investment will enable the Group to fully implement the One EDUMIS project, a key strategic initiative aimed at centralising the management of all training activities. The One EDUMIS project is expected to simplify administrative processes and reduce compliance costs, thereby enhancing the overall efficiency and effectiveness of the Group's operations.

The Group believes that this investment will provide significant long-term benefits and support the achievement of its strategic objectives.

The purchase consideration was \$4,900,000. An initial payment of \$400,000 was made in cash, with the remaining balance payable in instalments.

Events After Balance Date

On 1 January 2025, Ignite Colleges Limited was renamed Skills Group Training Limited. Industry Connection for Excellence Limited was amalgamated into Skills Group Training Limited on 1 January 2025.

On 10 February, Skills Group Foundation entered into an agreement to purchase Land & Buildings with the intention to construct a training campus to service the Waikato region. The purchase consideration of \$1,400,000 was paid by the settlement date of 10 March 2025.

Other than the above there have been no events or transactions subsequent to balance date that have been deemed to potentially have a material impact on these financial statements.

Independent Auditor's Report on the Summary Consolidated Financial Report

To the Members of The Skills Organisation Incorporated

Opinion

The summary consolidated financial report ('summary consolidated financial report') of The Skills Organisation Incorporated (the 'Entity') and its subsidiaries (the 'Group') comprises the summary consolidated financial statements on pages 42 to 47 and the consolidated statement of service performance on pages 38 to 41. The complete set of summary consolidated financial statements comprises the summary consolidated statement of financial position as at 31 December 2024, and the summary consolidated statement of comprehensive revenue and expense, summary consolidated statement of changes in equity and summary consolidated cash flow statement for the year then ended, and related notes. The summary consolidated financial report is derived from the audited consolidated financial statements of the Group for the year ended 31 December 2024. In our opinion, the accompanying summary consolidated financial report on pages 42 to 47, is consistent, in all material respects, with the audited consolidated financial report in accordance with PBE FRS 43: *Summary Financial Statements* issued by the New Zealand Accounting Standards Board.

Summary consolidated financial report

The summary consolidated financial report does not contain all the disclosures required by Public Benefit Entity Standards. Reading the summary consolidated financial report and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial report and the auditor's report.

The audited consolidated financial report and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial report in our report dated 21 May 2025.

The Directors are responsible on behalf of the group for the other information. The other information comprises the information in the Annual Report that accompanies the summary consolidated financial report and the audit report.

Other information

Our opinion on the summary consolidated financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information obtained prior to the date of our audit report, and consider whether it is materially inconsistent with the summary consolidated financial

report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

Directors responsibilities for the summary consolidated financial report

The Directors are responsible on behalf of the Group for the preparation of the summary consolidated financial report in accordance with PBE FRS 43: *Summary Financial Statements*.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the summary consolidated financial report is consistent, in all material respects, with the audited consolidated financial report based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) ('ISA (NZ)') 810 (Revised): *Engagements to Report on Summary Financial Statements*.

Other than in our capacity as auditor, our firm carries out other assignments for the entity in the area of ancillary services. We have no other relationship with, or interest in, the Entity or any of its subsidiaries. These services have not impaired our independence as auditor of the Entity and Group.

Restriction on use

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

Deloitte Limited

Auckland, New Zealand
21 May 2025

This audit report relates to the summary consolidated financial report of The Skills Organisation Incorporated (the 'Entity') and its subsidiaries (the 'Group') for the year ended 31 December 2024 included on the entity's website. The Directors are responsible for the maintenance and integrity of the Entity's website. We have not been engaged to report on the integrity of the Entity's website. We accept no responsibility for any changes that may have occurred to the summary consolidated financial report since they were initially presented on the website. The audit report refers only to the summary consolidated financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the summary consolidated financial report. If readers of this report are concerned with the inherent risks arising from electronic data communication, they should refer to the published hard copy of the summary consolidated financial report and related audit report dated 21 May 2025 to confirm the information included in the summary consolidated financial report presented on this website.



OUR BOARD

Guiding peoples' careers that are as unique as they are



Tim Gibson
Chair

Tim has over 20 years' experience as a CEO and Senior Executive in New Zealand, the UK and Japan. He has particular strengths in exporting and international business, organisation design and performance, strategy development and implementation, and stakeholder and government relations.

Tim's career spans roles in the New Zealand Dairy Industry, in New Zealand, Asia and Europe. He was also the inaugural CEO of NZ Trade and Enterprise. Tim is Managing Director of Tūhana Consulting Limited, which offers advisory services in Asia, Africa and the Pacific on economic development, dairy sector development, and landowner issues.

Tim is currently Chair of Port Otago and a director with Livestock Improvement Corporation.



Bridget O'Shannessey
Deputy Chair

Bridget is a highly experienced Human Resource practitioner both nationally and internationally. She's worked with many leaders, leadership teams, company boards and remuneration committees in both the public and private sectors spanning a diverse range of industries, including manufacturing, finance and technology.



Craig O'Connell
Board Director
(Member Elected)

For over 40 years, Craig has worked with many boards consulting on strategy, recruitment and organisational development projects through RAP Consulting.

He is an experienced director working with medium to large organisations in the private, public and not-for-profit sectors. He has served extensively on the board of Master Electricians and the Plumbers, Gasfitters, and Drainlayers Board.



Cassandra Crowley
Independent Advisor & Director

A Barrister & Solicitor and Chartered Accountant, Cassandra's corporate and governance career has seen her work across a number of sectors including tourism, financial services, agriculture, retail, government, IT, horticulture, education, membership organisations, private equity, iwi and international trade. Cassandra chairs the Skills Group Audit & Risk Committee.



Kevin Best
Independent Director

Kevin was a Partner at PricewaterhouseCoopers for a substantial part of his executive career where he held a number of leadership roles. He has worked with a broad range of industries both in New Zealand and globally, and has extensive commercial and financial experience. He is a professional director with a number of Governance roles and is the Chair of two private companies.

Kevin is a keen boatie and part of the leadership group of the Outboard Boating Club of Auckland which, as well as supporting safe boating, has a strong community and environmental focus.



Rod De Spong
Chief Operating Officer,
Douglas Pharmaceuticals Ltd

Rod is the Chief Operating Officer of Douglas Pharmaceuticals Limited. Starting out as a plumber and gasfitter, Rod retrained after gaining his Craftsman Licenses. He has gone on to hold a number of varied roles including VP for Corporate Development for Raffles Holdings Ltd and Finance Director for both ARC and Ernst & Young.

Rod is a member of the Finance and Audit Committee and a past Deputy Chair of the Skills Organisation.



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