



New Zealand Catholic Education Office Limited
Te Tari Mātauranga Katorika o Aotearoa

Annual Report 2014

2020 BEACON PLAN GOALS

- Quality, effective leadership of schools.
- Equity, quality and excellence in educational outcomes for each student.
- A Catholic population which is knowledgeable about its Faith and supportive of its schools.
- Well-qualified teachers in Catholic schools, especially in the areas of religious education and the Special Character dimension of the school.
- Strong partnership between parish(es) and school(s) to support the revitalisation of the Church's mission in the world.
- Practical commitment to achieving positive bicultural relationships with Māori, and practical commitment to developing a resilient multicultural society.
- Dynamic graduates from our schools who are committed to promoting the Good News in its various dimensions, with emphasis on evangelisation, service, community and social justice.
- A national system of schools which is proactive, and which positively interacts with Government, its agencies and with wider national networks.
- Commitment to the long-term progress and development of the economically and socially disadvantaged.
- Commitment to our ecological vocation to care for the earth for the good of all.

Adopted 1998

Revised 2006 Edition

2014

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REPORT TO THE ANNUAL MEETING OF THE NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED FROM THE CHIEF EXECUTIVE OFFICER TO BE HELD ON 12 MAY 2015

INTRODUCTION

The New Zealand Catholic Education Office (NZCEO) was first set up as the National Catholic Education Agency Office by the New Zealand Catholic Bishops Conference (NZCBC) in 1976. 2014 marked its tenth year as a legal entity owned by all the Proprietors of Catholic Integrated Schools in New Zealand. Internationally, our school governance system is unique in several respects.

It is important that the unity and solidarity of the national Catholic schools' common good be maintained and developed, since this is our wonderful strength when compared with other international jurisdictions. Certainly, during 2014 there was very clear evidence that by working together benefits can be spread over every member, particularly when the unexpected comes along to challenge us.

THE CATHOLIC EDUCATION OF SCHOOL-AGE CHILDREN

The NZCBC document *The Catholic Education of School-Age Children* has been well received. The document has been strongly promoted through the Office's publications and on-line systems.

The publication originated in part from a joint meeting in 2012 of the NZCBC, the NZCEO Board, and the General Managers of each diocese. During 2015 the Board of NZCEO will work with the Office staff in creating the NZCEO 2016–2018 Strategic Plan, where several themes in the Bishops' document will form part of the Strategic Plan.

CHANGING FACE OF NEW ZEALAND'S CATHOLIC SCHOOLS

The Ministry of Education's 1 July Student Ethnic Statistics have in the last few years revealed an inexorably changing pattern of student ethnicities in our schools. This is being experienced dramatically in our larger urban areas and in regional pockets around the country. The 2014 statistics are no exception.

Pacific Island students now make up well over twenty-five per cent of our schools' population, a figure that is double that of the wider State school sector. This group is the fastest growing demographic in the nation.

Asian people who have settled here in great numbers over the past twenty years (Filipinos, Indians, Koreans), plus those from Africa and the Middle East, are also very evident in our school population. Not only are more people migrating to New Zealand from Asia, but their birth rate is also relatively high.

NATIONAL STUDENT NUMBERS AND QUALITY EDUCATION

Fortunately, the numbers of our students have held up well, despite the global financial crisis and the national student demographic downturn. In many ways it is the surge of migrants which has kept our numbers moving forward.

The other plus we have is that our schools are publicly seen as places of quality education. Our Catholic brand, which is built on our Catholic religious culture, is seen by parents as a real point of difference in the education spectrum. Long may this continue to be strengthened and delivered.

UPSKILLING OUR EDUCATORS

It is encouraging to see the Catholic Institute (TCI) and its subsidiary the National Centre for Religious Studies making a concerted effort to ensure that greater numbers of teachers in Catholic schools have the necessary qualifications, especially in the area of Religious Education teaching. There is a positive ongoing interaction between NZCEO and TCI. Clearly, raising expectations and understanding among all of our teachers as to what it means to be a teacher in a Catholic school is vital, if we are to be unabashedly Catholic in what we deliver to our students.

The NZCEO Board and its Shareholders have continued to identify and guide senior and middle management teachers in preparing themselves for senior leadership roles through the Prospective Principals courses. A 2014 initiative by the Board to support a specific programme run by the Society of Mary under the leadership of Father Mark Walls SM to initiate senior school

managers into the intricacies associated with the Special Character dimensions of our schools will be a valuable development. The first of these courses will commence in 2016.

RELATIONSHIP WITH GOVERNMENT – QUANTITY FUNDING

The re-election of the Government in September 2014 and the subsequent reappointment of the Minister of Education, the Honourable Hekia Parata, made it easier for the Office to strengthen its relationship with the Government. This has been important in negotiating the Quantity Funding issue, which has been ongoing for seven years.

It is pleasing to report that the Minister of Education in a letter delivered just prior to the Election, agreed in principle to Proprietors' plea that they be treated in the same way as other State schools are treated when curriculum changes require additional capital expenditure.

It is hoped that by the time of the Annual Meeting, at least an agreement in principle will have been reached between the parties.

SHARING RELIGIOUS EDUCATION AND SPECIAL CHARACTER RESOURCES BETWEEN CATHOLIC SCHOOLS IN NEW ZEALAND

While it has taken time, with pilot schemes and various outside negotiations, it is likely that by mid 2015 all of our schools which wish to will be able to interact with one another through the Microsoft 365 software system and share ideas and resources – effectively a Catholic Schools online portal. NZCEO will be the overall coordinator of the system. Once this initiative is up and running it will help break down the inevitable silos environment education institutions tend to work in.

GOVERNMENT'S 'INVESTING IN EDUCATIONAL SUCCESS' POLICY

After a lengthy public debate in 2014, by the end of the year a number of Catholic school leaders could see some of the benefits of joining the roll-out of this policy and were prepared to initiate the setting up of a grouping of neighbouring schools where they would collaborate at a higher level to enhance the quality of the education they offer.

The Government was clear that communities of interest, including faith-based schools, were to be encouraged into the programme. Clearly, Catholic schools are a very large community of interest, nationally, regionally and locally. We would be foolish not to participate in a policy setting that delivers \$370 million over three years. The Office has put this view in front of Boards of Trustees and principals.

CHRISTCHURCH PROPRIETORS AND SEISMIC ISSUES

Early in the year, following an initiative by all Christchurch-based Proprietors late in 2013, an approach was made to Government seeking a capital injection to assist up to 14 Proprietors with a grant to enable them to rebuild and/or reconstruct their school buildings damaged in the recent series of earthquakes, so that they meet the 67% requirement of the seismic code.

While nothing definitive will be known until the 2015 Budget is released, at least the Government indicated it could see what the problem was and the great burden Proprietors faced in bringing their buildings up to the newly established seismic code requirements.

INTEGRATION DOCUMENTS AND THE UPGRADING OF PROPERTY SCHEDULES FOR EACH PROPRIETOR'S SCHOOLS

After a two-year process by the Office staff, every Proprietor's Integration Agreement documents are now held electronically as well as in physical form lodged in the Office's archive storage.

Proprietors have been given password access to their documents. Each school's Property Schedule has been revamped so it reflects the reality of the buildings on the ground. This part of the exercise focuses on being ready to join the Ministry of Education's Helios system for all State and State Integrated Schools when it goes live mid 2015. Gratitude is extended to the Operations Manager and other staff who have put extended time into this exercise.

REVISION OF THE REVIEW AND DEVELOPMENT TEMPLATE FOR REVIEWING THE SPECIAL CHARACTER OF CATHOLIC SCHOOLS

The Deputy CEO has closely worked during 2015 with the Diocesan Special Character Reviewers to upgrade this template so that the quality of the reviews will be at an enhanced level. The template will take into account the themes advanced by the NZCBC in *The Catholic Education of School-Age Children*.

PROPRIETORS WITH HOSTELS AND THE SLEEPOVER ISSUE

Following the release of the Employment Court judgment relating to Woodford House and Iona College, mid 2014, not a lot of progress was made with Government and the Ministry of Education about sorting out the issue of how much Proprietors will be required to pay employed staff over an arrears period of six years. This is owing to the lack of clarity regarding aspects of the Employment Court's judgment. A worst-case scenario could effectively bankrupt some Proprietors' hostels.

Going forward, Proprietors have been advised to ensure they are specifically paying someone on the school site to 'be available to be engaged' in the case of a student requiring assistance during the hours of darkness. The arrears issue is still the subject of ongoing work.

Fortunately, in endeavouring to sort out this complex issue all Proprietors are effectively working together under the guidance of one competent legal firm. The Office will continue to take a lead in helping sort out the issue since there are approximately 35 Integrated School hostels, out of a total of 110 nationwide with 11,000 students.

COMPOSITION OF THE ASSOCIATION OF PROPRIETORS OF INTEGRATED SCHOOLS

The current membership of the Association is as follows:

Total	96
Catholic	27
Other	69

Number of schools 335 – number of students 85,000

The Office has had a particularly heavy year in working with the wider group of Proprietors of Integrated Schools, many of whom own only one school and do not necessarily have the resources to do all they are required to do. Despite the extra work, it is a joy to interact with such a diverse spectrum of religious Special Character, when Proprietors who represent them seek out the expertise and institutional memory of the Office’s staff.

NEW ZEALAND CATHOLIC EDUCATION OFFICE FINANCE LIMITED (NZCEOF)

The finances of NZCEOF Ltd are in good shape, as the Annual Report reveals. The Board again commissioned an independent report from Deloitte in order to assure itself that the underlying assumptions of the financial model were sound and that the Office’s systems were delivering outcomes of a high standard. Deloitte delivered to the Board a clean bill of health regarding NZCEOF’s financial decision making and long-term planning.

Sincere gratitude is extended to the Office’s Financial Controller for the very professional manner with which she does her important work.

THE POPE FRANCIS EFFECT

The vigorous leadership being demonstrated by Pope Francis is delivering a strong tonic to our Catholic school communities. It is refreshing to constantly hear and read about the inspiration he is providing for the world's population with his ability to use imagery that resonates with people, no matter where they come from and wherever they are. Our schools are benefiting from this very interesting phenomenon.

One of the Pope's underlying messages is that of hope. This focus helps bring our faith and human resources to confronting and solving humanity's current and future challenges. I'm sure our schools will rise to these challenges, enabling students to see themselves as global citizens with a role to play in making the world a better place.

OUTSTANDING SERVICE OF ROSMINI COLLEGE PRINCIPAL

It is appropriate to recognise the extraordinary contribution to the growth and development of Rosmini College by Tom Gerrard, its Principal since 1976. This tenure is an historic record for any principal of any secondary school in New Zealand. We wish him well in his retirement.

CONCLUSION

The reputation of Catholic schools in New Zealand is at a high level, thanks to the energetic efforts of many individuals who lead schools, and who provide the administrative systems that support them.

On a day-to-day level the Board and the Office staff have worked assiduously to meet the requirements and expectations of the country's 238 Catholic schools, their trustees, principals, teachers, students, parishes, and the wider Church community.



Gratitude is expressed to the Chairperson of NZCEO Limited, Geoffrey Ricketts, and his fellow Directors for their generosity in leading the national Catholic school system. They are to be deeply commended for their leadership contribution.

Gratitude is also expressed to the New Zealand Catholic Bishops and their fellow Proprietor Shareholders, along with their agents, for their support and good will during the year.

Appreciation and gratitude is additionally expressed to the staff of the Office for their dedication and commitment to serving all those involved with the country's Catholic schools. Finally, recognition and appreciation is extended to all those people around the country who serve our school communities and facilitate the delivery of a Catholic education we can all be proud of.

A handwritten signature in blue ink, appearing to read 'Patrick J Lynch'. The signature is fluid and cursive, with a long horizontal line extending from the end.

Patrick J Lynch KNZM
CHIEF EXECUTIVE OFFICER

REPORT ON THE OUTPUTS OF NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED

A. INTRODUCTION

The New Zealand Catholic Education Office is the executive arm of the Board of Directors of New Zealand Catholic Education Office Limited.

The Office serves the requirements of the Board of Directors and Shareholders of the Company and at the same time serves the education requirements of the New Zealand Catholic Bishops Conference (NZCBC).

B. 2014 BUSINESS PLAN OUTPUTS

1 Relationships with Shareholding Stakeholders

Strategic Plan Implementation

- The Strategic Plan priorities for 2014 were actioned. The Office continued to negotiate with Government regarding an enhanced funding stream for specific capital works.
- A report on the Office's 2014 Business Plan was published on the Office's website and is available for public viewing.

Serving the Board of Directors, Shareholders and Stakeholders

- The Board is charged by its shareholding Proprietors with being the lead agency for the Catholic school system in its interaction with Government and Government agencies; with coordinating educational policy development for Catholic schooling; and with leading and supporting initiatives that will enhance and strengthen the national Catholic school system. It also has a mandate to ensure a Catholic voice is heard within education sector networks, and where appropriate in the New Zealand community. This report identifies the many ways the Office meets those responsibilities.

Strength and Development of Special Character in Schools

- The Office continued its range of publications to support Special Character. It also provided reports and advice to the New Zealand Catholic Bishops Conference. A range of examples of good practice have been highlighted in these publications.

- The Office continued its interaction with Caritas Aotearoa New Zealand, with which it has a Memorandum of Understanding.
- The Office worked with the Catholic Institute on matters relating to qualifications and courses available for teachers in Catholic schools, and with the National Centre for Religious Studies (NCRS) on the primary Religious Education curriculum digital initiative, and a range of other matters.
- In mid 2014 all responsibility for FaithCentral (the Religious Education website for Catholic secondary schools) was handed over to NCRS.
- The review of the Catholic Character Review and Development process continued, with the publication of the NZCBC document *The Catholic Education of School-Age Children* providing the impetus for significant work on the review document.
- As a result, further work on the Catholic Character Review and Development document for Catholic school hostels was delayed until the review of the document for schools was completed.
- Five meetings took place involving representatives of the Board of NZCEO and a representative group of Diocesan General Managers, in order to establish a better understanding of the various financial and other responsibilities held by the Bishops, the Board of NZCEO Ltd, and the Shareholders of NZCEO Ltd, in relation to schools. The outcome was a document of mandate from the NZCBC to NZCEO. This document was formally received by the NZCEO Board.

NZCEO Finance Limited

- NZCEO Finance Limited administers the National Attendance Dues and Capital Indebtedness Sharing Scheme and the Catholic Education Trust Fund. Both entities continue to operate effectively.
- Quarterly financial reports are sent to Proprietor finance personnel.
- Two property and finance meetings with Proprietors and Proprietor's agents took place, to discuss current issues.

- A special meeting for Shareholders was held in late November, to provide an opportunity for updates, questions and discussion on current topics of interest.

Long-Term Viability of Catholic Schools

- Long-term planning and negotiations with the Ministry of Education continued, in relation to Catholic schools in areas of growing population, based on the findings of the 2013 Census of Population.
- The Government placed a greater emphasis on Proprietors working as a community of schools, so that each Catholic school becomes a strong entity delivering quality education
- Discussions with the Government and the Ministry of Education regarding additional capital funding for integrated schools made progress during the year. However, the resolution of the issue remains a high priority for 2015.

2 Relationships with First Tier Stakeholders

Collaboration

- The Office continued its regular interactions with diocesan education office personnel and the administration departments in each diocese. Office personnel continued to attend Proprietor, Trust Board and Company meetings, to share information and provide updates on the operations of NZCEO Finance Limited. A limited number of these meetings took place in 2014.
- As usual, a number of groups of teachers, trustees, parents and Church organisations were met with in order to engender support and enthusiasm for Catholic schools and their mission in the life of the Church. The CEO visited 20 integrated schools during the year. He also addressed ten gatherings, including conferences.
- Collaboration between parishes and schools was promoted in Office publications and on the Office website.
- Quarterly reports were sent to Proprietors' Appointees on Boards of Trustees, and they have been encouraged to share these with their Boards.

- The annual flyer listing access to specifically Catholic Character professional development was widely circulated, and was placed on the Office website.
- The programme for prospective principals (IDFP: Identifying and Developing Future Principals) was replaced in 2014 with a very successful programme for prospective leaders (IDFL: Identifying and Developing Future Senior Leaders), that is, those in middle management. This programme will be alternated with the IDFP, according to needs. A contract was signed with Ahead Associates for another three years. Further discussions took place to make available to Catholic secondary schools a longer-term programme with a particular focus on the development of appropriate spirituality for individuals leading schools. This programme will be launched in 2016.
- The Office has continued to place an increasing range of information on the NZCEO website and the APIS website, and to publicise the availability of this material. Increasingly, significant resources are sent out in digital form and placed on the website, rather than being sent out in paper form.
- The Office finalised the structural issues relating to the June 2015 Catholic Education Convention.

Association of Proprietors of Integrated Schools

- A range of services sought by the wider integrated schools sector continued to be delivered, with an emphasis on specific Proprietor requirements. The Office is now working more closely with Executive Officers and School Bursars, which is of benefit to Proprietors.
- At the request of the APIS executive, a series of regional meetings to update Proprietor groups is to take place in 2015.
- A regional meeting took place in Canterbury, on post-earthquake issues. A regional seminar for Proprietors in the Wairarapa took place, with very high attendance
- A number of submissions, listed in Section C of this report, were

prepared on behalf of the Association of Proprietors of Integrated Schools.

- Proprietors continue to receive reminders about a range of matters important to them, and they frequently consult the Office for advice. This helpdesk function is appreciated and is being used increasingly.
- The Office continued to operate as the Secretariat for the Religious Studies Teachers' Association.
- Several groups of Proprietors of private schools sought guidance from the Office about becoming an integrated school. Additionally, other religious groups wanting to establish a green fields integrated school also sought the help of the Office in progressing this goal.
- Planning for the establishment of new Catholic schools in the Auckland, Hamilton and Dunedin dioceses continues.

3 Relationships with Second Tier Stakeholders

Relationship with Government

- Staff of the Office continued to interact with the Minister of Education and other Government Ministers on a range of issues, including buildings and finance, to ensure an ongoing set of beneficial relationships for integrated schools.
- The Office and the Minister of Education continued to work closely and cooperatively in relation to the Christchurch earthquakes. The Office coordinated the Christchurch Proprietors' application to Government for special one-off funding to support property upgrade work required post-earthquake.
- Senior politicians were met with, to ensure that the role and needs of integrated schools were understood.
- The CEO was a member of the Minister of Education's Education Cross-Sector Forum, which met every six weeks for a day at a time. This forum was a high-level advisory group to the Minister as she developed policy and revised existing practice in the

education sector.

- The Government's initiative 'Investing in Educational Success' was supported and promoted.

Ministry of Education

- Frequent meetings continued to take place with the Secretary for Education and senior Ministry of Education officials to improve outcomes for Catholic and other integrated schools.
- In particular, a major project took place to enable the Ministry of Education, NZCEO and Proprietors to have shared electronic access to documentation such as site plans and integration agreements.
- Policy development and specific actions took place in a wide range of areas, including the following:
 - * matters relating to the Christchurch earthquakes
 - * legal issues
 - * liaison involving schools experiencing a range of difficulties
 - * property matters
 - * the employment conditions of teachers in Catholic schools
 - * a review of the longer-term viability of Catholic primary schools.
 - * planning for the establishment of new Catholic schools in the Auckland, Hamilton and Dunedin dioceses
 - * the updating of each integrated school's Integration Agreement and property details.

Education Review Office

- Regular meetings with senior staff of the Education Review Office (ERO) took place in order to maintain contact on matters specific to integrated schools.
- There were also meetings of regional ERO office personnel and Proprietors.
- ERO national reports were publicised regularly.

New Zealand Qualifications Authority

- Contacts were maintained with NZQA at senior management level, through the CEO and the Deputy CEO.

C. CONSULTATIONS, PARTICIPATION IN NATIONAL COMMITTEES AND WORKING PARTIES, SUBMISSIONS TO MINISTERS OF THE CROWN, PARLIAMENT AND GOVERNMENT AGENCIES, ON BEHALF OF THE ASSOCIATION OF PROPRIETORS OF INTEGRATED SCHOOLS AND/OR THE NEW ZEALAND CATHOLIC EDUCATION OFFICE

February	<ul style="list-style-type: none">• School Transport Consultation – Ministry of Education• Ministerial Cross-Sector Forum – regular meetings until 30 August
March	<ul style="list-style-type: none">• New Zealand Education Festival participation
April	<ul style="list-style-type: none">• Education Amendment Bill no 2 (aspects relating to the reform of the Teachers Council)• Ministerial Taskforce on Education Regulations• Review of Health and Safety Legislation
August	<ul style="list-style-type: none">• Staff sleepover issue in hostels and boarding houses – coordination of meetings with the education sector. This continued throughout the rest of the year
September	<ul style="list-style-type: none">• Ministry of Education annual reporting requirements for schools in relation to charters and annual plans
October	<ul style="list-style-type: none">• Renewed input into the Quantity Funding issue post-election
November	<ul style="list-style-type: none">• Renewal of MOU for the NZ Police-Education Partnership• Sleepover issue – ongoing work with Government, Ministry of Education and the sector
December	<ul style="list-style-type: none">• Working Party on Health and Safety legislation

D. OTHER ACTIVITIES OF THE OFFICE

1. Ongoing Involvement with Consultative and Reference Committees

- Ministry of Education Regional Property Forum

- Ministerial Cross-Sector Forum on Raising Achievement
- Rural Education Reference Group
- Schools Property Reference Group
- Helios Project Team

2. Political Contacts

Regular contacts were made with representatives of the major political parties. A number of senior managers of Departments of State with involvement in education policy development and implementation were also kept in contact with.

3. Ongoing Liaison with Sector Groups

Formal and informal contacts and meetings took place with the following:

- New Zealand Principals' Federation
- Secondary Principals' Association of New Zealand
- PPTA Principals' Council
- NZEI Principals' Council
- New Zealand Education Institute Te Riu Roa
- Post Primary Teachers' Association
- New Zealand School Trustees Association
- Early Childhood Association of New Zealand
- Independent Schools of New Zealand
- Tertiary Education Commission
- New Zealand Teachers Council
- New Zealand Qualifications Authority
- Human Rights Commission
- Office of the Commissioner for Children
- The Correspondence School
- New Zealand Council for Education Research

- Parent Teacher Association of New Zealand
- New Zealand Police National Headquarters
- The Asia Foundation
- Seasons for Growth
- National Religious Diversity Programme
- Netsafe Foundation

4. Wider Education Engagement

- Low-level involvement continued with the New Zealand National Commission for UNESCO. NZCEO Ltd is a registered cooperating body with the New Zealand National Commission for UNESCO.
- Involvement continued with the Australian Scholarships Group programme.
- The CEO continued his role as the National Coordinator of the National Excellence in Teaching Awards.
- The CEO continued to be a member of the University of Auckland Vice Chancellor's Community Advisory Council.

5. International Education Connections

- Contributions were made to the work of Education New Zealand and Teach New Zealand, to promote an active profile for integrated schools.
- Support was given to Catholic Education Offices in the south-west Pacific region.
- Communications continued with leaders of Catholic education in Australia who are interested in seeking detailed information on the way the New Zealand Catholic schooling system works, in light of the changing political landscape in Australia.
- The Office continued to work with relevant agencies to enable more Catholic overseas students to enrol in our schools. In particular, the connection with the Sarasas Schools in Thailand has continued.

- Support was given to schools wishing to expand their intake of foreign fee-paying students.
- Contact was continued with the New Zealand Consul General in Hong Kong, along with the Director of Catholic Education in the Archdiocese of Hong Kong, in order to facilitate educational exchanges between Hong Kong and New Zealand Catholic schools.
- Participation and support continued for schools involved with the Confucius Centre at the University of Auckland.
- As of 1 July 2014 there were 679 foreign fee paying students in Catholic schools, compared with 726 in 2013.

6. Public Relations and Educational Debate

Staff of the Office participated in a wide range of public relations exercises, as invited, to provide support for groups and individuals who desired contact with the Office and the New Zealand Catholic schooling system:

- The CEO formally addressed 10 gatherings in schools and conferences and other public settings.
- The CEO wrote 10 addresses and articles contributing to the education debate within New Zealand, and these were published in various magazines and/or newspapers, and on the NZCEO website.
- Efforts were made to manage the media as much as possible and to respond positively to news stories and media inquiries involving education issues. One media statement and 13 blogs on public and educational issues were released.
- New information was frequently placed on the Office website to serve integrated schools and the wider public.

7. Supporting Catholic Schools, Principals and Trustees

- Frequent interaction occurred with principals, parents, teachers and trustees of schools nationwide where guidance was sought on a range of policy and operational issues.

Collaboration with Primary and Secondary Schools

- Ongoing communication took place with the Executives of the New Zealand Catholic Primary and Secondary Principals' Associations. The annual conferences of the two Associations were also contributed to. A helpful relationship continues to exist between NZCEO and these bodies.

Māori Boarding Schools

- Continuing support, as requested, was given to the six integrated Māori boarding schools in their interaction with the Minister of Māori Affairs.

Publications

- The *Lighting New Fires* newsletter was published five times, the *Good News and the News* broadsheet of good practice was published twice, and *Aoraki*, the publication for senior management in schools, was published twice. The Catholic Early Childhood newsletter was published four times, and four newsletters were published for the Religious Studies Teachers' Association.
- Other documents published and distributed to schools:
 - * Quarterly reports on the activities of the NZCEO Board, for Proprietors' Appointees and Boards of Trustees in Catholic and other integrated schools
 - * Annual flyer on professional development opportunities for Catholic school teachers
 - * The Pat Lynch monthly blog
 - * Several previous publications from the Office, which had been revised for distribution to schools.

Business Partnerships

- NZCEO's alignment to various business sector groups was further developed, with some additional revenue being generated for the Office, and technology purchase opportunities being provided for Catholic schools nationally.

8. Interaction with the National Centre for Religious Studies (NCRS) and the Catholic Institute

- Managing technical and administrative work on the website of FaithCentral, the Religious Education website for Catholic secondary school teachers and students, in preparation for responsibility for the website being transferred to NCRS during the course of the year.
- Technical aspects of the digital resource for the Catholic primary schools' Religious Education curriculum.
- The pilot for the New Zealand Catholic Schools Online Environment, through the Microsoft Partners in Learning initiative.
- The work of the Religious Studies Association for teachers.
- Regular meetings with the CEO of the Catholic Institute, to enable joint strategic thinking to take place.

9. Administration

- The next stage of risk assessment and disaster recovery planning was undertaken, with more work planned for 2015.
- Work progressed with Microsoft New Zealand in relation to schools acquiring a Microsoft licence to enable access to the New Zealand Catholic Schools online portal to be established in 2015.
- MS 365 was deployed in late 2014.
- Ultra-fast broadband was installed in late 2014.
- Digital storage of archival material continued.

10. NZCEO and APIS Websites

- Both websites were updated regularly, and resources added. The websites are well used, and well regarded. The sections enabling access to specific documentation, such as integration agreements are particularly appreciated by Proprietors.

E. CONCLUSION

- The reputation of Catholic schools in New Zealand continues to be at a high level, thanks to the energetic efforts of many individuals who lead schools, and thanks to the administrative systems that support schools.
- The Office has continued to sustain sound operational systems in a professional, pastoral and businesslike manner.
- The requirements of the Shareholders of the Company, our Bishops and other Proprietors, have been a high priority for the work of the Board and the Office.
- At a day-to-day level the Board and the Office have worked assiduously to meet the requirements and expectations of the country's 238 Catholic schools, their trustees, principals, teachers, students, parishes, and the wider community.
- Gratitude is expressed to Geoffrey Ricketts, the Chairperson of NZCEO Limited, and his fellow Directors for their generosity in leading the national Catholic school system.
- Gratitude is expressed to the New Zealand Catholic Bishops and their fellow Proprietor Shareholders of the Office, along with their agents, for their support and good will during the year.
- Gratitude is also expressed to the staff of the Office for their dedication and commitment to serving all those involved with the country's Catholic schools. Additionally, recognition and appreciation are extended to all those people around the country who serve our school communities and facilitate the delivery of a Catholic education we can all be proud of.



Patrick J Lynch KNZM

CHIEF EXECUTIVE OFFICER

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED

CHAIRPERSON'S REPORT

INTRODUCTION

Having completed ten years of service to the Proprietors of the nation's Catholic schools, the Board of the New Zealand Catholic Education Office continues to keep its 2020 Beacon Plan in focus. This fundamentally entails assisting each Shareholder to work with their school(s) to deliver authentic Catholic education. There is much success to celebrate, along with the inevitable evolving challenges that have to be addressed at national, regional and local levels.

RELATIONSHIPS WITH GOVERNMENT

Given the outcome of the 2014 General Election it has been relatively easy to continue engaging Government Ministers over matters affecting Catholic and other Integrated Schools. The Minister of Education, the Honourable Hekia Parata, is good to work with and she has a sound and supportive understanding of how our schools operate. This applies equally to the Honourable Nikki Kaye, Associate Minister of Education, who has been very helpful.

The Opposition Labour Party Spokesperson has also understood our position and is supportive of it.

ACCOLADES FOR OUR SCHOOLS

During the year various publications delivered good news stories about our schools' education outcomes. Standout accolades included:

- McAuley High School, Otahuhu, winning the International Division of the Future Problem Solving Program at Iowa University.
- St Thomas of Canterbury College, Christchurch, winning one the Prime Minister's Education Excellence Awards, 'Excellence in Engaging Students and the Community'.

Clearly, our schools have achieved a positive reputation in New Zealand society as places of quality education within the framework of our Catholicism. This state of affairs is a great tribute to our Bishops, other Proprietors, Boards of Trustees, Principals, teachers and students.

2013 CENSUS

The figures relating to Catholics in the 2013 Census enabled us to estimate that around 75% of Catholic children are enrolled in our Catholic schools. This is a healthy statistic, particularly when comparisons are made with Australia and the United States of America. There is no doubt that the Private Schools Conditional Integration Act has delivered many long-term gains for the New Zealand Catholic community over the last 40 years.

QUANTITY FUNDING

Intensive work occurred, particularly before the September Election, to persuade senior Ministers of the Crown to agree in principle to provide Catholic and other Integrated School Proprietors with the same funding stream the State provides to its own schools when decisions are made to expand the proper capacity of a school, owing to curriculum changes.

A letter was received from the Minister of Education prior to the Election indicating she agreed in principle to our claim. She promised to finalise the issue with a Cabinet decision by the end of the first quarter of 2015.

It is hoped that the subject can be successfully closed by mid 2015.

RENEWAL OF THE SHAREHOLDERS' MASTER AGREEMENT

By the year's end each of the NZCEO Ltd participating Shareholders had signed the Master Agreement for the next five years. Appreciation is extended to Shareholders for their collaboration in this matter, which is material to Shareholders contributing to the national common good. It is not always easy for all people in our networks to fully comprehend the Catholic understanding of the common good principle. However, our joint efforts to apply the common good to our decisions serve us well.

NEW ZEALAND CATHOLIC BISHOPS CONFERENCE (NZCBC) MANDATE TO THE NEW ZEALAND CATHOLIC EDUCATION OFFICE (NZCEO)

After over twelve months of dialogue between the two bodies an agreed mandate from the NZCBC was received and accepted by the Board of NZCEO. At the Annual Meeting a resolution will be put to Shareholders seeking their endorsement of the mandate. It is important that all Shareholders have a copy of the document and are aware of this important interaction between the New Zealand Bishops Conference and other Proprietors.

NEW SCHOOLS

Work has taken place quietly behind the scenes to help facilitate the plans of the three Bishops who are keen to establish the following new schools over the next five years:

- Takanini (primary school)
- Counties (secondary school)
- Rotorua (primary)
- Papamoa (primary)
- Speargrass Flat, Queenstown Lakes District (primary)

All of these initiatives are likely to be recipients of whole school Policy Two funding and in one case partial funding. It is important to establish new schools at times which fit in with the Government's requirement to provide additional capacity in these geographic locations.

CAPITAL LOAN MONEY

The Board, after receiving authorisation from the NZCBC, made available late in the year \$20 million for capital works in the 2015–16 year. At the same time attendance dues levels were increased just above the inflation rate, i.e. 3%.

LONGER-TERM PLANNING

It has been agreed that in 2015 a new three-year Strategic Plan will be formulated for 2016–18, taking into account many emphases of the NZCBC document *The Catholic Education for School-Age Children*.

INVESTING IN EDUCATIONAL SUCCESS

It was pleasing to see that by the end of 2014, not only the trustees, principals and teachers of the secondary school sector, but also these same groups in the primary sector, came to see that there was a lot to be gained from working with the Government's policy, 'Investing in Educational Success'.

Fortunately, a number of our Catholic schools began to organise themselves into communities of schools where greater interaction and collaboration between schools in a region or area could better take place, to the advantage of students.

TECHNOLOGY INITIATIVES

After a number of years of false starts, late in the year the Office managed to initiate a system which will enable all New Zealand Catholic schools to interact with one another, share ideas and resources and generally work more closely as a national system. This portal development is being referred to as New Zealand Catholic Schools On-line.

This initiative, plus others offered by the Ministry of Education, such as Pond (the N4L portal) will bring many benefits to our schools in the next few years.

NEW YEAR'S HONOUR FOR THE CEO

It was a delight to learn on 31 December that the CEO of the New Zealand Catholic Education Office, Pat Lynch, had been honoured with a Knight Companion of the Order of Merit (KNZM) for services to education.



This recognises the efforts of our CEO who has worked at all levels in the nation's education system.

It is also recognition of the hard work of many people over decades who have laboured to ensure our nation's Catholic schools are places of quality education in an unabashedly Catholic setting.

RESIGNATION OF CEO

The CEO made it known during the year that he would resign from his position late in the year, and this has now occurred. Planning for his replacement began in April 2014.

APPRECIATION

I extend my sincere gratitude to my fellow Board members who bring wide experience and expertise to their role of ensuring our nation's Catholic schools deliver the authentic, quality education which our Bishops, other Proprietors and the Church community legitimately expect.

It is encouraging to have the support and good will of Shareholders as a continuously changing set of challenges comes before the Board. The Board is grateful for this.

Gratitude is also extended to our CEO, Pat Lynch, and the wonderful staff of the Office who go well beyond the call of duty in what they deliver for all of us and our schools.

A handwritten signature in black ink, reading "Geoffrey Ricketts". The signature is written in a cursive, flowing style.

Geoffrey Ricketts

CHAIRPERSON

NEW ZEALAND'S CATHOLIC SCHOOLS

There are 238 Catholic schools throughout New Zealand; 49 of these are secondary.

Auckland	Diocese	58
Hamilton	Diocese	33
Palmerston North	Diocese	36
Wellington	Archdiocese	47
Christchurch	Diocese	36
Dunedin	Diocese	28

Nationally, there were 65,788 students in Catholic schools in July 2014. Regional breakdown of students as of July 2014:

Auckland	Diocese	10,739	Primary
		13,446	Secondary
Hamilton	Diocese	5,507	Primary
		4,160	Secondary
Palmerston North	Diocese	4,116	Primary
		3,307	Secondary
Wellington	Archdiocese	6,365	Primary
		5,077	Secondary
Christchurch	Diocese	4,384	Primary
		3,685	Secondary
Dunedin	Diocese	2,698	Primary
		2,304	Secondary
Total		65,788	July Total

AUCKLAND

Colleges

Baradene College, Remuera
Carmel College, Milford
De La Salle College,
Mangere East
Hato Petera College, Northcote
Liston College, Henderson
Marcellin College, Royal Oak
Marist College, Mt Albert
McAuley High School, Otahuhu
Pompallier Catholic College,
Whangarei
Rosmini College, Takapuna
Sacred Heart College,
Glen Innes
Santa Maria College, Flat Bush
St Dominic's Catholic College,
Henderson
St Mary's College, Ponsonby
St Paul's College, Ponsonby
St Peter's College, Epsom

Primary Schools

Christ the King Catholic School,
Owairaka
Good Shepherd School, Balmoral

Holy Cross Catholic School,
Henderson
Holy Cross School, Papatoetoe
Marist Primary School, Mt Albert
Marist Catholic School, Herne Bay
Monte Cecilia School, Hillsborough
Mt Carmel Primary School,
Meadowbank
Our Lady of the Sacred Heart
School, Epsom
Our Lady Star of the Sea School,
Howick
Pompallier Catholic School, Kaitia
Stella Maris School, Silverdale
Sancta Maria Catholic Primary
School, Flat Bush
St Anne's Catholic School, Manurewa
St Dominic's Catholic School,
Blockhouse Bay
St Francis Catholic School, Pt
Chevalier
St Francis School, Thames
St Francis Xavier Catholic School,
Whangarei
St Ignatius Catholic School, St
Heliers
St John the Evangelist Catholic
School, Otara
St John's School, Mairangi Bay
St Joseph's Catholic School,
Dargaville
St Joseph's School, Grey Lynn
St Joseph's School, Onewhunga
St Joseph's School, Orakei
St Joseph's School, Otahuhu
St Joseph's School, Pukekohe
St Joseph's Catholic School,
Takapuna
St Leo's Catholic School, Devonport
St Mark's Catholic School, Pakuranga
St Mary MacKillop Catholic School,
Mangere
St Mary's School, Avondale
St Mary's School, Ellerslie
St Mary's School, Northcote
St Mary's Catholic School, Papakura
St Michael's Catholic School,
Remuera
St Patrick's School, Panmure
St Paul's School, Massey
St Pius X Catholic School, Glen Innes
St Therese's School, Three Kings
Te Kura O Hato Hohepa te Kamura,
Waitaruke
Te Kura O Hata Maria O Pawarenga,
North Hokianga

HAMILTON

Colleges

Aquinas College, Tauranga
Campion College, Gisborne
John Paul College, Rotorua
Sacred Heart Girls' College,
Hamilton
St John's College, Hamilton

Primary Schools

Bishop Edward Gaines' School,
Tokoroa
Marian School, Hamilton
St Anthony's School, Huntly
St Columba's School, Frankton

St Joseph's Catholic School,
Te Kuiti
St Joseph's School, Fairfield
St Joseph's School, Matamata
St Joseph's School, Matata
St Joseph's School, Morrinsville
St Joseph's School, Opotiki
St Joseph's School, Paeroa
St Joseph's School, Te Aroha
St Joseph's School, Waihi
St Joseph's School, Whakatane
St Mary's Catholic School,
Putaruru
St Mary's Primary School,
Gisborne
St Mary's School, Otorohanga
St Mary's School, Rotorua
St Mary's School, Tauranga
St Michael's School, Rotorua
St Patrick's School, Taumarunui
St Patrick's School, Taupo
St Patrick's School, Te Awamutu
St Paul's Catholic School,
Ngaruawahia
St Peter Chanel School, Te Rapa
St Peter's Catholic School,
Cambridge
St Pius X School, Melville
St Thomas More School,
Mt Maunganui

PALMERSTON NORTH

Colleges

Cullinane College, Wanganui
Francis Douglas Memorial College, New Plymouth
Hato Paora College, Feilding
Sacred Heart College, Napier
Sacred Heart Girls' College, New Plymouth
St John's College, Hastings
St Joseph's Māori Girls' College, Taradale
St Peter's College, Palmerston North

Primary Schools

Our Lady of Lourdes School, Palmerston North
Reignier School, Taradale
St Anne's School, Wanganui East
St Anthony's School, Pahiatua
St James School, Palmerston North
St John Bosco School, New Plymouth
St Joseph's School, Dannevirke
St Joseph's School, Feilding
St Joseph's School, Hastings
St Joseph's School, Hawera
St Joseph's School, New Plymouth
St Joseph's School, Opunake
St Joseph's School, Patea

St Joseph's School, Stratford
St Joseph's School, Taihape
St Joseph's School, Waipukurau
St Joseph's School, Wairoa
St Joseph's School, Waitara
St Marcellin School, Wanganui
St Mary's School, Foxton
St Mary's School, Hastings
St Mary's School, Palmerston North
St Mary's School, Wanganui
St Matthew's School, Marton
St Patrick's School, Inglewood
St Patrick's School, Kaponga
St Patrick's School, Napier-Marewa
St Pius X School, New Plymouth

WELLINGTON

Colleges

Bishop Viard College, Porirua
Chanel College, Masterton
Garin College, Nelson
Sacred Heart College, Lower Hutt
St Bernard's College, Lower Hutt
St Catherine's College, Kilbirnie
St Mary's College, Wellington
St Patrick's College, Kilbirnie
St Patrick's College, Silverstream

Primary Schools

Cardinal McKeefry School, Wilton
Holy Cross School, Miramar
Holy Family School, Porirua East
Our Lady of the Rosary School, Waiwhetu
Sacred Heart School, Petone
Sacred Heart School, Reefton

Sacred Heart Cathedral School, Thorndon
San Antonio School, Eastbourne
St Anne's School, Newtown
St Anthony's School, Seatoun
St Benedict's School, Khandallah
St Bernadette's School, Naenae
St Bernard's School, Brooklyn
St Brendan's School, Heretaunga
St Brigid's School, Johnsonville
St Canice's School, Westport
St Claudine Thevenet School, Wainuiomata
St Francis de Sales School, Island Bay
St Francis Xavier School, Tawa
St Joseph's School, Kaikoura
St Joseph's School, Levin
St Joseph's School, Nelson
St Joseph's School, Picton

St Joseph's School, Upper Hutt
St Mary's School, Blenheim
St Mary's School, Carterton
St Michael's School, Taita
St Patrick's School, Kilbirnie
St Patrick's School, Masterton
St Patrick's School, Paraparaumu
St Paul's School, Richmond
Ss Peter and Paul School, Lower Hutt
St Peter Chanel School, Motueka
St Peter Chanel School, Otaki
St Pius X School, Titahi Bay
St Teresa's School, Featherston
St Teresa's School, Karori
St Theresa's School, Plimmerton

CHRISTCHURCH

Colleges

Catholic Cathedral College, Christchurch
John Paul II High School, Greymouth
Marian College, Christchurch
Roncalli College, Timaru
St Bede's College, Christchurch
St Thomas of Canterbury College, Christchurch
Villa Maria College, Christchurch

Primary Schools

Christ the King School, Burnside
New Brighton Catholic School, New Brighton

Our Lady of Fatima School, Mairereau
Our Lady of the Assumption School, Hoon Hay
Our Lady of the Snows School, Methven
Our Lady of Victories School, Sockburn
Our Lady Star of the Sea School, Sumner
Sacred Heart School, Addington
Sacred Heart School, Timaru
St Albans Catholic School, St Albans
St Anne's Catholic School, Woolston
St Bernadette's School, Hornby
St James School, Aranui
St Joseph's School, Ashburton

St Joseph's School, Fairlie
St Joseph's School, Papanui
St Joseph's School, Pleasant Point
St Joseph's School, Rangiora
St Joseph's School, Temuka
St Joseph's School, Timaru
St Mary's Primary School, Hokitika
St Mary's School, Christchurch
St Patrick's School, Bryndwr
St Patrick's School, Greymouth
St Patrick's School, Kaiapoi
St Patrick's School, Waimate
St Paul's School, Dallington
St Peter's School, Beckenham
St Teresa's School, Riccarton

DUNEDIN

Colleges

Kavanagh College, Dunedin
St Kevin's College, Oamaru
St Peter's College, Gore
Verdon College, Invercargill

Primary Schools

Holy Family School, Wanaka
Sacred Heart School, Dunedin
Sacred Heart School, Waikiwi
St Bernadette's School, Forbury
St Brigid's School, Tainui

St Francis Xavier School, Mornington
St Gerard's School, Alexandra
St John's School, Ranfurly
St Joseph's Cathedral School, Dunedin
St Joseph's School, Balclutha
St Joseph's School, Invercargill
St Joseph's School, Oamaru
St Joseph's School, Port Chalmers
St Joseph's School, Queenstown
St Mary's School, Gore
St Mary's School, Kaikorai

St Mary's School, Milton
St Mary's School, Mosgiel
St Patrick's Primary School, Nightcaps
St Patrick's School, Invercargill
St Peter Chanel School, Green Island
St Teresa's School, Bluff
St Theresa's School, Invercargill
St Thomas's School, Winton

REPORT OF THE DIRECTORS OF NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED

The Board of Directors of New Zealand Catholic Education Office Limited comprises:

- Geoffrey Ricketts (Chairperson)
- Jenny Gordon
- Bishop Peter Cullinane
- Bishop Charles Drennan
- John Gallaher
- Michael Hanaray
- Reuben O'Neill (Deputy Chairperson)
- Virginia Noonan

In respect of each Director of the Board no remuneration or benefit of any other value has been received by that Director during the period.

Nature of the Company Business

The New Zealand Council of Proprietors of Catholic Integrated Schools set up a charitable limited liability company, New Zealand Catholic Education Office Limited, to run its Office. The staff of the Office are responsible on a day-to-day basis to the Board of Directors of the Company. Members of the New Zealand Council of Proprietors of Catholic Integrated Schools are the shareholders of the company; this includes the Bishops as major shareholders.

The Office also acts as the Secretariat for the Association of Proprietors of Integrated Schools, which represents Proprietors of all New Zealand's integrated schools.

Auditor

Deloitte

Solicitor

Shanahan Law

Company Number

WN/1042025

Registered Office

New Zealand Catholic Education Office Limited, PO Box 12307, Wellington 6144

Approval of Financial Statements by Directors

The Directors of New Zealand Catholic Education Office Limited are pleased to present the group financial statements for the year ended 31 December 2014.



Geoffrey Ricketts
CHAIRPERSON



Patrick J Lynch KNZM
CHIEF EXECUTIVE OFFICER

For and on behalf of the Board of Directors, 17 March 2015

**GROUP FINANCIAL STATEMENTS FOR NEW ZEALAND
CATHOLIC EDUCATION OFFICE LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2014**

These group financial statements have been prepared by New Zealand Catholic Education Office Limited and they fairly reflect the consolidated financial position and the activities of the Office and its subsidiary for the 12-month period ended 31 December 2014.

A handwritten signature in blue ink, appearing to read 'P. Lynch', with a long horizontal flourish extending to the right.

Patrick J Lynch KNZM
CHIEF EXECUTIVE OFFICER

17 March 2015

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED CONSOLIDATED STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2014

New Zealand Catholic Education Office Limited ('NZCEO Limited' or 'the Company') acts as Agent for Proprietors of integrated schools in their dealings with Government and provides administrative services to NZCEO Finance Limited ('NZCEO Finance') on behalf of the contributing Shareholders of the National Attendance Dues and Capital Indebtedness Sharing Scheme ('the Scheme').

NZCEO Limited was constituted as a Company with limited liability on 30 June 2000. The date of incorporation under the Companies Act 1993 is 5 July 2000.

The consolidated financial statements comprise the financial statements of New Zealand Catholic Education Office Limited and its wholly-owned subsidiary NZCEO Finance Limited ('the Group') for the year ended 31 December 2014. The consolidated financial statements were authorised for issue by the Directors on 17 March 2015.

Basis of Preparation

NZCEO Limited is a reporting entity for the purpose of the Financial Reporting Act 1993 and these financial statements comply with that Act. The financial statements have been prepared in accordance with Generally Accepted Accounting Practice ('NZ GAAP'). The financial statements comply with the New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS'), while applying the Framework for Differential Reporting and its interpretations as appropriate to public benefit entities.

The Group qualifies for differential reporting as it is not publicly accountable and is not a large entity as defined in the Framework for Differential Reporting issued by the External Reporting Board. The Group has taken advantage of all available differential reporting exemptions except for disclosure exemptions in relation to financial instruments.

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis are followed by the Group. The presentation currency is New Zealand dollars, rounded to the nearest dollar.

Going Concern

The Group has negative equity as a result of accumulated deficits in NZCEO Finance. The Directors have adopted the going concern assumption on the basis that:

- Debt repayment forecasts for NZCEO Finance show that interest income would exceed the interest and administration costs from 2012 and in subsequent years.
- Forecasts of future cash flows have been incorporated in the annual principal repayment of the BNZ loan.
- A Letter of Financial Support has been received from the Catholic Education Trust Fund to enable NZCEO Finance to meet its cash flow commitments.
- Financial modelling for the Scheme, which includes forecast attendance dues and debt servicing, shows that the Scheme would generate surpluses from 2012 and in subsequent years which will enable repayment of the loan from NZCEO Finance to continue.
- Directors have reviewed the attendance dues and debt servicing assumptions in the financial model and are satisfied that the going concern assumption can be applied. The receipt of attendance dues is subject to an underwrite from the Catholic Bishops of the five participating dioceses.

Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Basis for Preparing Consolidated Financial Statements

The financial statements of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies, and are included in the consolidated financial statements using the purchase method of consolidation. Intercompany transactions are eliminated in preparing the consolidated financial statements.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (if any). The cost of property, plant and equipment is their purchase price together with any incidental costs of acquisition.

Subsequent costs are added to the carrying value amount of an item of property, plant and equipment when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the Consolidated Statement of Comprehensive Income as an expense as incurred.

Depreciation is provided on a straight line basis at rates that will write off the cost of the assets less any residual value over their useful lives. Depreciation is charged to the Consolidated Statement of Comprehensive Income. The following rates have been used and are reviewed annually:

	Life in Years	Straight Line Depn Rate
Computer hardware	3	33.3%
Office equipment	4–10	10.0%–25.0%
Furniture	13	7.5%

Intangibles

Computer software and system development costs have been classified as intangible assets. They are recorded at cost less accumulated amortisation and impairment losses (if any). The cost of intangibles is their purchase cost together with any incidental costs of acquisition.

Subsequent costs are added to the carrying value amount of an intangible asset when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the Consolidated Statement of Comprehensive Income as an expense as incurred.

Intangibles are amortised over a three-year period at a straight line rate of 33.3%.

Trade and Other Receivables

Trade and other receivables are stated at cost less impairment losses, if any.

Impairment

The carrying amounts of the Group's assets are reviewed at each balance date to determine whether there is any indication of impairment. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the asset, the estimated future cash flows of the asset have been impacted. If any such indication exists, the assets recoverable amount is estimated.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in the Consolidated Statement of Comprehensive Income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed. The extent of the impairment loss reversal is limited to what the amortised cost would have been had the impairment not been recognised.

Financial Instruments

The Group is party to financial instruments as part of its day-to-day operations. These include bank accounts, investments, receivables, payables and loans. All financial instruments are recognised in the Consolidated Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the Consolidated Statement of Comprehensive Income.

All financial instruments are shown at fair value on initial recognition. Subsequent to initial recognition financial assets are measured at amortised cost using the effective interest method less impairment, if any.

The Group does not enter into any off balance sheet transactions nor use derivative financial instruments.

Financial Assets

Subsequent to initial recognition loans receivable are classified as loans and receivables and are measured at amortised cost less impairment, if any.

Capital Risk Management

The Group manages its capital to ensure that the Group can continue to operate as a going concern not only as the Company, but also in NZCEO Finance's role as administrator of the Scheme and the Catholic Education Trust Fund ('CETF'). The capital risk management strategy for the Group remains unchanged from 2012.

The capital structure of the Company and the Group consists of cash and cash equivalents, the loan to the Scheme, loans to Participating Proprietors, the loan from CETF and the loan from the Bank of New Zealand.

The Board reviews the capital structure as part of the review of the financial model, including all projected cash inflows and outflows. The financial model is also reviewed independently every three years.

The Group has no target gearing ratio.

The Group is subject to externally imposed debt covenants in relation to the loan from the Bank of New Zealand which are periodically reviewed to ensure the Group is in compliance with these covenants. There have been no breaches of these debt covenants during the year.

Financial Liabilities

Subsequent to initial recognition loans payable are classified as loans and payables and are measured at amortised cost.

Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Deferred Financing and Development Costs

The initial set-up costs of NZCEO Finance are being written off over a twenty-five year period. Offset against this is the credit arising from the 0.50% administration charge incurred by borrowers from NZCEO Finance. This credit is applied against current costs at the rate of 33% in the first year of the loan, with the balance applied evenly over a further 24 years.

Trade and Other Payables

Trade and other payables are stated at amortised cost and are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services.

Employee Entitlements

A provision for employee entitlements is recognised for benefits earned by employees but not provided at reporting date. Employee benefits include salaries, wages and annual leave.

Income

The Group receives a large proportion of its income from the Proprietors of schools integrated under the Private Schools Conditional Integration Act 1975. Income is recognised on an accruals basis as the services have been provided.

Interest Income

Interest income is recognised as the interest accrues to the net carrying value of the financial asset. Interest is recorded at gross value as determined using the effective interest method. NZCEO Finance does not attract resident withholding tax.

Interest Expense

Interest expense is recognised on an accruals basis using the effective interest method.

Operating Lease Payments

Operating lease payments, where the lessors effectively retain substantially all of the risks and benefits of ownership of the leased items, are recognised

as an expense in the Consolidated Statement of Comprehensive Income on a straight line basis over the term of the lease.

Goods and Services Tax ('GST')

These financial statements have been prepared on a GST exclusive basis; any GST due or owing is recorded in the Consolidated Statement of Financial Position.

Charitable Status and Income Tax

NZCEO Limited and NZCEO Finance were registered as charitable entities with the Charities Commission in 2008. Registration confirmed NZCEO Limited's and NZCEO Finance's charitable status and exemption from income tax; accordingly, no charge for income tax has been provided for.

Changes in Accounting Policies

There have been no changes in accounting policy for the year ended 31 December 2014.

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	Note	Group 2014 \$	Group 2013 \$	Company 2014 \$	Company 2013 \$
ACCUMULATED (DEFICITS)/EQUITY					
Share capital	1	98,888	98,888	98,888	98,888
Convention reserve	22	88,585	88,585	88,585	88,585
Retained (losses) earnings		(59,140)	(431,106)	306,205	288,267
TOTAL ACCUMULATED (DEFICITS)/EQUITY		\$128,333	\$(243,633)	\$493,678	\$475,740
CURRENT ASSETS					
Cash and cash equivalents	2	1,239,535	684,947	535,341	514,360
Trade and other receivables	3	79,586	16,711	27,075	15,756
Prepayments	4	22,403	17,429	22,403	17,429
Current portion: loans to Participating Proprietors	6	957,664	1,763,522	-	-
Total Current Assets		2,299,188	2,482,609	584,819	547,545
NON-CURRENT ASSETS					
Property, plant and equipment	7	24,845	35,341	24,845	35,341
Intangible assets	8	37	1,269	37	1,269
Loan to National Attendance Dues and Capital Indebtedness Sharing Scheme	5	19,857,729	23,653,201	-	-
Non-current portion: loans to Participating Proprietors	6	26,628,198	54,850,758	-	-
Total Non-Current Assets		46,510,809	78,540,569	24,882	36,610
TOTAL ASSETS		48,809,997	81,023,178	609,701	584,155

	Note	Group 2014 \$	Group 2013 \$	Company 2014 \$	Company 2013 \$
CURRENT LIABILITIES					
Trade and other payables	9	136,523	128,165	116,023	108,415
Deferred financing and development costs	10	27,285	26,415	-	-
Loan from Catholic Education Trust Fund	12	26,460,390	28,490,278	-	-
Loan from Bank of New Zealand	6,11	3,000,000	3,000,000	-	-
Total Current Liabilities		29,624,198	31,644,858	116,023	108,415
NON-CURRENT LIABILITIES					
Loan from Bank of New Zealand	6,11	19,057,466	49,621,953	-	-
Total Non-Current Liabilities		19,057,466	49,621,953	-	-
TOTAL LIABILITIES		48,681,664	81,266,811	116,023	108,415
NET (LIABILITIES)/ASSETS		\$128,333	\$(243,633)	\$493,678	\$475,740

The accompanying Consolidated Statement of Accounting Policies and notes form part of these financial statements.

These accounts were authorised for issue by the Board on 17 March 2015.

For and on behalf of the Board



Geoffrey Ricketts
CHAIRPERSON

17 March 2015



Reuben O'Neill
DIRECTOR

17 March 2015

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	Group 2014 \$	Group 2013 \$	Company 2014 \$	Company 2013 \$
INCOME					
Proprietors' levies		731,831	717,122	731,831	717,122
Christchurch Earthquake Appeal		-	2,777	-	2,777
Cost recoveries	13	7,671	7,671	90,686	90,686
FaithCentral levies		11,438	11,349	11,438	11,349
Interest	14	4,884,739	5,831,831	20,714	20,826
Sale of publications		31	12,146	31	12,146
Scholarship grant		-	1,000	-	1,000
Sponsorship - publications		15,555	17,630	15,555	17,630
Other income		9,031	15,619	9,031	15,619
TOTAL INCOME		5,660,296	6,617,145	879,286	889,155
EXPENDITURE					
ACC levies		1,409	1,626	1,409	1,626
Audit fee		30,725	27,350	7,050	7,600
Administration	15	52,507	54,434	51,006	53,987
Amortisation of intangible assets	8	1,232	1,805	1,232	1,805
Bank charges		1,453	1,431	739	728
Christchurch Earthquake Grants		-	2,780	-	2,780
Computer expenses		64,145	37,500	64,145	37,500
Computer hardware		7,875	3,759	7,875	3,759
Depreciation	7	10,496	12,432	10,496	12,432
FaithCentral	16	11,438	12,021	11,438	12,021
Interest paid to Catholic Education Trust Fund		1,650,112	1,758,466	-	-
Interest paid to Bank of New Zealand		2,686,645	3,761,571	-	-
Legal and professional fees	17	68,680	54,518	39,345	44,343
Meetings - Proprietors	18	27,875	31,201	27,875	31,201
Motor vehicle	19	18,519	20,139	18,519	20,139
Other fees paid to auditors	17	35,000	4,000	-	-
Publications and promotions	20	10,293	28,362	10,293	28,362
Publications for sale		-	9,577	-	9,577
Principals' Initiative	21	30,960	30,960	30,960	30,960
Rent		34,644	38,978	34,644	38,978
Salaries		521,662	503,043	521,662	503,043
Travel - Office		22,660	22,600	22,660	22,600
TOTAL EXPENDITURE		5,288,330	6,418,553	861,348	863,441
TOTAL COMPREHENSIVE INCOME		\$371,966	\$198,592	\$17,938	\$25,714

The accompanying Consolidated Statement of Accounting Policies and notes form part of these financial statements.

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED

CONSOLIDATED MOVEMENTS IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2014

		Accumulated Deficits \$	Convention Reserve (Note 22)	Share Capital \$	Total \$
GROUP	Opening balance 1 January 2013	(629,698)	88,585	98,888	(442,225)
	Total comprehensive income	198,592	-	-	198,592
	Transfer (to)/from Reserves	-	-	-	-
	Balance at 31 December 2013	(431,106)	88,585	98,888	(243,633)
	Total comprehensive income	371,966	-	-	371,966
	Transfer (to)/from Reserves	-	-	-	-
	Balance at 31 December 2014	\$(59,140)	\$88,585	\$98,888	\$128,333
		Retained Earnings \$	Convention Reserve (Note 22)	Share Capital \$	Total \$
COMPANY	Opening balance 1 January 2013	262,553	88,585	98,888	450,026
	Total comprehensive income	25,714	-	-	25,714
	Transfer (to)/from Reserves	-	-	-	-
	Balance at 31 December 2013	288,267	88,585	98,888	475,740
	Total comprehensive income	17,938	-	-	17,938
	Transfer (to)/from Reserves	-	-	-	-
	Balance at 31 December 2014	\$306,205	\$88,585	\$98,888	\$493,678

The accompanying Consolidated Statement of Accounting Policies and notes form part of these financial statements.

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

	Group 2014 \$	Group 2013 \$	Company 2014 \$	Company 2013 \$
1. SHARE CAPITAL				
The Proprietors of Catholic integrated schools are the shareholders of NZCEO Limited. There are twenty-seven shareholders with one ordinary share each. The voting rights attached to each ordinary share are proportional to the number of schools under each shareholder (Proprietor). The shares have no par value.				
Fully paid in share capital	98,888	98,888	98,888	98,888
	\$98,888	\$98,888	\$98,888	\$98,888
2. CASH AND CASH EQUIVALENTS				
Bank Accounts				
ANZ	37,351	25,434	37,351	25,434
Bank of New Zealand	704,194	170,587	-	-
	741,545	196,021	37,351	25,434
Short-Term Deposits				
ANZ	497,990	488,926	497,990	488,926
Refer Note 6 for details of interest rates and maturities.				
	\$1,239,535	\$684,947	\$535,341	\$514,360
3. TRADE AND OTHER RECEIVABLES				
Trade receivables	61,464	1,104	9,819	1,104
GST receivable	16,487	9,846	15,621	8,891
Accrued interest	1,635	5,761	1,635	5,761
	\$79,586	\$16,711	\$27,075	\$15,756

There have been no impairment losses during the year.

	Group 2014 \$	Group 2013 \$	Company 2014 \$	Company 2013 \$
4. PREPAYMENTS				
Convention 2015	20,045	13,162	20,045	13,162
Course registrations	-	253	-	253
Travel paid in advance	2,358	3,726	2,358	3,726
Web hosting	-	288	-	288
	\$22,403	\$17,429	\$22,403	\$17,429

5. LOAN TO NATIONAL ATTENDANCE DUES AND CAPITAL INDEBTEDNESS SHARING SCHEME AT AMORTISED COST

NZCEO Finance has on-lent funds to the Scheme to meet the shortfall between the attendance dues collected and the debt servicing commitments. This lending is at an interest rate of 5.5% for 2014 (2013 5.5%), reviewed annually with no specific date set for repayment.

Where there is a shortfall additional advances are drawn down by the Scheme (funds originating from the Trust). Financial modelling of the expected future attendance dues to be collected and forecast debt servicing payments shows that current surpluses will continue and that those monies will be used to repay the loan. The assumptions underpinning the financial model used for the loan impairment review include forecast attendance dues revenue and forecast debt servicing payments. The receipt of attendance dues is subject to an underwrite from the Catholic Bishops of the five participating dioceses.

Advanced by NZCEO Finance	5,464,772	10,595,387	-	-
Cumulative interest	14,392,957	13,057,814	-	-
	\$19,857,729	\$23,653,201	\$-	\$-

6. FINANCIAL INSTRUMENTS

a) Fair Values

The carrying value of all financial instruments is considered approximate to their fair value.

b) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to NZCEO Finance. NZCEO Finance has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Financial instruments which potentially subject NZCEO Finance to a concentration of credit risk consist principally of loans to Participating Proprietors and loans to the Scheme.

Security held on Participating Proprietors' loans is managed by the Bishops' underwrite.

	2014 \$	2013 \$
Significant counterparty exposure is as follows:		
Christian Brothers' loan	864,120	888,185
Dunedin Diocese loans	12,508,224	12,902,164
Hamilton Diocese loans	13,150,201	16,566,966
Auckland Diocese loans	-	25,160,750
Marist Brothers Auckland loan	1,063,317	1,096,215
Total Proprietors' loans	27,585,862	56,614,280
Less current portion	(957,664)	(1,763,522)
	\$26,628,198	\$54,850,758

These loans are funded from the Bank of New Zealand ('BNZ') Term Loan Facility and have priority as per Note 6(f).

c) Liquidity Risk

The Group is exposed to liquidity risk due to the nature of its operations. However, the Group has access to the Trust for advances if additional funds are required. The Group proactively manages its banking facilities.

d) Interest Rate Risk

As interest receivable on the loan to the Scheme is set at the same rate as the interest payable on the monies borrowed from the Trust, NZCEO Finance is primarily exposed to interest rate risk on the differential between the interest payable on the bank term loan facility compared to the interest receivable on loans to Participating Proprietors. To manage this interest rate risk the interest rate charged by NZCEO Finance on loans to Participating Proprietors and the BNZ interest rate are regularly reviewed, and fixed, where appropriate, by the Board of NZCEO Finance. The interest rate charged by NZCEO Finance is approximately related to the interest rate charged by the BNZ, and is reviewed at least annually. Any movement in the BNZ interest rate is reflected in the NZCEO Finance interest rate.

e) Contractual Maturity Analysis

The following table details NZCEO Finance's contractual maturities and effective interest rates for financial assets and liabilities. The loan from the Trust has been classified as maturing in 6–12 months because the loan does not have a specific date for repayment and is therefore technically repayable on demand. The expected repayment of this loan will take place in conjunction with receipts from the Scheme.

The BNZ Term Loan third tranche of \$6.9m has been amended via a Deed of Amendment and Restatement dated 17 December 2012 whereby the tranche will be split into two components, one with a fixed interest rate to 31 December 2014, the other with an interest rate fixed on a six-monthly basis. This became effective 1 January 2013.

2014 Contractual Maturities									
	Effective Interest Rate	0-6 months	6-12 months	1-2 years	2-3 years	3-4 years	4-5 years	5 years +	Total
Cash	3.45%	741,545							741,545
Short-term deposits	4.39%	497,990							497,990
Trade and other receivables	0.00%	101,989							101,989
Loans to Participating Proprietors	7.50%	469,908	487,756	1,031,812	1,111,704	1,197,784	1,290,528	21,996,369	27,585,861
Loan to National Attendance Dues and Capital Indebtedness Sharing Scheme	5.50%							19,857,729	19,857,729
BNZ Term Loan	5.67%					(4,377,466)			(4,377,466)
BNZ Term Loan	6.67%		(3,000,000)	(3,000,000)	(3,000,000)	(8,077,000)			(17,077,000)
BNZ Term Loan	6.70%					(603,000)			(603,000)
Trade and other payables	0.00%		(163,808)						(163,808)
Loan from Catholic Education Trust Fund	5.50%		(26,460,390)						(26,460,390)
Total		\$1,647,624	(\$28,972,634)	(\$1,968,188)	(\$1,888,296)	(\$11,859,682)	\$1,290,528	\$41,854,098	\$103,450

2013 Contractual Maturities							
Effective Interest Rate	0-6 months	6-12 months	1-2 years	2-3 years	3-4 years	4-5 years	5 years +
Cash	196,021						196,021
Short-term deposits	488,926						488,926
Trade and other receivables	34,140						34,140
Loans to Participating Proprietors	865,303	898,219	1,900,238	2,047,558	2,206,304	2,377,362	46,319,297
Loan to National Attendance Dues and Capital Indebtedness Sharing Scheme							23,653,201
							23,653,201
BNZ Term Loan	5.80%						(25,000,000)
BNZ Term Loan	7.45%	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(20,077,000)
BNZ Term Loan	5.49%					(3,941,953)	(3,941,953)
BNZ Term Loan	4.97%					(3,000,000)	(3,000,000)
BNZ Term Loan	5.42%					(603,000)	(603,000)
Trade and other payables	0.00%	(154,580)					(154,580)
Loan from Catholic Education Trust Fund	5.50%	(28,490,279)					(28,490,279)
Total		\$1,429,810	(\$30,592,060)	(\$1,099,762)	(\$952,442)	(\$793,696)	32,350,545
f) Priority							
The BNZ loans are secured against all current and future NZCEO Finance assets and registered first or second mortgages held over the properties listed in Note 11.							
							(\$280,243)

7. PROPERTY, PLANT AND EQUIPMENT

Group and Company				
	Computer Hardware	Office Equipment	Furniture	Total
Cost				
Balance at 1 January 2013	48,849	12,340	60,737	121,926
Additions	763	-	-	763
Disposals	-	-	-	-
Balance at 31 December 2013	49,612	12,340	60,737	122,689
Additions	-	-	-	-
Disposals	(5,778)	(2,406)	-	(8,184)
Balance at 31 December 2014	43,834	9,934	60,737	114,505
Accumulated depreciation and impairment				
Balance at 1 January 2013	35,263	8,367	31,286	74,916
Depreciation expense	6,757	1,363	4,312	12,432
Disposals	-	-	-	-
Balance at 31 December 2013	42,020	9,730	35,598	87,348
Depreciation expense	5,305	1,363	3,828	10,496
Disposals	(5,778)	(2,406)	-	(8,184)
Balance at 31 December 2014	41,547	8,687	39,426	89,660
Net book value				
At 31 December 2013	\$7,592	\$2,610	\$25,139	\$35,341
At 31 December 2014	\$2,287	\$1,247	\$21,311	\$24,845

8. INTANGIBLES			
Group and Company			
	Computer Software	Systems Development	Total
Cost			
Balance at 1 January 2013	2,948	5,200	8,148
Additions	-	-	-
Disposals	-	-	-
Balance at 31 December 2013	2,948	5,200	8,148
Additions	-	-	-
Disposals	(981)	-	(981)
Balance at 31 December 2014	1,967	5,200	7,167
Accumulated amortisation and impairment			
Balance at 1 January 2013	2,765	2,309	5,074
Amortisation expense	73	1,732	1,805
Disposals	-	-	-
Balance at 31 December 2013	2,838	4,041	6,879
Amortisation expense	73	1,159	1,232
Disposals	(981)	-	(981)
Balance at 31 December 2014	1,930	5,200	7,130
Net book value			
At 31 December 2013	\$110	\$1,159	\$1,269
At 31 December 2014	\$37	\$-	\$37

	Group 2014 \$	Group 2013 \$	Company 2014 \$	Company 2013 \$
9. TRADE AND OTHER PAYABLES				
Trade payables	86,479	85,555	65,979	65,805
PAYE payable	16,941	16,551	16,941	16,551
Monies Received in Advance	8,350	-	8,350	-
Employees' salary and holiday pay liability	24,753	26,059	24,753	26,059
	\$136,523	\$128,165	\$116,023	\$108,415

10. DEFERRED FINANCING AND DEVELOPMENT COSTS				
The initial set-up costs of NZCEO Finance are being written off over a twenty-five year period. Offset against this is the credit arising from the 0.50% administration charge incurred by borrowers from NZCEO Finance. This credit is applied against current costs at the rate of 33% in the first year of the loan, with the balance applied evenly over a further 24 years.				
Opening balance	26,415	23,444	-	-
Plus: Net set-up costs to be recovered	15,720	15,727	-	-
Plus: Administration credit from new loan	-	3,000	-	-
Less: Use of administration credit against current costs	(14,850)	(15,756)	-	-
Closing balance	\$27,285	\$26,415	\$ -	\$ -

11. LOAN FROM BANK OF NEW ZEALAND

The Bank of New Zealand Term Loan Facility was updated by a Deed of Amendment and Restatement dated 17 December 2012. The updated Facility became effective 1 January 2013.

Contractual maturities are as per Note 6(e).

	Interest Rate	Group 2014 \$	Group 2013 \$
Non-Current Liability			
Bank of New Zealand - Term Loan Facility		-	25,000,000
Bank of New Zealand - Term Loan Facility	6.67% Fixed	14,077,000	17,077,000
Bank of New Zealand - Term Loan Facility		-	3,941,953
Bank of New Zealand - Term Loan Facility		-	3,000,000
Bank of New Zealand - Term Loan Facility	6.70% Fixed	603,000	603,000
Bank of New Zealand - Term Loan Facility	5.67% Floating	4,377,466	-
		19,057,466	49,621,953
Current Liability			
Repayment - Term Loan Facility		3,000,000	3,000,000
		\$22,057,466	\$52,621,953

The loan is secured against all current and future NZCEO Finance assets and registered first or second mortgages held over properties situated at:

- John Paul College, Rotorua
- John Paul College Hostel, Rotorua
- Kavanagh College, Rattray Street, Dunedin
- Campion College, Gladstone Street, Gisborne
- St John's College, Hillcrest Road, Hamilton
- St Joseph's School, Melbourne Street, Queenstown
- Speargrass Flat Campus, Speargrass Road, Queenstown
- Holy Family School, Aubrey Road and Kirimoki Crescent, Wanaka
- St Kevin's College, Taward Street, Oamaru
- Marcellin College, Mt Albert Road, Auckland
- St Mary's School, Chaucer Street, Milton
- Verdon College, Rockdale Road, Invercargill

	Group 2014 \$	Group 2013 \$	Company 2014 \$	Company 2013 \$
12. LOANS FROM THE CATHOLIC EDUCATION TRUST FUND AT AMORTISED COST				
The Trust has on-lent funds to NZCEO Finance for the funding of the BNZ principal repayment and for on-lending to the Scheme to cover the shortfall between attendance dues received and debt servicing commitments. This lending is at an interest rate of 5.5% for 2014 (2013 5.5%), reviewed annually with no specific date set for repayment. Financial modelling of the expected future attendance dues to be collected and forecast debt servicing payments shows that the repayments which commenced in 2010 will continue. The assumptions underpinning the financial model used for the loan impairment review include forecast attendance dues receipts and forecast debt servicing payments. The loan is stated at amortised cost.				
Advanced by the Catholic Education Trust Fund	11,149,223	14,829,223	-	-
Cumulative interest	15,311,167	13,661,055	-	-
	\$26,460,390	\$28,490,278	\$-	\$-

13. COSTS RECOVERIES				
These expenses have been recovered by NZCEO Limited for providing administrative services to NZCEO Finance and the Trust.				
NZCEO Finance	-	-	83,015	83,015
Catholic Education Trust Fund	7,671	7,671	7,671	7,671
	\$7,671	\$7,671	\$90,686	\$90,686

14. INTEREST INCOME				
Interest was earned from the following sources:				
ANZ	20,714	20,826	20,714	20,826
Bank of New Zealand	18,960	16,039	-	-
Proprietor loans	3,509,923	4,288,860	-	-
National Attendance Dues and Capital Indebtedness Sharing Scheme on funds advanced	1,335,142	1,506,106	-	-
	\$4,884,739	\$5,831,831	\$20,714	\$20,826

	Group 2014 \$	Group 2013 \$	Company 2014 \$	Company 2013 \$
15. ADMINISTRATION				
Some 2013 comparative figures have been reclassified to align with the 2014 treatment.				
General expenses	19,099	19,193	2,832	3,980
Photocopier lease payments	10,449	10,366	10,449	10,366
Photocopier expenses	3,443	4,171	3,443	4,171
Postage	9,408	11,382	9,408	11,382
Printing, stationery and archiving	7,403	8,345	7,403	8,345
Professional development	9,251	7,526	9,251	7,526
Repairs and maintenance	537	-	537	-
Subscriptions and books	2,403	3,302	2,403	3,302
Telephones	5,280	4,915	5,280	4,915
Recovery of deferred administration	(14,766)	(14,766)	-	-
	\$52,507	\$54,434	\$51,006	\$53,987
16. FAITHCENTRAL EXPENDITURE				
The New Zealand Catholic Bishops Conference ('NZCBC') acquired ownership of FaithCentral in 2005 from the Society of Mary. NZCEO Limited and the National Centre for Religious Studies co-administer the website on behalf of the NZCBC. Administration costs are met by a levy on each Catholic secondary school at 43 cents per pupil.				
	\$11,438	\$12,021	\$11,438	\$12,021

	Group 2014 \$	Group 2013 \$	Company 2014 \$	Company 2013 \$
17. LEGAL AND PROFESSIONAL FEES				
These fees include negotiation, support and legal advice on various issues relating to Government policies; school maintenance; depreciation; planning legislative and regulatory interpretations; and a range of other issues.				
Legal fees	38,419	52,077	9,084	41,902
Consultants and specialised office support	30,261	2,441	30,261	2,441
	68,680	54,518	39,345	44,343
Other fees paid to auditors - corporate finance and taxation	35,000	4,000	-	-
	\$103,680	\$58,518	\$39,345	\$44,343

18. MEETINGS - PROPRIETORS				
NZCEO Limited Board of Directors' travel expenses, Association of Proprietors of Integrated Schools' Executive travel expenses, catering, subsets of Board meetings and related costs.				
	\$27,875	\$31,201	\$27,875	\$31,201

19. MOTOR VEHICLE EXPENSES				
Running costs	932	930	932	930
Car replacement levy	3,922	14,009	3,922	14,009
Car parking	13,665	5,200	13,665	5,200
	\$18,519	\$20,139	\$18,519	\$20,139

20. PUBLICATIONS AND PROMOTIONS				
The production and distribution of <i>Lighting New Fires</i> , <i>Good News and the News</i> and <i>Aoraki</i> continued in 2014. A number of resources are available on the NZCEO Limited website.				
	\$10,293	\$28,362	\$10,293	\$28,362

	Group 2014 \$	Group 2013 \$	Company 2014 \$	Company 2013 \$
21. PRINCIPALS' INITIATIVE				
This is an NZCEO Limited Board of Directors' initiative to support the ongoing supply of committed teachers to provide leadership for Catholic schools.				
Expenditure	\$30,960	\$30,960	\$30,960	\$30,960

22. CONVENTION RESERVE				
As per the Board minutes dated 20 November 2012 the Board of NZCEO Limited agreed to transfer the surplus generated from the 2012 Catholic Education Convention to the Convention Reserve. This Reserve will be used to meet some of the 2015 Catholic Education Convention expenses.				
Opening balance	88,585	88,585	\$88,585	\$88,585
Transfer from retained earnings	-	-	-	-
Convention Reserve at end of period	\$88,585	\$88,585	\$88,585	\$88,585

23. RELATED PARTY TRANSACTIONS				
NZCEO Limited provides administration services to its wholly-owned subsidiary, NZCEO Finance, and to the Catholic Education Trust Fund and the National Attendance Dues and Capital Indebtedness Sharing Scheme on behalf of Participating Proprietors.				
During the year NZCEO Finance took out loans from the Catholic Education Trust Fund and on-lent that money to the National Attendance Dues and Capital Indebtedness Sharing Scheme to fund the shortfall between the national attendance dues received from Participating Proprietors and the debt servicing paid on behalf of the Participating Proprietors. Refer Note 12.				
All administration costs for NZCEO Finance (2014 \$ 83,015, 2013 \$83,015) and the Catholic Education Trust Fund (2014 \$7,671, 2013 \$7,671) were initially paid by NZCEO Limited and recovered by way of reimbursement.				
Loans are provided by NZCEO Finance to Participating Proprietors of the National Attendance Dues and Capital Indebtedness Sharing Scheme as disclosed in the Statement of Financial Position. The Participating Proprietors of the Scheme are also shareholders of NZCEO Limited. Refer Note 6.				

	Group 2014 \$	Group 2013 \$	Company 2014 \$	Company 2013 \$
24. COMMITMENTS				
Operating lease commitments for the office premises, car replacement and the photocopier are payable as follows:				
Less than one year	56,678	57,870	56,678	57,870
Between one and five years	12,017	12,017	12,017	12,017
More than five years	-	-	-	-
	\$68,695	\$69,887	\$68,695	\$69,887

There are no capital commitments as at 31 December 2014 (2013 \$Nil).

25. INSURANCE

Insurance of NZCEO Limited office contents, furniture and equipment, materials, etc is provided under a blanket cover held by the Archdiocese of Wellington's Insurance Fund.

26. CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 December 2014 (2013 \$Nil).

27. SUBSEQUENT EVENTS

There have been no events subsequent to balance date that would materially affect the Financial Statements as presented at 31 December 2014.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED



Report on the Consolidated Financial Statements

We have audited the financial statements of New Zealand Catholic Education Office Limited ('NZCEO Limited') and Group on pages 36 to 60, which comprise the consolidated and separate statements of financial position as at 31 December 2014, the consolidated and separate statements of comprehensive income and statements of movement in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to NZCEO Limited's shareholders, as a body, in accordance with Section 205(1) of the Companies Act 1993. Our audit has been undertaken so that we might state to NZCEO Limited's shareholders 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 Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Board of Directors' Responsibility for the Consolidated Financial Statements

The Board of Directors are responsible for the preparation of the consolidated financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate, and for such internal control as the Board of Directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and International Standards on Auditing

(New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view of the matters to which they relate 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates, as well as the overall presentation of the consolidated financial statements.

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

Other than in our capacity as auditor, we have no relationship with or interests in the New Zealand Catholic Education Office Limited or its subsidiary.

Opinion

In our opinion, the consolidated financial statements on pages 36 to 60:

- comply with generally accepted accounting practice in New Zealand, and
- give a true and fair view of the financial position of NZCEO Limited and Group as at 31 December 2014, and their financial performance for the year then ended.

Report on Other Legal and Regulatory Requirements

We also report in accordance with section 16 of the Financial Reporting Act 1993. In relation to our audit of the consolidated financial statements for the year ended 31 December 2014:

- we have obtained all the information and explanations we have required; and
- in our opinion proper accounting records have been kept by NZCEO Limited as far as appears from our examination of those records.



Chartered Accountants

17 March 2015

Wellington, New Zealand

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CHAIRPERSON

Geoffrey Ricketts

CHIEF EXECUTIVE OFFICER

Patrick J Lynch KNZM

SENIOR MANAGEMENT

Susan Apáthy, *Deputy CEO*
Maureen Condcliffe, *Operations Manager*
Donna Campbell, *Financial Controller*

EXCELLENCE IN SCHOOLS THAT MAKE A DIFFERENCE