

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED

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NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED

CONSOLIDATED STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021. The consolidated financial statements were authorised for issue by the Directors on 09 March 2022.

Basis of Preparation

NZCEO Limited is a reporting entity for the purpose of the Financial Reporting Act 2013 and these financial statements comply with that Act.

NZCEO Limited is a Not-for-profit (NFP) public benefit entity (PBE) for the purposes of financial reporting.

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice ('NZ GAAP').

The Group has elected to report under Tier 2 PBE Standards RDR (NFP) as it is not publicly accountable and not large as defined in the Accounting Standards Framework for PBEs issued by the External Reporting Board.

All disclosure concessions have been applied, except for disclosure concessions 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 going concern assumption has been adopted by the Directors, given the reasonable expectation that the Group will have adequate resources to continue operations for the foreseeable future. Consideration was given to the following factors:

- Financial modelling for the Scheme, which includes forecast attendance dues and debt servicing, shows that the Scheme will generate sufficient cash flows to support all debt servicing obligations.
- The receipt of attendance dues is subject to an underwrite from the Catholic Bishops of the five participating dioceses.
- A Letter of Financial Support has been received from the Catholic Education Trust Fund to enable NZCEO Finance to meet its cash flow commitments should it be required.
- Directors have reviewed all the assumptions in the financial model and are satisfied that the going concern assumption can be applied.

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%
Leasehold Improvements	10	10.0%
Office equipment	4-10	10%-25%
Furniture	13	7.5%

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED
CONSOLIDATED STATEMENT OF ACCOUNTING POLICIES (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

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 or use derivative financial instruments.

Financial Assets

Cash and cash equivalents includes cash held at bank.

Short term deposits consists of term deposits with a maturity of up to 12 months.

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 the 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.

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED
CONSOLIDATED STATEMENT OF ACCOUNTING POLICIES (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

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. The credit arising from the 0.50% administration charge incurred by borrowers from NZCEO Finance is offset against this. 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 the remaining term of the loan.

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 levies from the Proprietors of schools integrated under Schedule 6 of the Education and Training Act 2020 (previously "Part 33 of the Education Act 1989" and "Private Schools Conditional Integration Act 1975"). Income is recognised on an accrual basis and is considered to be exchange revenue.

Cost Recoveries

Revenue from rendering services to the Crown for administering the Essential Property Maintenance Package funding is recognised as the related costs are incurred. It is considered to be exchange revenue.

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 2021. Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	Group		Company	
		2021	2020	2021	2020
		\$	\$	\$	\$
EQUITY					
Share capital	1	98,888	98,888	98,888	98,888
Convention reserve	17	79,922	79,922	79,922	79,922
Teacher and Leadership Development special reserve	18	114,253	84,253	114,253	84,253
Retained earnings		950,188	791,680	612,293	516,148
TOTAL EQUITY		\$ 1,243,251	\$ 1,054,743	\$ 905,356	\$ 779,211
CURRENT ASSETS					
Cash and cash equivalents	2	3,610,912	269,103	3,497,268	130,537
Term deposits	3	642,484	634,131	642,484	634,131
Trade and other receivables		65,516	20,507	81,616	19,757
Prepayments		14,997	36,125	14,997	36,125
Current portion: loans to Participating Proprietors	5	2,014,208	1,909,139	-	-
Total Current Assets		6,348,117	2,869,005	4,236,365	820,550
NON-CURRENT ASSETS					
Property, plant and equipment		36,321	47,550	36,321	47,550
Intangibles		1,687	3,137	1,687	3,137
Loan to National Attendance Dues and Capital	4	-	-	-	-
Indebtedness Sharing Scheme					
Non-current portion: loans to Participating Proprietors	5	23,509,223	24,428,612	-	-
Total Non-Current Assets		23,547,231	24,479,299	38,008	50,687
TOTAL ASSETS		29,895,348	27,348,304	4,274,373	871,237
CURRENT LIABILITIES					
Trade and other payables	6	551,809	118,803	494,734	92,026
Essential Property Maintenance Package funding payable	7	2,800,228	-	2,800,228	-
Essential Property Maintenance Package administration fee in advance	8	74,055	-	74,055	-
Deferred financing and development costs	9	63,229	60,545	-	-
Loan from Catholic Education Trust Fund	11	7,232,714	8,027,576	-	-
Loan from Bank of New Zealand	5,10	2,000,000	1,010,000	-	-
Total Current Liabilities		12,722,035	9,216,924	3,369,017	92,026
NON-CURRENT LIABILITIES					
Loan from Bank of New Zealand	5,10	15,930,062	17,076,637	-	-
Total Non-Current Liabilities		15,930,062	17,076,637	-	-
TOTAL LIABILITIES		28,652,097	26,293,561	3,369,017	92,026
NET ASSETS		\$ 1,243,251	\$ 1,054,743	\$ 905,356	\$ 779,211

These accounts were authorised for issue by the Board on 09 March 2022.

For and on behalf of the Board



Geoffrey Ricketts
CHAIRPERSON
09 March 2022



Stephen Grey
DIRECTOR
09 March 2022

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

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Group		Company	
		2021	2020	2021	2020
		\$	\$	\$	\$
INCOME					
<u>From exchange transactions:</u>					
Proprietors' levies		864,370	834,431	864,370	834,431
Cost recoveries	12	98,497	41,127	193,118	137,089
Interest	13	1,099,579	1,325,000	6,807	15,106
Sale of publications		-	12,280	-	12,280
Other income		5,729	38	5,729	38
<u>From non-exchange transactions:</u>					
Sponsorship		28,969	25,306	28,969	25,306
TOTAL INCOME		2,097,144	2,238,182	1,098,993	1,024,250
EXPENDITURE					
ACC levies		1,449	1,086	1,449	1,086
Audit fee		42,440	34,900	11,690	8,875
Administration		26,282	21,110	27,823	29,122
Amortisation of intangible assets		1,450	4,658	1,450	4,658
Bank charges		703	630	236	274
Computer expenses		24,484	25,732	24,484	25,732
Computer hardware		1,066	1,132	1,066	1,132
Depreciation		13,850	14,622	13,850	14,622
Interest paid to Catholic Education Trust Fund		185,749	387,701	-	-
Interest paid to Bank of New Zealand		673,116	759,248	-	-
Legal and professional fees	14	105,644	52,551	98,397	43,255
Meetings - Proprietors	15	35,603	22,674	35,603	22,674
Motor vehicle		17,739	17,739	17,739	17,739
Other professional fees	14	40,000	-	-	-
Publications and promotions		910	43	910	43
Publications for sale		-	11,820	-	11,820
Principals' Initiative	16	-	37,000	-	37,000
Rent		47,753	47,743	47,753	47,743
Salaries		661,390	702,383	661,390	702,383
Special projects		-	500	-	500
Travel - Office		29,008	21,176	29,008	21,176
TOTAL EXPENDITURE		1,908,636	2,164,448	972,848	989,834
TOTAL COMPREHENSIVE INCOME		\$ 188,508	\$ 73,734	\$ 126,145	\$ 34,416

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

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED
CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

GROUP	Retained Earnings	Teacher and Leadership		Share Capital	Total Equity
		Convention Reserve (Note 17)	Development Special Reserve (Note 18)		
	\$	\$	\$	\$	\$
Opening balance 1 January 2020	710,946	79,922	91,253	98,888	981,009
Total comprehensive income	73,734	-	-	-	73,734
Transfer (to)/from Reserves	7,000	-	(7,000)	-	-
Balance at 31 December 2020	791,680	79,922	84,253	98,888	1,054,743
Total comprehensive income	188,508	-	-	-	188,508
Transfer (to)/from Reserves	(30,000)	-	30,000	-	-
Balance at 31 December 2021	\$ 950,188	\$ 79,922	\$ 114,253	\$ 98,888	\$1,243,251

COMPANY	Retained Earnings	Teacher and Leadership		Share Capital	Total Equity
		Convention Reserve (Note 17)	Development Special Reserve (Note 18)		
	\$	\$	\$	\$	\$
Opening balance 1 January 2020	474,732	79,922	91,253	98,888	744,795
Total comprehensive (loss)	34,416	-	-	-	34,416
Transfer (to)/from Reserves	7,000	-	(7,000)	-	-
Balance at 31 December 2020	516,148	79,922	84,253	98,888	779,211
Total comprehensive income	126,145	-	-	-	126,145
Transfer (to)/from Reserves	(30,000)	-	30,000	-	-
Balance at 31 December 2021	\$ 612,293	\$ 79,922	\$ 114,253	\$ 98,888	\$905,356

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

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Group		Company	
		2021	2020	2021	2020
		\$	\$	\$	\$
OPERATING					
Cash received from proprietors		817,995	846,603	817,995	846,603
Cash received from the Crown - EPMP funding		6,413,142	-	6,413,142	-
Cash received from related parties		45,552	62,627	124,823	131,339
Cash received from sponsors		19,419	32,208	19,419	32,208
Cash received from sponsors and exhibitors - Convention		5,000	5,000	5,000	5,000
Interest received		9,325	18,797	8,825	18,291
Interest received from Participating Proprietors and other related parties		1,092,272	1,283,656	-	-
Interest paid		(673,116)	(759,248)	-	-
Payments to suppliers		(312,746)	(273,751)	(226,738)	(205,460)
Payments to suppliers - Convention		-	(7,063)	-	(7,063)
Payments to proprietors - EPMP funding		(3,049,772)	-	(3,049,772)	-
Payments to related parties		(19,370)	-	(62,937)	(47,753)
Payments to employees		(672,052)	(687,724)	(672,052)	(687,724)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		3,675,649	521,105	3,377,705	85,441
INVESTING					
Loans made to Participating Proprietors		(1,858,425)	(4,623,825)	-	-
Loan repayments received		2,672,745	1,560,356	-	-
Purchase of capital and intangible assets		(2,621)	(7,183)	(2,621)	(7,183)
Proceeds from sale of capital assets		-	-	-	-
Proceeds from maturity/(purchase) of term deposits		(8,353)	(18,145)	(8,353)	(18,145)
TOTAL CASH FLOWS FROM INVESTING ACTIVITIES		803,346	(3,088,797)	(10,974)	(25,328)
FINANCING					
Loan advances made to related parties - the Scheme		-	(7,140,000)	-	-
Loan repayments made to related parties - the Trust		(2,695,611)	(8,550,000)	-	-
Loan repayments received from related parties - the Scheme		-	7,165,484	-	-
Loan advances received from related parties - the Trust		1,715,000	8,500,000	-	-
Loan repayments made		(2,010,000)	(2,000,000)	-	-
Loan advances received		1,853,425	4,596,575	-	-
TOTAL CASH FLOWS FROM FINANCING ACTIVITIES		(1,137,186)	2,572,059	-	-
TOTAL CASH FLOWS		3,341,809	4,367	3,366,731	60,113
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		269,103	264,736	130,537	70,424
CASH AND CASH EQUIVALENTS, END OF YEAR	2	\$ 3,610,912	\$ 269,103	\$ 3,497,268	\$ 130,537

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 2021

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
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
2 CASH AND CASH EQUIVALENTS				
Bank Accounts				
ANZ	697,040	130,537	697,040	130,537
ANZ - Restricted for Essential Property Maintenance Funding	2,800,228	-	2,800,228	-
Bank of New Zealand	113,644	138,566	-	-
	\$ 3,610,912	\$ 269,103	\$ 3,497,268	\$ 130,537
3 SHORT-TERM DEPOSITS				
ANZ	\$ 642,484	\$ 634,131	\$ 642,484	\$ 634,131
Refer Note 5 for details of interest rates and maturities				
4 LOAN TO NATIONAL ATTENDANCE DUES AND CAPITAL INDEBTEDNESS SHARING SCHEME AT AMORTISED COST				
Opening Balance	-	0	-	-
Plus: Advances by NZCEO Finance during the year	-	7,140,000	-	-
Plus: interest accrued during the year	-	25,732	-	-
Less: Repayments from the Scheme during the year	-	(7,165,484)	-	-
Less: bank fees paid during the year	-	(248)	-	-
Closing Balance	\$ -	\$ -	\$ -	\$ -

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 annual interest rate of 2.5% (2020: 4.88%), 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). During the year, loan advances of \$nil (2020 \$7,139,752) were made to and repayments of \$nil (2020 \$7,165,484) were received from the Scheme. 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 when required. 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.

5 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.

Significant counterparty exposure is as follows:

	2021	2020
	\$	\$
Dunedin Diocese loans	8,786,968	9,551,415
Hamilton Diocese loans	16,736,463	16,003,136
Marist Brothers Auckland loan	-	783,200
Total Proprietors' loans	25,523,431	26,337,751
Less current portion	(2,014,208)	(1,909,139)
	\$ 23,509,223	\$ 24,428,612

These loans are funded from the Bank of New Zealand ('BNZ') Term Loan Facility and have priority as per Note 5(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.

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

5 FINANCIAL INSTRUMENTS (continued)

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 0-6 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 Participating Proprietor loan repayments and from the Scheme.

2021 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	0.17%	3,610,912							3,610,912
Short-term deposits	1.23%	642,484							642,484
Trade and other receivables	0.00%	65,516							65,516
Loans to Participating Proprietors	3.90%	997,301	1,016,907	2,094,182	2,177,331	2,263,781	2,353,664	14,620,265	25,523,431
BNZ Term Loan	5.03%		(2,000,000)						(2,000,000)
BNZ Term Loan	3.64%					(3,388,000)			(3,388,000)
BNZ Term Loan	3.34%				(8,164,000)				(8,164,000)
BNZ Term Loan	5.28%					(2,378,062)			(2,378,062)
BNZ Term Loan	3.42%				(2,000,000)				(2,000,000)
Trade and other payables	0.00%	(551,809)							(551,809)
Loan from Catholic Education Trust Fund	2.50%	(7,232,714)							(7,232,714)
Total		(\$2,468,310)	(\$983,093)	\$2,094,182	(\$7,986,669)	(\$3,502,281)	\$2,353,664	\$14,620,265	\$4,127,758

2020 Contractual Maturities		0-6 months	6-12 months	1-2 years	2-3 years	3-4 years	4-5 years	5 years +	Total
Cash	0.03%	269,103							269,103
Short-term deposits	1.41%	634,131							634,131
Trade and other receivables	0.00%	20,507							20,507
Loans to Participating Proprietors	5.50%	930,909	978,230	2,014,531	2,094,517	2,177,679	2,264,143	15,877,742	26,337,751
BNZ Term Loan	5.03%			(2,000,000)					(2,000,000)
BNZ Term Loan	3.92%		(1,010,000)						(1,010,000)
BNZ Term Loan	3.64%						(3,388,000)		(3,388,000)
BNZ Term Loan	3.31%					(10,542,062)			(10,542,062)
BNZ Term Loan	3.19%					(1,146,575)			(1,146,575)
Trade and other payables	0.00%	(118,804)							(118,804)
Loan from Catholic Education Trust Fund	4.88%	(8,027,576)							(8,027,576)
Total		(\$6,291,730)	(\$31,770)	\$14,531	\$2,094,517	(\$9,510,958)	(\$1,123,857)	\$15,877,742	\$1,028,475

f) Priority

The BNZ loans are secured against all current and future NZCEO Finance assets.

6 TRADE AND OTHER PAYABLES

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
From exchange transactions:				
Trade payables	106,580	69,251	47,239	42,474
GST payable	401,339	-	403,605	-
Monies received in advance	17,000	12,000	17,000	12,000
Employees' salary and holiday pay liability	26,890	37,552	26,890	37,552
	\$ 551,809	\$ 118,803	\$ 494,734	\$ 92,026

7 ESSENTIAL PROPERTY MAINTENANCE FUNDING PAYABLE

Opening balance	-	-	-	-
Funding received from the Crown	5,850,000	-	5,850,000	-
EPMP funding distributed	(3,049,772)	-	(3,049,772)	-
	\$ 2,800,228	\$ -	\$ 2,800,228	\$ -

In 2021 NZCEO Limited, acting for the Association of Proprietors of Integrated Schools (APIS), reached an agreement with the Crown relating to maintenance funding equality for State integrated school proprietors. The agreement provided for the Essential Property Maintenance Package (EPMP) of \$52.8million to be provided in two equal instalments over the Crown financial years of 2021/2022 and 2022/2023. Under the terms of the agreement NZCEO is to administer the distribution of the funding to proprietors of state integrated schools with eligible property maintenance projects.

8 ESSENTIAL PROPERTY MAINTENANCE FUNDING ADMINISTRATION FEE RECEIVED IN ADVANCE

Opening balance	-	-	-	-
Funding received from the Crown	132,000	-	132,000	-
Administration fee recognised	(57,945)	-	(57,945)	-
	\$ 74,055	\$ -	\$ 74,055	\$ -

As part of the EPMP funding agreement, NZCEO is permitted to retain an administration fee to fund the oversight and reporting requirements related to the distribution of the funding to eligible proprietors.

9 DEFERRED FINANCING AND DEVELOPMENT COSTS

Opening balance	60,545	41,993	-	-
Plus: Net set-up costs to be recovered	15,727	15,727	-	-
Plus: Administration credit from new loan	5,000	27,250	-	-
Less: Use of administration credit against current costs	(18,043)	(24,425)	-	-
Closing Balance	\$ 63,229	\$ 60,545	\$ -	\$ -

The initial set-up costs of NZCEO Finance are being written off over a twenty-five year period. The credit arising from the 0.50% administration charge incurred by borrowers from NZCEO Finance is offset against this. 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 the remaining term of the loan.

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

10 LOAN FROM BANK OF NEW ZEALAND

The Bank of New Zealand (BNZ) Term Loan Facility was updated by a Deed of Amendment and Restatement dated 17 December 2012 and amended on 24 September 2014, 21 April 2015 and 11 December 2017. The updated Facility became effective 29 December 2017 and is due for repayment or renewal by 30 December 2025. As at 31 December 2018, NZCEO Finance was technically in default of one of the Term Loan Facility covenants. For this reason, the full amount of the loan was disclosed as a current liability in 2018. During 2020 and again in 2021, BNZ have agreed to waive their right to cancel the Term Loan Facility and will not demand immediate repayment for at least the next 12 months, so the loan is disclosed as non-current.

			Group	
			2021	2020
			\$	\$
Total Loan	Interest Rate			
Bank of New Zealand - Term Loan Facility	3.92%	Fixed	-	1,010,000
Bank of New Zealand - Term Loan Facility	5.03%	Fixed	2,000,000	2,000,000
Bank of New Zealand - Term Loan Facility	3.34%	Fixed	8,164,000	10,542,062
Bank of New Zealand - Term Loan Facility	3.64%	Fixed	3,388,000	3,388,000
Bank of New Zealand - Term Loan Facility	5.28%	Fixed	2,378,062	-
Bank of New Zealand - Term Loan Facility	3.42%	Floating	2,000,000	1,146,575
			17,930,062	18,086,637
Current liability				
Repayment - Term Loan Facility			(2,000,000)	(1,010,000)
Non-current Liability			\$ 15,930,062	\$ 17,076,637

The loan is secured against all current and future NZCEO Finance assets.

			Group		Company	
			2021	2020	2021	2020
			\$	\$	\$	\$
11 LOANS FROM THE CATHOLIC EDUCATION TRUST FUND AT AMORTISED COST						
Opening Balance			8,027,576	7,689,875	-	-
Plus: Advances by the Trust during the year			1,715,000	8,500,000	-	-
Plus: interest accrued during the year			185,749	387,701	-	-
Less: Repayments from NZCEO Finance during the year			(2,695,611)	(8,550,000)	-	-
			\$ 7,232,714	\$ 8,027,576	\$ -	\$ -

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 annual interest rate of 2.5% from 1 March 2021 (2020: 4.88%), reviewed annually with no specific date set for repayment. During the year, loan advances of \$1,715,000 (2020 \$8,500,000) were received from and repayments of \$2,695,611 (2020 \$8,550,000) were made to the Trust. 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.

12 COST RECOVERIES

NZCEO Finance	-	-	94,621	95,962
National Attendance Dues and Capital Indebtedness Sharing Scheme	27,035	27,418	27,035	27,418
Catholic Education Trust Fund	13,517	13,709	13,517	13,709
Ministry of Education - EPMP	57,945	-	57,945	-
	\$ 98,497	\$ 41,127	\$ 193,118	\$ 137,089

These expenses have been recovered by NZCEO Limited for providing administrative services to NZCEO Finance, the Scheme, the Trust and the EPMP funding distribution.

13 INTEREST INCOME

Interest was earned from the following sources:				
ANZ	6,807	15,106	6,807	15,106
Bank of New Zealand	500	506	-	-
Proprietor loans	1,092,272	1,283,656	-	-
National Attendance Dues and Capital Indebtedness Sharing Scheme on funds advanced	-	25,732	-	-
	\$ 1,099,579	\$ 1,325,000	\$ 6,807	\$ 15,106

14 LEGAL AND PROFESSIONAL FEES

Legal fees	64,969	49,051	57,722	39,755
Consultants and specialised office support	40,675	3,500	40,675	3,500
	105,644	52,551	98,397	43,255
Other professional fees - Corporate Finance	40,000	-	-	-
	\$ 145,644	\$ 52,551	\$ 98,397	\$ 43,255

These fees include negotiation, support and legal advice on various issues relating to government policies; school maintenance; legislative and regulatory interpretations; and a range of other issues. NZCEO Finance contracted Deloitte to review its Financial Model in 2021.

15 MEETINGS - PROPRIETORS

NZCEO Limited Board of Directors' travel expenses, Association of Proprietors of Integrated Schools Executive travel expenses, Financial Review Panel travel expenses, subsets of Board meetings, catering and related costs.	\$ 35,603	\$ 22,674	\$ 35,603	\$ 22,674
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16 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	\$ -	\$ 37,000	\$ -	\$ 37,000
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NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
17 CONVENTION RESERVE				
The 2018 Catholic Education Convention was held in June 2018.				
The Catholic Education Convention planned for 2021 has been postponed to 2023 due to COVID-19 travel restrictions.				
Opening balance	79,922	79,922	79,922	79,922
Transfer from retained earnings	-	-	-	-
Convention Reserve at end of period	\$ 79,922	\$ 79,922	\$ 79,922	\$ 79,922

18 TEACHER AND LEADERSHIP DEVELOPMENT SPECIAL RESERVE				
This is part of NZCEO Limited Board of Directors' initiative to support the ongoing supply of committed teachers to provide leadership for Catholic schools.				
Opening balance	84,253	91,253	84,253	91,253
Transfer unspent 2021 scholarships from retained earnings for future scholarships	30,000	-	30,000	-
Transfer to retained earnings to cover scholarships paid during the year	-	(7,000)		(7,000)
Teacher and Leadership Development Special Reserve at end of period	\$ 114,253	\$ 84,253	\$ 114,253	\$ 84,253

19 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. Administration costs for NZCEO Finance (2021 \$94,621; 2020 \$95,962), the Catholic Education Trust Fund (2021 \$13,517; 2020 \$13,709) and National Attendance Dues and Capital Indebtedness Scheme (2021 \$27,035; 2020 \$27,418) were initially paid by NZCEO Limited and recovered by way of reimbursement.				
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 11).				
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 5).				
Proprietor levies are received from Catholic state integrated school Proprietors who are also shareholders of NZCEO Limited.				
During 2021 EPMP funding of \$590,270 was distributed to Catholic state integrated school Proprietors who are also shareholders of NZCEO Limited.				
Consultants and specialised office support includes \$19,370 paid to a director of NZCEO Limited for administration of the EPMP funding distribution process.				
NZCEO Limited rents office space from a shareholder at commercial rates.				

20 COMMITMENTS				
Operating lease commitments for office premises and photocopier are payable as follows:				
Less than one year	51,898	51,898	51,898	51,898
Between one and five years	195,760	199,936	195,760	199,936
More than five years	77,548	125,271	77,548	125,271
	\$ 325,206	\$ 377,105	\$ 325,206	\$ 377,105

There are no capital commitments as at 31 December 2021 (2020 \$Nil).

21 CONTINGENT LIABILITIES	
There are no contingent liabilities as at 31 December 2021 (2020 \$Nil).	

22 SUBSEQUENT EVENTS	
Subsequent to 31 December 2021, NZCEO Limited received notification that its rented office space may become uninhabitable due to an engineering report that the building falls under the seismic strength requirements of the New Building Standard. This report is undergoing a peer evaluation and the building remains closed pending the outcome of that evaluation. NZCEO Limited staff have been working remotely so this does not materially impact our ongoing operations.	
There have been no other events subsequent to balance date that would materially affect the Financial Statements as presented at 31 December 2021 other than the potential impacts of COVID-19. At this time the potential impacts are unknown, but they could lead to reduced collection of levy income, sponsorship revenue and National Attendance Dues. Management believes that NZCEO and group have sufficient reserves and measures in place to ensure that ongoing expenses and loan commitments can be met for at least the next twelve months.	

Independent Auditor's Report

To the Shareholders of New Zealand Catholic Education Office Limited

Opinion

We have audited the financial statements of New Zealand Catholic Education Office Limited and its subsidiary (the 'Group'), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of comprehensive income, statement of movements in equity and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements, on pages 1 to 16, present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2021, and its consolidated financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ('PBE RDR Standards').

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

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

We are independent of the Company in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor and the provision of model advisory services, we have no relationship with or interests in the Company or any of its subsidiaries. These services have not impaired our independence as auditor of the Company and Group.

Other information

The Board of Directors are responsible on behalf of the Group for the other information. The other information comprises the information in the Annual Report that accompanies the financial statements and the audit report.

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

Our responsibility is to read the other information obtained prior to the date of our audit report, and consider whether it is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with PBE RDR Standards, and for such internal control as the Board of Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISAs (NZ) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on at the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-7>

This description forms part of our auditor's report.

Restriction on use

This report is made solely to the Company's shareholders, as a body, in accordance with Section 207B of the Companies Act 1993. Our audit has been undertaken so that we might state to the Company'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.

The signature 'Deloitte Limited' is written in a cursive, handwritten style.

Wellington, New Zealand
9 March 2022

This audit report relates to the consolidated financial statements of New Zealand Catholic Education Office Limited (the 'company') and its subsidiary (the 'group') for the year ended 31 December 2021 included on the entity's website. The Board of Directors are responsible for the maintenance and integrity of the entity's website. We have not been engaged to report on the integrity of the entity's website. We accept no responsibility for any changes that may have occurred to the consolidated financial statements since they were initially presented on the website. The audit report refers only to the consolidated financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these consolidated financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited consolidated financial statements and related audit report dated 9 March 2022 to confirm the information included in the audited consolidated financial statements presented on this website.