

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED

CONSOLIDATED FINANCIAL REPORTS

FOR THE YEAR ENDED 31 DECEMBER 2022

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED

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NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED

CONSOLIDATED STATEMENT OF SERVICE PERFORMANCE

FOR THE YEAR ENDED 31 DECEMBER 2022

WHO WE ARE

OUR VISION

Our schools are vibrant Catholic faith communities where young people encounter Christ and are formed as His disciples.

WHAT WE DO

OUR MISSION

To deliver high quality support, advice and advocacy for our Catholic Proprietors to safeguard and strengthen the delivery of authentic Catholic education.

OUR PURPOSE

Support a strong Catholic special character where the whole school community grows in Christian discipleship

Inspire a commitment to excellence and equity in educational and faith opportunities and outcomes for students

Promote inclusion and honour the principles of Te Tiriti o Waitangi

Build the development of strong trusting relationships with the government and proprietors so that our school communities are well resourced through adequate funding; and supported by legislation and policy the protect proprietors rights, supports the governments education policies and promotes state integrated schools as equal partners in the state school system

OUR STRATEGIC OBJECTIVES

Safeguard Catholic Special Character - Support Proprietors to safeguard and strengthen our Catholic special character

Strong Advocacy - Work in partnership with Government to represent the interests of stakeholders/proprietors

Advice and Support - Work in partnership with Te Kupenga and NCRS to support the Diocese with their delivery of services to schools

Strong Financial Position - Manage and align funding which supports the needs of Proprietors, Diocese and our schools

HOW WE DO IT

The following projects demonstrate three important ways we worked towards our Strategic Objectives. These three projects are only a part of the work of NZCEO Limited.

ESSENTIAL PROPERTY MAINTENANCE PROGRAMME (Strong Advocacy, Advice and Support, Strong Financial Position)

A two year funding programme from the Crown to fast track school property improvements to benefit student learning outcomes. The Essential Property Maintenance Programme (EPMP) focus is upgrading learning environments including providing outdoor learning spaces, upgrading lighting, heating and ventilation and security/health & safety improvements. Healthy students have better educational outcomes. The Ministry of Education has developed project criteria in consultation with other relevant Crown agencies to support the well-being of students and teachers. NZCEO Limited's role is to administer the funding to ensure projects meet the Ministry of Education criteria. Each school is allocated a maximum amount of funding based on a proration of the total funding provided by the Crown divided by state integrated student rolls as at 1 July 2021. NZCEO Limited verifies that funding is spent within two years from the date of approval of each project to ensure benefits to students are rolled out in a timely manner. Completion of projects is managed through a 10% holdback of each project's final funding allotment. NZCEO Limited reports monthly to the Ministry of Education about project outputs and outcomes and provides quarterly reporting to the Minister of Education. The deadline for all eligible projects to be approved was 31 August 2022. The deadline for all projects to be completed is 31 August 2024.

OUTPUTS 2021 (Unaudited)

For the year ended 31 December 2021:

72 projects approved

66 projects started

3 projects completed

As at 31 December 2021:

3 projects approved, but not started

63 projects in progress and partly funded

3 projects completed and fully funded

OUTPUTS 2022

For the year ended 31 December 2022:

540 projects approved

389 projects started

170 projects completed

As at 31 December 2022:

157 projects approved, but not started

282 projects in progress and partly funded

173 projects completed and fully funded

Detailed information about the amount of funding released each year and the amount still to be released at the end of each year can be found in Note 6 to these Consolidated Financial Statements.

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED
CONSOLIDATED STATEMENT OF SERVICE PERFORMANCE (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

ESSENTIAL PROPERTY MAINTENANCE PROGRAMME (continued)

OUTCOMES

173 completed projects to upgrade learning environments in line with Ministry of Education criteria and priorities. These projects directly improve student well-being and learning by providing health and safety improvements, essential Infrastructure upgrades or quality learning environment enhancements.
 As at 31 August 2022, all eligible projects have been approved and all funding has been earmarked for a specific project, which meets the project approval deadline milestone set by the Ministry of Education.

SIGNIFICANT JUDGEMENTS

A project is considered **approved** when an application has been submitted that meets the qualifying criteria for EPMP funding as set by the Ministry of Education.
 A project is considered **started** when the initial funding has been provided to the proprietor, so that work can commence. Initial funding is approved for a project when a proprietor has completed the required procurement process for an approved project and signed agreements with contractors to complete the approved project.
 A project is considered **completed** when the final funding holdback has been released to the proprietor.
 The final funding holdback is approved for a project when a proprietor has submitted documentation to prove the approved work has been completed and in the required timeline.

ASPIRING LEADERS PROGRAMME (Safeguard Catholic Special Character)

An 18-month formation programme for teachers and leaders in Catholic schools intending to move into the next level of leadership (Principal, Director of Religious Studies, Deputy Principal or Assistant Principal) within the next three years. The focus is on growing faith leaders who have the capabilities to lead for the mission of the Church and therefore the school.
 The programme consisted of two initial days face to face, followed by six regular (approximately two monthly) online seminars and workshops.

OUTPUTS 2021 (Unaudited)

27 registrants for 2021 - 2022 programme

5 sessions held with an average of 24 participants per session

1 initial registrant accepted a principal position and only attended 3 sessions
 1 initial registrant accepted a deputy principal position outside the Catholic network and only attended 3 sessions
 1 initial registrant only attended one session

OUTPUTS 2022

4 sessions held with an average of 24 participants per session

1 initial registrant accepted a deputy principal position outside the Catholic network but attended all 9 sessions
 1 initial registrant did not attend any sessions

OUTCOMES

Twenty-four teachers and leaders in Catholic schools further equipped to grow their careers in Catholic education. Their understanding in the:

- History of Catholic education in Aotearoa New Zealand
- Purpose and goals of Catholic education
- Leadership habits and skills and ability to building the Catholic culture of a school
- Faith Leadership in a Catholic school
- Leadership and Mission
- Catholic social teaching and decision-making
- Expectation and resilience: The application process

has been enhanced to take on the important role of the main faith leader in a Catholic school.
 It is pleasing that almost 90% of the initial registrants completed the programme and at least one initial registrant has gone on to a leadership position in a Catholic School.

SIGNIFICANT JUDGEMENTS

Registration for the programme is defined as the acceptance of and confirmation by NZCEO of an application from a qualified applicant.

Participation is a session is defined as attendance at a session by a registrant either in person or virtually via online video conference.

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED
CONSOLIDATED STATEMENT OF SERVICE PERFORMANCE (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

LOANS TO PARTICIPATING PROPRIETORS (Strong Financial Position)

NZCEO Finance provides loans to Participating Proprietors for new school property work accepted into TPW. It normally borrows the required funds from a commercial bank and on-lends them to Participating Proprietors. Those loans are then debt serviced by TPW.

OUTPUTS 2021 (Unaudited)

For the year ended 31 December 2021:

1 new loan approved

1 new loan funded

In 2021, NZCEO Finance approved and provided an additional portion of a new loan initially funded in 2020.

OUTPUTS 2022

For the year ended 31 December 2022:

0 new loans approved

0 new loans funded

Detailed information about loans receivable from Participating Proprietors can be found in Note 4 to these Consolidated Financial Statements.

OUTCOMES

A new Catholic Primary school was built over 2020/2021 and opened in 2021 as a result of the new loan funding provided by NZCEO Finance over those years.

SIGNIFICANT JUDGEMENTS

A loan is considered **approved** when an application from a Participating Proprietor has been submitted to and approved by the Board of NZCEO Finance.

A loan is considered **funded** when the loan funds have been provided to the Participating Proprietor.

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED CONSOLIDATED STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2022

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 Participating Proprietors of Te Puna Waihangā - National Attendance dues Pool ('TPW') (*previously "the National Attendance Dues and Capital Indebtedness Sharing Scheme ('the Scheme')"*) and Te Puna Tāmata - Emergency Policy One Pool ('TPT').

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 2022. The consolidated financial statements were authorised for issue by the Directors on 18 April 2023.

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 New Zealand 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 TPW, which includes forecast attendance dues and debt servicing, shows that TPW will generate sufficient cash flows to support all debt servicing obligations. Refer to Note 20 where pressures on debt servicing covenants have been identified, addressed and continue to be monitored by management.
- The receipt of attendance dues is subject to an underwrite from the Catholic Bishops of the six participating dioceses.
- 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.

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED
CONSOLIDATED STATEMENT OF ACCOUNTING POLICIES (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

Property, Plant and Equipment (continued)

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%

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, Essential Property Maintenance Package funding payable 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.

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED
CONSOLIDATED STATEMENT OF ACCOUNTING POLICIES (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

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 TPW, TPT 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, loans to Participating Proprietors, the loan from the CETF and the loan from the Bank of New Zealand and from time to time loans to and from TPT and TPW.

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. The set-up costs incurred in 2022 for the re-newed NZCEO Finance School Property Funding Pools are being written off over a ten year period which matches the initial life of the new legal agreements. 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 and Essential Property Maintenance Package funding payable 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. Income is recognised on an accrual basis and is considered to be exchange revenue. Sponsorship income is recognised on an accrual basis and is considered to be non-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.

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED
CONSOLIDATED STATEMENT OF ACCOUNTING POLICIES (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

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 are registered as charitable entities with Charities Services. Registration confirms 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 2022. Certain comparative figures in the Consolidated Statement of Changes in Cash Flows 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 2022

	Note	Group		Company	
		2022	2021	2022	2021
		\$	\$	\$	\$
EQUITY					
Share capital	1	98,888	98,888	98,888	98,888
Convention reserve	15	79,922	79,922	79,922	79,922
Teacher and Leadership Development special reserve	16	144,253	114,253	144,253	114,253
Retained earnings		1,238,997	950,188	891,326	612,293
TOTAL EQUITY		\$ 1,562,060	\$ 1,243,251	\$ 1,214,389	\$ 905,356
CURRENT ASSETS					
Cash and cash equivalents	2	3,767,707	3,610,912	3,666,704	3,497,268
Term deposits	3	10,724,640	642,484	10,724,640	642,484
Trade and other receivables		116,066	65,516	116,066	81,616
Prepayments		27,410	14,997	27,410	14,997
Current portion: loans to Participating Proprietors	4	2,064,803	2,014,208	-	-
Total Current Assets		16,700,626	6,348,117	14,534,820	4,236,365
NON-CURRENT ASSETS					
Property, plant and equipment		2,095	36,321	2,095	36,321
Intangibles		235	1,687	235	1,687
Non-current portion: loans to Participating Proprietors	4	21,473,349	23,509,223	-	-
Total Non-Current Assets		21,475,679	23,547,231	2,330	38,008
TOTAL ASSETS		38,176,305	29,895,348	14,537,150	4,274,373
CURRENT LIABILITIES					
Trade and other payables	5	216,672	551,809	170,972	494,734
Essential Property Maintenance Package funding payable	6	13,076,727	2,800,228	13,076,727	2,800,228
Essential Property Maintenance Package administration fee in advance	7	75,062	74,055	75,062	74,055
Deferred financing and development costs	8	15,722	63,229	-	-
Loan from Catholic Education Trust Fund	10	-	7,232,714	-	-
Loan from Bank of New Zealand	4,9	1,800,000	2,000,000	-	-
Total Current Liabilities		15,184,183	12,722,035	13,322,761	3,369,017
NON-CURRENT LIABILITIES					
Loan from Bank of New Zealand	4,9	21,430,062	15,930,062	-	-
Total Non-Current Liabilities		21,430,062	15,930,062	-	-
TOTAL LIABILITIES		36,614,245	28,652,097	13,322,761	3,369,017
NET ASSETS		\$ 1,562,060	\$ 1,243,251	\$ 1,214,389	\$ 905,356

These accounts were authorised for issue by the Board on 18 April 2023.

For and on behalf of the Board



John Gallaher
DEPUTY CHAIRPERSON
18 April 2023



Stephen Grey
DIRECTOR
18 April 2023

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 2022

	Note	Group		Company	
		2022	2021	2022	2021
		\$	\$	\$	\$
INCOME					
From exchange transactions:					
Proprietors' levies		879,718	864,370	879,718	864,370
Cost recoveries	11	172,111	98,497	266,611	193,118
Interest	12	1,243,784	1,099,579	210,450	6,807
Other income		565	5,729	565	5,729
From non-exchange transactions:					
Sponsorship		43,522	28,969	43,522	28,969
TOTAL INCOME		2,339,700	2,097,144	1,400,866	1,098,993
EXPENDITURE					
ACC levies		1,054	1,449	1,054	1,449
Audit fee		67,164	42,440	21,464	11,690
Administration		40,040	26,282	34,935	27,823
Amortisation of intangible assets		1,452	1,450	1,452	1,450
Bank charges		738	703	284	236
Computer expenses		28,314	24,484	28,314	24,484
Computer hardware		2,420	1,066	2,420	1,066
Depreciation		9,780	13,850	9,780	13,850
Interest paid to Catholic Education Trust Fund		156,899	185,749	-	-
Interest paid to Bank of New Zealand		718,791	673,116	-	-
Legal and professional fees	13	119,689	105,644	117,580	98,397
Loss on disposal of capital assets		24,446	-	24,446	-
Meetings - Proprietors	14	23,145	35,603	23,145	35,603
Motor vehicle		18,227	17,739	18,227	17,739
Other professional fees	13	-	40,000	-	-
Publications and promotions		218	910	218	910
Rent		31,566	47,753	31,566	47,753
Salaries		704,003	661,390	704,003	661,390
Special projects		53,920	-	53,920	-
Travel - Office		19,025	29,008	19,025	29,008
TOTAL EXPENDITURE		2,020,891	1,908,636	1,091,833	972,848
TOTAL COMPREHENSIVE INCOME		\$ 318,809	\$ 188,508	\$ 309,033	\$ 126,145

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 2022

GROUP	Retained Earnings	Teacher and Leadership Development			Total Equity
		Convention Reserve (Note 15)	Special Reserve (Note 16)	Share Capital	
	\$	\$	\$	\$	\$
Opening balance 1 January 2021	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
Total comprehensive income	318,809	-	-	-	318,809
Transfer (to)/from Reserves	(30,000)	-	30,000	-	-
Balance at 31 December 2022	\$ 1,238,997	\$ 79,922	\$ 144,253	\$ 98,888	\$1,562,060

COMPANY	Retained Earnings	Teacher and Leadership Development			Total Equity
		Convention Reserve (Note 15)	Special Reserve (Note 16)	Share Capital	
	\$	\$	\$	\$	\$
Opening balance 1 January 2021	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
Total comprehensive income	309,033	-	-	-	309,033
Transfer (to)/from Reserves	(30,000)	-	30,000	-	-
Balance at 31 December 2022	\$ 891,326	\$ 79,922	\$ 144,253	\$ 98,888	\$1,214,389

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 2022

	Note	Group		Company	
		2022 \$	2021 \$	2022 \$	2021 \$
OPERATING					
Cash received from proprietors		932,718	817,995	932,718	817,995
Cash received from the Crown - EPMP funding		38,340,145	6,413,142	38,340,145	6,413,142
Cash received from related parties		40,500	45,552	151,100	124,823
Cash received from sponsors		35,947	19,419	35,947	19,419
Cash received from sponsors and exhibitors - Convention		-	5,000	-	5,000
Interest received		117,102	9,325	115,186	8,825
Interest received from Participating Proprietors and other related parties		1,031,418	1,092,272	-	-
Interest paid		(718,791)	(673,116)	-	-
Payments to suppliers		(775,639)	(312,746)	(648,136)	(226,738)
Payments to proprietors - EPMP funding		(27,873,501)	(3,049,772)	(27,873,501)	(3,049,772)
Payments to related parties		(69,894)	(19,370)	(85,147)	(62,937)
Payments to employees		(716,720)	(672,052)	(716,720)	(672,052)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		10,343,285	3,675,649	10,251,592	3,377,705
INVESTING					
Loans made to Participating Proprietors		-	(1,858,425)	-	-
Loan repayments received		1,985,279	2,672,745	-	-
Purchase of capital and intangible assets		-	(2,621)	-	(2,621)
Proceeds from sale of capital assets		-	-	-	-
Purchase of term deposits		(13,519,396)	(825,561)	(13,519,396)	(825,561)
Proceeds from maturity of term deposits		3,437,240	817,208	3,437,240	817,208
TOTAL CASH FLOWS FROM INVESTING ACTIVITIES		(8,096,877)	803,346	(10,082,156)	(10,974)
FINANCING					
Loan repayments made to related parties - the Trust		(8,299,613)	(2,695,611)	-	-
Loan advances received from related parties - the Trust		910,000	1,715,000	-	-
Loan repayments made		(3,500,000)	(2,010,000)	-	-
Loan advances received		8,800,000	1,853,425	-	-
TOTAL CASH FLOWS FROM FINANCING ACTIVITIES		(2,089,613)	(1,137,186)	-	-
TOTAL CASH FLOWS		156,795	3,341,809	169,436	3,366,731
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		3,610,912	269,103	3,497,268	130,537
CASH AND CASH EQUIVALENTS, END OF YEAR	2	\$ 3,767,707	\$ 3,610,912	\$ 3,666,704	\$ 3,497,268

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 2022

	Group		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
1 SHARE CAPITAL				
The Proprietors of Catholic integrated schools are the shareholders of NZCEO Limited. There are twenty-six 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	662,744	697,040	662,744	697,040
ANZ - Restricted for Essential Property Maintenance Funding (refer Note 6)	3,003,960	2,800,228	3,003,960	2,800,228
Bank of New Zealand	101,003	113,644	-	-
	\$ 3,767,707	\$ 3,610,912	\$ 3,666,704	\$ 3,497,268
3 SHORT-TERM DEPOSITS				
ANZ	651,873	642,484	651,873	642,484
ANZ - Restricted for Essential Property Maintenance Funding (refer Note 6)	10,072,767	-	10,072,767	-
	\$ 10,724,640	\$ 642,484	\$ 10,724,640	\$ 642,484
Refer Note 4 for details of interest rates and maturities.				
4 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:	2022	2021		
	\$	\$		
Dunedin Diocese loans	7,991,309	8,786,968		
Hamilton Diocese loans	15,546,843	16,736,463		
Total Proprietors' loans	23,538,152	25,523,431		
Less current portion	(2,064,803)	(2,014,208)		
	\$ 21,473,349	\$ 23,509,223		
These loans are funded from the Bank of New Zealand ('BNZ') Term Loan Facility and have priority as per Note 4(f).				
c) Liquidity Risk				
The Group is exposed to liquidity risk due to the nature of its operations. However, the Group has access to TPT for advances if additional funds are required. The Group proactively manages its banking facilities.				
d) Interest Rate Risk				
As interest receivable on any loan to TPW is set at the same rate as the interest payable on the monies borrowed from TPT, 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 2022

4 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 TPW.

2022 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	1.90%	3,767,707							3,767,707
Short-term deposits	3.50%	10,724,640							10,724,640
Trade and other receivables	0.00%	116,066							116,066
Loans to Participating Proprietors	4.25%	1,021,452	1,043,351	2,154,288	2,247,650	2,345,058	2,446,687	12,279,666	23,538,152
BNZ Term Loan	3.64%				(3,388,000)				(3,388,000)
BNZ Term Loan	4.18%		(1,800,000)	(6,864,000)					(8,664,000)
BNZ Term Loan	5.28%				(2,378,062)				(2,378,062)
BNZ Term Loan	7.77%					(4,400,000)			(4,400,000)
BNZ Term Loan	7.80%						(4,400,000)		(4,400,000)
Trade and other payables	0.00%	(216,672)							(216,672)
Total		\$15,413,193	(\$756,649)	(\$4,709,712)	(\$3,518,412)	(\$2,054,942)	(\$1,953,313)	\$12,279,666	\$14,699,831
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

f) Priority

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

5 TRADE AND OTHER PAYABLES

From exchange transactions:

	Group		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
Trade payables	131,172	106,580	85,472	47,239
GST payable	54,327	401,339	54,327	403,605
Monies received in advance	17,000	17,000	17,000	17,000
Employees' salary and holiday pay liability	14,173	26,890	14,173	26,890
	\$ 216,672	\$ 551,809	\$ 170,972	\$ 494,734

6 ESSENTIAL PROPERTY MAINTENANCE FUNDING PAYABLE

Opening balance	2,800,228	-	2,800,228	-
Funding received from the Crown	38,150,000	5,850,000	38,150,000	5,850,000
EPMP funding distributed	(27,873,501)	(3,049,772)	(27,873,501)	(3,049,772)
	\$ 13,076,727	\$ 2,800,228	\$ 13,076,727	\$ 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.

7 ESSENTIAL PROPERTY MAINTENANCE FUNDING ADMINISTRATION FEE RECEIVED IN ADVANCE

Opening balance	74,055	-	74,055	-
Funding received from the Crown	132,000	132,000	132,000	132,000
Administration fee recognised	(130,993)	(57,945)	(130,993)	(57,945)
	\$ 75,062	\$ 74,055	\$ 75,062	\$ 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.

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

	Group		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
8 DEFERRED FINANCING AND DEVELOPMENT COSTS				
Opening balance	63,229	60,545	-	-
Less: Set-up costs for re-newed pools 2022	(51,850)	-	-	-
Plus: Net set-up costs to be recovered	20,912	15,727	-	-
Plus: Administration credit from new loan	-	5,000	-	-
Less: Use of administration credit against current costs	(16,569)	(18,043)	-	-
Closing Balance	\$ 15,722	\$ 63,229	\$ -	\$ -

The initial set-up costs of NZCEO Finance are being written off over a twenty-five year period. The set-up costs incurred in 2022 for the re-newed NZCEO Finance School Property Funding Pools are being written off over a ten year period which matches the initial life of the new legal agreements. The credit arising from the 0.50% administration charge incurred by proprietors who borrow 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. The movement is included in the administration expense balance.

9 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 2027.

Total Loan	Interest Rate		
Bank of New Zealand - Term Loan Facility	5.03% Fixed	-	2,000,000
Bank of New Zealand - Term Loan Facility	3.37% Fixed	6,776,000	8,164,000
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	2,378,062
Bank of New Zealand - Term Loan Facility	7.80% Fixed	4,400,000	-
Bank of New Zealand - Term Loan Facility	7.77% Fixed	4,400,000	-
Bank of New Zealand - Term Loan Facility	7.15% Floating	1,888,000	2,000,000
		23,230,062	17,930,062
Current liability			
Repayment - Term Loan Facility		(1,800,000)	(2,000,000)
Non-current Liability		\$ 21,430,062	\$ 15,930,062

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

10 LOANS FROM THE CATHOLIC EDUCATION TRUST FUND AT AMORTISED COST

Opening Balance	7,232,714	8,027,576	-	-
Plus: Advances by the Trust during the year	910,000	1,715,000	-	-
Plus: interest accrued during the year	156,899	185,749	-	-
Less: Repayments from NZCEO Finance during the year	(8,299,613)	(2,695,611)	-	-
	\$ -	\$ 7,232,714	\$ -	\$ -

The Trust has on-lent funds to NZCEO Finance for cash flow management purposes.

This lending is at an annual interest rate of 2.5% (2021: 2.50%), reviewed annually with no specific date set for repayment.

During the year, loan advances of \$910,000 (2021 \$1,715,000) were received from and repayments of \$8,299,613 (2021 \$2,695,611) 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. The loan was repaid in full on 29 December 2022 with no further lending to take place.

11 COST RECOVERIES

NZCEO Finance	-	-	94,500	94,621
Te Puna Waihangā - National Attendance Dues Pool	27,000	27,035	27,000	27,035
Catholic Education Trust Fund	13,500	13,517	13,500	13,517
Ministry of Education - EPMP	130,993	57,945	130,993	57,945
Other	618	-	618	-
	\$ 172,111	\$ 98,497	\$ 266,611	\$ 193,118

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

12 INTEREST INCOME

Interest was earned from the following sources:

ANZ	210,450	6,807	210,450	6,807
Bank of New Zealand	1,916	500	-	-
Proprietor loans	1,031,418	1,092,272	-	-
	\$ 1,243,784	\$ 1,099,579	\$ 210,450	\$ 6,807

13 LEGAL AND PROFESSIONAL FEES

Legal fees	47,787	64,969	45,678	57,722
Consultants and specialised office support	71,902	40,675	71,902	40,675
	119,689	105,644	117,580	98,397
Other professional fees - Corporate Finance	-	40,000	-	-
	\$ 119,689	\$ 145,644	\$ 117,580	\$ 98,397

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.

14 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.

	\$ 23,145	\$ 35,603	\$ 23,145	\$ 35,603
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NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

	Group		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
15 CONVENTION RESERVE				
The Catholic Education Convention planned for 2021 was postponed to 2024 due to COVID-19 travel restrictions and other planning considerations.				
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

16 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	114,253	84,253	114,253	84,253
Transfer unspent 2021 scholarships from retained earnings for future scholarships	30,000	30,000	30,000	30,000
Transfer to retained earnings to cover scholarships paid during the year	-	-	-	-
Teacher and Leadership Development Special Reserve at end of period	\$ 144,253	\$ 114,253	\$ 144,253	\$ 114,253

17 RELATED PARTY TRANSACTIONS

NZCEO Limited provides administration services to its wholly-owned subsidiary NZCEO Finance, and to the Catholic Education Trust Fund, Te Puna Waihangā - National Attendance Dues Pool and Te Puna Tāmata - Emergency Policy One Pool on behalf of participating Proprietors. Administration costs for NZCEO Finance (2022 \$94,500; 2021 \$94,621), the Catholic Education Trust Fund (2022 \$13,500; 2021 \$13,517) and Te Puna Waihangā - National Attendance Dues Pool (2022 \$27,000; 2021 \$27,035) 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 for cash flow management purposes and then borrowed from the BNZ loan facility to repay the loan from Catholic Education Trust Fund in full. (Refer Note 10)

Loans are provided by NZCEO Finance to participating Proprietors of Te Puna Waihangā - National Attendance Dues Pool as disclosed in the Statement of Financial Position. The participating Proprietors of TPW are also shareholders of NZCEO Limited (Refer Note 4).

Proprietor levies are received from Catholic state integrated school Proprietors who are also shareholders of NZCEO Limited.

During 2022 EPMP funding of \$19,535,939 (2021 \$590,270) was distributed to Catholic state integrated school Proprietors who are also shareholders of NZCEO Limited.

Consultants and specialised office support includes \$69,894 (2021 \$19,370) paid to a director of NZCEO Limited for administration of the EPMP funding distribution process.

NZCEO Limited rented office space from a shareholder at commercial rates until late March 2022. During 2022, the previously rented premises became uninhabitable due to an engineering report that the building falls under the seismic strength requirements of the New Building Standard. As a result, Leasehold improvements with a net book value of \$22,379 were abandoned and written off during the year.

18 COMMITMENTS

Operating lease commitments for office premises and photocopier are payable as follows:

Less than one year	10,926	51,898	10,926	51,898
Between one and five years	16,356	195,760	16,356	195,760
More than five years	-	77,548	-	77,548
	\$ 27,282	\$ 325,206	\$ 27,282	\$ 325,206

There are no capital commitments as at 31 December 2022 (2021 \$Nil).

19 CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 December 2022 (2021 \$Nil).

20 SUBSEQUENT EVENTS

Subsequent to balance date there were two severe weather events causing flooding and damage to the upper North Island (Tamaki Makaurau/Auckland and Tairāwhiti/Hawkes' Bay/East Cape).

At this time all the potential impacts are unknown, but they could lead to reduced collection of levy income and National Attendance Dues.

Subsequent to balance date one proprietor trust board has withdrawn from participating in TPW effective 31 December 2022.

Subsequent to balance date there have been forecast pressures on debt servicing covenants which management is working with Bank of New Zealand to resolve.

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.

There have been no other events subsequent to balance date that would materially affect the Financial Statements as presented at 31 December 2022 other than the potential impacts of severe weather events and the withdrawal of one proprietor from TPW.

Independent Auditor's Report

To the Shareholders of New Zealand Catholic Education Office Limited

Opinion

We have audited the consolidated general purpose financial report ('consolidated financial report') of New Zealand Catholic Education Office Limited and its subsidiary (the 'Group'), which comprise the consolidated financial statements on pages 7 to 18, and the consolidated statement of service performance on pages 3 to 5. The complete set of financial statements comprise the consolidated statement of financial position as at 31 December 2022, 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 report presents fairly, in all material respects:

- the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and cash flows for the year then ended; and
- the consolidated service performance for the year ended 31 December 2022 in accordance with the Group's service performance criteria

in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ('PBE Standards RDR') issued by the New Zealand Accounting Standards Board.

Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'), and the audit of the consolidated service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standard NZ AS 1 *The Audit of Service Performance Information* ('NZ AS 1'). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial report* section of our report.

We are independent of the Company and its subsidiaries 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 we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other than in our capacity as auditor and the provision of corporate finance advice, we have no relationship with or interests in the company or any of its subsidiaries, except that partners and employees of our firm deal with the company and its subsidiaries on normal terms within the ordinary course of trading activities of the business of the company and its subsidiaries.

Other information

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

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

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

Board of Directors' responsibilities for the consolidated financial report

The Board of Directors is responsible on behalf of the Group for:

- the preparation and fair presentation of the consolidated financial statements and the consolidated statement of service performance in accordance with PBE Standards RDR;
- service performance criteria that are suitable in order to prepare consolidated statement of service performance in accordance with PBE Standards RDR; and

- such internal control as the Board of Directors determines is necessary to enable the preparation of the consolidated financial report that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial report, the Board of Directors is 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 Board of Directors either intends to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole, and the consolidated statement of service performance 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 (NZ) and NZ AS 1 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 decisions of users taken on the basis of this consolidated financial report.

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

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-13/>

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 Board of Directors 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.

Deloitte Limited

Wellington, New Zealand
18 April 2023

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 2022 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 18 April 2023 to confirm the information included in the audited consolidated financial statements presented on this website.