

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED

CONSOLIDATED FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

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 2025**

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 two 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 was 31 August 2024.

OUTPUTS 2024

For the year ended 31 December 2024:

0 projects approved

40 projects started

140 projects completed

As at 31 December 2024:

0 projects approved, but not started

0 projects in progress and partly funded

606 projects completed and fully funded

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

OUTPUTS 2025

2024 was the final year of the EPMP funding programme. There were no EPMP outputs for 2025.

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

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED **CONSOLIDATED STATEMENT OF SERVICE PERFORMANCE** **FOR THE YEAR ENDED 31 DECEMBER 2025**

ESSENTIAL PROPERTY MAINTENANCE PROGRAMME (continued)

OUTCOMES

606 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.

As at 31 August 2024, all eligible projects, except one, were completed, which meets the project completion deadline milestone set by the Ministry of Education. The one project uncompleted at the deadline had special permission to extend the project completion deadline. This project was completed in October 2024.

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.

Due to increased registrants, the 2025-2026 programme was divided into two cohorts. The 2025 portion of the programme for the first cohort started with two full days face to face followed by four online sessions. The second cohort started with two full days face to face followed by two online sessions during 2025. The first cohort will complete the programme in late 2026 and the second cohort will finish

OUTPUTS 2024

22 registrants for the 2024 part of the 2023 - 2024 programme

4 registrants accepted a principal position in the Catholic network during 2024
 2 registrants were appointed as deputy principals during 2024.
 3 registrants withdrew from the programme during 2024.

6 sessions held with an average of 14 participants per session

OUTPUTS 2025

47 registrants for the 2025 part of the 2025 - 2026 programme
 41 participants over two cohorts for the 2025 part of the programme

0 registrants accepted a principal position in the Catholic network during 2025
 1 registrant was appointed as deputy principal during 2025.
 9 registrants withdrew from the programme during 2025.

10 sessions held with an average of 19 participants per session

OUTCOMES

Forty-one teachers and leaders in Catholic schools will be further equipped to grow their careers in Catholic education. Their understanding will be enhanced to take on the important role of the main faith leader in a Catholic school through the following focus areas:

- 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

It is pleasing that 81% of the initial registrants continued in the programme throughout 2024 and that seven initial registrants have 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 in 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
FOR THE YEAR ENDED 31 DECEMBER 2025

LOANS TO PARTICIPATING PROPRIETORS

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 2024

For the year ended 31 December 2024:

1 new loan approved

1 new loan partly funded

OUTPUTS 2025

For the year ended 31 December 2025:

0 new loans approved

1 existing loan partly funded

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

OUTCOMES

Participating Proprietors often chose to use their own commercial banking relationships for loan funding to build new school property during 2024 and 2025. However, when needed NZCEO Finance is able to provide loan funding to participating TPW proprietors for approved TPW funded projects.

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 2025

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED

CONSOLIDATED STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 2025

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 2025. The consolidated financial statements were authorised for issue by the Directors on 24 March 2026.

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. 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 2025

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%

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.

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED

CONSOLIDATED STATEMENT OF ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

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 and TPT. 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 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 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 for administering TPW and TPT 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 2025

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 2025. Certain comparative figures in the Consolidated Statement of Financial Position, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows and the Notes to the Consolidated Financial Statements have been reclassified

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025	2024	2025	2024
		\$	\$	\$	\$
EQUITY					
Share capital	1	98,888	98,888	98,888	98,888
Convention reserve	14	68,242	68,242	68,242	68,242
Teacher and Leadership Development special reserve	15	644,253	144,253	644,253	144,253
Retained earnings		1,721,434	2,065,105	1,203,111	1,617,901
TOTAL EQUITY		\$ 2,532,817	\$ 2,376,488	\$ 2,014,494	\$ 1,929,284
CURRENT ASSETS					
Cash and cash equivalents	2	690,723	756,528	498,870	458,494
Term deposits	3	1,492,727	1,418,197	1,492,727	1,418,197
Trade and other receivables		61,365	97,360	95,365	92,824
Prepayments		10,911	4,488	10,911	4,488
Current portion: loans to Participating Proprietors	4	2,451,030	2,227,502	-	-
Total Current Assets		4,706,756	4,504,075	2,097,873	1,974,003
NON-CURRENT ASSETS					
Property, plant and equipment		7,389	8,491	7,389	8,491
Intangibles		61,109	97,034	61,109	97,034
Prepayments		5,000	-	5,000	-
Non-current portion: loans to Participating Proprietors	4	26,931,665	22,370,991	-	-
Total Non-Current Assets		27,005,163	22,476,516	73,498	105,525
TOTAL ASSETS		31,711,919	26,980,591	2,171,371	2,079,528
CURRENT LIABILITIES					
Trade and other payables	5	171,827	173,494	140,877	142,244
Deferred financing and development costs	7	67,277	64,609	-	-
Loan from Bank of New Zealand	4,8	1,446,200	1,217,900	-	-
Total Current Liabilities		1,685,304	1,456,003	140,877	142,244
NON-CURRENT LIABILITIES					
Loan from Bank of New Zealand	4,8	27,477,798	23,140,100	-	-
Monies received in advance	5	16,000	8,000	16,000	8,000
Total Non-Current Liabilities		27,493,798	23,148,100	16,000	8,000
TOTAL LIABILITIES		29,179,102	24,604,103	156,877	150,244
NET ASSETS		\$ 2,532,817	\$ 2,376,488	\$ 2,014,494	\$ 1,929,284

These accounts were authorised for issue by the Board on 24 March 2026.

For and on behalf of the Board



John Gallaher
CHAIRPERSON
24 March 2026



Stephen Grey
DIRECTOR
24 March 2026

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 2025

	Note	Group		Company	
		2025	2024	2025	2024
		\$	\$	\$	\$
INCOME					
<u>From exchange transactions:</u>					
Proprietors' levies		1,020,068	964,033	1,020,068	964,033
Convention 2024	14	-	520,061	-	520,061
Cost recoveries	9	91,125	106,050	150,090	169,287
Interest	10	2,106,688	1,728,416	71,499	184,570
Other income		917	348	917	348
<u>From non-exchange transactions:</u>					
Sponsorship		21,200	22,549	21,200	22,549
TOTAL INCOME		3,239,998	3,341,457	1,263,774	1,860,848
EXPENDITURE					
ACC levies		1,435	1,214	1,435	1,214
Fees for audit firms' services	11	91,350	63,021	26,400	31,771
Administration		39,564	14,485	36,067	29,043
Amortisation of intangible assets		35,925	10,838	35,925	10,838
Bank charges		821	729	329	240
Convention 2024	14	-	531,741	-	531,741
Computer expenses		35,124	25,404	35,124	25,404
Depreciation		5,749	5,075	5,749	5,075
Interest paid to Bank of New Zealand		1,836,166	1,336,482	-	-
Legal and professional fees	12	30,852	114,372	30,852	75,307
Meetings - Proprietors	13	98,165	68,835	98,165	68,835
Motor vehicle		22,532	21,315	22,532	21,315
Publications and promotions		13,134	1,017	13,134	1,017
Principals' Initiative		30,000	30,000	30,000	30,000
Rent		29,881	29,340	29,881	29,340
Salaries		785,328	737,070	785,328	737,070
Travel - Office		27,643	26,824	27,643	26,824
TOTAL EXPENDITURE		3,083,669	3,017,762	1,178,564	1,625,034
TOTAL COMPREHENSIVE INCOME		\$ 156,329	\$ 323,695	\$ 85,210	\$ 235,814

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 2025

GROUP	Retained Earnings	Teacher and Leadership			Total Equity
		Convention Reserve (Note 14)	Development Special Reserve (Note 15)	Share Capital	
		\$	\$	\$	
Opening balance 1 January 2024	1,729,730	79,922	144,253	98,888	2,052,793
Total comprehensive income	323,695	-	-	-	323,695
Transfer (to)/from Reserves	11,680	(11,680)	-	-	-
Balance at 31 December 2024	2,065,105	68,242	144,253	98,888	2,376,488
Total comprehensive income	156,329	-	-	-	156,329
Transfer (to)/from Reserves	(500,000)	-	500,000	-	-
Balance at 31 December 2025	\$ 1,721,434	\$ 68,242	\$ 644,253	\$ 98,888	\$2,532,817

COMPANY	Teacher and Leadership Development				
	Retained Earnings \$	Convention Reserve (Note 14)	Special Reserve (Note 15)	Share Capital \$	Total Equity \$
		\$	\$		
Opening balance 1 January 2024	1,370,407	79,922	144,253	98,888	1,693,470
Total comprehensive income	235,814	-	-	-	235,814
Transfer (to)/from Reserves	11,680	(11,680)	-	-	-
Balance at 31 December 2024	1,617,901	68,242	144,253	98,888	1,929,284
Total comprehensive income	85,210	-	-	-	85,210
Transfer (to)/from Reserves	(500,000)	-	500,000	-	-
Balance at 31 December 2025	\$ 1,203,111	\$ 68,242	\$ 644,253	\$ 98,888	\$2,014,494

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 2025

	Note	Group		Company	
		2025	2024	2025	2024
		\$	\$	\$	\$
OPERATING					
Cash received from proprietors		1,020,086	960,090	1,020,086	960,090
Cash received from related parties		76,948	154,856	96,813	174,193
Cash received from sponsors		13,600	43,499	13,600	43,499
Cash received from proprietors - Convention		-	411,809	-	411,809
Cash received from sponsors and exhibitors - Convention		8,000	99,252	8,000	99,252
Interest received		32,948	151,127	4,452	124,420
Interest received from Participating Proprietors and other related parties		2,006,693	1,517,139	-	-
Interest paid		(1,836,166)	(1,343,731)	-	-
Payments to suppliers		(329,894)	(75,814)	(262,759)	(16,174)
Payments to suppliers - Convention		(5,000)	(499,968)	(5,000)	(499,968)
Payments to proprietors - EPMP funding		-	(7,565,871)	-	(7,565,871)
Payments to related parties		(48,049)	(40,710)	(48,049)	(40,710)
Payments to employees		(782,120)	(735,846)	(782,120)	(735,846)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		157,046	(6,924,168)	45,023	(7,045,306)
INVESTING					
Loans made to Participating Proprietors		(7,010,122)	(4,936,354)	-	-
Loan repayments received		2,225,920	1,965,681	-	-
Purchase of capital and intangible assets		(4,647)	(62,197)	(4,647)	(62,197)
Purchase of term deposits		-	(3,200,000)	-	(3,200,000)
Proceeds from maturity of term deposits		-	7,164,625	-	7,164,625
TOTAL CASH FLOWS FROM INVESTING ACTIVITIES		(4,788,849)	931,755	(4,647)	3,902,428
FINANCING					
Loan repayments made		(2,150,000)	(1,400,000)	-	-
Loan advances received		6,715,998	4,327,938	-	-
TOTAL CASH FLOWS FROM FINANCING ACTIVITIES		4,565,998	2,927,938	-	-
TOTAL CASH FLOWS		(65,805)	(3,064,475)	40,376	(3,142,878)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		756,528	3,821,003	458,494	3,601,372
CASH AND CASH EQUIVALENTS, END OF YEAR	2	\$ 690,723	\$ 756,528	\$ 498,870	\$ 458,494

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 2025

	Group		Company	
	2025	2024	2025	2024
	\$	\$	\$	\$
1 SHARE CAPITAL				
The Proprietors of Catholic integrated schools are the shareholders of NZCEO Limited. There are twenty-five 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	498,870	458,494	498,870	458,494
Bank of New Zealand	191,853	298,034	-	-
	\$ 690,723	\$ 756,528	\$ 498,870	\$ 458,494
3 SHORT-TERM DEPOSITS				
ANZ	1,492,727	1,418,197	1,492,727	1,418,197
	\$ 1,492,727	\$ 1,418,197	\$ 1,492,727	\$ 1,418,197

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:

Dunedin Diocese loans	5,574,983	6,423,036	-	-
Hamilton Diocese loans	23,807,712	18,175,457	-	-
Total Proprietors' loans	29,382,695	24,598,493	-	-
Less current portion	(2,451,030)	(2,227,502)	-	-
	\$ 26,931,665	\$ 22,370,991	\$ -	\$ -

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.

e) Contractual Maturity Analysis

The following tables detail NZCEO Limited's and NZCEO Finance's contractual maturities of both principal and interest with effective interest rates for financial assets and liabilities.

2025 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	0.86%	690,723							690,723
Short-term deposits	3.68%	1,492,727							1,492,727
Trade and other receivables	0.00%	61,365							61,365
Loans to Participating Proprietors	7.00%	2,218,320	2,219,142	4,438,284	4,438,284	3,889,482	3,016,140	27,843,243	48,062,895
BNZ Term Loan	6.83%	(987,152)	(2,433,352)	(4,175,590)	(4,218,595)	(4,547,949)	(3,843,174)	(26,240,636)	(46,446,448)
Trade and other payables	0.00%	(187,827)							(187,827)
Total		\$3,288,156	(\$214,210)	\$262,694	\$219,689	(\$658,467)	(\$827,034)	\$1,602,607	\$3,673,435
2024 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	2.40%	756,528							756,528
Short-term deposits	3.45%	1,418,197							1,418,197
Trade and other receivables	0.00%	97,360							97,360
Loans to Participating Proprietors	7.30%	1,935,752	1,935,752	3,871,505	3,871,505	3,871,505	3,319,516	19,268,462	38,073,997
BNZ Term Loan	6.58%	(801,378)	(2,019,278)	(3,522,619)	(3,391,019)	(3,259,419)	(3,127,819)	(21,766,910)	(37,888,441)
Trade and other payables	0.00%	(181,494)							(181,494)
Total		\$3,224,965	(\$83,526)	\$348,886	\$480,486	\$612,086	\$191,697	(\$2,498,448)	\$2,276,147

f) Priority

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

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025

	Group		Company	
	2025	2024	2025	2024
	\$	\$	\$	\$
5 TRADE AND OTHER PAYABLES				
<u>From exchange transactions:</u>				
Trade payables	148,633	153,508	117,683	122,647
GST payable	-	-	-	-
Monies received in advance	16,000	8,000	16,000	8,000
Employees' salary and holiday pay liability	23,194	19,986	23,194	19,597
	\$ 187,827	\$ 181,494	\$ 156,877	\$ 150,244
6 ESSENTIAL PROPERTY MAINTENANCE FUNDING PAYABLE				
Opening balance	-	7,565,871	-	7,565,871
Funding received from the Crown	-	-	-	-
EPMP funding distributed	-	(7,565,871)	-	(7,565,871)
	\$ -	\$ -	\$ -	\$ -

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. 2024 was the final year of the EPMP funding programme.

7 DEFERRED FINANCING AND DEVELOPMENT COSTS				
Opening balance	64,609	20,065	-	-
Plus: Net set-up costs to be recovered	20,912	20,912	-	-
Plus: Administration credit from new loan	-	60,000	-	-
Less: Use of administration credit against current costs	(18,244)	(36,368)	-	-
Closing Balance	\$ 67,277	\$ 64,609	\$ -	\$ -

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.

8 LOAN FROM BANK OF NEW ZEALAND

The Bank of New Zealand (BNZ) Term Loan Facility was updated by a Common Terms Deed dated 05 November 2024 and is due for repayment or renewal by 31 December 2030.

Total Loan	Interest Rate	Interest Rate expiry				
Bank of New Zealand - Term Loan Facility	3.64% Fixed	Dec-25	-	3,388,000	-	-
Bank of New Zealand - Term Loan Facility	5.28% Fixed	Dec-25	-	2,378,062	-	-
Bank of New Zealand - Term Loan Facility	6.42% Fixed	Dec-27	4,400,000	4,400,000	-	-
Bank of New Zealand - Term Loan Facility	6.69% Fixed	Dec-29	2,200,000	2,200,000	-	-
Bank of New Zealand - Term Loan Facility	7.56% Fixed	Dec-28	2,476,000	2,476,000	-	-
Bank of New Zealand - Term Loan Facility	7.77% Fixed	Dec-26	4,400,000	4,400,000	-	-
Bank of New Zealand - Term Loan Facility	7.80% Fixed	Dec-27	4,400,000	4,400,000	-	-
Bank of New Zealand - Term Loan Facility	6.33% Fixed	Jun-29	2,000,000	-	-	-
Bank of New Zealand - Term Loan Facility	6.10% Fixed	Jun-28	3,000,000	-	-	-
Bank of New Zealand - Term Loan Facility	6.27% Fixed	Dec-30	4,304,062	-	-	-
Bank of New Zealand - Term Loan Facility	5.34% Floating	n/a	1,743,936	715,938	-	-
			28,923,998	24,358,000	-	-
Current liability						
Repayment - Term Loan Facility			(1,446,200)	(1,217,900)	-	-
Non-current Liability			\$ 27,477,798	\$ 23,140,100	\$ -	\$ -

The loan is secured by a General Security Deed against all current and future NZCEO Finance assets.

9 COST RECOVERIES

NZCEO Finance	-	-	58,965	63,237
Te Puna Waihangā - National Attendance Dues Pool	44,224	47,428	44,224	47,428
Te Puna Tāmata - Emergency Policy One Pool	44,224	47,428	44,224	47,428
Other	2,677	11,194	2,677	11,194
	\$ 91,125	\$ 106,050	\$ 150,090	\$ 169,287

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

10 INTEREST INCOME

Interest was earned from the following sources:				
ANZ	71,499	184,570	71,499	184,570
Bank of New Zealand	28,496	26,707	-	-
Proprietor loans	2,006,693	1,517,139	-	-
	\$ 2,106,688	\$ 1,728,416	\$ 71,499	\$ 184,570

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025

	Group		Company	
	2025	2024	2025	2024
	\$	\$	\$	\$
11 FEES FOR AUDIT FIRMS' SERVICES				
Audit of financial statements	57,350	63,021	26,400	31,771
Other services	34,000	-	-	-
	\$ 91,350	\$ 63,021	\$ 26,400	\$ 31,771

NZCEO Finance contracted Deloitte - Corporate Finance to review its Financial Model in 2025.

12 LEGAL AND PROFESSIONAL FEES				
Legal fees	26,272	71,560	26,272	32,495
Consultants and specialised office support	4,580	42,812	4,580	42,812
	\$ 30,852	\$ 114,372	\$ 30,852	\$ 75,307

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.

13 MEETINGS - PROPRIETORS				
NZCEO Limited Board of Directors' travel expenses, Association of Proprietors of Integrated Schools Executive travel expenses, subsets of Board meetings, catering and related costs.	\$ 98,165	\$ 68,835	\$ 98,165	\$ 68,835

14 CONVENTION RESERVE				
The Catholic Education Convention 2024 took place in Wellington in June 2024. The next Catholic Education Convention is planned for 2027.				
Opening balance	68,242	79,922	68,242	79,922
Convention 2024 income	-	520,061	-	520,061
Convention 2024 expenditure	-	(531,741)	-	(531,741)
Transfer from reserve to retained earnings to cover loss	-	(11,680)	-	(11,680)
Convention Reserve at end of period	\$ 68,242	\$ 68,242	\$ 68,242	\$ 68,242

15 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	144,253	144,253	144,253	144,253
Transfer from retained earnings for future scholarships	500,000	-	500,000	-
Teacher and Leadership Development Special Reserve at end of period	\$ 644,253	\$ 144,253	\$ 644,253	\$ 144,253

16 RELATED PARTY TRANSACTIONS				
NZCEO Limited provides administration services to its wholly-owned subsidiary NZCEO Finance. NZCEO Finance administers 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 (2025 \$58,965; 2024 \$66,237), Te Puna Waihangā - National Attendance Dues Pool (2025 \$83,377; 2024 \$66,900) and Te Puna Tāmata - Emergency Policy One Pool (2025 \$63,374; 2024 \$60,678) were initially paid by NZCEO Limited and recovered by way of reimbursement.				

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 2024 EPMP funding of \$5,094,827 was distributed to Catholic state integrated school Proprietors who are also shareholders of NZCEO Limited.

Consultants and specialised office support includes \$nil (2024 \$38,550) paid to a director of NZCEO Limited for administration of the EPMP funding distribution process.

NZCEO Limited sub-lets office space (2025 \$26,500; 2024 \$26,000) and provided teacher formation scholarships (2025 \$21,764; 2024 \$21,549) to Te Kupenga during the year. Te Kupenga and NZCEO Limited share a common director.

17 COMMITMENTS				
NZCEO Limited has operating lease commitments for its premises and photocopier. NZCEO Limited has also entered into a contract for video production during 2023 and 2024. The commitments are payable as follows:				
Less than one year	10,926	10,926	10,926	10,926
Between one and five years	3,828	8,004	3,828	8,004
More than five years	-	-	-	-
	\$ 14,754	\$ 18,930	\$ 14,754	\$ 18,930

During 2024, NZCEO Finance entered into an agreement to lend \$12,000,000 to a Participating Proprietor of TPW. As at 31 December 2025, there is still \$113,523 of the loan remaining to be drawn down by the Participating Proprietor. This loan will be funded from the BNZ Term Loan Facility. There are no other capital commitments as at 31 December 2025 (2024 \$Nil).

18 CONTINGENT LIABILITIES	
There are no contingent liabilities as at 31 December 2025 (2024 \$Nil).	

19 SUBSEQUENT EVENTS	
Subsequent to balance date, NZCEO Finance received an application from a participating proprietor to refinance an existing portfolio of school property loans. In order to provide this loan funding, NZCEO Finance has made an application to drawdown an equivalent amount under its BNZ loan facility. Both loans are due to be drawn down on or before 31 March 2026. The transaction will increase the balance of Loans to Participating Proprietors by \$26M and increase the balance of Loan from Bank of New Zealand by the same amount.	

Other than the loan refinancing transaction noted above, there have been no events subsequent to balance date that would materially affect the Consolidated Financial Statements as presented at 31 December 2025.

Independent Auditor's Report

To the Shareholders of New Zealand Catholic Education Office Limited

Opinion

We have audited the consolidated financial report of New Zealand Catholic Education Office Limited (the 'Company') and its subsidiary (the 'Group'), which comprise the consolidated financial statements on pages 7 to 17, and the consolidated statement of service performance on pages 3 to 5. The complete set of consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of comprehensive income, consolidated statement of movements in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 2025, and its consolidated financial performance and cash flows for the year then ended; and
- the consolidated service performance for the year ended 31 December 2025 in that the service performance information is appropriate and meaningful and in accordance with the Group's measurement bases or evaluation methods

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 ('ISAs'), and the audit of the consolidated service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standard 1 (Revised) *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 Group 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 model advisory services, we have no relationship with or interests in the Group. These services have not impaired our independence as auditor of the Group.

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 report in accordance with PBE Standards RDR;
- the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods that present service performance information that is appropriate and meaningful in accordance with PBE Standards RDR;
- the preparation and fair presentation of service of service performance information in accordance with the Group's measurement bases or evaluation methods, in accordance with PBE Standards RDR;
- the overall presentation, structure and content of the service performance information in accordance with PBE Standards RDR; and
- such internal control as the Board of Directors determine is necessary to enable the preparation of a consolidated financial report that is 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 Group 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 report as a whole is 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 economic 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 at the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-13-1/>

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.

Deloitte Limited

Wellington, New Zealand
24 March 2026

This audit report relates to the consolidated financial report of New Zealand Catholic Education Office Limited (the 'company') and its subsidiary (the 'group') for the year ended 31 December 2025 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 report since it was initially presented on the website. The audit report refers only to the consolidated financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from this consolidated financial report. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited consolidated financial report and related audit report dated 24 March 2026 to confirm the information included in the audited consolidated financial report presented on this website.