



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

Annual Report 2013

2020 BEACON PLAN GOALS

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

Adopted 1998

Revised 2006 Edition 2014

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REPORT FROM THE CHIEF EXECUTIVE OFFICER OF THE NEW ZEALAND CATHOLIC EDUCATION OFFICE TO THE ANNUAL MEETING OF SHAREHOLDERS OF THE COMPANY, MAY 28TH, 2014

INTRODUCTION

During 2013 the New Zealand Catholic School system continued to consolidate its position as a significant player in the nation's education structures. Fortunately, despite the impact of demographic and other changes occurring in some local school communities, our Bishops have been prepared to think long term in addressing the ever-changing complexities of our Church's national school network.

ELECTION OF POPE FRANCIS I

The resignation of Pope Benedict XVI and the election of Pope Francis I in February 2013 was a surprise to most people. Right from the occasion of his first public appearance, Pope Francis has demonstrated a refreshing approach to his leadership of our Church. He has a singular way of cutting through to the essentials of our Catholicism by using simple imagery and showing by his behaviour that inspiration is the drawcard which attracts people to our faith in Christ.

We have all excitedly relearned from this new Pope that proclaiming the Gospel in simple human terms by the way we relate to others is fundamental to our faith. Our school communities are at the cutting edge of implementing Pope Francis's message to search out those who are weak and forgotten and on the periphery of our communities. This is part of our core business as Catholic educators.

AFTERMATH OF THE CHRISTCHURCH EARTHQUAKES

September 4th, 2013 marked the third anniversary of the first Christchurch earthquake. We are all aware of the subsequent earthquakes, which caused severe hardship for the citizens of the city. To the credit of the diocese and other Proprietors in Christchurch and the dogged determination shown by our school communities, much has been accomplished in repairing the very significant damage that was sustained over the course of the earthquakes.

The Office, its Shareholders and their school communities continue to provide active support on the long road of reconstruction in the city by attending to the issues that have inevitably emerged during the reconstruction stage.

CATHOLIC EDUCATION MANDATE

Late in 2013 the New Zealand Catholic Bishops Conference published its vision for the education of young Catholics. This is a welcome document.

The Board of the New Zealand Catholic Education Office (NZCEO) will work closely with the Bishops Conference to systematically implement those parts of the policy which impinge on its activities as the national office for Catholic education. The document will bring a greater focus to the work of Boards of Trustees, Principals and teachers, as well as of those who lead parish communities.

SCHOOL TRUSTEE ELECTIONS, 2013

The ninth set of elections for Boards of Trustees took place in May 2013. The present system for operating the nation's schools was inaugurated in 1989. The genius of the New Zealand structure of administering schools is that parents and the community work in partnership with their professionals to operate schools.

The rest of the world is only now starting to recognise that superior education outcomes are more likely to occur when parents and caregivers have a strong engagement with the education process of their child. We are fortunate with our Catholic schools in that the Church provides additional education structures and resources in assisting Boards of Trustees with their work. It is important that these support structures continue to deliver high-quality services to schools, since part of our system's overall success is due to this partnership operating between the Proprietor and its Board of Trustees.

2013 CENSUS FIGURES RELATING TO CATHOLIC SCHOOLS

Late in the year the 2013 Census figures were received from Statistics New Zealand. This provides detailed information about the whereabouts of every young Catholic throughout New Zealand.

The information will be made widely available to diocesan authorities, Proprietors and schools. It will assist in long-term planning as new schools are established, some existing ones are expanded, and consideration is given to how smaller schools could profitably collaborate in a more structured manner.

The demography of New Zealand is changing quite rapidly in many parts of the country. Not only is there the phenomenon of an increase in live births but also a surge in international migration and a rural-urban drift.

The question has been raised in official circles as to whether or not Proprietors have long-term plans for any of their schools which have small rolls. The answer to the question is contained within the changes that are being made to parish services as the new pastoral area structures bed in. Clearly, a Catholic school represents the presence of the Church in a given geographical area, even if the original parish structure is no longer in existence. This is important since collaboration and the building of alliances are the rails on which progress will be made.

INFORMATION COMMUNICATION TECHNOLOGY (ICT)

Our Catholic schools are part of the Government's School Network Upgrade Programme and the Network For Learning initiative which commenced in 2013.

The rapidly changing ICT landscape is bringing challenges for Boards of Trustees and Proprietors. Fortunately, some of our Catholic schools are national and regional leaders in creating new learning opportunities for students through technology. Others are taking a cautious approach to implementing change.

The roll-out of the Microsoft 365 software to those schools that wish to use the system has been slow owing to a number of blockages. However, at the end of 2013 a pilot programme involving five Auckland Catholic schools was up and running. It is hoped that an invitation to join the project will be extended to all Catholic schools who wish to join it during 2014.

NZCEO is working with Microsoft (NZ) to establish a system that will enable all Catholic schools to easily interact with one another in sharing ideas, expertise and resources, especially in the areas of professional development, Special Character and Religious Education.

PROGRAMME FOR INTERNATIONAL STUDENT ASSESSMENT (PISA)

The PISA results which were published in November 2013 caused understandable alarm within the political, educational and wider public arenas. The results were from the 2012 international tests of 15-year-old students' achievement in mathematics, writing and science, run by the OECD in 68 countries.

The results showed New Zealand had slipped down the international rankings, particularly in science and mathematics. While the nation's results are still above the international averages there is a clear wake-up call for educators and the Government to address the country's obvious weaknesses shown up by the assessments. Māori and Pacific Island students do not feature as well as they might.

The Minister of Education has signalled a number of reforms. Over a period of time these will bring about desirable change. It is therefore incumbent on our Catholic school Boards of Trustees to work closely with their principals to identify whatever weaknesses in student achievement need addressing on each school site and then to take remedial action to ensure each school is delivering outcomes for every student at a high level of achievement. After all, Catholic schools built their reputation by attending to the basics, before developing the rich education opportunities they offer today. There is no reason why our schools cannot lead the way to becoming champions in writing, mathematics and science achievement.

MINISTRY OF EDUCATION AUDITS

During the year, the Ministry of Education carried out audits of Attendance Dues income and expenditure, which is a legal requirement. Fortunately, all of our Proprietors came through the exercise with flying colours, which is a tribute to their conscientiously carrying out their lawful responsibilities.

The Ministry is also taking a much closer look at how Proprietors discharge their other obligations as part of a stepped-up oversight of various compliances required of Proprietors. The same increased level of oversight is also occurring in relation to Boards of Trustees in some of their administrative practices, particularly as these affect parents. As State Integrated schools it is important that all aspects of our system are squeaky clean.

INNOVATIVE PRACTICES IN CATHOLIC SCHOOLS

From time to time the *Education Gazette* carries good news stories about some innovative education practice in one of our schools. The features generally focus on the improvement of student achievement.

Given the burgeoning numbers of students in our schools who are from the migrant sectors of the population, it is incumbent on our school leaders, including Boards of Trustees, to ensure sound structures are put in place to enable academic success for these young people. To the credit of an increasing number of our schools, this is occurring.

PROFESSIONAL DEVELOPMENT OF TEACHERS

At high levels of the Ministry of Education and the Government, from time to time discussion takes place about what actually works in relation to education achievement for the greatest number of students.

One of the 'silver bullets' is the focus on targeted professional development for teachers. The importance of this insight is well known, yet in a number of schools it is not given the prominence it deserves by way of resourcing. The international literature is very clear. Assisting teachers in classrooms to better engage their students helps teachers and students. It would be good if our Catholic schools could be seen to lead the way in this matter. An active commitment to continuous achievement always marks out a good Catholic school.

RELATIONSHIP WITH GOVERNMENT

NZCEO continues to have an excellent working relationship with the Government, and the Minister of Education in particular.

The quantity funding issue which Proprietors have been in dialogue with Government about for a very long time gained significant traction during the year, as a solution to the issue started to look more promising. It is hoped to finally agree on a way forward early in 2014.



CONCLUSION

Gratitude is expressed to the members of the Board of Directors of NZCEO. Their expertise and generosity is admirable. Particular thanks is extended to the Chairman, Geoffrey Ricketts, for his steady and professional leadership of the Board and the Office.

The staff of the Office endeavour to provide high standards of service to those they serve. Sincere gratitude is extended to them for their efforts!

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

Patrick J Lynch
CHIEF EXECUTIVE OFFICER

REPORT ON THE OUTPUTS OF NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED

A. INTRODUCTION

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

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

B. 2013 BUSINESS PLAN OUTPUTS

1 Relationships with Shareholding Stakeholders

Strategic Plan Implementation

- Most of the Strategic Plan priorities for 2013 were actioned. The Office continued to negotiate with Government regarding an enhanced funding stream for specific capital works.
- A report on the Office's 2013 Business Plan was published on the Office's website and is available for public viewing.

Serving the Board of Directors, Shareholders and Stakeholders

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

Strength and Development of Special Character in Schools

- The Office continued its range of publications to support Special Character. It also provided reports and advice to the New Zealand Catholic Bishops Conference.

- A range of examples of good practice have been highlighted in these publications.
- The Office continued its interaction with Caritas Aotearoa New Zealand, with which it has a Memorandum of Understanding.
- The Office worked with the Catholic Institute on matters relating to qualifications and courses available for teachers in Catholic schools, and with the National Centre for Religious Studies (NCRS) on the primary Religious Education curriculum digital initiative, and a range of other matters.
- The review of the Catholic Character Review and Development process continued, with the working party meeting twice to further the review in 2013.
- Further work occurred on the Catholic Character Review and Development document for Catholic school hostels.
- Five meetings took place involving representatives of the Board of NZCEO and a representative group of Diocesan General Managers, in order to establish a better understanding of the various school responsibilities held by the Bishops, the Board of NZCEO Limited, and the Shareholders of NZCEO Limited.

NZCEO Finance Limited

- NZCEO Finance Limited administers the National Attendance Dues and Capital Indebtedness Sharing Scheme and the Catholic Education Trust Fund. Both entities continue to operate effectively.
- Quarterly financial reports are sent to Proprietor finance personnel.
- Two property and finance meetings with Proprietors and Proprietor's agents took place, to discuss current issues.
- A special meeting for Shareholders was held in late November. Its purpose was to provide information and an opportunity for dialogue on current issues.

Long-Term Viability of Catholic Schools

- Long-term planning and negotiations with the Ministry of Education continued, in relation to Catholic schools in areas of growing population.
- Discussions with the Government and the Ministry of Education regarding additional capital funding for integrated schools made good progress during the year. The resolution of this issue remains a high priority.
- The Board continued to hold a watching brief on the Government's approach to partnership schools kura hourua. The Office was called to speak before the Select Committee considering the Education Amendment Bill, with a significant part of the conversation focusing on partnership schools.
- The Office advocated for schools with the Ministry and the Government in relation to digital access and strategies, with successful outcomes occurring, including the inclusion of integrated schools in the Network for Learning managed network.

2 Relationships with First Tier Stakeholders

Collaboration

- The Office continued its regular interactions with diocesan education office personnel and the administration departments in each diocese. Office personnel continued to attend Proprietor, Trust Board and Company meetings, in particular taking the opportunity to discuss current issues and the operations of NZCEO Finance Limited.
- A number of groups of teachers, trustees, parents and Church organisations were met with in order to engender support and enthusiasm for Catholic schools and their mission in the life of the Church. The CEO visited twelve integrated schools during the year. He also addressed two diocesan school trustees conferences.
- Collaboration between parishes and schools was promoted in Office publications and on the Office website.

- Quarterly reports were sent to Proprietors' Appointees on Boards of Trustees, and they have been encouraged to share these with their Boards.
- The annual flyer listing access to professional development was circulated and published on the Office website.
- The Prospective Principals (IDFP) programme was advertised twice, with applications not reaching the numbers required to run the programme. It will be re-advertised in 2014. A contract was signed with Ahead Associates for another three years. The new contract will help prepare middle managers and senior managers in schools to be suitably equipped to successfully gain principal positions in Catholic schools.

Association of Proprietors of Integrated Schools

- A range of services sought by the wider integrated schools sector continued to be delivered, with an emphasis on specific Proprietor requirements.
- In particular, at the request of the APIS executive, an APIS website was developed and launched at the end of 2013.
- Three regional meetings took place in Canterbury, on post-earthquake issues.
- Continuing guidance was provided to members nationwide on compliance with Ministry of Education audit requirements regarding attendance dues. Proprietors were also alerted to Ministry of Education discussions on a possible certification process regarding Policy One expenditure.
- A number of submissions, listed in Section C of this report, were prepared on behalf of the Association of Proprietors of Integrated Schools.
- The Ministry of Education's Integrated Schools' Property Management Guidelines (the Property Toolbox), which had reached final draft stage at the end of 2011, underwent further delays. The Ministry of Education is to launch a new 'super

site' in mid-2014, and it is expected that it will take another year before the Property Toolbox is available online. Meantime, information continues to be readily available, and Ministry staff have been augmented to enable various processes to be carried out more speedily.

- Proprietors continue to receive reminders about a range of matters important to them, and they frequently consult the Office for advice. This helpdesk function is appreciated.
- The Office continued to operate as the Secretariat for the Religious Studies Teachers' Association. Consultation took place on the revision of the NCEA Levels 1-3 Achievement Standards in Religious Studies. Teachers and others in the sector provided many responses to the consultation, enabling the process to be completed satisfactorily within a fairly tight time frame.
- Several groups of Proprietors of private schools sought guidance from the Office about becoming an integrated school. This work was done in conjunction with the Ministry of Education.

3 Relationships with Second Tier Stakeholders

Relationship with Government

- Staff of the Office continued to interact with the Minister of Education and other Government Ministers on a range of issues, including buildings and finance, to ensure an ongoing set of beneficial relationships for integrated schools.
- The Office and the Minister of Education continued to work closely and cooperatively in relation to the Christchurch earthquakes.
- In the middle of the year the Minister of Education signalled that she did not intend to review the Private Schools Conditional Integration Act within the term of the current Government.
- Senior politicians were met with, to ensure that the role and needs of integrated schools were understood.

- The CEO was a member of the Minister of Education's Education Cross-Sector Forum, which met every six weeks for a day at a time. Effectively, this forum has become an advisory group to the Minister as she develops policy and revises existing practice in the education sector.

Ministry of Education

- Frequent meetings continued to take place with the Secretary for Education and senior Ministry of Education officials to improve outcomes for Catholic and other integrated schools.
- Policy development and specific actions took place in a wide range of areas, including the following:
 - * matters relating to the Christchurch earthquakes
 - * legal issues
 - * liaison involving schools experiencing a range of difficulties
 - * property matters
 - * the employment conditions of teachers in Catholic schools
 - * a review of the longer-term viability of Catholic primary schools.

Education Review Office

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

New Zealand Qualifications Authority

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

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

January	• Submission to the Education and Science Select Committee on the Education Amendment Bill 2013 (re partnership schools and other matters)
February	• Submission on 'Cost Recovery for Certain Police Services'
April	• Ministerial Inquiry into Novopay
May	• Ministerial Advisory Group on Restructuring the New Zealand Teachers Council
July	• 'A 21st Century Body for the Education Profession' - Proposals on the New Zealand Teachers Council
August	• Education (2014 School Staffing) Amendment Order
September	• Review of the National Administration Guidelines
October	• Inquiry into Engaging Parents in the Education of their Children
November	• Amendments to the New Zealand Teachers Council Rules

D. OTHER ACTIVITIES OF THE OFFICE

1. Ongoing Involvement with Consultative and Reference Committees

Participation in the following committees occurred on a regular basis:

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

2. Political Contacts

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

3. Ongoing Liaison with Sector Groups

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

- New Zealand Principals' Federation
- Secondary Principals' Association of New Zealand
- PPTA Principals' Council
- NZEI Principals' Council
- New Zealand Education Institute Te Riu Roa
- Post Primary Teachers' Association
- New Zealand School Trustees Association
- Early Childhood Association of New Zealand
- Independent Schools of New Zealand
- Tertiary Education Commission
- New Zealand Teachers Council
- New Zealand Qualifications Authority
- Human Rights Commission
- Office of the Commissioner for Children
- The Correspondence School
- New Zealand Council for Education Research
- Parent Teacher Association of New Zealand
- New Zealand Police National Headquarters
- The Asia Foundation
- Seasons for Growth
- National Religious Diversity Programme

4. Wider Education Engagement

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

5. International Education Connections

- Contributions were made to the work of Education New Zealand, to promote an active profile for integrated schools.
- Support was given to Catholic Education Offices in the south-west Pacific region.
- Meetings continued with leaders of Catholic education in Australia who are interested in seeking detailed information on the way the New Zealand Catholic schooling system works, in light of the changing political landscape in Australia.
- The Office continued to work with relevant agencies to enable more Catholic overseas students to enrol in our schools. In particular, the connection with the Sarasas Schools in Thailand has continued.
- Support was given to schools wishing to expand their intake of foreign fee-paying students. Particular work took place in relation to students from Chile.
- Contact was continued with the New Zealand Consul General in Hong Kong, along with the Director of Catholic Education in the Archdiocese of Hong Kong, in order to facilitate educational exchanges between Hong Kong and New Zealand Catholic schools.
- As of 1 July 2013 there were 726 foreign fee-paying students in Catholic schools, compared with 729 in 2012.

6. Public Relations and Educational Debate

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

- The CEO formally addressed 19 gatherings in schools and conferences and other public settings.
- The CEO wrote 16 addresses and articles contributing to the education debate within New Zealand, and these were published in various magazines and/or newspapers and on the NZCEO website.
- Efforts were made to manage the media as much as possible and to respond positively to news stories and media inquiries involving education issues. Seventeen media statements and blogs on public and educational issues were released.
- New information was frequently placed on the Office website to serve integrated schools and the wider public.

7. Supporting Catholic Schools, Principals and Trustees

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

Collaboration with Primary and Secondary Schools

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

Māori Boarding Schools

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

Publications

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

Business Partnerships

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

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

Although work was slowed owing to the staffing situation of NCRS during the year, continuing collaborative action occurred on a range of projects, in particular:

- Managing technical work on the website of FaithCentral, the Religious Education website for Catholic secondary school teachers and students.
- Technical aspects of the digital resource for the Catholic primary schools' Religious Education curriculum.
- The pilot for the New Zealand Catholic Schools' Online Environment, through the Microsoft Partners in Learning initiative.

- The establishment of a Religious Studies Association for teachers.
- Regular meetings with the CEO of the Catholic Institute, to enable joint strategic thinking to take place.

9. Administration

- Systems and processes were reviewed and enhanced as appropriate.
- A major project was undertaken to reorganise the data held in the Office's electronic systems.
- Digital storage of archival material continued.
- The next stage of risk assessment and disaster recovery planning was completed.

NZCEO Website

- The website was updated regularly. Password protected access, initially on the NZCEO website, and by the end of the year on a specific APIS website, was provided to all Proprietors to enable them to gain electronic access to data concerning their schools.

E. CONCLUSION

- The reputation of Catholic schools in New Zealand is at a high level, thanks to the energetic efforts of many individuals who lead schools, and thanks to the administrative systems that support schools.
- The Office has continued to sustain sound operational systems in a professional, pastoral and businesslike manner.
- The requirements of the Shareholders of the Company, our Bishops and other Proprietors, have been a high priority for the work of the Board and the Office.
- At a day-to-day level the Board and the Office have worked assiduously to meet the requirements and expectations of the country's 238 Catholic schools, their trustees, principals, teachers, students, parishes and the wider community.

- Gratitude is expressed to the Chairman of NZCEO Limited, Geoffrey Ricketts, and his fellow Directors for their generosity in leading the national Catholic school system.
- Gratitude is expressed to the New Zealand Catholic Bishops and their fellow Proprietor Shareholders of the Office, along with their agents, for their support and good will during the year.
- Gratitude is also expressed to the staff of the Office for their dedication and commitment to serving all those involved with the country's Catholic schools. Additionally, recognition and appreciation is extended to all those people around the country who serve our school communities and facilitate the delivery of a Catholic education we can all be proud of.

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

Patrick J Lynch

CHIEF EXECUTIVE OFFICER

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED CHAIRPERSON'S REPORT

INTRODUCTION

The focus of the year was primarily on progressing the quantity funding issue with the Government. At the same time there were ongoing discussions with the New Zealand Catholic Bishops Conference to better align the Conference's responsibilities for Catholic education with the work of NZCEO. In both of these areas good progress was made.

ELECTION OF POPE FRANCIS I

The Board's reaction to the election of Pope Francis I was one of joyfulness and anticipation. As the year progressed and the new Pope started putting his stamp on his leadership role, it was pleasing to see him increasingly refresh many of the progressive initiatives and teachings of the Second Vatican Council.

Our schools are at the forefront of the Church's involvement with large numbers of Catholic people, many of whom are at the edges of connection with the Church. Pope Francis has made it very clear that the Church ought to be seen to reach out to these people and the wider community. Most of our schools already take this view of their role and have some excellent initiatives in place. The genius will be to use this outreach to encourage such people into a fuller participation with the People of God as a worshipping community.

THE ROLE OF THE BOARD OF NZCEO LIMITED

The Board takes a serious view of its responsibilities to nationally co-ordinate the work of all Shareholders so that as far as possible there is a Catholic education possibility available for all those parents that want it for their children. Future proofing the system, keeping a strategic focus, is central to the Board's long-term vision for the schooling system.

At the same time, the quality of the education offered in our schools is central to the Board's thinking. This in turn is linked to the vital importance of ensuring that the Special Character dimension of the education delivered by our schools is of the highest quality.

The New Zealand Bishops have legal and canonical responsibilities in both of these areas and accordingly the Board works very closely with NZCBC, to support them in these responsibilities.

EXTRA CAPITAL SPENDING

The Board approved the spending of an extra \$20 million for capital works, which will be spent in the 2015-16 financial years. This brings to \$40 million the total that has been approved over the last two years. Of necessity, our schools need to remain competitive. Working in partnership with parents and caregivers is vital in this regard.

QUANTITY FUNDING

The Board paid close attention to the ongoing negotiations with Government Ministers in relation to the matter of quantity funding. Fortunately, several members have been able to raise the issue with Ministers outside of the more formal negotiations that have been taking place. The strategies for this work were developed by the Board and the Office's staff.

At year's end there were signals coming from Government that there could well be a positive set of outcomes as a result of the prolonged negotiations. We continue to engage with Government.

NEW SCHOOLS AND THE EXPANSION OF EXISTING ONES

Given the emerging demographic growth patterns, particularly in our larger cities, the Board is keenly aware that it needs to be proactive by having systems in place that enable individual Shareholders to meet their requirements to provide for growth where it is occurring. The costs associated with the growth will be shared with Government in some instances, but by the Catholic parent community as well. Having robust, fair and practical systems in place is vital. At the same time, the largely national approach Proprietors have towards sharing capital costs is now showing its strength, benefits and appropriateness. Working together from a national perspective is a decided advantage for our system of schools.

PRINCIPAL LEADERSHIP

The Board has renewed its focus on providing opportunities for school senior and middle managers to ready themselves for taking up principal's positions in our institutions. The special programme the Board has in place is designed

to assist prospective principals prepare themselves well for their future role in our schools. It is a truism, but without superior leadership at principal level our schools would struggle to deliver what is expected of them. Fortunately, the Board's programme is well received. There are a significant number of principals, in our secondary schools in particular, who are graduates of this scheme.

GOVERNMENT EDUCATION INITIATIVES

The Board has been kept abreast of the various education reforms the Government has initiated, particularly those relating to teacher quality. If the nation is to respond positively to the disappointing results from the Programme for International Student Assessment (PISA) released late in 2013, it is imperative that professional development at initial and post-training levels is targeted and useful for teachers who face very diverse learning challenges in many of our schools.

Our Catholic schools have a greater diversity of ethnic and migrant groups represented in their student populations than that experienced in the State sector generally. Pro rata, there are twice as many Pacific students in our schools as in the State sector. Catering for their needs is a challenge. However, we are more than equal to the task, as a number of our schools demonstrate.

KEEPING UP THE FORWARD MOMENTUM

The Board congratulates schools on their academic achievement and the strength of their Catholic Character.

The 2013 NCEA results for our 49 secondary schools demonstrate that the vast number of our schools are delivering very good results, with some doing exceptionally well, particularly given their socio-economic status.

It is important that the positive momentum our schools have built up in recent years is maintained, with continuous improvement being the benchmark against which progress is made. There is no doubt that data-driven improvement, which focuses on individual learners, is part of the recipe for



success. Academic counselling is a concept taking hold in our schools. This is to be encouraged since it engages students and parents more explicitly in student learning.

When our schools, both primary and secondary, do well, it is so much easier to engage with Government Ministers when we are seeking financial support of one kind or another. However, at a higher level the imperative for continuous improvement is a Gospel imperative, as is striving for excellence in all of its dimensions.

WHY DO WE HAVE OUR SCHOOLS?

Vatican II was emphatic that the Church's mission is to promote the salvation of all mankind. Catholicism is distinctive and therefore Catholic education of necessity has to be distinctive. This distinctiveness has to be delivered through the school's curriculum which reflects Catholicism's worldview. Therefore, our teachers need to know what this worldview is all about, so that they are able to convey it to their students who will then be better able to make sense of their lives. We cannot allow woolly ideas to supplant what should be each school's commitment to genuine Catholicism which is full of hope, faith-filled and reasonable.

APPRECIATION

Gratitude is expressed to my fellow Board members for their generous involvement with the Board. At the same time appreciation is expressed to Pat Lynch and the staff of NZCEO for their work on behalf of our national school system. We all work well together.

A handwritten signature in blue ink that reads "Geoffrey Ricketts". The signature is fluid and cursive, with the first letters of the first and last names being significantly larger and more prominent.

Geoffrey Ricketts

CHAIRPERSON

NEW ZEALAND'S CATHOLIC SCHOOLS

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

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

Nationally, there were 65,595 students in Catholic schools in July 2013. Regional breakdown of students as of July 2013:

Auckland	Diocese	10,769	Primary
		13,295	Secondary
Hamilton	Diocese	5,409	Primary
		4,121	Secondary
Palmerston North	Diocese	4,029	Primary
		3,284	Secondary
Wellington	Archdiocese	6,611	Primary
		5,136	Secondary
Christchurch	Diocese	4,383	Primary
		3,616	Secondary
Dunedin	Diocese	2,651	Primary
		2,291	Secondary
Total		65,595	July Total

AUCKLAND

Colleges

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

Primary Schools

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

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

HAMILTON

Colleges

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

Primary Schools

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

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

PALMERSTON NORTH

Colleges

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

Primary Schools

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

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

WELLINGTON

Colleges

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

Primary Schools

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

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

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

CHRISTCHURCH

Colleges

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

Primary Schools

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

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

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

DUNEDIN

Colleges

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

Primary Schools

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

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

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

REPORT OF THE DIRECTORS OF NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED

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

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

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

Nature of the Company Business

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

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

Auditor

Deloitte

Solicitor

Shanahan Law

Company Number

WN/1042025

Registered Office

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

Approval of Financial Statements by Directors

The Directors of New Zealand Catholic Education Office Limited are pleased to present the group financial statements for the year ended 31 December 2013 on pages 33 to 60.



Geoffrey Ricketts
CHAIRPERSON



Patrick J Lynch
CHIEF EXECUTIVE OFFICER

For and on behalf of the Board of Directors, 19 March 2014

**GROUP FINANCIAL STATEMENTS FOR NEW ZEALAND
CATHOLIC EDUCATION OFFICE LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2013**

These group financial statements have been prepared by New Zealand Catholic Education Office Limited and they fairly reflect the consolidated financial position and the activities of the Office and its subsidiary for the 12-month period ended 31 December 2013.

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

Patrick J Lynch
CHIEF EXECUTIVE OFFICER

19 March 2014

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED CONSOLIDATED STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2013

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

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

The consolidated financial statements comprise the financial statements of New Zealand Catholic Education Office Limited and its wholly-owned subsidiary NZCEO Finance Limited ('the Group') for the year ended 31 December 2013. The consolidated financial statements were authorised for issue by the Directors on 19 March 2014.

Basis of Preparation

NZCEO Limited is a reporting entity for the purpose of the Financial Reporting Act 1993 and these financial statements comply with that Act.

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice ('NZ GAAP'). The financial statements comply with the New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS'), while applying the Framework for Differential Reporting and its interpretations as appropriate to public benefit entities.

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

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

Going Concern

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

- Debt repayment forecasts for NZCEO Finance show that interest income would exceed the interest and administration costs from 2013 and in subsequent years.
- Forecasts of future cash flows have been incorporated in the annual principal repayment of the BNZ loan.
- A Letter of Financial Support has been received from the Catholic Education Trust Fund to enable NZCEO Finance to meet its cash flow commitments.
- Financial modelling for the Scheme, which includes forecast attendance dues and debt servicing, shows that the Scheme would generate surpluses from 2013 and in subsequent years which will enable repayment of the loan from NZCEO Finance to continue.
- Directors have reviewed the attendance dues and debt servicing assumptions in the financial model and are satisfied that the going concern assumption can be applied. The receipt of attendance dues is subject to an underwrite from the Catholic Bishops of the five participating dioceses.

Accounting Policies

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

Basis for Preparing Consolidated Financial Statements

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

Property, Plant and Equipment

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

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

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

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

Intangibles

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

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

Equity in Car Fund

The Diocesan Car Fund Trust was voluntarily wound up at 31 October 2012. A loss on investment of \$6,870 was expensed in 2012.

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 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 Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the Statement of Comprehensive Income.

All financial instruments are shown at fair value on initial recognition. Subsequent to initial recognition financial assets are measured at amortised

cost using the effective interest method less impairment, if any.

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

Financial Assets

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

Capital Risk Management

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

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

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

The Group has no target gearing ratio.

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

Financial Liabilities

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

Provisions

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

Deferred Financing and Development Costs

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

Trade and Other Payables

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

Employee Entitlements

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

Income

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

Interest Income

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

Interest Expense

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

Operating Lease Payments

Operating lease payments, where the lessors effectively retain substantially all of the risks and benefits of ownership of the leased items, are recognised as an expense in the 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 Statement of Financial Position.

Charitable Status and Income Tax

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

Changes in Accounting Policies

There have been no changes in accounting policy for the year ended 31 December 2013.

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013

	Note	Group 2013 \$	Group 2012 \$	Company 2013 \$	Company 2012 \$
ACCUMULATED (DEFICITS)/EQUITY					
Share capital	1	98,888	98,888	98,888	98,888
Convention reserve	22	88,585	88,585	88,585	88,585
Retained earnings		(431,106)	(629,698)	288,267	262,553
TOTAL ACCUMULATED (DEFICITS)/EQUITY		\$(243,633)	\$(442,225)	\$475,740	\$450,026
CURRENT ASSETS					
Cash and cash equivalents	2	684,947	722,996	514,360	456,180
Trade and other receivables	3	16,711	12,723	15,756	10,961
Prepayments	4	17,429	11,306	17,429	11,306
Current portion: loans to Participating Proprietors	6	1,763,522	1,626,043	-	-
Total Current Assets		2,482,609	2,373,068	547,545	478,447
NON-CURRENT ASSETS					
Property, plant and equipment	7	35,341	47,010	35,341	47,010
Intangible assets	8	1,269	3,074	1,269	3,074
Loan to National Attendance Dues and Capital Indebtedness Sharing Scheme	5	23,653,201	25,647,798	-	-
Non-current portion: loans to Participating Proprietors	6	54,850,758	56,017,539	-	-
Total Non-Current Assets		78,540,569	81,715,421	36,610	50,084
TOTAL ASSETS		81,023,178	84,088,489	584,155	528,531

	Note	Group 2013 \$	Group 2012 \$	Company 2013 \$	Company 2012 \$
CURRENT LIABILITIES					
Trade and other payables	9	128,165	106,505	108,415	78,505
Deferred financing and development costs	10	26,415	23,444	-	-
Loan from Catholic Education Trust Fund	12	28,490,278	29,381,812	-	-
Loan from Bank of New Zealand	6,11	3,000,000	3,000,000	-	-
Total Current Liabilities		31,644,858	32,511,761	108,415	78,505
NON-CURRENT LIABILITIES					
Loan from Bank of New Zealand	6,11	49,621,953	52,018,953	-	-
Total Non-Current Liabilities		49,621,953	52,018,953	-	-
TOTAL LIABILITIES		81,266,811	84,530,714	108,415	78,505
NET (LIABILITIES)/ASSETS		\$(243,633)	\$(442,225)	\$475,740	\$450,026

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

These accounts were authorised for issue by the Board on 19 March 2014.

For and on behalf of the Board



Geoffrey Ricketts
CHAIRPERSON

19 March 2014



Reuben O'Neill
DIRECTOR

19 March 2014

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	Group 2013 \$	Group 2012 \$	Company 2013 \$	Company 2012 \$
INCOME					
Proprietors' levies		717,122	707,734	717,122	707,734
Christchurch Earthquake Appeal		2,777	-	2,777	-
Convention 2012		-	488,960	-	488,960
Cost recoveries	13	7,671	7,442	90,686	77,255
FaithCentral levies		11,349	11,035	11,349	11,035
Interest	14	5,831,831	6,088,189	20,826	12,973
Sale of publications		12,146	-	12,146	-
Scholarship grant		1,000	2,000	1,000	2,000
Sponsorship - publications		17,630	6,360	17,630	6,360
Other income		15,619	10,085	15,619	10,085
TOTAL INCOME		6,617,145	7,321,805	889,155	1,316,402
EXPENDITURE					
ACC levies		1,626	1,653	1,626	1,653
Audit fee		27,350	27,000	7,600	6,000
Administration	15	74,208	88,260	73,761	87,202
Amortisation of intangible assets	8	1,805	2,419	1,805	2,419
Bank charges		1,431	1,368	728	720
Christchurch Earthquake Grants		2,780	-	2,780	-
Computer hardware		3,759	-	3,759	-
Convention 2012		-	452,727	-	452,727
Depreciation	7	12,432	14,163	12,432	14,163
FaithCentral	16	12,021	7,535	12,021	7,535
Interest paid to Catholic Education Trust Fund		1,758,466	1,863,685	-	-
Interest paid to Bank of New Zealand		3,761,571	3,978,979	-	-
Legal and professional fees	17	72,244	63,022	62,069	45,658
Loss on investment		-	6,870	-	6,870
Meetings - Proprietors	18	31,201	32,298	31,201	32,298
Motor vehicle	19	20,139	20,268	20,139	20,268
Other fees paid to auditors	17	4,000	-	-	-
Publications and promotions	20	28,362	23,411	28,362	23,411
Publications for sale		9,577	-	9,577	-
Principals' Initiative	21	30,960	31,660	30,960	31,660
Rent		38,978	34,854	38,978	34,854
Salaries		503,043	479,964	503,043	479,964
Scholarship grant		-	2,000	-	2,000
Travel - Office		22,600	21,785	22,600	21,785
TOTAL EXPENDITURE		6,418,553	7,153,921	863,441	1,271,187
TOTAL COMPREHENSIVE INCOME		\$198,592	\$167,884	\$25,714	\$45,215

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

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED

CONSOLIDATED MOVEMENTS IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2013

		Accumulated Deficits \$	Convention Reserve (Note 22)	Share Capital \$	Total \$
GROUP	Opening Balance	(761,349)	52,352	98,888	(610,109)
	Total comprehensive income	167,884	-	-	167,884
	Transfer (to)/from Reserves	(36,233)	36,233	-	-
	Balance at 31 December 2012	(629,698)	88,585	98,888	(442,225)
	Total comprehensive income	198,592	-	-	198,592
	Transfer (to)/from Reserves	-	-	-	-
	Balance at 31 December 2013	\$(431,106)	\$88,585	\$98,888	\$ (243,633)
		Retained Earnings \$	Convention Reserve (Note 22)	Share Capital \$	Total \$
COMPANY	Opening Balance	253,571	52,352	98,888	404,811
	Total comprehensive income	45,215	-	-	45,215
	Transfer (to)/from Reserves	(36,233)	36,233	-	-
	Balance at 31 December 2012	262,553	88,585	98,888	450,026
	Total comprehensive income	25,714	-	-	25,714
	Transfer (to)/from Reserves	-	-	-	-
	Balance at 31 December 2013	\$288,267	\$88,585	\$98,888	\$475,740

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 2013

	Group 2013 \$	Group 2012 \$	Company 2013 \$	Company 2012 \$
1. SHARE CAPITAL				
The Proprietors of Catholic integrated schools are the shareholders of NZCEO Limited.				
There are twenty-seven shareholders with one ordinary share each. The voting rights attached to each ordinary share are proportional to the number of schools under each shareholder (Proprietor). The shares have no par value.				
Fully paid in share capital	98,888	98,888	98,888	98,888
	\$98,888	\$98,888	\$98,888	\$98,888

2. CASH AND CASH EQUIVALENTS				
Bank Accounts				
ANZ	25,434	52,106	25,434	52,106
Bank of New Zealand	170,587	266,816	-	-
	196,021	318,922	25,434	52,106
Short-Term Deposits				
ANZ	488,926	404,074	488,926	404,074
Refer Note 6 for details of interest rates and maturities.				
	\$684,947	\$722,996	\$514,360	\$456,180

3. TRADE AND OTHER RECEIVABLES				
Trade receivables	1,104	5,596	1,104	5,596
GST receivable	9,846	4,125	8,891	4,125
Accrued interest	5,761	3,002	5,761	1,240
	\$16,711	\$12,723	\$15,756	\$10,961

There have been no impairment losses during the year.

	Group 2013 \$	Group 2012 \$	Company 2013 \$	Company 2012 \$
4. PREPAYMENTS				
Convention 2015 deposit	13,162	-	13,162	-
Course registrations	253	1,167	253	1,167
Travel paid in advance	3,726	3,108	3,726	3,108
Web hosting	288	288	288	288
Subscriptions	-	2,044	-	2,044
Photocopier paper and stationery	-	4,699	-	4,699
	\$17,429	\$11,306	\$17,429	\$11,306

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

NZCEO Finance has on-lent funds to the Scheme to meet the shortfall between the attendance dues collected and the debt servicing commitments. This lending is at an interest rate of 5.5% for 2013 (2012 5.5%), reviewed annually with no specific date set for repayment.

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

Advanced by NZCEO Finance	10,595,387	14,096,090	-	-
Cumulative interest	13,057,814	11,551,708	-	-
	\$23,653,201	\$25,647,798	\$-	\$-

6. FINANCIAL INSTRUMENTS

a) Valuation

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

b) Credit Risk

Financial instruments which potentially subject the Group to concentration of credit risk consist principally of loans to Participating Proprietors, accounts receivable and loans to the Scheme.

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

	2013 \$	2012 \$
Significant counterparty exposure is as follows:		
Christian Brothers' loan	888,185	910,516
Dunedin Diocese loans	12,902,164	13,267,725
Hamilton Diocese loans	16,566,966	16,462,579
Auckland Diocese loans	26,256,965	27,002,762
Total Proprietors' loans	56,614,280	57,643,582
Less current portion	(1,763,522)	(1,626,043)
	\$54,850,758	\$56,017,539

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

c) Liquidity Risk

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

d) Interest Rate Risk

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

e) Contractual Maturity Analysis

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

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

2013 Contractual Maturities								
Effective Interest Rate	0-6 months	6-12 months	1-2 years	2-3 years	3-4 years	4-5 years	5 years +	Total
Cash	2.45%	196,021						196,021
Short-term deposits	4.00%	488,926						488,926
Trade and other receivables	0.00%	34,140						34,140
Loans to Proprietors	7.50%	865,303	898,219	1,900,238	2,047,558	2,206,304	46,319,297	56,614,281
Loan to National Attendance Dues and Capital Indebtedness Sharing Scheme	5.50%						23,653,201	23,653,201
BNZ Term Loan	5.80%				(3,000,000)		(25,000,000)	(25,000,000)
BNZ Term Loan	7.45%		(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(5,077,000)	(20,077,000)
BNZ Term Loan	5.49%						(3,941,953)	(3,941,953)
BNZ Term Loan	4.97%						(3,000,000)	(3,000,000)
BNZ Term Loan	5.42%						(603,000)	(603,000)
Trade and other payables	0.00%	(154,580)						(154,580)
Loan from Catholic Education Trust Fund	5.50%		(28,490,279)					(28,490,279)
Total		\$1,429,810	(\$30,592,060)	(\$1,099,762)	(\$952,442)	(\$793,696)	\$32,350,545	(\$280,243)

2012 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	2.45%	318,922						318,922	
Short-term deposits	4.08%	404,074						404,074	
Trade and other receivables	0.00%	24,029						24,029	
Loans to Proprietors	7.50%	797,827	828,216	1,752,279	1,888,311	2,034,905	48,149,162	57,643,582	
Loan to National Attendance Dues and Capital Indebtedness Sharing Scheme	5.50%						25,647,798	25,647,798	
BNZ Term Loan	7.08%			(25,000,000)				(25,000,000)	
BNZ Term Loan	7.49%		(3,000,000)	(20,077,000)				(23,077,000)	
BNZ Term Loan	5.12%			(6,941,953)				(6,941,953)	
Trade and other payables	0.00%	(129,949)						(129,949)	
Loan from Catholic Education Trust Fund	5.50%		(29,381,812)					(29,381,812)	
Total		\$1,414,903	(\$31,553,596)	(\$50,266,674)	\$1,888,311	\$2,034,905	\$2,192,882	\$73,796,960	(\$492,309)

f) Priority
The BNZ loans are secured against all current and future NZCEO Finance assets and registered first or second mortgages held over the properties listed in Note 11.

7. PROPERTY, PLANT AND EQUIPMENT

Group and Company				
	Computer Hardware	Office Equipment	Furniture	Total
Cost				
Balance at 1 January 2012	71,282	13,379	60,884	145,545
Additions	9,783	-	-	9,783
Disposals	(32,216)	(1,039)	(147)	(33,402)
Balance at 31 December 2012	48,849	12,340	60,737	121,926
Additions	763	-	-	763
Disposals	-	-	-	-
Balance at 31 December 2013	49,612	12,340	60,737	122,689
Accumulated depreciation and impairment				
Balance at 1 January 2012	58,959	8,043	27,153	94,155
Depreciation expense	8,520	1,363	4,280	14,163
Disposals	(32,216)	(1,039)	(147)	(33,402)
Balance at 31 December 2012	35,263	8,367	31,286	74,916
Depreciation expense	6,757	1,363	4,312	12,432
Disposals	-	-	-	-
Balance at 31 December 2013	42,020	9,730	35,598	87,348
Net book value				
At 31 December 2012	\$13,586	\$3,973	\$29,451	\$47,010
At 31 December 2013	\$7,592	\$2,610	\$25,139	\$35,341

8. INTANGIBLES

Group and Company

	Computer Software	Systems Development	Total
Cost			
Balance at 1 January 2012	3,968	5,200	9,168
Additions	220	-	220
Disposals	(1,240)	-	(1,240)
Balance at 31 December 2012	2,948	5,200	8,148
Additions	-	-	-
Disposals	-	-	-
Balance at 31 December 2013	2,948	5,200	8,148
Accumulated amortisation and impairment			
Balance at 1 January 2012	3,318	577	3,895
Amortisation expense	687	1,732	2,419
Disposals	(1,240)	-	(1,240)
Balance at 31 December 2012	2,765	2,309	5,074
Amortisation expense	73	1,732	1,805
Disposals	-	-	-
Balance at 31 December 2013	2,838	4,041	6,879
Net book value			
At 31 December 2012	\$183	\$2,891	\$3,074
At 31 December 2013	\$110	\$1,159	\$1,269

	Group 2013 \$	Group 2012 \$	Company 2013 \$	Company 2012 \$
9. TRADE AND OTHER PAYABLES				
Trade payables	85,555	63,407	65,805	35,407
PAYE payable	16,551	15,431	16,551	15,431
Employees' salary and holiday pay liability	26,059	27,667	26,059	27,667
	\$128,165	\$106,505	\$108,415	\$78,505

10. DEFERRED FINANCING AND DEVELOPMENT COSTS				
The initial set-up costs of NZCEO Finance are being written off over a twenty-five year period. Offset against this is the credit arising from the 0.50% administration charge incurred by borrowers from NZCEO Finance. This credit is applied against current costs at the rate of 33% in the first year of the loan, with the balance applied evenly over a further 24 years.				
Opening Balance	23,444	22,483	-	-
Plus: Net set-up costs to be recovered	15,727	15,727	-	-
Plus: Administration credit from new loan	3,000	-	-	-
Less: Use of administration credit against current costs	(15,756)	(14,766)	-	-
Closing Balance	\$26,415	\$23,444	\$-	\$-

11. LOAN FROM BANK OF NEW ZEALAND

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

Contractual maturities are as per Note 6(e).

	Interest Rate		Group 2013 \$	Group 2012 \$
Non-Current Liability				
Bank of New Zealand - Term Loan Facility	5.80%	Fixed	25,000,000	25,000,000
Bank of New Zealand - Term Loan Facility	7.45%	Fixed	17,077,000	20,077,000
Bank of New Zealand - Term Loan Facility	5.49%	Fixed	3,941,953	6,941,953
Bank of New Zealand - Term Loan Facility	4.97%	Floating	3,000,000	-
Bank of New Zealand - Term Loan Facility	5.42%	Fixed	603,000	-
			49,621,953	52,018,953
Current Liability				
Repayment - Term Loan Facility			3,000,000	3,000,000
			3,000,000	3,000,000
			\$52,621,953	\$55,018,953

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

- John Paul College, Rotorua
- John Paul College Hostel, Rotorua
- Kavanagh College, Rattray Street, Dunedin
- Campion College, Gladstone Street, Gisborne
- St John's College, Hillcrest Road, Hamilton
- St Columba's School, Rifle Range Road, Frankton, Hamilton
- De La Salle College, Mangere East, Auckland
- Sancta Maria College, Flat Bush, Auckland
- Stella Maris School, Silverdale, Auckland
- St Joseph's School, Melbourne Street, Queenstown
- Speargrass Flat Campus, Speargrass Road, Queenstown
- Holy Family School, Aubrey Road and Kirimoki Crescent, Wanaka
- St Kevin's College, Taward Street, Oamaru
- Marcellin College, Mt Albert Road, Auckland
- St Mary's School, Chaucer Street, Milton
- Verdon College, Rockdale Road, Invercargill

	Group 2013 \$	Group 2012 \$	Company 2013 \$	Company 2012 \$
12. LOANS FROM THE CATHOLIC EDUCATION TRUST FUND AT AMORTISED COST				
The Trust has on-lent funds to NZCEO Finance for the funding of the BNZ principal repayment and for on-lending to the Scheme to cover the shortfall between attendance dues received and debt servicing commitments. This lending is at an interest rate of 5.5% for 2013 (2012 5.5%), reviewed annually with no specific date set for repayment. Financial modelling of the expected future attendance dues to be collected and forecast debt servicing payments shows that the repayments which commenced in 2010 will continue. The assumptions underpinning the financial model used for the loan impairment review include forecast attendance dues receipts and forecast debt servicing payments. The loan is stated at amortised cost.				
Advanced by the Catholic Education Trust Fund	14,829,223	17,479,223	-	-
Cumulative interest	13,661,055	11,902,589	-	-
	\$28,490,278	\$29,381,812	\$-	\$-

13. COSTS RECOVERIES				
These expenses have been recovered by NZCEO Limited for providing administrative services to NZCEO Finance and the Trust.				
NZCEO Finance	-	-	83,015	69,813
Catholic Education Trust Fund	7,671	7,442	7,671	7,442
	\$7,671	\$7,442	\$90,686	\$77,255

14. INTEREST INCOME				
Interest was earned from the following sources:				
ANZ	20,826	12,973	20,826	12,973
Bank of New Zealand	16,039	19,855	-	-
Proprietor loans	4,288,860	4,385,268	-	-
National Attendance Dues and Capital Indebtedness Sharing Scheme on funds advanced	1,506,106	1,670,093	-	-
	\$5,831,831	\$6,088,189	\$20,826	\$12,973

	Group 2013 \$	Group 2012 \$	Company 2013 \$	Company 2012 \$
15. ADMINISTRATION				
Computer support and maintenance expenditure has been reclassified in 2013 and 2012 from Repairs and Maintenance to Computer Expenses (2013 \$15,137; 2012 \$12,575) to better reflect the nature of the actual expenditure. This reclassification has no impact on the total Administration Expenses.				
Computer expenses	19,774	15,755	19,774	15,755
General expenses	19,193	18,781	3,980	2,957
Photocopier lease payments	10,366	9,453	10,366	9,453
Photocopier expenses	4,171	4,040	4,171	4,040
Postage	11,382	11,166	11,382	11,166
Printing and stationery	8,345	8,004	8,345	8,004
Professional development	7,526	9,034	7,526	9,034
Repairs and maintenance	-	19,200	-	19,200
Subscriptions and books	3,302	2,614	3,302	2,614
Telephones	4,915	4,979	4,915	4,979
Recovery of deferred administration	(14,766)	(14,766)	-	-
	\$74,208	\$88,260	\$73,761	\$87,202

16. FAITHCENTRAL EXPENDITURE

The New Zealand Catholic Bishops Conference ('NZCBC') acquired ownership of FaithCentral in 2005 from the Society of Mary. NZCEO Limited and the National Centre for Religious Studies co-administer the website on behalf of NZCBC. Administration costs are met by a levy on each Catholic secondary school at 43 cents per pupil.

	\$12,021	\$7,535	\$12,021	\$7,535
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	Group 2013 \$	Group 2012 \$	Company 2013 \$	Company 2012 \$
17. LEGAL AND PROFESSIONAL FEES				
These fees include negotiation, support and legal advice on various issues relating to Government policies; school maintenance; depreciation; planning legislative and regulatory interpretations; and a range of other issues.				
Legal fees	52,077	51,936	41,902	34,572
Consultants and specialised office support	20,167	11,086	20,167	11,086
	72,244	63,022	62,069	45,658
Other fees paid to auditors - advisory services	4,000	-	-	-
	\$76,244	\$63,022	\$62,069	\$45,658

18. MEETINGS - PROPRIETORS				
NZCEO Limited Board of Directors' travel expenses, Association of Proprietors of Integrated Schools' Executive travel expenses, catering, subsets of Board meetings and related costs.				
	\$31,201	\$32,298	\$31,201	\$32,298

19. MOTOR VEHICLE EXPENSES				
Running costs	930	516	930	516
Car replacement levy	14,009	16,602	14,009	16,602
Car parking	5,200	3,150	5,200	3,150
	\$20,139	\$20,268	\$20,139	\$20,268

20. PUBLICATIONS AND PROMOTIONS				
The production and distribution of <i>Lighting New Fires, Good News and the News</i> and <i>Aoraki</i> continued in 2013. The Catholic Schools Day material was updated and the Code of Ethics and Catholic Schools Booklet prepared for redistribution.				
	\$28,362	\$23,411	\$28,362	\$23,411

	Group 2013 \$	Group 2012 \$	Company 2013 \$	Company 2012 \$
21. PRINCIPALS' INITIATIVE				
This is an NZCEO Limited Board of Directors' initiative to support the ongoing supply of committed teachers to provide leadership for Catholic schools.				
Expenditure	\$30,960	\$31,660	\$30,960	\$31,660

22. CONVENTION RESERVE				
As per the Board minutes dated 20 November 2012 the Board of NZCEO Limited agreed to transfer the surplus generated from the 2012 Catholic Education Convention to the Convention Reserve. This Reserve will be used to meet some of the 2015 Catholic Education Convention expenses.				
Opening balance	88,585	52,352	88,585	52,352
Transfer from retained earnings	-	36,233	-	36,233
Convention Reserve at end of period	\$88,585	\$88,585	\$88,585	\$88,585

23. RELATED PARTY TRANSACTIONS				
NZCEO Limited provides administration services to its wholly-owned subsidiary, NZCEO Finance, and to the Catholic Education Trust Fund and the National Attendance Dues and Capital Indebtedness Sharing Scheme on behalf of Participating Proprietors.				
During the year NZCEO Finance took out loans from the Catholic Education Trust Fund and on-lent that money to the National Attendance Dues and Capital Indebtedness Sharing Scheme to fund the shortfall between the national attendance dues received from Participating Proprietors and the debt servicing paid on behalf of the Participating Proprietors.				
All administration costs for NZCEO Finance (2013 \$83,015, 2012 \$69,813) and the Catholic Education Trust Fund (2013 \$7,671, 2012 \$7,442) were initially paid by NZCEO Limited and recovered by way of reimbursement.				
Loans are provided by NZCEO Finance to Participating Proprietors of the National Attendance Dues and Capital Indebtedness Sharing Scheme as disclosed in the Statement of Financial Position. The Participating Proprietors of the Scheme are also shareholders of NZCEO Limited.				

	Group 2013 \$	Group 2012 \$	Company 2013 \$	Company 2012 \$
24. COMMITMENTS				
Operating lease commitments for the office premises, car replacement and the photocopier are payable as follows:				
Less than one year	57,870	58,348	57,870	58,348
Between one and five years	12,017	13,673	12,017	13,673
More than five years	-	-	-	-
	\$69,887	\$72,021	\$69,887	\$72,021

There are no capital commitments as at 31 December 2013 (2012 \$Nil).

25. INSURANCE

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

26. CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 December 2013 (2012 \$Nil).

27. SUBSEQUENT EVENTS

There have been no events subsequent to balance date that would materially affect the Financial Statements as presented at 31 December 2013.

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

Deloitte

Report on the Consolidated Financial Statements

We have audited the consolidated financial statements of the New Zealand Catholic Education Office Limited ('NZCEO Limited') and Group on pages 33 to 57, which comprise the consolidated and separate statements of financial position as at 31 December 2013, the consolidated and separate statements of comprehensive income and statements of movements in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to NZCEO Limited's shareholders, as a body, in accordance with Section 205(1) of the Companies Act 1993. Our audit has been undertaken so that we might state to NZCEO Limited's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Board of Directors' Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibilities

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view of the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates, as well as the overall presentation of the consolidated financial statements.

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

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

Opinion

In our opinion, the consolidated financial statements on pages 33 to 57:

- comply with generally accepted accounting practice in New Zealand, and
- give a true and fair view of the financial position of NZCEO Limited and Group as at 31 December 2013 and their financial performance for the year then ended.

Report on Other Legal and Regulatory Requirements

We also report in accordance with section 16 of the Financial Reporting Act 1993. In relation to our audit of the consolidated financial statements for the year ended 31 December 2013:

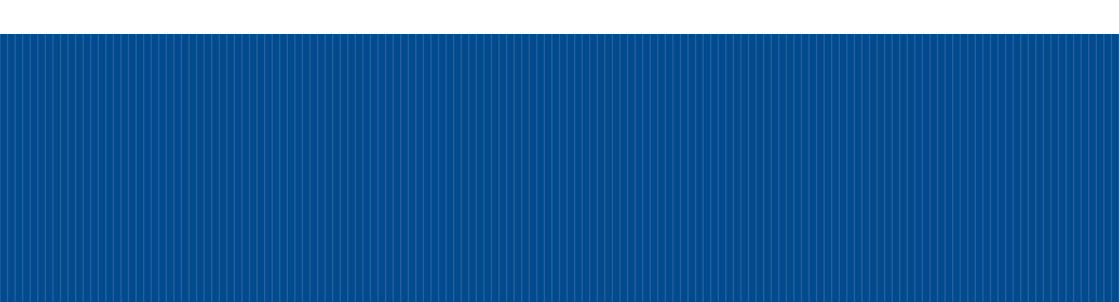
- we have obtained all the information and explanations we have required, and
- in our opinion proper accounting records have been kept by NZCEO Limited as far as appears from our examination of those records.



Chartered Accountants

19 March 2014

Wellington, New Zealand



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Geoffrey Ricketts

CHIEF EXECUTIVE OFFICER

Patrick J Lynch

SENIOR MANAGEMENT

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

EXCELLENCE IN SCHOOLS THAT MAKE A DIFFERENCE