

Annual Report

2014





The Network for Learning Limited's (N4L) objective is to make a significant contribution to improving educational outcomes by enabling the effective use of technology and to support the transformation of all New Zealand schools to technology-based learning environments.

N4L is meeting these objectives through the delivery of the Government-funded N4L Managed Network, to more than 900 schools so far, and the successful launch and subsequent rapid growth of Pond, the N4L portal for New Zealand schools.

N4L has also operated in a financially sustainable manner within its Crown-allocated operational budget.

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CHAIR'S REPORT

Kia ora koutou katoa

In May 2014, Government released the 21st Century Learning Reference Group's *Future-focused learning in connected communities report*. The Associate Minister of Education, Hon Nikki Kaye, stated "making the most of technology and digital content is essential to raising achievement for children and young people."



N4L was created to leverage the power of technology to help improve educational outcomes for all learners. We are doing this by building a fully funded Managed Network to which all New Zealand schools can connect, and by delivering relevant content and interactive services to enhance teaching and learning.

At this time last year, we predicted that N4L had an incredibly exciting year ahead. We are delighted to confirm that, in less than a year (at the time of this Annual Report), more than 900 of New Zealand's 2500 schools have been connected to the Managed Network, providing around 285,000 students safe, predictable, fast internet access.

Our rollout of the Managed Network has been highly successful and 20% more schools have been connected so far than we had initially targeted. While this is

pleasing from an organisational (N4L) perspective, more importantly it means that tens of thousands more learners than expected are now able to access a reliable Managed Network. The educational benefits to these learners, and to New Zealand, will be long lasting.

The Government's education agenda emphasises the importance of the role of education in creating a "high-income, knowledge-based economy that includes all New Zealanders." N4L's strategy and plan execution ensures that all New Zealand schools will benefit equally from N4L's services, regardless of location, size or decile.

Understanding the essential needs of teachers and students, and to ensure that our teachers can realise the benefits and opportunities that the Managed Network offers, N4L launched Pond early in 2014. Pond is an online environment for teachers

and learners to discover and share new resources, and to connect and collaborate with their peers. Pond is a unique and incredibly exciting New Zealand-owned asset. We fully expect Pond to transform the way teachers and learners find and use digital resources.

To date some **1,400 teachers from around 460 schools** have contributed more than **3,700 items to the catalogue of items on Pond.**

We will closely monitor Pond and strategically align our broader Dynamic Services strategy to educational, professional and learner needs. Pond is innovation in play. It must remain iterative

and dynamic as its user base grows rapidly.

Within two years we are confident that all schools will be connected to the Managed Network and all teachers and learners will be able to take part in, and benefit from, the Pond environment.

None of this would have been possible without the exceptional performance of the N4L team, under the inspirational leadership of John Hanna. Over the course of the year John has continued to shape N4L, embedding our values of agile, easy, inspiring, open and authentic in all that we do. The team that he has built is now largely complete and is actively engaged in N4L's mission.

Central to our strategy is ensuring that our customers - schools, teachers and students - receive exceptional service, and that they can trust and depend on all communication and interactions

with N4L. In this year, the N4L team has visited over 1,000 schools and answered more than 16,000 helpdesk calls, with over 90% of customers satisfied.

Going forward into 2015, N4L is focused on its core deliverables - the Managed Network and enhanced content and collaborative services - to ensure that all New Zealand learners have access to a future-focused learning environment.

N4L has a unique business model and encompasses the critical skills of a highly experienced team, who bring a balance of world-class technical competencies and commercial application knowledge.

We recognise the enormous value digital technologies provide to education and the future of our economy, and will continue to work with the sector to maximise all opportunities.

To my fellow Directors I would like to offer heartfelt thanks for their integral part in guiding this fast-moving and successful organisation, and to the N4L team for their commitment to delivering on the promise of N4L. We are proud of what we have achieved this year for learners, for teachers, for schools and for New Zealand, and embrace the opportunity to continue to deliver into the future.

Helen Robinson

Chair

CHIEF EXECUTIVE'S REPORT

Tēnā koutou, he waka eke noa! Indeed we are all in this together!

If any statement holds true for N4L's journey over the past twelve months, it is this one. In July last year N4L had only 23 staff and was in the final weeks leading up to selection of the supplier contract to enable the Managed Network rollout to begin. Connecting our first school was still in the distant future and Pond, the N4L portal, was still in design.

A year on, and with support from our partners Spark and the Ministry of Education, and the amazing team of technologists and educators who make up N4L, we are well ahead of schedule.

N4L was created by Government to build a Managed Network specifically designed for New Zealand's 2500+ schools and to create an environment that encourages the uptake of digital learning.

N4L's objective, whilst supporting the delivery of the New Zealand Curriculum and the Government's education strategy, is to make a significant contribution to improving every student's achievement.

We have a specific focus on ensuring equity of access for all students, regardless of geography or demography.

N4L's Managed Network is open, safe, secure, predictable and fast, with uncapped data. It is fully funded for all kura, state, state-integrated and partnership schools. The Managed Network has been delivered over the Ultra-Fast Broadband (UFB) and Rural Broadband Initiative (RBI) along with a handful of locally owned and operated provincial fibre services, as appropriate.

When establishing N4L, with support of the N4L Board, we wanted to create a company staffed with the best people we could find, all of whom genuinely wished to make a difference to the way in which education could be delivered across the length and breadth of our amazing country.

The education sector is diverse and schools around the country are at varying stages in their adoption of digital technology for learning. For N4L to succeed we knew we

needed to listen to the varying needs of our customers and be considered in our approach to delivering our services. Linking the talents of the N4L team to the expertise and experience of the education sector through workshops, school visits and conferences has been a critical part of N4L's activity this year.

Our goal throughout has been to make a positive impact on as many teachers and students as possible. This entailed connecting as many schools, as fast as we were able to, and it also meant reducing internal complexity at any opportunity. We wanted to ensure a smooth transition onto the Managed Network and to provide an excellent initial and ongoing experience. These goals have been achieved!

Our initial rollout began in November 2013 and ramped up steadily through the year.

At the time of writing over 900 schools are connected, benefiting around 285,000 students. The current connection rate will see N4L connect more than 1,000 schools by the end of 2014 and all schools that wish to be connected by the end of 2016.

Development of Pond, the Network for Learning portal, continued through the year, culminating in

a formal brand launch in March, followed by the launch to educators in May.

The demand to be a part of this collaborative, highly functional and content-rich environment demonstrates that our investment in engaging with educators and understanding how they wish to work has been more than worthwhile. As we move into the coming year, we will continue to improve the efficiency and pace of connecting schools to the Managed Network while maintaining a high level of quality.

All educators will be able to access Pond and we look forward to bringing students into the environment in 2015. We will continue to support the rollout of the Government's education strategy and deliver services that will make a significant contribution to improving educational outcomes.

The team at N4L have achieved well beyond all expectations. To have taken this company from concept to reality with support of this extraordinary team has been a true honour and a humbling privilege.



John Hanna
CEO

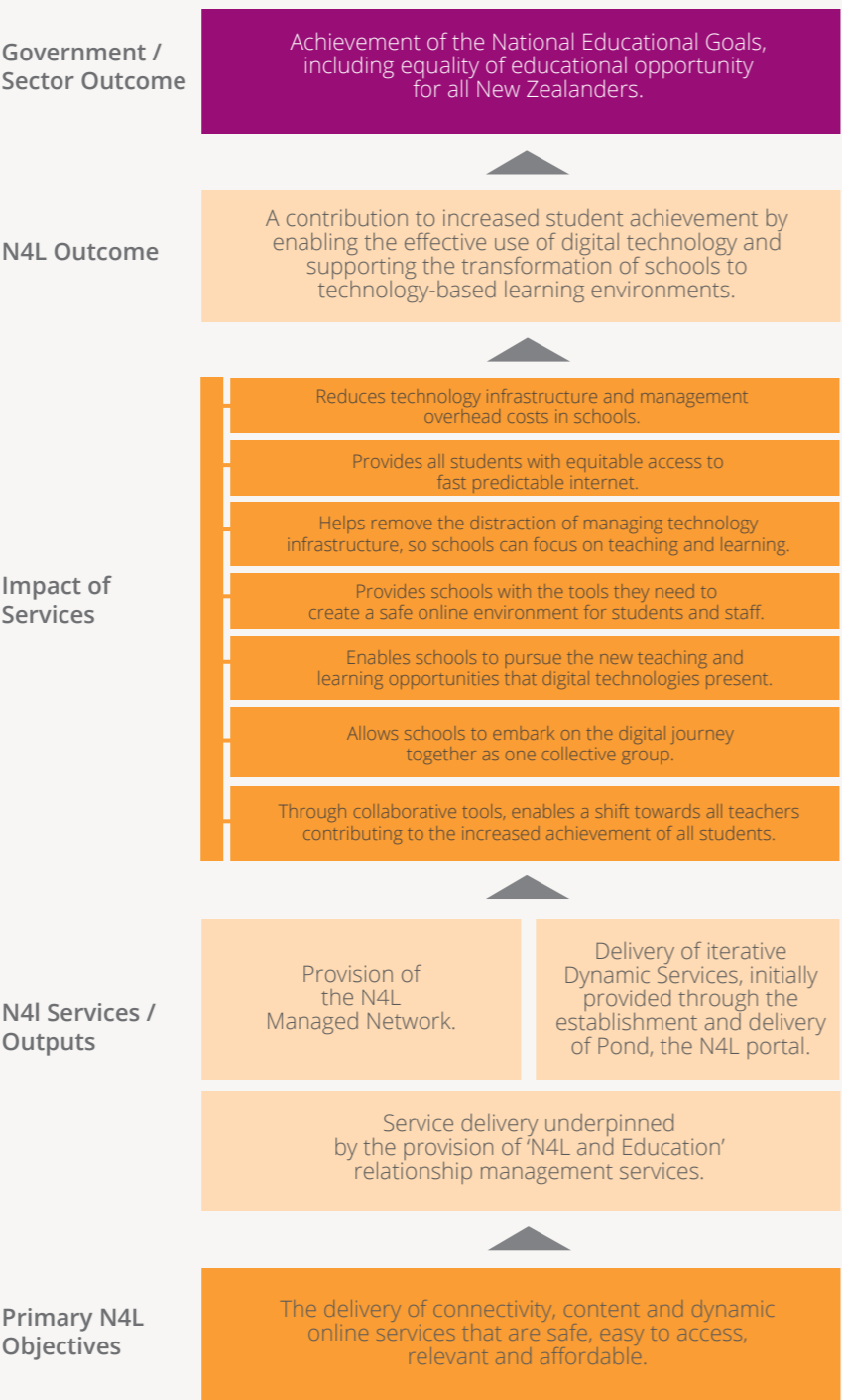
N4L OBJECTIVES AND OUTCOMES

N4L currently aims to meet the needs of New Zealand's education sector in three main areas.

First, through the provision of the N4L Managed Network, as well as related services such as web filtering, firewall services, performance monitoring and a helpdesk service.

Second, by delivering a range of 'Dynamic Services' – services created and/or delivered by N4L to address specific areas of need in the education sector.

And finally, through implementing a strategy of customer engagement that comes from the fundamental belief that the New Zealand education sector and its participants are N4L's primary customers.



N4L OBJECTIVES AND OUTCOMES MANAGED NETWORK

N4L's Managed Network has been designed specifically for schools, providing fast and predictable internet with uncapped data; web filtering and network security services.

The rollout of the Managed Network began in November 2013 when Massey Primary became the first school connected and has continued at a faster than expected rate. As of 30 June 2014, 532 schools had been connected to the Managed Network and we have subsequently already exceeded the target of 700 by the end of 2014.

N4L exceeded all three of its milestones up to 30 June 2014;

- **14 schools connected by 2 December 2013** (target of 2 achieved 29 November 2013)
- **55 schools connected by 8 January 2014** (target of 20 achieved 16 December 2013)
- **246 schools connected by 10 March 2014** (target of 200 achieved 26 February 2014)

Rollout

N4L has used the UFB and RBI fibre infrastructure currently being rolled out across the country by four Local Fibre Companies (LFCs) to connect schools to the Managed Network. Where fibre from these two programmes has not been available, N4L has used alternative connectivity options to connect schools. So far this has resulted in arrangements with four private fibre companies (Network Tasman, Citylink, Inspire and EA Networks) to enable schools to continue using fibre from their existing providers.

Work has also taken place to develop new product options to allow schools to be allocated connections that better suit their roll size.

In addition to the standard connection process, N4L has created a project for connecting all National Education Network Trial (NEN) schools to the Managed Network as a priority, allowing the NEN Trial to be disestablished. This includes working with established Loop schools such as the Nelson Loop and Wellington Loop. The core project was completed in August. However there are a small number of schools with external dependencies with who we continue to work with to complete their transition.

N4L will continue to work with Loop schools and fibre providers who are not part of the UFB or RBI programmes throughout 2014 and 2015. This will create a broader reach for the Managed Network, allowing more schools that want to connect to do so.

As part of the standard connection package offered to schools, N4L also provided related services to schools connected to the Managed Network, to help schools make their online environment safer for students and staff. These included web filtering, firewall services, performance monitoring and a helpdesk service.

A balanced approach has been taken to signing up schools and connecting them to the network, ensuring that students are not disadvantaged by geography or demography.



Jeremy Nees
Chief Technical Officer

I have often heard the debate over whether internet access should constitute a basic human right. Regardless of the side on which you sit, the fact that such a debate exists highlights the important role connectivity plays today.

For the debate to exist also highlights that there is a gap between those who have and those who have not. Sometimes the gap is financial, sometimes it's about accessibility of services and sometimes it's just about knowing where to get started.

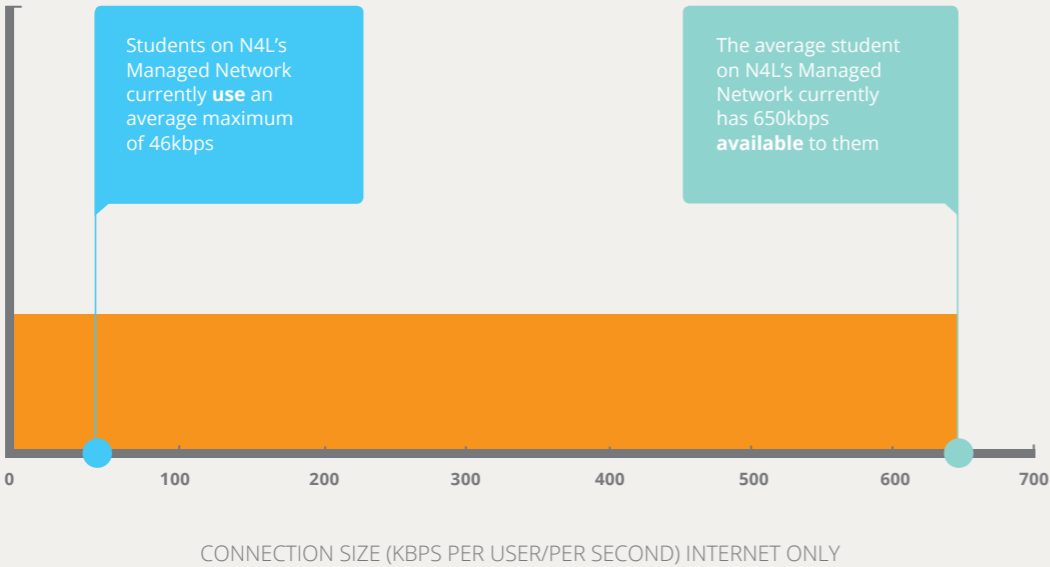
For me the N4L Managed Network was one of the pieces of the puzzle to start to close this gap and it does so in an area that is so critical to the next generation of New Zealanders.

The opportunity to support teachers and students by providing a foundational component - a platform supporting innovation, access to information and change - is an exciting one.

N4L OBJECTIVES AND OUTCOMES

MANAGED NETWORK

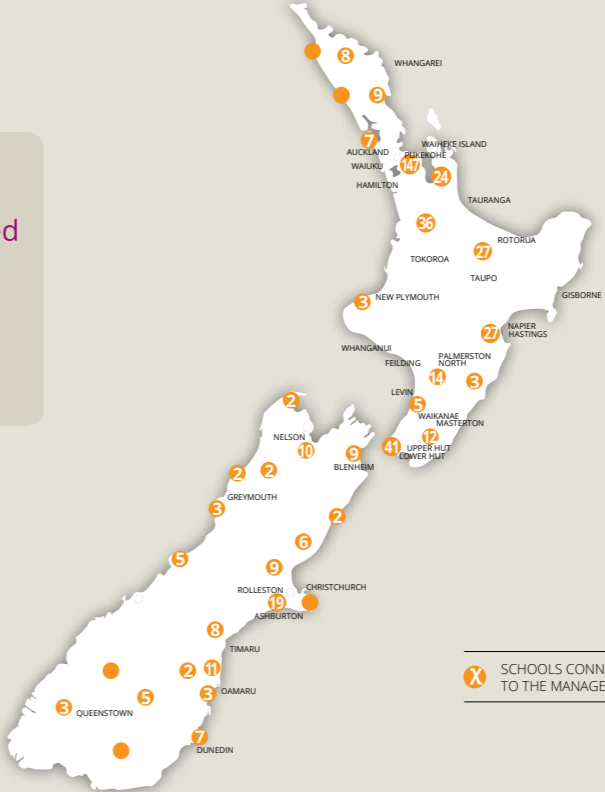
FUTURE-PROOFING THE STUDENT



CONNECTION MAP

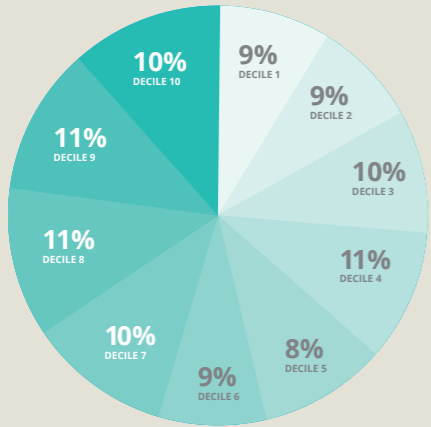
As at 30 June 2014:

- 500+ schools connected
- 700+ contracted
- 1000+ expected to be connected this year



EQUITY OF ROLLOUT

CONTRACTED SCHOOLS BY DECILE RATING

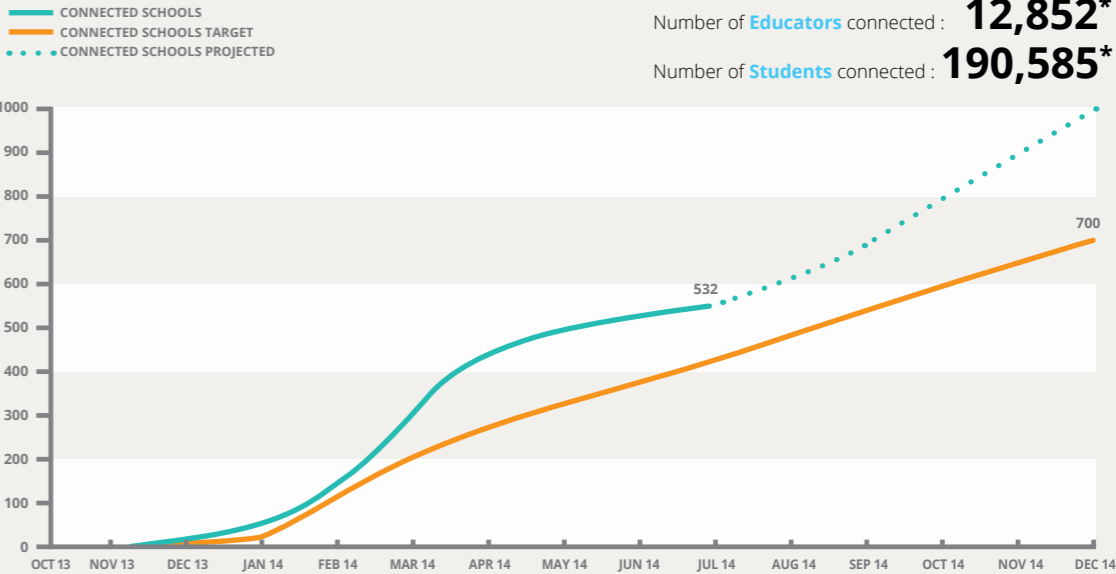


* As at 30 June 2014

PERCENTAGE OF EACH GROUP CONTRACTED SO FAR

MAORI - 30%
PASIFIKA - 35%
EUROPEAN/PAKEHA - 31%
ASIAN - 32%
MELAA - 32%
OTHER - 28%

MANAGED NETWORK TARGET AND ROLLOUT PROGRESS



* Numbers are accurate as of 30 June 2014

MANAGED NETWORK



Partnering with Local Companies

Through the rollout of the Managed Network, N4L has taken what it considers a humble, partnering and collaborative approach to connecting and supporting schools. N4L values working with local companies to get the job done and has focused on utilising local knowledge to improve the transition experience for schools wherever possible.

The feedback from schools regarding the approach taken by N4L has been overwhelmingly positive to date, with some feedback also leading to changes in N4L's internal processes to address aspects that could have worked better.

98% of schools were successfully transitioned to and using the Managed Network within targeted timeframes.

91% of all schools transitioned to the Managed Network were Satisfied or Very Satisfied with their transition experience (on a scale of 'Very Dissatisfied' to 'Very Satisfied').

Proactive Support

Once a school successfully makes the transition to, and is using the Managed Network, N4L's support continues through the N4L Helpdesk.

By providing support services exclusively to schools, the helpdesk team has become attuned to the needs of their customers, ensuring proactive support and resolution before a problem is identified by the school. If a school has experienced a problem, extra measures are put in place to ensure a resolution can be found and implemented without taking anyone from the school away from their primary tasks. The helpdesk proactively checks the health and performance of each school's connection, making sure potential issues are identified and quickly remediated.

After each interaction with the N4L Helpdesk, customers are asked to rate the service on a scale that ranges from 'Very Satisfied' to 'Very Dissatisfied'. Feedback received to 30 June 2014 shows a 93% satisfaction rate ('Satisfied' or 'Very Satisfied' rating).

The first iteration of N4L's network monitoring system was made operational as schools started to be connected to the network. Simulation and data analytics have allowed the N4L Helpdesk and provisioning teams



to get early warnings about schools who may start experiencing service issues, which allows for a proactive response and for potential issues to be treated before they start impacting schools. Development of the network monitoring system has included the trial rollout of Raspberry Pi (a small computer) to a number of schools to start gathering service performance data from a school's point of view. The collection of data via the Raspberry Pi allows N4L to better understand schools' experiences of the Managed Network, rather than monitoring only basic metrics around network device performance.

Innovation and Sustainability

Throughout the year N4L has remained focused on innovation in the delivery of services and continued to invest in the development of new products and features designed to both enhance the quality of the services we deliver and ensure we remain at the leading edge of network-based services for the New Zealand education sector.

The development of new products and features, which include internet telephony and video conferencing capability, forms an important element of N4L's drive to 'future proof' itself and the core services it offers to schools.

N4L is also focused on remaining flexible enough to respond to challenges and opportunities caused or created by developing technological change. Currently self-service functions for web filtering are being trialled along with a training series on how to use the filtering service and self manage the filtering dashboard.

Alongside the planned introduction of additional offerings outlined above, continuing at the faster than expected rate of connecting schools to the Managed Network remains a goal for N4L.

FROM A SCHOOL'S PERSPECTIVE

Jen Rodgers

Principal, Cheviot Area School

"Getting connected to N4L has been a godsend. We were having major issues with our previous ISP around speed and reliability but now we're connected to the Managed Network staff know they have internet regardless - they don't even need to think about it anymore and it's more than fast enough for what we need."

Jen is the principal of a small area school in Canterbury which was connected to the Managed Network via a standard rural connection in March 2014. Thanks to their new N4L connection Jen and her school feel less isolated in their rural Canterbury surroundings and more connected to the wider world.

N4L OBJECTIVES AND OUTCOMES

DYNAMIC SERVICES



Chris South
Head of Dynamic Services

Every day huge amounts of time and effort are put in by teachers to investigate and prepare materials for lessons. Some of this time and effort repeats the work of others, leading to wheels being reinvented. I wanted to help teachers avoid this rework, to help ensure that the best and most relevant resources were easy to find, and to see the wonderful innovation that our teachers are capable of spread across the entire school network.

60,000 teachers in New Zealand teach 750,000 students every day. They have a really hard and critically important job. I joined N4L to try to help make teachers' jobs easier and more productive, because I believe it will make a dramatic difference to our children's futures.

I've found my perfect job and am living the dream - helping to make the whole education sector in New Zealand a tight-knit community and being part of the team building the great tools needed to make a world-leading system even better.

Essential to N4L's core value proposition is the provision of Dynamic Services – content, applications and services that can leverage the Managed Network and enhance teaching and learning opportunities. N4L's products in this area have been (and will remain) iterative, continually evolving with technological and educational market changes.

Pond

The first deliverable from N4L's Dynamic Services team is Pond, previously known as the N4L portal. Pond is the world-leading online platform connecting the community of New Zealand teachers, students, school administrators and providers of content and services. Combining the best parts of existing online tools and platforms to create a new, yet familiar, environment Pond acts as a central hub for digital discovery and participation where educational resources can be accessed and shared easily and effectively.

Over the past year N4L formed the Dynamic Services development team that has taken Pond from concept to reality. The team has expanded from a single permanent member of staff at the beginning of the year to six permanent and one contract staff members by the end of the period.

Pond has been designed to be a neutral and trusted space, open to all in the education sector. It is intended to closely align with, and maximise, other existing education initiatives including *Te Kete Ipurangi*, *e-asTTle* and *education.govt.nz*, and to support future digital and online strategies of the Ministry of Education.

Pond Rollout

Pond was launched in March 2014 at the Festival of Education in Auckland by the Minister of Education, Hon Hekia Parata and the Associate Minister of Education, Hon Nikki Kaye. The environment was opened up to educators in early May.



A selection of screen captures from Pond.

Since the launch in May, N4L has worked closely with the Ministry of Education to develop a Pond rollout approach that both meets the high demand from the sector for access and manages the risks associated with a rapid large-scale release.

Acceptance and uptake across the education sector has been strong from the outset with more than 500 educators accessing the environment within three weeks of launch.

By 30 June 2014 N4L had, through Pond, brought together over 650 educators and more than 170 providers of content and services in a fully-authenticated safe environment where they can share best practice and develop learning ideas (there are now more than 1,400 educators in Pond).

As part of the rollout of Pond, N4L has also gained significant experience in operational processes that allow multiple features to be added to Pond (a web application with a large user base) without requiring downtime while ensuring risk is minimised. These processes often enable N4L to release multiple new features per day without any user inconvenience, leading to greatly increased user satisfaction.

N4L has extended Pond access to the Ministry of Education's contracted providers of Professional Learning and Development, ensuring that there is cohesive delivery of, and access to, Pond across the sector. N4L has also

been working to enable the inclusion of Initial Teacher Education organisations in the Pond community in late 2014.

Pond Design and Functionality

Throughout the development of Pond, N4L has remained focused on creating an environment that can grow and evolve with its community of users. A development approach that listened to input from the user base was key to ensuring Pond grew in its relevance and became established as a key online destination for the education community. N4L has developed significant intellectual property for New Zealand in the process of creating Pond, which is a unique environment.

Core features and functionality have been developed based on feedback and guidance actively invited from the sector, from emerging web trends, and a programme of stakeholder engagement. In preparation for the rollout to educators, N4L spent the early months of 2014 working with a small group of digitally savvy educators from around the country. These advisors were given access to early beta versions of Pond before public launch, in which they explored and tested features and functionality before suggesting changes that could be made to better meet the needs of educators.

Pond's comprehensive search function has made it easier for educators to find what they need and to then rate, share and comment upon it inside the Pond community. Pond has enabled users to search not only general internet resources, but also educationally relevant content sources that may be difficult or impossible to discover through public search engines. These content sources can be searched with a single click in Pond and also display ownership and license information where available - critical information



N4L OBJECTIVES AND OUTCOMES

DYNAMIC SERVICES

to enable educators to make the right choice of resource to meets their needs.

Underlying this functionality is the fundamental imperative to help educators deliver the curriculum and to help young people become positive digital citizens. Pond has been designed to be an open meritocracy, driven by community feedback and ratings. Within Pond, content and services (in the form of catalogue items) are reviewed and commented upon by users, an activity which is then reflected in search results and catalogue ordering. Educators are not limited in the resources they can add to Pond; they can add and discuss anything they wish, in line with school-defined network safety policies. Pond's navigation interface is available in te reo Māori and users are encouraged to provide information in te reo Māori when adding items to Pond's catalogue. Pond also has the capability to support other languages in the future.

In addition to growing the number of users inside Pond, N4L has also initiated a piece of work to develop metrics and performance indicators specific to Pond. These measures are likely to include the percentage of positive feedback, the number of users and the amount of user activity.



Content and Service Provider Relationships

Intrinsically linked to the design of the Pond environment are the relationships N4L has built with providers of content and services to the education sector. In addition to educators, any provider of content and services for the education sector can sign up to be in Pond and part of N4L's role has been to seek opportunities with such providers to create the most beneficial outcomes for schools.

Pond is operated and funded independently of N4L's Managed Network. N4L has begun work to establish a commercial model for Pond that delivers financial sustainability but remains free for New Zealand schools. This work is an ongoing process that continues to evolve.

Memorandums of Understanding have been put in place with NetSafe and Copyright Licensing Limited to empower N4L to work in partnership with these organisations in the cybersafety and intellectual property spaces around N4L's products and services.

FROM A SCHOOL'S PERSPECTIVE

Steve Hornby
Teacher at Solway Primary School

"Pond prompts us to consider alternative education resources that we may not have otherwise known about. If a colleague teaching the same subject in another school has found an online programme that has helped get their students excited about learning that topic, then our teachers can see this in Pond and review the programme knowing that their peers have used it and liked it. It tells us that the online programme is worth investigating for our own use."

Steve is a passionate primary school teacher in Masterton, in the Wairarapa, who joined Pond as a Pioneer Educator and then led his school through the Pioneer School programme. He is always looking for ways to connect with educators outside of his school and integrate technology to engage both the students and teachers. He is enthusiastic about the power and potential of Pond and has become a strong advocate of it in a short period, promoting it not only within his school community but also to other educators outside of Masterton.

N4L OBJECTIVES AND OUTCOMES

SECTOR ENGAGEMENT



Carolyn Stuart
Education Sector Lead

New Zealand's future prosperity lies in the hands of the students being educated in our schools today and so it is critical we do all we can to support the principals and teachers doing this essential work.

School leadership in particular is a complex task with principals needing expertise in many areas including pedagogy, human resources, finance, property and IT. As the digital age has unfolded we have reached a technical tipping point, one where it is now unrealistic to expect principals and their teams to have the necessary knowledge and skills to independently manage IT complexity.

At the same time the role that digital technology plays inside the classroom has never been more critical. And this is where N4L fits in - a highly innovative team of critical thinkers working creatively to make a real difference in New Zealand.

I am excited to be the Education Sector Lead for N4L because supporting schools to solve complex IT issues and making sense of the myriad of resources now available online is something I see as critical to the long term success of our country.

N4L supports schools to improve educational outcomes through the leveraging of digital technology to connect students and educators both to each other and to critical services and teaching resources.

N4L recognises that schools are busy places, dealing with a broad range of complex challenges on a daily basis. In addition to this, it is well understood that the activities and outcomes of N4L's work drives change in the way teaching and learning is conducted in the classroom. To this end, N4L's engagement strategy has been co-constructed with educators in order to develop and refine the processes around N4L's services and products to ensure schools find them logical and easy to navigate. In doing so the goal is for the education sector to feel a high level of ownership around the way N4L delivers its offerings.

Seeking and Responding to Feedback

Ensuring that at all times the services and products offered are relevant and meet the needs of the sector, N4L actively seeks and responds to feedback in a number of ways.

One method of note is having a team of six client managers travelling to, and meeting with, principals, senior staff and IT managers at schools across the country.

Managed Network

N4L has so far run two trials with schools. The first trial was of the web filtering dashboard, when N4L identified a need for a training programme to teach schools how to self-manage their web filtering settings. Trial schools reviewed and then helped to refine the training resources in preparation for general deployment (*scheduled for late 2014*). The second trial was for the Raspberry Pi deployment, with selected schools asked to test both

the technical capability of the device and the deployment process before general release to all schools (*scheduled for late 2014*).

Pond

N4L recruited a group of highly respected educators, who were willing to be early pioneers for Pond, to act as advisors by testing the environment and providing valuable feedback about the user experience. These advisors came together for a face-to-face workshop with key members of the Dynamic Services team and the Pond development roadmap was then modified to reflect the priorities identified through the workshop.

As more educators have come into Pond, N4L has encouraged ongoing sector input through the Feedback button in Pond and face-to-face discussions at workshops. N4L is also working with national groups such as the Learning and Change Networks to ensure the required functionality is built into Pond.

Sector Events

In the course of the year N4L has attended and participated in many sector events, providing updates on the work of N4L and listening to input about the performance of N4L to date. Feedback is shared with the relevant teams within N4L on an ongoing basis as these events take place.

Customer Satisfaction Surveys

N4L has also put in place customer satisfaction surveys that are used to gather, in a more formal way, feedback about how schools have found the process of connecting to the Managed Network. Schools who ring the N4L Helpdesk once connected are also asked to provide feedback about their experience. The results of these surveys are regularly aggregated, and adjustments actioned as required.

SECTOR ENGAGEMENT



Informal and social media channels

Many educators communicate directly with members of N4L with whom they have a relationship. Typically this is the Education Sector Lead or members of the client management team. Many educators also use social media channels such as Twitter to commentate and provide feedback. N4L has put robust systems in place to ensure appropriate follow-up from all these interactions.

Communication Channels

N4L uses a variety of communication channels to ensure that the sector receives information in a timely and relevant way. These channels include email, face-to-face presentations, text messaging, our website and social media platforms.

The information provided to the sector is designed to:

- Raise awareness of what N4L provides and how schools can gain benefit from this
- Keep schools updated on the rollout of N4L's offerings
- Provide signposts of what future offerings will bring.

N4L has also recruited a dedicated client management team that travels the country signing up schools to the Managed Network (and promoting the use of Pond). The relationships they build with each individual school support a smooth experience transitioning to the Managed Network.

Relationship Building

Over the past year N4L has continued to establish and foster productive relationships with key sector agencies. Regular meetings about N4L's activities have been held with the teacher unions, principals' professional organisations and the School Trustees Association.

The Ministry of Education has continued to be a key sector partner, with both organisations spending a large amount of time working together for effective outcomes that serve the needs of the nation's schools.

As Pond was deployed, N4L developed relationships with key professional development agencies such as CORE Education and Cognition Education and also established relationships with tertiary organisations, including wānanga involved in Initial Teacher Education.

From its inception, N4L has enjoyed a strong relationship with the sector. Schools have appreciated being served by an organisation committed to reducing IT complexity on their behalf, with solutions that are delivered with minimal impact on the day-to-day running of the school. As Pond has started to be rolled out, N4L's reputation has increased as schools value the development of an online environment that supports teachers to enhance their classroom practice.

Engaging and consulting with priority learner groups has remained a focus this year with engagement strategies being developed for both the Managed Network and Pond.

N4L is committed to continuing to build and foster a strong relationship with the education sector through open communication, transparent processes and the active seeking of and responding to feedback. These channels will continue to shape and inform the future direction of N4L.

FROM A SCHOOL'S PERSPECTIVE

Trevor Storr
*Director of eLearning,
Waimate School*

"The N4L team goes out of their way to engage with the educational community. I have seen N4L involvement in Virtual Learning Network (VLN) and Ministry of Education meetings as well as at events such as the Learning@School Roadshow, and continued presence at these types of meetings is essential for N4L to evolve with the changing demands of our learners. N4L also has a presence on both the MLE and Techies for Schools listservs (online groups that serve a technical audience) and they always provide timely and open advice to questions about the Managed Network. Feedback from these groups indicates that the involvement of N4L in these forums is useful and appreciated."

Trevor is a teacher and Director of eLearning at Waimate High School in Canterbury as well as Coordinator of Distance Learning at NetNZ. He has had a high level of engagement with N4L and has actively participated in N4L's efforts to seek feedback and opinion from schools and the wider educational community.



EXECUTIVE TEAM



Left to right: Chris South, Andy Schick, Steve Hudgell, John Hanna, Graeme Rayner, Gary Wicks, Carolyn Stuart, Alexander Brown.
Absent: Jeremy Nees.

John Hanna

Chief Executive Officer

John has over 30 years experience with global and local ICT companies, including key executive roles with IBM, Solnet, Sun Microsystems and Computerland. For the three years prior to joining N4L, John was CEO of internet and data centre services provider Maxnet.

Alexander Brown

Government and Stakeholder Relations Manager

Prior to joining N4L, Alexander (Sandy) spent three years at the Ministry of Education as Chief Advisor, Education Sector Leadership. Prior to this he held several senior management and policy roles in Education New Zealand, Treasury, the Tertiary Education Commission and the Ministry of Justice.

Andy Schick

Head of Marketing and Communications

Andy has been involved in a number of entrepreneurial endeavours, entering the telecommunications industry when selling his most recent startup to an ISP. Before moving into the world of technology he was involved with startup social justice organisations in Australia, the United States and Europe, driving community transformation.

Carolyn Stuart

Education Sector Lead

Carolyn came to N4L from an extensive career in the schooling sector, including 13 years as a principal. Her passion for the use of technology to make schools relevant and exciting, and her specialisation in educational leadership has seen her involved in many initiatives working with educators across the New Zealand.

Chris South

Head of Dynamic Services

Chris has more than 20 years of technology experience in the United Kingdom and New Zealand. Prior to joining N4L he was a Principal Architect at a telecommunications provider where he looked at how cloud computing and mobile technologies could be applied to achieve demonstrable benefits to customers.

Gary Wicks

Customer Acquisition Manager

Gary brings to the team 25 years experience in technology sales. He has held senior roles in a number of technology companies, the most recent of which was at Dell where he was K-12 Education Lead for New Zealand.

Graeme Rayner

Chief Financial Officer

A qualified chartered accountant, Graeme spent 20 years in senior finance roles in one of the world's largest consumer goods companies (15 of which were spent outside New Zealand) before joining N4L.

Jeremy Nees

Chief Technical Officer

Before N4L, Jeremy held roles as Lead Technology Architect and Product Development Manager within the telecommunications industry, bringing 14 years experience in computing and network architect design, consultancy and engineering. In addition to this, Jeremy was instrumental in the deployment of the United Kingdom's first centralised School Management System.

Steve Hudgell

Programme Director

Before joining N4L, Steve worked in the United Kingdom for 20 years managing finance, administrative and ICT teams in large private and public sector organisations. Following his move to New Zealand, Steve has gained local experience working in senior ICT Professional Services Management and Business Development roles as well as in NZ start up businesses.

STATEMENT OF CORPORATE GOVERNANCE

Organisational form

The Network for Learning Limited was incorporated on 2 July 2012 under the Companies Act 1993. It is a Crown-owned Company, listed under Schedule 4A of the Public Finance Act 1989.

The Company is subject to certain provisions of the Crown Entities Act 2004 ("CEA"), and to the Official Information Act 1982 and the Ombudsmen Act 1975. The Company's day-to-day operations are primarily governed by the Companies Act 1993 regime.

N4L's shareholding is 100% vested in the Crown. Its shareholders are the Minister of Finance and the Minister of Education in their capacities as Ministers, with each holding 50% of the issued share capital. (The Minister of Education has delegated responsibility for all matters relating to N4L to the Associate Minister of Education (Hon Nikki Kaye).

Accountability

N4L is accountable to its shareholding Ministers. Treasury will assist shareholding Ministers in monitoring the Company's performance against the financial and non-financial measures set out in the Company's Statement of Intent ("SOI") and Statement of Performance Expectations ("SPE").

Crown Entities Act 2004

Under section 45OA of the Public Finance Act 1989, some of the provisions of the CEA apply to the Company by virtue of it being listed in Schedule 4A of that Act. These include sections 139, 149, 150 and 153 of the CEA, relating to preparing an SOI, SPE, Annual Report, and Statement of Performance respectively.

In addition, N4L's constitution requires it to report to its shareholding Ministers, when requested by those Ministers, any activities which would be restricted under sections 161-164 of the CEA.

Companies Act 1993

Under this Act, the Board, each Director and each shareholding Minister have the rights, power, duties and obligations set out in the Act, except to the extent that they are negated or modified, in accordance with the Act by the Company's Constitution.

Other statutory requirements

Under the Public Audit Act 2001, the Controller and Auditor-General is to be the auditor of the Company.

Operations

N4L is required to operate within the functions, powers and constraints outlined above. Within this framework, the Company has considerable discretion how it goes about its day-to-day operations.

The earlier reports from the Chair and Chief Executive of the Company, together with the Statement of Performance, contain information concerning the operations and performance of the Company for the financial year covered by this report, including an assessment against the intentions, measures, and standards set out in the Statement of Intent prepared at the beginning of the financial year.

Board of Directors

The Board currently comprises eight non-executive Directors. The Directors are appointed by the shareholding Ministers. All decisions about N4L's operations are made under the authority of the Board. The Board is responsible for agreeing outputs with the shareholding Ministers and ensuring expectations of N4L are met.

The Board currently has two standing committees:

Audit and Risk Committee

The Audit and Risk Committee, chaired by Mark Yeoman, assists the Board in fulfilling its responsibilities by providing recommendations, advice and information concerning its:

- Accounting; financial and statutory reporting; and responsibilities under the Companies Act 1993 and other legislation; and
- Identification and management of all material risks, both financial and non-financial, through the operation of a robust internal control environment.

Remuneration Committee

The Remuneration Committee chaired by Helen Robinson, assists the Board in fulfilling its responsibilities by providing recommendations, advice and information concerning:

- N4L's remuneration and human resources policies;
- The performance and remuneration of the Chief Executive Officer; and
- The recruitment of members of the senior Executive Team.

ENSURING N4L IS A GOOD EMPLOYER

The Board and management of N4L are committed to ensuring that the Company is a Good Employer in practice, not only to comply with the statutory requirement, but also because it is in accordance with our Company values and increases the company's ability to attract, motivate and retain the skilled staff that it needs. During its short existence N4L has established an open, trusted and collaborative culture.

N4L is a relatively young organisation with a small employee base. At the end of the period covered by this annual report the company had grown to 47 full time employees from 15 in June 2013. As a result the Board and management has placed significant emphasis on maintaining and building on the already strong culture.

N4L has had regard to guidance issued by the New Zealand Human Rights Commission in assessing its compliance with its Good Employer obligations. A summary of N4L's assessment of its performance against seven key elements of being a Good Employer are set out below.

• Leadership, accountability and culture:

The Board and management of N4L are committed to ensuring the company is a good employer and has an effective Equal Employment Opportunities programme in place. They have consistently communicated a vision for N4L and have created a culture in which its people feel valued.

• Recruitment, selection and induction:

N4L uses a variety of different means to recruit staff including direct advertising, the use of recruitment companies who provide services under all of Government contracts and through the use of our employees own networks. A variety of processes, including structured interviews, have been used to ensure a fair and unbiased recruitment and selection process.

• Employee development, promotion and exit:

N4L supports the development and promotion of its employees. As the organisation develops and its structure evolves new opportunities have been created within the organisation. Staff retention has been strong throughout the period with a minimal number of people leaving the organisation.

• Flexibility and work design:

N4L's culture fully supports an approach that enables staff to balance work commitments with other aspects of their lives. To the extent possible and practical, N4L's management supports staff using flexible working arrangements and provides them with the technological solutions to enable this.



Masaki Takeda

Provisioning Coordinator

"Over the past year I have enjoyed building close relationships with schools and vendors, working to maximise their satisfaction with N4L. The opportunity to work closely with such a diverse and dedicated team of people has been an invaluable experience and being able to meet our targets ahead of schedule has been my highlight this year. On a higher level, it's been a privilege to be part of a company that has such a significant and positive influence on the future of New Zealand."

Masaki was the first person to join the newly formed Provisioning team in July 2013. In his role as a Provisioning Coordinator Masaki guided and supported schools throughout the process of getting connected to the Managed Network, working with both the schools themselves and other parties involved in the transition process. He is often praised by schools and colleagues alike for his skills and attitude and has recently been promoted to the role of Transition Engineer (effective September 2014).

ENSURING N4L IS A GOOD EMPLOYER

- **Remuneration, recognition and conditions:**

N4L operates an unbiased and non-discriminatory remuneration policy. All employees remuneration is reviewed on an annual basis to ensure to that it is competitive with the wider market. The company has also established a monthly award programme where employees are recognised for going 'above and beyond'.

- **Harassment and bullying prevention:**

N4L takes a zero tolerance approach to all forms of bullying and harassment and has policies in place to deal with harassment complaints should they arise.

- **Safe and healthy environment:**

Health and safety is a fundamental priority for the company's Board and management who have consistently communicated a commitment to ensuring a safe and healthy workplace is provided for all employees. N4L's health and safety committee encourages active participation from all employees in creating a safe and supportive environment.



Ian Allan

Product Development Lead

"I travel to and from N4L each day with pride that I am working with such a talented team. To be designing a world leading online tool that can help the Kiwis I most admire - classroom teachers - is something special. I love seeing a teacher on the edge of New Zealand discovering the great resources of another, and then taking those ideas into their own classroom and improving the learning opportunities for their students. For me, helping to enable that kind of equity is what it's all about; we're lucky to have N4L to make it happen."

Ian joined N4L's Dynamic Services team back in February 2013. Very simply, he is the man behind Pond. Ian ensures that, in Pond, N4L has created a friendly online environment that enables educators to discover resources, share knowledge and engage with their peers. His time is spent listening to feedback from the sector, monitoring web trends, conceiving new features, planning the development roadmap and designing the user experience in Pond.



Vinia Rewi

Reception/Administration

"N4L allows you to grow, giving young people like myself a chance to develop in this changing environment - learning to manage an office of this size isn't something I would have learned elsewhere. Given the tools and overwhelming support I've received, I feel nurtured as well as determined to take on more responsibility. It's liberating to know that not only does N4L care for education externally, it is highly encouraged within the company too. Having the opportunity to give back to education (whether I engage directly or not), this in itself is highly rewarding for me."

Vinia first starting working with N4L in August 2013 as a contractor in the helpdesk team. She quickly proved that her positive and bubbly personality was suited to the work environment and became a permanent employee in December. Vinia is the friendly face that greets visitors to our Auckland office, and she also provides day-to-day administrative support to the team. She is often praised for her enthusiasm and the 'can do' approach she brings to the team.



STATEMENT OF PERFORMANCE

The Statement of Intent 2013-2016 ("June 2013 SOI") was completed prior to contracts being signed with both the network vendor and the Ministry of Education. In this document how success would be measured was described in general terms, but specific KPIs were not formulated due to the uncertainty in timings.

A number of KPIs were set and agreed in Q2 2013/14, subsequent to contracts being signed, and the reporting below is against these.

The Company indicated that it would provide services and outputs under three output classes in 2013/14, being:

- A managed network service
- Dynamic services
- Customer services

Managed Network Service

N4L's primary objective during its initial period of operation is to connect schools to its Managed Network in line with the target rollout plan agreed with the Ministry of Education.

N4L has successfully connected schools to the Managed Network well ahead of the agreed key milestones.

Target Date:	Date Achieved:
2 schools by 2 Dec 2013	29th Nov 2013
20 schools by 8 Jan 2014	16th Dec 2013
200 schools by 10 Mar 2014	26th Feb 2014

N4L also measures its success with regard to this output class by ensuring it allocates products to schools in line with the Connection Allocation Agreement. This allocation criterion uses the roll size of the school as a significant determinant in product allocation. N4L is compliant with the Connection Allocation Agreement as at 30th June 14.

Dynamic Services

N4L's June 2013 SOI indicated that it would launch an interactive, widely accessible web platform, allowing users to share rich and intuitive content.

Specific KPIs were not set in Q2 2013/14 around Dynamic Services, but the delivery against internal targets is strong.

In May 2014 N4L launched Pond. Acceptance and uptake by the sector is very positive. 500 educators entered Pond within 3 weeks, with 655 educators in Pond as at 30th June 14. New user registration continues to remain high.

Customer Services

Within the June 2013 SOI, N4L stated that it was its intention that the customer support strategy will receive equal attention and priority to that of the areas of Managed Network and Dynamic Services to ensure customer satisfaction.

In the Transition area, two KPIs were set to measure this:

- Schools transitioned to be operational within 6 weeks of being connected to the Managed Network vs a target of 97%. Actual result to 30 June 14 was 98%.
- Satisfaction survey: respondents are asked to rank their transition experience on a scale of being 'very satisfied' to 'very dissatisfied'. N4L seeks to achieve a 'satisfied' or 'very satisfied' rating from at least 75% of respondents. Actual result to 30 June 14 was 91%.

N4L provides a comprehensive helpdesk service to support schools. A KPI on customer satisfaction was set:

- After each interaction, customers are asked to rate the service from 'Very Dissatisfied' to 'Very Satisfied' as outlined for Transition above. N4L seeks to achieve a 'Satisfied' or 'Very Satisfied' rating from at least 75% of respondents. Actual result to 30 June 14 was 93%.

STATEMENT OF RESPONSIBILITY

The Board is responsible for the preparation of N4L's financial statements and Statement of Performance, and for judgements made in them.

The Board has the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurances as to the reliability and integrity of financial reporting.

In the Board's opinion, these financial statements and Statement of Performance fairly reflect the financial position and operations of N4L for the year ended 30 June 2014.

Signed on behalf of the Board.

Helen Robinson
Director
15 October 2014



Mark Yeoman
Director
15 October 2014



INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF
THE NETWORK FOR LEARNING LIMITED'S
FINANCIAL STATEMENTS AND STATEMENT OF PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2014

The Auditor-General is the auditor of The Network for Learning Limited (the Company). The Auditor-General has appointed me, Susan Jones, using the staff and resources of EY, to carry out the audit of the financial statements and statement of performance of the Company on her behalf.

We have audited:

- the financial statements of the Company on pages 32 to 50, that comprise the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of performance of the Company on page 28.

Opinion

In our opinion:

- the financial statements of the Company on pages 32 to 50:
 - comply with generally accepted accounting practice in New Zealand;
 - comply with International Financial Reporting Standards; and
 - give a true and fair view of the Company's:
 - financial position as at 30 June 2014; and
 - financial performance and cash flows for the year ended on that date;
- the statement of performance of the Company on page 28:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the Company's performance and outcomes for the year ended 30 June 2014 compared with forecasts in the statement of forecast service performance at the start of the financial year and targets set during the financial year.

Our audit was completed on 15 October 2014. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and statement of performance are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and statement of performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and statement of performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of performance, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Company's financial statements and statement of performance that fairly reflect the matters to which they relate. We consider internal control 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 Company's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board;
- the adequacy of all disclosures in the financial statements and statement of performance; and
- the overall presentation of the financial statements and statement of performance.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of performance. Also we did not evaluate the security and controls over the electronic publication of the financial statements and statement of performance.

We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Board

The Board is responsible for preparing financial statements and a statement of performance that:

- comply with generally accepted accounting practice in New Zealand;
- give a true and fair view of the Company's financial position, financial performance and cash flows; and
- fairly reflect its performance achievements.

The Board is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements and a statement of performance that are free from material misstatement, whether due to fraud or error. The Board is also responsible for the publication of the financial statements and statement of performance, whether in printed or electronic form.

The Board's responsibilities arise from the Public Finance Act 1989 and the Financial Reporting Act 1993.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and statement of performance and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and the Public Finance Act 1989.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with or interests in the Company.



Susan Jones
Ernst & Young
On behalf of the Auditor-General
Auckland, New Zealand

FINANCIAL STATEMENTS

Statement of Comprehensive Income

For the year ended 30 June 2014

	Notes	2014 Actual \$000	2013 Actual \$000
Income			
Sales of services	2	5,241	-
Interest income		111	97
Other income		27	-
Total income		5,379	97
Expenditure			
Network services	3	1,404	-
Infrastructure	4	1,300	-
Transition support	5	349	-
Board operations		234	285
Audit fees		46	34
Corporate costs	6	7,096	3,400
Total expenses		10,429	3,719
Net surplus/(deficit)		(5,050)	(3,622)
Total comprehensive income/(expense) for the period		(5,050)	(3,622)

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2014

	Notes	2014 Actual \$000	2013 Actual \$000
Assets			
Current assets			
Cash and cash equivalents	7	2,828	1,998
Other current assets	8	1,046	53
Total current assets		3,874	2,051
Non-current assets			
Property, plant and equipment	9	451	226
Intangible assets		31	42
Total non-current assets		482	268
Total assets		4,356	2,319
Represented by			
Liabilities			
Current liabilities			
Accruals and payables	10	1,659	390
Deferred revenue		291	-
Lease incentive (Current)		16	9
Total current liabilities		1,966	399
Long-term liabilities			
Lease incentive (non-current)		62	42
Total long-term liabilities		62	42
Total liabilities		2,028	441
Equity			
Share capital and reserves		2,328	1,878
Total shareholders' funds		2,328	1,878
Total liabilities and shareholders' funds		4,356	2,319

The financial statements were approved by the Board and authorised for issue on 15 October 2014.

Helen Robinson
Director



Mark Yeoman
Director



The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2014

	Notes	Share Capital	Retained Earnings/ (Deficit)	2014 Actual \$000	2013 Actual \$000
Opening balance 1 July 2013		5,500	(3,622)	1,878	-
Net surplus/(deficit)			(5,050)	(5,050)	(3,622)
Total comprehensive income for the period		-	(5,050)	(5,050)	(3,622)
Proceeds from shares issued	11	5,500	-	5,500	5,500
Total contributions by the owners		5,500	-	5,500	5,500
Closing balance 30 June 2014		11,000	(8,672)	2,328	1,878

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2014

	Notes	2014 Actual \$000	2013 Actual \$000
Cash flows from operating activities			
Receipts from customers		5,384	-
Interest received		111	97
Other income		2	
Payments to suppliers and staff		(9,845)	(3,299)
Net cash flows from operating activities		(4,348)	(3,202)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangibles		(322)	(300)
Net cash outflow from investing activities		(322)	(300)
Cash flows from financing activities			
Equity capital introduced		5,500	5,500
Net cash flow from financing activities		5,500	5,500
Net increase/(decrease) in cash		830	1,998
Opening balance		1,998	-
Closing balance		2,828	1,998

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Statement of accounting policies

a) Reporting entity

The Network for Learning Limited (N4L), a limited liability company incorporated in New Zealand under the Companies Act 1993, is a Crown-owned Company listed in Schedule 4A of the Public Finance Act 1989. N4L's ultimate parent is the New Zealand Crown – however the Crown does not guarantee the liabilities of N4L in any way.

N4L's purpose is to establish and operate a student-focused network that offers schools and kura access to predictable and fast internet with uncapped data, web filtering and network security services to help schools create a safe online environment for their students, and internet based content and services over a dedicated network. As such, N4L's principal aim is to provide services to the public, rather than make a financial return. Accordingly, N4L is designated as a public benefit entity (PBE) for the purposes of New Zealand equivalents to International Financial Report Standards (NZ IFRS).

The financial statements for N4L are for the 12 month period from 1 July 2013 to 30 June 2014, and were approved by the Board on 15 October 2014.

b) Basis of preparation

Statement of compliance

The financial statements of the Company have been prepared in accordance with the relevant requirements of the Public Finance Act 1989 and Crown Entities Act 2004, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The financial statements comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Measurement base

The financial statements have been prepared on a historical cost basis.

Functional and presentation currency

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand (\$000). The functional currency of N4L is New Zealand dollars.

Changes in accounting policies

There have been no changes in accounting policies compared with the previous year. All policies have been applied on a consistent basis throughout the current year.

Standards, amendments and interpretations issued that are not yet effective and have not been early adopted

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a tier strategy) developed by the External Reporting Board (XRB). The effective date for the new standards for Public Sector PBEs is for reporting periods beginning on or after 1 July 2014.

This means that N4L will transition to the new standards in preparing its 30 June 2015 financial statements. Under this Accounting Standards Framework, N4L is expected to be classified as a Tier 2 reporting entity as it is not publicly accountable and is not large as defined. Therefore when N4L is required to transition to the new Public Sector Public Benefit Entity Standards (PS PBE Standards), it may elect to apply Tier 2 reduced Disclosure PS PBE Standards.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standards Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following 3 main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. The new standard is required to be adopted for the year ended 30 June 2016. However, as a new Accounting Standards Framework will apply before this date, there is no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

c) Specific accounting policies

The specific accounting policies set out below, which materially affect the measurement of financial performance, financial position, and cash flows, have been consistently applied to all reporting periods presented in these financial statements.

Revenue

Sale of services

Revenue related to the sale of service is recognised by reference to when the service is performed.

Interest

Interest income is recognised using the effective interest method.

Foreign currency transactions

Foreign currency transactions are translated into New Zealand dollars (NZD\$), the functional currency of the Company, using the exchange rates prevailing at the date of transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in net surplus or deficit.

Leases

Operating leases

Leases that do not transfer substantially all the risk and rewards incidental to ownership of an asset to the Company

are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives under an operating lease are recognised as lease incentive in the Statement of Financial Position. The aggregate benefit of incentive is recognised as a reduction of the expense on a straight-line basis over the period of the lease.

Accounts receivable and sundry receivables

Short-term debtors and other receivables are recorded at their face value, less any provision for impairment.

Impairment of a receivable is established when there is objective evidence that N4L will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation, and default in payments are considered indicators that the debt is impaired. The amount of impairment is the difference between the assets carrying value and the present value of future cash flows, discounted using the original effective interest rate.

Property, plant and equipment

Property, plant and equipment consists of the following asset classes; computer equipment, office equipment, office furniture, leasehold improvements. Property, plant and equipment is shown at cost, less any accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that the future economic benefits or service potential associated with the item will flow to the Company and the cost of the item can be measured reliably. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when the control over the asset is obtained.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the surplus or deficit.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that the future economic benefits or service potential associated with the item will flow to the Company and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment at rates that will write off the cost of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of asset have been estimated as follows:

Computer Equipment:	3 years	40.0%
Office Equipment:	6 years	17.5%
Office Furniture:	10 years	10.5%
Leasehold Improvements:	6 years	17.5%

The residual values and useful lives of assets are reviewed, and adjusted if applicable, at each year end.

Intangible assets

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with the maintaining computer software are recognised as an expense when incurred.

Domain names

Acquired domain names are capitalised on the basis of the costs incurred to acquire. Costs associated with the development and maintenance of N4L domains are recognised as an expense when incurred.

Amortisation

The useful life of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with finite useful life are reviewed at least at the end of each reporting period. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The useful lives and associated amortisation rates of classes of intangible assets have been estimated below:

Software:	3 years	40%
Domain names:	Indefinite	no amortisation

Impairment of non-financial assets

Property, plant, equipment and intangible assets that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is the depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where N4L would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an assets carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written

down to the recoverable amount. The impairment loss is recognised in surplus or deficit.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, subject to the increased carrying amount not exceeding the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised immediately in surplus or deficit.

Creditors and other payables

Creditors and other payables are non-interest bearing and are stated at their nominal value. They are normally settled on 30-day terms, therefore the carrying values of creditors and other payables approximate their fair values.

Employee entitlements

Short-term employee entitlements

Employee entitlements that are expected to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date and annual leave earned but not yet taken at balance date.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

Goods and services tax

All items in the financial statements are presented exclusive of goods and services tax (GST), except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, Inland Revenue is included as part of receivables or payables in the statement of financial position. The net GST paid to or received from Inland Revenue, including the GST relating to investing and financing activities, is classified as operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income tax

N4L is a public authority and consequently is exempt from the payment of income tax. Accordingly, no provision has been made for income tax.

Statement of cash flows

The following are the definitions of the terms used in the statement of cash flows:

- Cash comprises cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily converted to known amounts of cash and are subject to an insignificant risk of changes in value.

- Operating activities are the principal revenue-producing activities of the Company and other activities that are not investing or financing activities.
- Investing activities are those activities relating to the acquisition and disposal of current and non-current investments, property, plant and equipment, intangible assets and other non-current assets.
- Financing activities are those activities that results in changes in the size and composition of the contributed equity of the Company.

Forecasts

The forecast numbers are taken from the Company's 'Statement of Intent 2013-2016'. It should be noted that this forecast was developed prior to a formal contract being in place with the network vendor and any pricing being agreed with the Ministry of Education.

Critical accounting estimates and assumptions

In the preparing these financial statements N4L has made estimates and assumptions concerning the future. These estimates and assumptions may differ from subsequent actual results and these differences may be material.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimating the useful lives and residual values of property, plant and equipment

At each balance date the Company reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires the Company to consider a number of factors, such as the physical condition of the asset, expected period of use of the asset, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or the residual value will impact on the depreciation expense recognised in the surplus or deficit, and the carrying value of the asset in the statement of financial position. N4L minimises the risks of this estimation uncertainty by physical inspections of assets and asset replacement programmes.

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

Lease classification

Determining whether a lease agreement is finance or operating requires judgement as to whether the agreement transfers substantially all the risks and rewards of ownership to N4L.

Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the

economic life of the leased asset, whether or not to include renewal options in the lease term and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant and equipment, whereas of an operating lease no such asset is recognised.

N4L has exercised its judgement on the appropriate classification of the equipment leases, and has determined that no lease arrangements are finance leases.

2. Sale of services

	2014 \$000	2013 \$000
Sale of services to schools	2,033	-
Sale of services to government	3,208	-
Total	5,241	-

Sale of services to schools represents income from the provision of core network services to schools. These services for state, state integrated and partnership schools are paid for by the Ministry of Education directly on behalf of the schools.

Sale of services to Government represents income relating to the provision of transition support services to schools, a helpdesk service, a package of content and services, and fees in relation to the establishment of the network. These services are paid for by the Ministry of Education.

3. Network services

	2014 \$000	2013 \$000
Network services	1,404	-
Total	1,404	-

Network services expenses represent payments to the network provider for the provision of the Managed Network service.

4. Infrastructure

	2014 \$000	2013 \$000
Infrastructure	1,300	-
Total	1,300	-

Infrastructure expenses represent payments to the network provider for the establishment of the Managed Network service.

5. Transition support

	2014 \$000	2013 \$000
Transition support	349	-
Total	349	-

Represents payments to ICT providers engaged to transition schools onto the Managed Network service.

6. Corporate costs

	2014 \$000	2013 \$000
Personnel costs	5,130	1,994
Professional advisory fees	345	687
Marketing and communications	200	277
Travel and entertainment	434	165
Facility costs	412	146
IT and telecommunications	307	72
Others	268	59
Total	7,096	3,400

Personnel cost

	2014 \$000	2013 \$000
Salaries, wages and short-term employee benefits	4,467	1,025
Defined contribution plans	103	19
Contractor costs	560	950
Total personnel costs	5,130	1,994

N4L had 47 full time equivalent employees and 4 contractors as at 30 June 2014.

7. Cash & cash equivalents

	2014 \$000	2013 \$000
Cash on hand and at bank	1,828	998
Cash equivalents - term deposits	1,000	1,000
Total cash and cash equivalents	2,828	1,998

All cash on hand and term deposits are held with a major New Zealand trading bank. Term deposit maturities are of 90 days and are based on a fixed interest rate with interest payable at maturity. Term deposits are not subject to automatic renewals.

8. Other current assets

	2014 \$000	2013 \$000
Accounts receivable	851	-
Sundry debtors	4	34
Prepayments	56	19
Accrued revenue	135	-
Total cash and cash equivalents	1,046	53

The carrying value of other receivables approximates their fair value. The accounts receivable relates to the outstanding invoices to the Ministry of Education.

9. Property, plant and equipment

	Computer Equipment	Office Furniture	Office Equipment	Leasehold Improvements	Total \$000
Cost					
Balance at 1 July 2012	-	-	-	-	-
Additions during the year	37	188	11	-	236
Balance at 30 June 2013	37	188	11	-	236
Accumulated depreciation					
Balance at 1 July 2012	-	-	-	-	-
Depreciation charge for the year	3	6	1	-	10
Balance at 30 June 2013	3	6	1	-	10
Net book value at 30 June 2013	34	182	10	-	226
Cost					
Balance at 1 July 2013	37	188	11	-	236
Additions during the year	132	91	26	40	289
Balance at 30 June 2014	169	279	37	40	525
Accumulated depreciation					
Balance at 1 July 2013	3	6	1	-	10
Depreciation charge for the year	30	25	5	4	64
Balance at 30 June 2014	33	31	6	4	74
Net book value at 30 June 2014	136	248	31	36	451

10. Accruals and payables

	2014 \$000	2013 \$000
Creditors	1,174	244
Accrued expenses	485	146
Total accruals and payables	1,659	390

11. Share capital

	2014 \$000	2013 \$000
Balance at 1 July 2013	5,500	-
Proceeds from shares issued	5,500	5,500
As at 30 June 2014	11,000	5,500

During the 2013/14 financial year the Company issued a further 5,500,000 shares at an issue price of \$1.00 each (2,750,000 each to the two shareholding Ministers). All shares are fully paid and have equal voting rights. The shares have no par value.

12. Reconciliation of net surplus/(deficit) to net cash flow from operating activities

	2014 \$000	2013 \$000
Net deficit	(5,050)	(3,622)
Add/(less) non-cash items		
Depreciation	83	13
Total non-cash items	83	13
Add/(less) movements in working capital items		
Accounts receivable	(851)	-
Prepayments	(37)	(19)
Other receivables	30	(34)
Accrued revenue	(135)	-
Creditors & other payables	1,380	346
Employee entitlements	208	94
Net movement in working capital items	595	387
Reclassification of fixed asset items to investing	24	20
Net cash from operating activities	(4,348)	(3,202)

13. Commitments

Operating leases as lessee

The future aggregate minimum lease payments to be paid under non-cancellable operating lease are:

	2014 \$000	2013 \$000
Not later than one year	397	257
Later than one year but not later than five years	1,270	1,082
Later than five years	-	-
Total lease commitments	1,667	1,339

N4L leases premises in Auckland at Suite 306, 100 Parnell Road, Parnell. The original term of the lease has an expiry of 28 February 2019. Under this lease N4L has a right of renewal for a term of a further 6 years taking the final expiry to 28 February 2025. The lease provides for rent reviews in March 2016, March 2019 and March 2022. The lease also includes a rent free period for 3 months at the commencement of the lease. The benefit of the rent free period is recognised as a reduction of the rental expense over the lease term, on a straight-line basis in accordance with NZ IAS 17.

N4L also leases premises in Wellington at Suite 2, Level 9, 36 Brandon Street, Wellington. The original term of this lease has an expiry of 31 October 2019. Under the lease N4L has a right of renewal for a term of a further 3 years taking the final expiry to 31 October 2022. The lease provides for rent reviews November 2015, November 2017, November 2019 and November 2021. The lease also includes a rent free period for the first 6 months of the lease. The lease allowed for N4L to elect to have the landlord make an equivalent contribution (or portion thereof) to the fitout of the premises.

Other commitments

The Company has no other commitments outside of its operating lease commitments.

14. Contingencies

Contingent liabilities

The company has no contingent liabilities at 30 June 2014.

Contingent assets

The company has no contingent assets at 30 June 2014.

15. Related party transactions and key management personnel

Related party transactions

All related party transactions have been entered into on an arm's length basis.

N4L is a wholly owned entity of the Crown.

Significant transactions with government-related entities

N4L invoices the Ministry of Education directly the costs of each school's connection to the Managed Network. The costs of these connections are in accordance with the contract N4L has with the Ministry of Education.

N4L received capital funding of \$5.5 million during the year.

In conducting its activities, N4L is required to pay various taxes and levies (such as GST, FBT, PAYE and ACC levies) to the Crown and entities related to the Crown. The payment of these taxes and levies, other than income tax, is based on the standard terms and conditions that apply to all tax and levy payers. N4L is exempt from paying income tax.

N4L also purchases goods and services from entities controlled, significantly influenced, or jointly controlled by the Crown. These purchases included the purchase of electricity from Mercury Energy, air travel from Air New Zealand, and postal services from New Zealand Post. During the year N4L incurred expenses of \$293,583 with these entities.

Key management personnel compensation

	2014 \$000	2013 \$000
Salaries, short-term employee benefits, and directors fees	1,983	882
Defined contribution plans	44	12
Total	2,027	894

Key management personnel include the Directors, Chief Executive and Senior Management team members.

Board remuneration

	2014 \$000	2013 \$000
Helen Robinson (Chair)	46.0	69.0
Mark Yeoman (Deputy Chair)	28.7	43.0
Martin Wylie	23.0	34.5
Rick Shera	23.0	34.5
Linda Tame	23.0	34.5
Humphrey Wikeepa	23.0	34.5
Jack Matthews	19.2	-
Total Directors' fees	185.9	250.0

N4L has effected Directors' and Officers' liability insurance. N4L also indemnifies the Directors against cost and liabilities incurred by Directors for acts or omissions made in their capacity as Directors to the extent permitted by N4L's Constitution and the Companies Act 1993.

In addition to the Directors' fees, the company incurred \$48k of expenditure relating to training and travel costs of the Directors.

16. Employee remuneration

	2014 No. of employees	2013 No. of employees
\$100,000 - \$109,999	2	1
\$110,000 - \$119,999	2	-
\$120,000 - \$129,999	1	1
\$130,000 - \$139,999	1	-
\$150,000 - \$159,999	2	1
\$160,000 - \$169,999	1	-
\$170,000 - \$179,999	2	-
\$190,000 - \$199,999	1	-
\$220,000 - \$229,999	1	-
\$230,000 - \$239,999	1	1
\$240,000 - \$249,999	1	-
\$420,000 - \$429,999	1	-

During the year ended 30 June 2014, no employees received compensation and other benefits in relation to cessation of their employment. The information in the above table reflects remuneration paid or payable to staff in respect of their period of employment with the Company.

17. Events after balance date

On the 2nd July 2014 Karen Poutasi was appointed to the Board of the Company.

On the 1st August 2014 the Company entered into a lease assignment with the New Zealand Racing Board and Samson for the lease of 104/100 Parnell Road, Auckland.

On the 17 September 2014 the Company issued, and shareholding Ministers’ purchased, 3,000,000 shares at an issue price of \$1.00 each.

18. Capital management

N4L’s capital is its equity, which comprises accumulated funds and share capital. Equity is represented by the net assets of the Company.

N4L manages its capital through careful control of its operations ensuring it can operate within its agreed capital base. N4L has no external debt.

19. Financial instruments

Cash and cash equivalents and loans and receivables as presented on the Statement of Financial Position are classified as loans and receivables. Creditor and other payables are classified as financial liabilities at amortised cost.

N4L has no financial assets or liabilities that are measured at fair value in the Statement of Financial Position. Short-term creditors and other payables and short-term receivables are non-interest bearing and are normally settled on 30 day terms, therefore their carrying value is approximately equal to their fair values.

Financial risk management

N4L’s activities expose it to a variety of financial instrument risks, including market risk, credit risk, and liquidity risk. N4L has a Treasury policy in place to help manage the risks associated with financial instruments and seeks to minimise exposure from such instruments. This policy does not allow any transactions that are speculative in nature to be entered into.

Market risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. N4L’s exposure to cash flow interest is limited to its bank deposits which are held at variable rates of interest. N4L does not actively manage its exposure to cash flow interest rate risk. N4L considers its exposure to interest rate risk to be immaterial. N4L is not exposed to price risk or currency risk.

Credit risk

Credit risk is the risk that a third party will default on its obligation to N4L, causing it to incur a loss.

In the normal course of business, N4L is exposed to credit risk from cash and term deposits with banks and other receivables. For each of these, the maximum credit exposure is best represented by the carrying amount in the statement of financial position.

N4L invests funds only with registered banks that have a Standard and Poor’s credit rating of at least A-1 for short-term and A- for long term investments. N4L has experienced no defaults of interest or principal payments for term deposits.

N4L holds no collateral or other credit enhancements for financial instruments that give rise to credit risk.

Liquidity risk

Liquidity risk is the risk that N4L will encounter difficulty raising liquid funds to meet commitments as they fall due. N4L mostly manages liquidity risk by continuously monitoring forecast and actual cash flow requirements.

All financial liabilities of N4L are current, with the exception of the lease incentive. This incentive is amortised over the original term of the lease in relation to N4L’s premises in Auckland and Wellington. The original term of the lease in Auckland is for six years commencing on 1st March 2013. The original term of the lease in Wellington is for six years commencing on the 1 November 2013.

20. Explanation of major variances to forecast (unaudited)

The forecast numbers are taken from the Company’s Statement of Intent 2013-2016. It should be noted that this forecast was developed prior to a formal contract being in place with the network vendor and any pricing being agreed with the Ministry of Education.

A number of the variances versus the forecast reflect the uncertainty in key assumptions at the time the forecast was developed. In addition the Company has been awarded additional government contracts post the forecast being finalised which has impacted both revenue and costs.

Statement of Comprehensive Income

For the year ended 30 June 2014

	Ref	2014 Actual \$000	2014 Forecast (Unaudited) \$000
Income			
Sales of services	A	5,241	4,100
Interest income		111	-
Other income		27	-
Total income		5,379	4,100
Expenditure			
Network services		1,404	1,000
Infrastructure		1,300	1,300
Content and services		-	400
Transition support		349	1,800
Board operations		234	242
Audit fees		46	100
Corporate costs	B	7,096	5,558
Total expenses		10,429	10,400
Net surplus/(deficit)		(5,050)	(6,300)
Total comprehensive income/(expense) for the period		(5,050)	(6,300)

A – Sale of services

Sale of services has exceeded the forecast due to a number of reasons including; school connections ahead of forecast, additional contracts undertaken, and the agreement to recover network establishment costs previously not forecast.

B – Corporate costs

Corporate costs are higher than forecast primarily due to higher than forecasted personnel costs due to the additional employees and contractors the Company has employed to deliver its services during the 2013/14 financial year.

Statement of Financial Position

As at 30 June 2014

	Ref	2014 Actual \$000	2014 Forecast (Unaudited) \$000
Assets			
Current assets			
Cash and cash equivalents		2,828	3,060
Other current assets		1,046	700
Total current assets		3,874	3,760
Non-current assets			
Property, plant and equipment		451	300
Intangible assets		31	-
Total non-current assets		482	300
Total assets		4,356	4,060
<i>Represented by</i>			
Liabilities			
Current liabilities			
Accruals and payables		1,659	800
Deferred revenue		291	-
Lease incentive (current)		16	-
Total current liabilities		1,966	800
Long-term liabilities			
Lease incentive (non-current)		62	-
Total long-term liabilities		62	-
Total liabilities		2,028	800
Equity			
Share capital and reserves		2,328	3,260
Total shareholders' funds		2,328	3,260
Total liabilities and shareholders' funds		4,356	4,060

Statement of Changes in Equity

For the year ended 30 June 2014

	Ref	Share Capital	Retained Earnings / (Deficit)	2014 Actual \$000	2014 Forecast (Unaudited) \$000
Opening balance 1 July 2013		5,500	(3,622)	1,878	2,060
Net surplus/(deficit)			(5,050)	(5,050)	(6,300)
Total comprehensive income for the period		-	(5,050)	(5,050)	(6,300)
Proceeds from shares issued	C	5,500	-	5,500	7,500
Total contributions by the owners		5,500	-	5,500	7,500
Closing balance 30 June 2014		11,000	(8,672)	2,328	3,260

C – Proceeds from shares issued

The forecasted financial statements anticipated issuing \$7,500,000 of shares in the Company during the 2013/14 financial year to the Shareholding Ministers. The Company and Shareholding Ministers subsequently agreed for this to be realigned. The Company ended up issuing \$5,500,000 of shares during the 2013/14 financial year with the balance transferring to the 2014/15 financial year.

BOARD OF DIRECTORS

Statement of Cash Flows

For the year ended 30 June 2014

	Ref	2014 Actual \$000	2014 Forecast (Unaudited) \$000
Cash flows from operating activities			
Receipts from customers	D	5,384	3,400
Interest received		111	-
Other income		2	-
Payments to suppliers and staff		(9,845)	(9,800)
Net cash flows from operating activities		(4,348)	(6,400)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangibles		(322)	(100)
Net cash outflow from investing activities		(322)	(100)
Cash flows from financing activities			
Equity capital introduced	E	5,500	7,500
Net cash flow from financing activities		5,500	7,500
Net increase/(decrease) in cash		830	1,000
Opening balance		1,998	2,060
Closing balance		2,828	3,060

D – Receipts from customers

Receipts from customers were higher than forecast for the same reasons as outlined in sale of services in the statement of comprehensive income.

E – Equity capital introduced

The variance in equity capital introduced is for the same reasons as outlined in proceeds from shares issued in the statement of movements in equity.



Left to right: Rick Shera, Karen Poutasi, Humphrey Wikeepa, Helen Robinson, Mark Yeoman, Martin Wylie, Linda Tame, Jack Matthews.

BOARD OF DIRECTORS

Helen Robinson

Chair

Helen is an independent director serving on numerous, diverse and innovative organisations, and an entrepreneur with interests mostly in technology companies.

Helen has led many technology companies over the past 30 years, including as Managing Director of Microsoft New Zealand and APAC leader (VP) for Pivotal Corporation, a Canadian CRM software company.

Helen was CEO of the TZ1 Registry which was acquired by London based Markit Group Ltd where she continued to act as Global Managing Director, Environmental Markets until mid-2011 when she left to pursue other business initiatives and independent directorships.

A theme of Helen’s career has been a passionate drive to improve the quality of life for all, and to deliver value to stakeholders through innovation and technology.

The following are general disclosures of interest given by Mrs Robinson pursuant to s140 (2) of the Companies Act 1993 and also entered into N4L’s interests register.

- Chair, CLOUD M Limited
- Chair, Mondiale Technologies Limited
- Chair, Valens Group
- Director, Auckland Tourism Events & Economic Development (ATEED)
- Director, Penguin Consulting Limited
- Director, KND Investments Limited
- Council Member, Open Polytechnic NZ
- Strategy Committee, New Zealand Rugby Union (NZRU) *(from September 2014)*
- Trustee, Robinson Family Trust
- Trustee, Auckland Sport

Mark Yeoman

Deputy Chair

Mark is an experienced leader within the ICT industry, having held a number of executive roles in a range of technology-based companies. Mark is currently Chief Financial Officer at New Zealand Post. He joined NZ Post in 2009, and was previously CFO at Airways and, before that, was CEO of Samoa’s telecom and postal company. He has been involved in telecommunications and internet related industries since the mid 1990’s and founded his own internet startup in Melbourne in 1999.

The following are general disclosures of interest given by Mr Yeoman pursuant to s140 (2) of the Companies Act 1993 and also entered into N4L’s interests register.

- Air Post Limited
- Converga (ACT) Pty Limited
- Converga Asia (Philippines)
- Converga Group Limited
- Converga Holdings Pty Limited
- Converga Inc (United States of America)
- Converga Information Management Pty Limited
- Converga Pty Limited (Australia)
- Converga Pty Limited (Singapore branch)
- Couriers Please Australia Pty Limited (Australia)
- Couriers Please Pty Limited (Australia)
- Datam Limited
- Express Couriers Limited
- Kiwibank Limited
- Kiwi Group Holdings Limited
- Kiwi Wealth Management Limited
- Member Postal Network Access Committee
- M.D.Y. Trustee Limited
- New Zealand Post Australia Holdings Pty Limited (Australia)
- New Zealand Post Holdings Limited
- New Zealand Post CX Limited
- New Zealand Post Group Finance Limited
- Transend Worldwide Limited (South Africa)
- Zomar Investments Limited

Humphrey Wikeepa

Director

Humphrey is a professional ICT consultant with more than 30 years experience working in both private and public sectors, and most recently in the education space.

Humphrey is of Ngāti Awa, Tainui and Te Atihaunui-a-Paparangi (Wainui a rua) descent, born and raised in Whakatane. He has a Masters Degree in Information Management Systems, and is currently working on his PhD in Information Systems.

He is passionately focused on ensuring kids are given the best education and believes this is the only way to develop a better tomorrow, for all New Zealanders. “I know N4L will make a big difference for those students who need extra support to lift their educational achievements.”

The following are general disclosures of interest given by Mr Wikeepa pursuant to s140 (2) of the Companies Act 1993 and also entered into N4L’s interests register.

- Advisor to Gonet wifi ISP provider
- Advisor to Ngāti Awa Runanga
- Advisor to REANNZ

- Advisor to Te Wānanga o Aotearoa on ICT Strategy
- Collaborator with Bay of Plenty Polytechnic
- Relationship with Whakatane Principals’ Association
- Working relationship with Nori Parata, principal of Tolaga Bay Area School and sister of Hon Hekia Parata
- Working relationship with Sir Harawira Gardiner, Board member of the Wānanga Council and husband of the current Minister of Education, Hon Hekia Parata

Jack Matthews

Director

In addition to the Network for Learning board, Jack Matthews also sits on the Crown Fibre Holdings board, a Crown company tasked with managing the rollout of an ultra fast broadband network to 75% of the New Zealand market.

Until April 2013, Jack was the CEO of Fairfax Media Metro Division and, prior to that, CEO of Fairfax Digital. Jack has over 30 years experience in the technology, telecommunications and media industries and has extensive international business experience having worked in the United States, New Zealand, Japan and Australia.

In New Zealand he was the founding CEO of Saturn Communications (later TelstraSaturn) which was among the first broadband networks in the world. Jack holds dual New Zealand and US citizenship and currently resides in Sydney, Australia.

The following are general disclosures of interest given by Mr Matthews pursuant to s140 (2) of the Companies Act 1993 and also entered into N4L’s interests register.

- Chair, Rewardle Holdings
- Director, Crown Fibre Holdings
- Director, Trilogy International

Karen Poutasi

Director (appointed 2 July 2014)

Dr Karen Poutasi is currently Chief Executive of the New Zealand Qualifications Authority, an education sector Crown entity, having been appointed to that role in 2006. Previously she was the Director General of Health and has worked in senior management roles across the health sector.

Karen is a medical graduate and her area of specialisation is public health. She holds both Otago and Harvard University management qualifications.

Karen is the Chair of Basketball New Zealand, the New Zealand Committee for Harkness Fellowships, and is a member of the Ian Axford Fellowships Board. She received a CNZM for services to health in 2006.

The following are general disclosures of interest given by Dr Poutasi pursuant to s140 (2) of the Companies Act 1993 and entered in N4L’s interests register:

- CEO, New Zealand Qualifications Authority
- Chair, Basketball New Zealand
- Chair, New Zealand Committee for Harkness Fellowships
- Member, GCSB Advisory Committee
- Member, Ian Axford Fellowships Board

Linda Tame

Director

Linda is an experienced education specialist who recently completed a 16-year tenure as a secondary school principal.

The following are general disclosures of interest given by Mrs Tame pursuant to s140 (2) of the Companies Act 1993 and also entered into N4L’s interests register.

- Member of the Transition Board of the Education Council of Aotearoa New Zealand (EduCANZ)
- Consultant working in Christchurch schools
- Ex Principal, Lincoln High School
- Member, Lincoln University Council
 - Convenor Planning and Marketing Committee
 - Audit and Risk Committee
 - CEO Appointment and Remuneration Committee
 - Appeals Committee
 - Ethics Committee
- Trustee, Greater Christchurch Schools’ Network
- Director, Solus Ltd. Closely Held Companies (Dormant)
- Trustee and beneficial interest in Tame Family Trust
- Member, Canterbury Youth Futures Advisory Group
- Mother of Jack Tame, TVNZ US Correspondent, reporter at Radio Network and NZ Herald
- Married to John Tame, contractor supplying support and financial services to schools

Martin Wylie

Director

Martin is an experienced leader of Internet Service Provider companies who is the CEO of Elevator Group.

The following are general disclosures of interest given by Mr Wylie pursuant to s140 (2) of the Companies Act 1993 and also entered into N4L’s interests register.

- CEO, Elevator Group
- Director, Argyle Property Investments Limited
- Director, Eco Insulation Trustee Limited

- Director, Horsil Investments Limited
- Director, Sospito Group Limited
- Trustee and beneficial interest in Argyle Family Trust
- Trustee, Mahana Charitable Trust

Rick Shera
Director

Rick is a partner at niche corporate, commercial and IT law firm, Lowndes Jordan. He is a corporate and commercial lawyer, also specialising in internet, media, IT and intellectual property law as well as blogging and commenting as *@lawgeeknz*.

The following are general disclosures of interest given by Mr Shera pursuant to s140 (2) of the Companies Act 1993 and entered in N4L's interests register:

- Chairman & Director, Hector's World Limited
- Chairman, NetSafe Incorporated
- Director & Shareholder, Albof Limited
- Director & Shareholder, Award Trustee Limited
- Director & Shareholder, Cadmont Holdings Limited
- Director & Shareholder, Eljay Holdings Limited
- Director & Shareholder, Ngaawari Limited
- Director & Shareholder, Wharfe Trustee Services Limited
- Director, Agena Investments Limited
- Director, Eljay Limited
- Director, Team One Limited
- Member, Advisory Board of DigitalNZ
- Member, InternetNZ Incorporated
- Partner, Lowndes Jordan, Barristers & Solicitors
- Shareholder, Kasart Limited
- Trustee & beneficiary, Abu Simbal Trust
- Trustee & beneficiary, Nightingale Trust



DIRECTORY

Shareholders:

Minister of Finance (Hon Bill English); and
Minister of Education (Hon Hekia Parata)

**Minister with delegated responsibility
for the Company:**

Associate Minister of Education (Hon Nikki Kaye)

Registered Office:

C/- Simpson Grierson
HSBC Tower
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New Zealand

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Auckland 1151

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Auditor:

The Auditor-General
Pursuant to section 15 of the Public Audit Act 2001

Solicitors:

Elwood Law
Simpson Grierson

Bankers:

Westpac New Zealand Limited

Senior Management:

John Hanna, Chief Executive Officer
Alexander Brown, Government and Stakeholder Relations Manager
Andy Schick, Head of Marketing and Communications
Carolyn Stuart, Education Sector Lead
Chris South, Head of Dynamic Services
Gary Wicks, Customer Acquisition Manager
Graeme Rayner, Chief Financial Officer
Jeremy Nees, Chief Technical Officer
Steve Hudgell, Programme Director

Board of Directors:

Helen Robinson (Chair)
Mark Yeoman (Deputy Chair)
Humphrey Wikeepa
Jack Matthews
Karen Poutasi
Linda Tame
Rick Shera
Martin Wylie

Auckland Head Office

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Wellington Office

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