



**TE PŪRONGO PAEARU MAHI |  
STATEMENT OF PERFORMANCE  
EXPECTATIONS**

FINANCIAL YEAR 2022/2023

# RĀRANGI ŪPOKO

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# KŌRERO WHAKATAKI MAI I TE POARI

## INTRODUCTION FROM THE BOARD

**Ko N4L he umanga hangarau nā te karauna, e rato ana i te huhua o ngā mahi tiaki ipurangi, whakamaru matihiko me te tāwharau i ngā rawa pārongo a tō mātou hoa mahi, kaitaunaki pūtea hoki, Te Tāhūhū o Te Mātauranga, tae noa ki ngā kura huri noa i Aotearoa New Zealand.**

Nā te mahitahi ki te rāngai mātauranga, tūmataiti me te rāngai tūmatanui mai noa i te tau 2012, Kua whai wheako a N4L ki te tuku hangarau hei tautoko i te ako me te whakaako kaiako me a rātou ākonga. Kua piki ake te whakamahinga o te pūnaha matihiko ia rā e ngā tāngata o Aotearoa New Zealand mā te 25%.

I roto i ngā tekau tau kua hipa, kua whakawhanaketia e N4L a rātou pukenga whakahoahoa, whakahaere hōtaka, whakakao rawa, me te toha hōtaka hei whakatōnui ngā whakahaerenga rorohiko. Tuia ki ēnei pukenga, kua hangaia hoki e N4L ētahi pūnaha me ngā tukunga whakahaere hangarau e hāngai pū ana ki ngā kura. He mea tuku i ēnei rauemi e taea ai e ngā kura te tātari, te whakahaere me te tiaki ia rātou hangarau mai i mamao. He mea tautoko hoki ēnei pūnaha e te aka o te motu e kōtuitui ana i ngā ratonga ipurangi me te whakatō hangarau.

Kua whakawhānui ake a mātou ratonga i roto i te tau kua mahue ki ngā mahi whakamaru matihiko, ipurangi hoki, e tiaki ana i ngā kaiako me ngā ākonga e ako matihiko ana mā roto mai i te hāneaneatanga o a rātou akomanga.

Ā te tau 2022/23, ka aronui a N4L ki te whakatutuki ia mātou whāinga matua me Te Tāhūhū o Te Mātauranga, ki te whakahiato i ngā hononga a kura, te whakamaru matihiko, te whakakao raraunga me te whakataikaha i ngā

kaiako ki te tautoko ia rātou ākonga me tā rātou ako matihiko.

Tērā ētahi hua angitū mā te karauna hei hāpai ia N4L. Kāre e kore ka taea e N4L te tuku i ngā ratonga me ngā rauemi ki te rāngai mātauranga me ērā atu rāngai kei tua o te mātauranga hoki.

E poho kererū ana a N4L i tā mātou whakakitenga kia whakapakari i ngā kaiako me ngā ākonga katoa ki te ako i te whakamaru matihiko, Ka ine mātou a mātou huanga mā ngā ratonga tino kounga me te āta whakarite mai i ngā whāinga tino tiketike rawa. Mo ngā rā kei heke mai.

**N4L is a Crown-owned technology company delivering a range of managed internet, cybersecurity and information security products and services on behalf of our key partner and funder, the Ministry of Education, to state and state-integrated schools and kura in Aotearoa New Zealand.**

Having worked in partnership with the education, public and private sectors since 2012, N4L has an established record of delivering technology that supports teaching and learning, and kaiako and ākonga using of N4L's Managed Network now accounts for close to 25% of Aotearoa New Zealand's daytime internet consumption<sup>1</sup>.

Over the past decade, N4L has developed a core set of capabilities spanning co-design, procurement, project management, programme delivery and lifecycle management. Alongside these core capabilities, N4L has developed scalable customer management systems and processes, including deployment, remote monitoring, account management and technical support, with high levels of school and kura engagement and

satisfaction. This is all supported by a nationwide network of mature relationships with local contract IT providers and equipment installers.

In the past year, our track record of delivery has been further extended by several key achievements, especially in the area of cybersecurity and Internet of Things, helping to protect kaiako and ākonga online and ensuring their classrooms are a comfortable place to teach and learn.

In 2022/23, N4L will be focused on delivering on key priorities with our partner, the Ministry of Education, around upgrading classroom networks, cybersecurity, self-service and data capture & reporting for kaiako, empowering them to support their ākonga with their online journey.

There are opportunities ahead for the Crown to leverage N4L. N4L could provide more products and services for the education sector, as well as investigate using our products and services beyond education.

N4L is proud of our vision to empower all kaiako and ākonga to teach and learn safely online, and will measure our success in the future by committing to extremely high standards of service delivery, as well as setting and achieving ambitious programme delivery targets.

**Colin MacDonald, QSO | Chair**

30 June 2022

**Dame Karen Poutasi, DNZM | Deputy Chair**

30 June 2022

<sup>1</sup> Source: Spark New Zealand.



## COMPANY STRATEGY ON A PAGE FY23-FY25

## PURPOSE

**HELP ALL ĀKONGA THRIVE  
IN TODAY'S DIGITAL WORLD**

## VISION

**ALL KAIAKO AND ĀKONGA ARE  
EMPOWERED TO TEACH AND  
LEARN SAFELY ONLINE**

## MISSION

**WE PUT YOU IN CONTROL WITH  
SMART IDEAS, SIMPLY DELIVERED  
SO YOU CAN FOCUS ON LEARNING**

## PŪTAKE, WHAKAKITENGA, PAE TATA ME NGĀ WHĀINGA

### PURPOSE, VISION, MISSION & GOALS

Ko te hora i te mana ōrite e whai wāhi ai te katoa ki ngā hangarau hei huarahi whakapiki i te mātauranga. E mārama ana a N4L i ngā uauatanga e pā ana ki ngā hangarau matihiko hei whakahaere mā ngā tūmuaki, ngā ringa āwhina, e mahi tahi ai mātou ki a rātou ki te tuku i ngā ratonga e māmā ai te tūhono, te tiaki me te tautoko ia rātou.

E mahi tahi ana a N4L me Te Tāhūhū o Te Mātauranga ki te tuku ratonga, tautoko hoki i te rāngai mātauranga, i ngā amorangi, kaimahi, ākonga me ō rātou whanau. Ko tā mātou aronui ki te āta tūraki i ngā taiepa ki te whakamahi i ngā hangarau e whai wāhi ai ngā kaiako me ngā ākonga katoa ki te ako me whakaako. E mahi ana mātou ko N4L me ō mātou hoa kāwana kia tika ai ngā hangarau ōnāiānei e aro ai rātou ki a rātou mahi matua.

E whai wāhi hoki a N4L te āta mārama ki ngā awhero o ngā kura me ngā hāpori puta noa i a Aotearoa New Zealand ki te hunga whai āwhina. Ko tētahi Kaupapa matua mā N4L ko te whakapakari i tā mātou Kaupapa mahi ki ngā kaiako me ngā ākonga Māori, koia tēnei tētahi o ngā whāinga matua a N4L ki te whakaū kia hiki i te mana ōritetanga me ngā hua konorau.

Equitable access to digital technology is an enabler for increased educational success. N4L understands that digital technology can be complex and difficult to manage for tumuaki, principals and administrators, so we co-design products and services with them to make it simpler to connect, protect and support.

Alongside the Ministry of Education, N4L provides services and support for education staff and leaders, ākonga and whānau. Our focus is on removing the barriers to technology use so that all kaiako and ākonga can focus on teaching and learning, while N4L manages their technology for them. Similarly, N4L works with our government partners to ensure that technology is contemporary, fit-for-purpose and offers value for money, so that they can focus on their core business.

For N4L, this also means continuing to build our understanding of the needs of Aotearoa New Zealand's schools and kura and the communities they serve. Of particular importance to N4L is continuing to strengthen our capability to work with, and for, Māori kaiako and ākonga, which is an important part of N4L's ongoing commitment to equity and diversity.

# PŪTAKE, WHAKAKITENGA, PAE TATA ME NGĀ WHĀINGA

## PURPOSE, VISION, MISSION & GOALS

### Te aronga nui a N4L *N4L's nature and scope*

The Network for Learning Limited (N4L) is a Crown-owned company listed under Schedule 4A of the Public Finance Act 1989. Currently, ownership is held entirely between two shareholding Ministers, the Ministers of Finance and Education, with governance by a Crown-appointed Board of Directors. Management and leadership draws on significant experience across the government, education and technology sectors.

### Ngā whāinga tauhokohoko *Commercial objectives*

N4L has funding commitments from the Crown sufficient to ensure services can be sustainably delivered and N4L can meet its operational requirements. N4L is focused on maximising the value for money of the Crown's investment as the company continues to develop. A key part of maximising value for the Crown is aiming for a small annual surplus of 1-3% of revenue to ensure our ongoing financial sustainability can be maintained.

# NGĀ HUANGA I TE TAU 2021/22

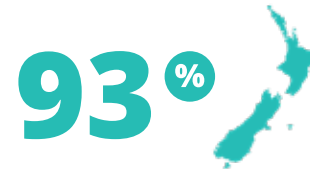
## MAJOR ACHIEVEMENTS IN 2021/22



**MAINTAINED OUR 90%+ CUSTOMER SATISFACTION RATING WITH SCHOOLS AND KURA SINCE LAUNCH.**



**LAUNCHED N4L'S SECURITY OPERATIONS CENTRE FOCUSED ON PROTECTING SCHOOLS AND KURA BY MITIGATING HARM FROM MAJOR CYBERSECURITY VULNERABILITIES AND INCIDENTS, LIKE LOG4J AND HIKVISION.**



**SUPPORTED 93% OF SCHOOLS AND KURA TO ACHIEVE N4L'S SAFE & SECURE INTERNET STANDARD.**



**REPLACED AGING SCHOOL NETWORKS WITH THE LATEST GENERATION OF WI-FI TECHNOLOGY, PROVIDING IMPROVED SPEEDS AND ADDITIONAL SECURITY.**



**SUPPORTED 233 SECONDARY SCHOOLS AND WHAREKURA TO PROVIDE NCEA ONLINE EXAMS.**

# NGĀ WHĀINGA MŌ 2022/23

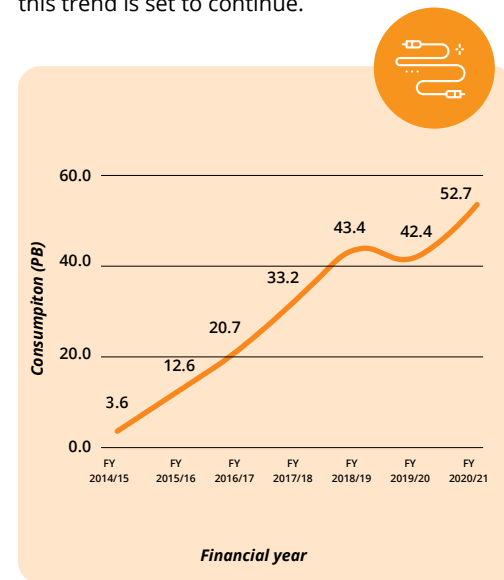
## OBJECTIVES FOR 2022/23

**N4L is framed around three major objectives: to connect, protect and support all kaiako and ākonga, so they are empowered to teach and learn safely online. The use of digital technology in schools and kura is increasing, alongside the threat posed by cyber criminal activity.**

### Te whakapiki tūhonotanga rarau mā te 150% mai noa i te tau 2017

**Connect - 150% increase in data consumption since 2017**

Internet use in schools has been growing significantly over time. Data increases are driven in part by more devices on the network and video streaming services. Indications are that this trend is set to continue.



During 2022/23, to deliver on the Connect goal, N4L will continue to deliver internet services to all state and state-integrated schools and kura in Aotearoa. N4L will also continue to deliver the Te Mana Tūhono programme - the IT network and cybersecurity support programme for schools. Under this programme, schools and kura will be able to have their IT network equipment replaced when it's reaching the end of its life, access support to manage cybersecurity and access help and support from N4L for IT issues.

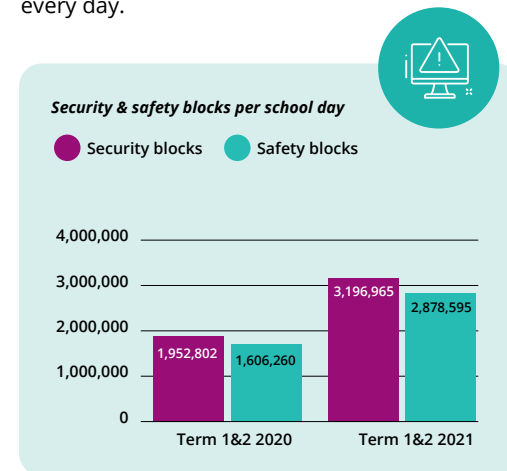
### Te whakamaru i te pā matihiko i ngā hahau me te ārai matū

**Protect - tenfold increase in cybersecurity threats and content blocks**



The online threat environment has become increasingly sophisticated and grown significantly, with schools and kura being exposed to an increasing number of security threats. Malicious actors continue to find new software vulnerabilities to exploit and the widely held view is that the number and complexity of online threats is set to rise.

In the past four years, there has been a tenfold increase in total blocks through N4L's Firewall and Web Filtering. Cybersecurity threats are up 64% since Term 1 and 2 2020, with 3.2 million online threats blocked every day, while cyber safety threats are up 79% since Term 1 and 2 2020, with 2.9 million safety threats blocked every day.



N4L is committed to providing a safe and secure online learning environment for all ākonga and kaiako. As part of this commitment, N4L offers all schools a comprehensive package of safety

and security features - N4L's Safe & Secure Internet. Further, N4L actively monitors schools to ensure that they remain protected to this standard. 93% of schools currently meet the Safe & Secure standard and N4L supports any school that needs assistance in reaching it.

The company takes its ethical responsibility and the trust held by our customers seriously. We know that schools and kura trust us with sensitive data, and we actively work to ensure we comply with all legislation around data. This means keeping up to date with privacy legislation and good information security practices, including aligning to, and benchmarking ourselves against, the New Zealand government guidelines set out by the National Cyber Security Centre (NCSC). N4L will continue to ensure this level of trust is upheld.

During 2022/23, N4L will continue to operate and further enhance the Security Operations Centre, providing N4L with the capacity to detect and respond to cyber threats. N4L will also continue to develop Safe & Secure Internet, supporting schools and kura to ensure they have enhanced protection from cyber threats and threats to the digital safety of kaiako and ākonga.

### Te tautako marire i te 90% mai i te whakarewanga Support - over 90% satisfaction since launch

N4L has always placed great importance on customer satisfaction levels due to our overarching focus on addressing the needs of the schools and kura that we serve.

# NGĀ HUA KORE PŪTEA, NGĀ INENGA ME NGĀ WHĀINGA

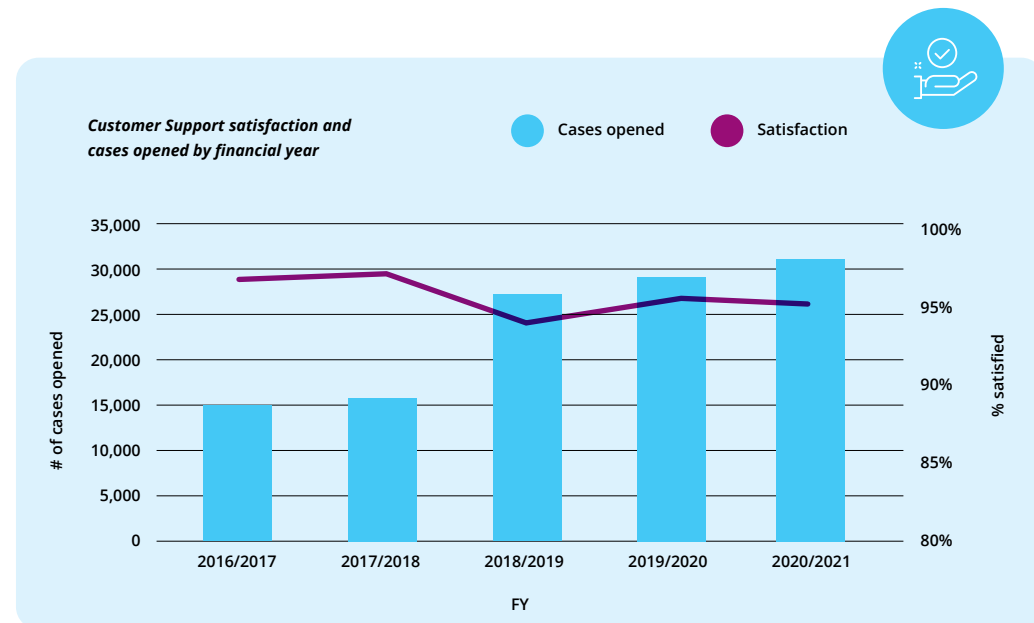
## NON-FINANCIAL PERFORMANCE, MEASURES AND TARGETS

Our regionally-based School Relationship Managers visit schools and kura across the country every day, listening to the needs of principals and tumuaki, taking ownership for resolving issues, providing technology insights and sharing the latest thinking on cybersecurity and online safety, so they can provide their kaiako with the support they need and ākonga with an enjoyable online learning experience.

The N4L Customer Support team ensures schools and kura have access to the support they need. Customers are able to log cases for issues online via N4L's Support Hub or by calling Customer Support. In recent years, the number of products we support has increased

manyfold. Significant upfront investment in customer relationship management tools and processes has enabled N4L to actively manage schools and kura to ensure that the products and services they need are available to them, as well as remediate issues promptly.

In 2022/23, N4L will continue to offer comprehensive support for our products and services, and will continue a programme of continuous improvement to enhance already high levels of customer service and satisfaction.



N4L has identified a number of key metrics against which it will assess its non-financial performance.

### Connect: The Managed Network connection

Key Metric	Target (2021/22)	Performance to date (2021/22)	Target (2022/23)
Percentage of eligible schools (defined as state schools and state-integrated schools) connected to the internet by N4L.	99.9%	Q1: 100.0% Q2: 100.0% Q3: 100.0%	99.9%
Percentage of schools that voluntarily disconnect from N4L's Managed Network.	Less than 0.5%	Q1: 0% Q2: 0% Q3: 0%	Less than 0.5%

### Connect: Availability of internet services for schools

Key Metric	Target (2021/22)	Performance to date (2021/22)	Target (2022/23)
Network availability.	New measure.	New measure.	Metro schools > 99.863% Rural schools > 99.817%

**Connect: Equipment Support**

Key Metric	Target (2021/22)	Performance to date (2021/22)	Target (2022/23)
School licences renewed before expiry based on the Ministry-provided list.	289	Q1: 46 Q2: 141 Q3: 224	184

**Connect: Equipment Replacement**

Key Metric	Target (2021/22)	Performance to date (2021/22)	Target (2022/23)
Number of schools' hardware replaced.	617	Q1: 77 Q2: 180 Q3: 240	247

In 2021/22, N4L's ability to gain physical access to schools was severely restricted by COVID-19 lockdowns and international supply chain disruptions significantly reduced hardware stock. A combination of these factors has limited N4L's potential for achievement of the 21/22 target and the target has been lowered for 22/23, reflecting N4L's expectation that supply chain disruptions will continue through 22/23.

**Connect: Secure Access**

Key Metric	Target (2021/22)	Performance to date (2021/22)	Target (2022/23)
Number of schools provided with Secure Access services.	250	Q1: 57 Q2: 119 Q3: 169	250

**Protect: N4L's Safe & Secure Internet**

Key Metric	Target (2021/22)	Performance to date (2021/22)	Target (2022/23)
Number of schools meeting N4L's Safe & Secure Internet standard.	92.5%	Q1: 91.0% (2,276) Q2: 93.1% (2,336) Q3: 93.1% (2,335)	92.5%

**Protect: Safety and security**

Key Metric	Target (2021/22)	Performance to date (2021/22)	Target (2022/23)
Implement N4L's cybersecurity framework, aligned with guidance from the National Cyber Safety Centre.	New measure.	New measure.	Continuous improvement of controls effectiveness against NIST/NZISM N4L cyber security framework.

**Support: Customer satisfaction**

Key Metric	Target (2021/22)	Performance to date (2021/22)	Target (2022/23)
Principal and/or operational contact at each state and state-integrated schools' satisfaction with the performance of N4L in administering the Managed Network and associated services.	90% 'satisfied' or 'very satisfied' response from respondents.	97%	90% 'satisfied' or 'very satisfied' response from respondents.



# TE WHAKAHAERE PŪTEA

## FINANCIAL PERFORMANCE

### Support: Support services

Key Metric	Target (2021/22)	Performance to date (2021/22)	Target (2022/23)
The number of minutes to acknowledge a service request (measured per month).	80% of all requests under 8 support hours.	Q1: 91% Q2: 90% Q3: 80%	80% of all requests under 8 support hours.
Percentage of total calls taken.	At least 85%.	Q1: 94% Q2: 88% Q3: 83%	At least 85%.
The number of minutes to resolve an incident (measured per month).	P1: 85% less than 4 support hours. P2: 85% less than 8 support hours. P3: 85% less than 16 support hours. P4: 85% as agreed.	Q1: 93% Q2: 97% Q3: 92%	P1: 85% less than 4 support hours. P2: 85% less than 8 support hours. P3: 85% less than 16 support hours. P4: 85% as agreed.

N4L will measure its financial performance against the following high-level targets:

- N4L will generate income as set out in the Prospective Statement of Comprehensive Income.
- N4L will operate in a financially sustainable manner, ensuring that its operating expenses and any required capital expenditure are covered by its operating income, potentially drawing on reserves and agreed on shareholder funding
- N4L will notify the Treasury early if it expects material changes in its financial forecast.
- N4L will meet the Minister's expectations as set out in his Letter of Expectations.
- N4L will meet all commitments made in Statements of Work with the Ministry of Education.

### Ngā hua me ngā whakapaunga pūtea Expected revenues and proposed expenses

#### Ngā puna pūtea Sources of Income

The company expects to receive income from:

- Three Statements of Work from the Ministry of Education including Managed Network Services, Corporate and Support Services,
- Providing elements of the Te Mana Tūhono programme to state and state-integrated schools, as set out in Statements of Work with the Ministry of Education, including:
  - Equipment Replacement;
  - Equipment Support;
  - Secure Access; and
  - Te Haratau (Internal Environment Monitoring and Support).
- Statements of Work with the Ministry of Education for cybersecurity, including in respect of:
  - Security Operations Centre services; and
  - Cybersecurity tacticals in schools.
- Providing Safe & Secure Managed Network services and support services to independent schools.

The company may also receive additional income from other government contracts.

**Te pūrongo matapae i ngā take hira**  
**Statement of significant assumptions**

The prospective financial statements included in this Statement of Performance Expectations are reliant on a set of critical assumptions made by N4L.

The most significant assumptions reflected in these financial statements are:

- Existing Statements of Work with the Ministry of Education with the option to renew will be renewed.
- COVID-19 alert levels permit N4L to access schools and kura within appropriate timeframes.
- Global equipment supply shortages will ease from January 2023.
- N4L is actively investing in the future. Investment will be made in both internal capability and preparation for the next iteration of the Managed Network.

Any additional activities will be conducted within the parameters established by Ministerial expectations of N4L and in accordance with agreed Statements of Work.



**Colin MacDonald, QSO**

Chair  
30 June 2022



**Dame Karen Poutasi, DNZM**

Deputy Chair  
30 June 2022

## NGĀ PŪRONGO MATAPAE PŪTEA

### PROSPECTIVE FINANCIAL STATEMENTS

**Te pūrongo matapae i ngā hua pūtea mō te mutunga o te tau a te 30 o Pipiri 2023**  
**Prospective Statement of Comprehensive Income for the Year Ended 30 June 2023**

	2021/22 Forecast \$000	2021/22 SPE \$000	2022/23 Draft SPE \$000
<b>Income from Services</b>			
Income from Services - Non Exchange Revenue	44,297	41,299	47,093
Income from Services - Exchange Revenue	563	433	454
<b>Total Income</b>	<b>44,860</b>	<b>41,732</b>	<b>47,547</b>
<b>Operating Expenses</b>			
Network Services	18,227	18,866	17,191
Transition Support	684	1,626	1,291
Board Operations	202	187	226
Audit Fees	63	63	67
Other General and Overhead Expenses	25,322	20,840	30,129
<b>Total Operating Expenses</b>	<b>44,498</b>	<b>41,582</b>	<b>48,904</b>
<b>Net Surplus/(Deficit)</b>	<b>362</b>	<b>150</b>	<b>(1,357)</b>
<b>Total Comprehensive Income/(Loss)</b>	<b>362</b>	<b>150</b>	<b>(1,357)</b>

**Ngā matapae nuku i te mana ōritetanga mō te mutunga o te tau a te 30 o Pipiri 2023**  
**Prospective Statement of Changes in Equity for the Year Ended 30 June 2023**

	2021/22 Forecast \$000	2021/22 SPE \$000	2022/23 Draft SPE \$000
<b>Opening Balance</b>	<b>5,922</b>	<b>5,812</b>	<b>6,284</b>
Net Surplus/(Deficit)	362	150	(1,357)
<b>Total Comprehensive Income for the Period</b>	<b>362</b>	<b>150</b>	<b>(1,357)</b>
Dividends Paid	-	-	-
Proceeds from Shares Issued	-	-	-
<b>Total Contributions by the Owners</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing Balance</b>	<b>6,284</b>	<b>5,962</b>	<b>4,927</b>

**Te pūrongo matapae e pā ana ki te tūranga pūtea a te 30 o Pipiri 2023**  
**Prospective Statement of Financial Position as at 30 June 2023**

	2021/22 Forecast \$000	2021/22 SPE \$000	2022/23 Draft SPE \$000
<b>Current Assets</b>			
Cash and Cash Equivalents	7	5,323	3,486
Other Current Assets	8	6,895	4,189
<b>Total Current Assets</b>	<b>12,218</b>	<b>7,675</b>	<b>9,258</b>
<b>Non-Current Assets</b>			
Property, Plant, Equipment and Intangibles	9	2,758	2,974
<b>Total Non-Current Assets</b>	<b>2,758</b>	<b>2,974</b>	<b>3,664</b>
<b>Total Assets</b>	<b>14,976</b>	<b>10,649</b>	<b>12,922</b>
<b>Current Liabilities</b>			
Accruals and Payables	10	8,649	4,644
<b>Total Current Liabilities</b>	<b>8,649</b>	<b>4,644</b>	<b>7,952</b>
<b>Non-Current Liabilities</b>			
Lease Incentive		43	43
<b>Total Non-Current Liabilities</b>	<b>43</b>	<b>43</b>	<b>43</b>
<b>Total Liabilities</b>	<b>8,692</b>	<b>4,687</b>	<b>7,995</b>
<b>Shareholders' Funds</b>			
Share Capital		14,000	14,000
Retained Earnings		(7,716)	(9,073)
<b>Total Shareholders' Funds</b>	<b>6,284</b>	<b>5,962</b>	<b>4,927</b>
<b>Total Liabilities and Shareholders' Funds</b>	<b>14,976</b>	<b>10,649</b>	<b>12,922</b>

# NGĀ PITO KŌRERO MŌ NGĀ MATAPAE PŪTEA-Ā-TAU

## NOTES TO THE PROSPECTIVE FINANCIAL STATEMENTS

### Te pūrongo pūtea mō te mutunga o te tau pūtea a te 30 o Pipiri 2023 Prospective Statement of Cash Flows for the Year Ended 30 June 2023

	2021/22 Forecast \$000	2021/22 SPE \$000	2022/23 Draft SPE \$000
<b>Operating Activities</b>			
Interest Received	9	16	29
Income from Services	49,941	47,851	56,137
Payments to Suppliers and Employees	(47,573)	(45,919)	(52,808)
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<b>2,377</b>	<b>1,948</b>	<b>3,358</b>
<b>Investing Activities</b>			
Purchase of Fixed Assets	(1,746)	(1,825)	(4,090)
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>	<b>(1,746)</b>	<b>(1,825)</b>	<b>(4,090)</b>
<b>Financing Activities</b>			
Capital Contribution	-	-	-
<b>Net Cash Inflow/(Outflow) from Financing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Increase/(Decrease) in Cash</b>	<b>631</b>	<b>123</b>	<b>(732)</b>
Cash Available at the Start of the Period	4,692	3,363	5,323
<b>Cash Available at the End of the Period</b>	<b>5,323</b>	<b>3,486</b>	<b>4,591</b>

### 1. Reporting entity

The Network for Learning Limited (N4L), a limited liability company incorporated in New Zealand under the Companies Act 1993, is a Crown entity as defined by the Crown Entities Act 2004. It is listed in Schedule 4A of the Public Finance Act 1989.

N4L's purpose is to establish and operate a student-focused network for schools and kura that provides significant benefits to students and educators by delivering a reliable, safe and secure internet connection. 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).

The New Zealand Crown is the ultimate parent of N4L, however the Crown does not guarantee the liabilities of N4L in any way.

### 2. Statement of compliance

The prospective financial statements are for the year ended 30 June 2023, with comparatives to the forecast and SPE for the current year ending 30 June 2022. The forecast comparatives for 2021/2022 include actual financial results for the period July 2021 to March 2022. The prospective financial statements have been prepared in accordance with the relevant requirements of the Public Finance Act 1989 and Crown Entities Act 2004, which include the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The prospective financial statements have been prepared in accordance, and comply with, Tier 1 PBE accounting standards and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

These statements will be used in our Annual Report as the budgeted figures.

### 3. Critical accounting estimates and assumptions

In preparing these prospective financial statements N4L has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the 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 prospective financial statements were authorised for issue by the Board of Directors on 28 April 2022. The Board is responsible for preparing the forecast financial statements presented, including judgements concerning the appropriateness of the assumptions underlying the prospective financial statements and other required disclosures. It is important, however, to note that the prospective financial statements are estimates based on the available information at the time of publication and contain inherent uncertainties. Actual financial

results achieved are likely to vary from the information presented and the variations may be material.

#### 4. Measurement

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

#### 5. 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 (NZD).

#### 6. Summary of significant accounting policies

##### Accounting Policies

The following accounting policies, which significantly affect the measurement of financial performance and financial position, have been consistently applied.

##### Income

Income is measured at the fair value of the consideration received or receivable.

##### Income from non-exchange transactions:

- (i) Income from services: Income from services is recognised by reference to when the service is performed.

##### Income from exchange transactions:

- (i) Income from services includes income from the sale of equipment to schools and ICT's. Income is recognised when the equipment is sold.
- (ii) Interest: Interest income is recognised using the effective interest method.

#### 7. Cash and cash equivalents

Cash and cash equivalents include cash on hand and term deposit held with a major New Zealand trading bank.

#### 8. Other current assets

Other current assets are recorded at their face value, less any provision for impairment.

#### 9. Property, plant, equipment and intangibles

Property, plant and equipment consist of computer equipment, office equipment, office furniture and leasehold improvements. Property, plant and equipment are shown at cost, less any accumulated depreciation and impairment losses.

Intangible assets consist of acquired computer software licenses, which are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software or with the development and maintenance of N4L domains are recognised as an expense when incurred.

#### 10. Accruals and payables

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

#### 11. Goods and Services Tax

All items in the prospective 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, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position. The net GST paid to, or received from the IRD, 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.

#### 12. 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.

#### 13. Statement of Cash Flows

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

Cash comprises cash at bank, in hand and short-term deposits that are readily converted to a known amount of cash, and are subject to an insignificant risk of changes in value.

- Operating activities are the principal income-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 result in changes in the size and composition of the contributed equity of the company.

#### 14. Income from services

Income from services represents:

- Estimated income from the provision of core network services to schools. These services for state and state-integrated are paid for directly by the Ministry of Education on behalf of the schools. Income from services to schools also includes income from independent schools for the provision of core network services and support services.

- Estimated income from a Customer Support service, a hardware replacement programme and security services for schools. These services are paid for by the Ministry of Education.
- Exchange revenue relates to equipment sales to schools and IT's which is recognised at the time of sale.

### 15. Network services

Network and product service costs represent:

- Estimated payments to the network provider and other providers for the provision of services to N4L.

### 16. Other general and overhead expenses

Other general and overhead expenses represent:

- Estimated direct departmental costs in providing products and services.
- Estimated departmental costs of general management, customer relationship management, marketing/communications, education sector/government liaison, finance, human resources, facilities and professional services/legal.
- Personnel costs, including estimated salaries and short-term benefits to employees and contractor costs.

### 17. Reportable outputs

In compliance with the Crown Entities Act (2004) S149E (1)(c) N4L confirms that it does not propose to supply any class of outputs, in the financial year, that is not a reportable class of outputs.



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