



TE PŪRONGO Ā-TAU ANNUAL REPORT 2024



Ngā Ihirangi

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Te Whakatakinga Introduction

Network for Learning (N4L) is a Crown-owned technology company whose purpose is to improve digital learning experiences and outcomes for all.

As internet and network connectivity become key infrastructure, not only for teaching and learning but also for the business systems on which schools and kura rely, N4L, on behalf of the Ministry of Education, provides fully-funded internet connections, Wi-Fi, cybersecurity, web filtering, data management and technical support services to all state and state-integrated schools in New Zealand.

N4L sets and meets high standards for our services and products. Our experts in network management, cybersecurity and service delivery ensure that nearly a million New Zealanders in the education system – staff, teachers, and learners – have secure and reliable daily access to a standardised online learning environment. Providing network access where everything ‘just works,’ N4L enables educators and students to concentrate their attention and resources on their own mission: teaching and learning.

N4L does this work with a steady focus on efficiency as well as quality. We work closely with private sector partners to manage costs and secure pricing agreements to deliver value.

Our core services are funded for schools by the Ministry of Education through the Vote Education budget, while some schools purchase additional N4L services using their operating grants. We use our funding both to deliver directly to schools and to do the development, design and roll-out work needed to meet evolving education sector needs.

We have achieved noteworthy success while maintaining this fiscal discipline. School satisfaction and trust ratings have continued to hold steady above 90%. In the past year, we have launched two new services, Satellite for Schools and our self-service platform, MyN4L, as well as relaunching our Secure Access product. At present, we are continuing the replacement

of ageing Wi-Fi and network equipment in schools, alongside a major initiative to upgrade the Managed Network service over the next few years as network equipment reaches its End of Life date.

We look forward to continuing our work in close cooperation with experts in educational technology, leaders from the education sector, and the Ministry of Education. N4L remains committed to delivering smart, effective online products and services to New Zealand schools and kura, and to continuing to innovate and anticipate, so we efficiently meet emerging needs.

Te pūrongo a te tiamana

Chair's report



Mā te huruhuru, ka rere te manu

As a bird needs feathers to fly, our tamariki need the right tools to thrive

As we reflect on this past year at Network for Learning (N4L), I'm immensely proud of the progress made in advancing digital equity and creating secure, reliable online environments for all schools across Aotearoa New Zealand. This year has been one of transformation, collaboration, and resilience, underscoring our commitment to ensuring every learner has access to effective digital tools that enhance their education.

As schools navigate an increasingly complex digital landscape, the need for robust cybersecurity and web filtering, seamless connectivity, and access to quality digital resources has never been greater. As a critical partner to schools and kura, we must anticipate and respond to these evolving needs. This year, we fortified schools' cybersecurity and worked closely to provide tailored support to empower teaching and learning through technology.

A significant highlight was preparation for the Managed Network upgrade, catering to the changing needs of over 2,500 schools, ensuring connectivity remains fast, reliable, and secure. Additionally, our support services, both within N4L and through our self-service platform, have provided schools more control over their digital environments while reducing the burden of managing their local IT infrastructure.

Alongside all these achievements, however, the year was also marked by the passing of Anthony Briscoe, a much respected member of the N4L Board. Anthony brought many decades of experience and wisdom to his role as a Director, combining his considerable commercial experience with a strong focus on the importance of looking after our people. I, and N4L more broadly, will miss Anthony greatly and give thanks for his contributions. Our thoughts remain with his whānau, moe mai rā e te rangatira.

Looking ahead, our focus remains on future-proofing our schools' digital infrastructure. We will continue to innovate, fostering partnerships that enhance the learning experience while keeping our purpose at the heart of everything we do - improving digital learning experiences and outcomes for all, no matter where they are in Aotearoa.

On behalf of the N4L team, my deepest gratitude to our partners, stakeholders, and especially schools for their unwavering trust and collaboration. Together we are building a digital future for all learners.

Whaowhia te kete mātauranga.

Fill your baskets of knowledge.

Jeremy Banks
Chair

Te pūrongo a te kaiwhakahaere matua

CEO's report



Looking back over the past year and ahead to the future, I am more excited than ever about the opportunity for N4L to collaborate with the education sector and our public and private sector partners to meet the evolving technology needs of schools, educators, and students. As education becomes increasingly intertwined with technology, our vision and purpose - to be the trusted leader in digital technology for schools and kura, enhancing learning experiences and outcomes for all students - has never been more relevant.

Throughout the year, N4L has prioritised enhancing our core products and services to address the evolving needs of the compulsory schooling system. Importantly, we have made significant progress in shaping the next iteration of the Managed Network and have identified exciting opportunities to deliver and support a broader range of products and services.

These initiatives will benefit schools by providing enhanced technology for classrooms and ensuring future-ready infrastructure that meets the growing demands of education. Furthermore, these enhancements streamline operational processes, empowering educators to make informed decisions about their schools' technology environments, allowing them to spend less time managing technology and more time delivering high-quality teaching.

We are committed to exploring how emerging technologies, such as artificial intelligence (AI) and advanced cybersecurity, can significantly enhance the educational experience while safeguarding our schools and kura against future digital threats. By leveraging our strong connections within both global and local technology and education sectors, we are well-positioned to drive innovation and remain at the forefront of digital education trends.

Looking to the year ahead, we will continue to align our efforts with the Government's priorities of placing ambition, achievement, and outcomes at the core of the education system. Together with our partners across the education, public, and private sectors, we will focus on delivering the rollout of existing and new products and services while working to build a safer, more secure, and more connected digital environment for schools and kura.

I look forward to another year of growth and collaboration as we continue this journey together for New Zealand's schools, educators, and learners.

Larrie Moore
CEO

Ngā tauanga o te tau

Our year in numbers

It's been another successful year for Network for Learning:



Customer satisfaction

92%



Maintained our 90%+ customer satisfaction rating with schools and kura since launch.

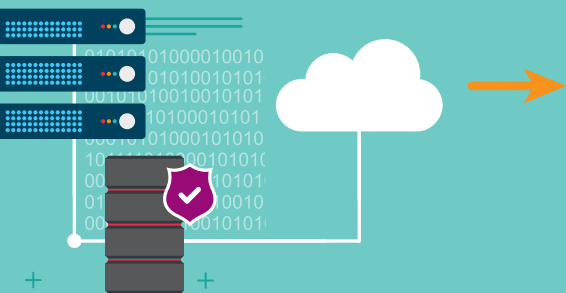
Customer Support cases handled

45,031



Total data consumption per user

77.65 GIGABYTES



Or 688 hours per user per year.

Email Protection

1558.1 million emails processed by the network

386.8 MILLION
DELIVERED



1171.3 MILLION
BLOCKED



Security Operations Centre

364 CASES



Cases where we have engaged schools and worked together to remediate a security incident.

Satellite for Schools

40



Number of schools that received a new Satellite for Schools internet connection.



Ngā poraka whakahaumaru me te whakamaru

Safety and security blocks

As a key part of providing a safer and more secure network for schools, N4L's systems can block certain actions on the school network. Each time a block is made, N4L records that information. This gives us valuable insight into how our network is used, which we then use to improve our systems.

Website blocks

2023/24 - 15.7 billion; 2022/23 - 12.6 billion

A combination of safety blocks, security blocks and other blocks requested by schools or kura to help keep ākonga safer online.

Safety blocks

2023/24 - 3.3 billion; 2022/23 - 3.6 billion

The number of times a device on the N4L network has attempted to connect to a website that has been blocked because the content of the website has been deemed inappropriate for a learner to view. N4L's Safe & Secure Internet has a recommended baseline of 17 categories of potentially harmful websites that all schools should block, and over 96% of schools are currently in compliance with that standard. It is important to note that most schools block more than these baseline categories of content.

The recommended categories are:

Child Abuse, Crypto Mining, Discrimination, Drug Abuse, Explicit Violence, Extremist Groups, Hacking, Illegal or Unethical, Malicious Websites, Other Adult Materials, Peer-to-peer File Sharing, Phishing, Pornography, Potentially Unwanted Program, Proxy Avoidance, Spam URLs, and Terrorism.

Security blocks

2023/24 - 155 million; 2022/23 - 158 million

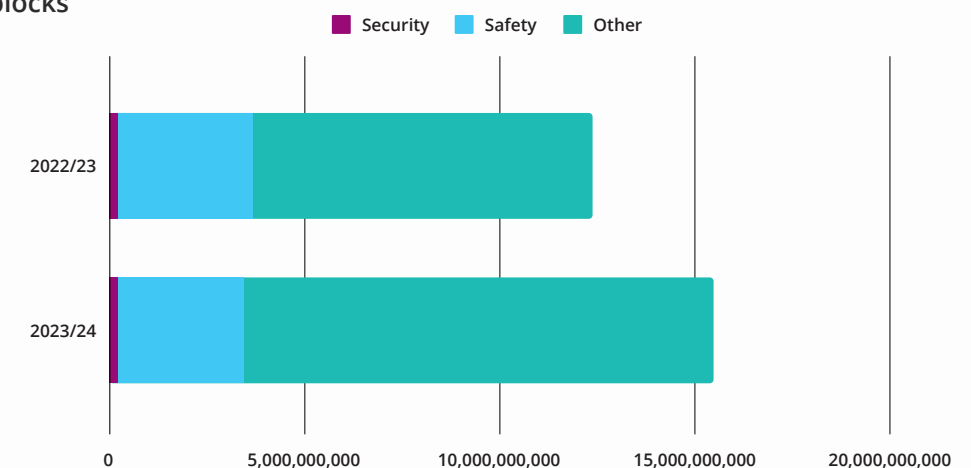
The number of times a device on the N4L network has attempted to either connect with a malicious website, or instigate an action that could make them vulnerable to a cybersecurity threat. Malicious websites include sites hosting malware, sites attempting to take control of the device, or sites attempting to harvest credentials or private information. These types of websites are known to cause considerable harm to users through identity theft, ransomware and other illicit uses of user devices.

Other blocks

2023/24 - 12.25 billion; 2022/23 - 8.8 billion

The additional blocks cover a wide variety of websites that schools have told N4L that they do not want accessible at school, including File Sharing and Storage, Social Networking, Games, Instant Messaging and Freeware and Software Downloads.

Website blocks





Te Ipurangi i Whakahaeretia

Managed Internet

Type of connection	Number of connections
4G	1
Fibre	2,269
Hyperfibre	18
Rural Broadband Initiative	195
Satellite	40
Wireless	2
Grand total	2,526

Annual internet consumption

66.6
PETABYTES



A petabyte (PB) is a unit of data storage that represents 1,000,000,000,000,000 bytes. It is 1000x larger than a terabyte (TB) and one million times larger than a gigabyte (GB).

Service improvements and upgrades

N4L's Managed Internet service supports all state and state-integrated schools and kura across New Zealand. Reflecting the widely varying geographical locations and conditions of 2,500+ schools in New Zealand, N4L has adapted to local conditions and needs by utilising a mix of satellite, 1GB ultra-fast, 2GB hyperfibre and 4G wireless technologies, as set out in the table above.

In response to increased school demand in the past year, N4L increased the network connection capacity for 108 schools, upgrading the fibre connections of 68 schools and migrating 40 schools from their older connections onto a higher-speed satellite service. Across New Zealand, by the end of 2023/24, only 239 schools had less than a 1G connection, a decrease of 52 from 2022/23.

Satellite for Schools

During 2023/24, N4L partnered with 2degrees to deliver the Satellite for Schools programme, commissioned by the Ministry of Education. The programme connects eligible schools and kura that had challenges with poor internet connection to the internet via satellite technology. Satellite for Schools provides fast, reliable internet and, ultimately, better access to digital learning. Schools also have access to fully managed, fully funded, safety and cybersecurity support from N4L's expert team, as part of N4L's Managed Network.

In 2023/24, N4L connected 40 small, rural or remote schools via the Satellite for Schools programme.



Rangahau whakapūaho | Case study

Te Kura Kaupapa Māori o Ngāringaomatariki



N4L installs game-changing satellite connections in remote schools and kura

Te Kura Kaupapa Māori o Ngāringaomatariki, a remote coastal kura in Northland, received a space-age upgrade to its internet connection thanks to cutting-edge satellite technology provided by N4L and partner 2degrees.

As part of the Satellite for Schools programme, a satellite dish was installed at the kura in July 2023, an event tumuaki and kaiako, Reno Skipper, describes as "life-changing".

"It's made a huge difference to how we teach, and there's been a noticeable improvement in the engagement of the kids," Reno shares. "They're now able to take full ownership of their own learning."

Commissioned by the Ministry of Education, the Satellite for Schools programme equips eligible schools and kura with satellite technology to ensure they have faster, more reliable internet and better access to digital learning.

Ngāringaomatariki had previously struggled with poor internet connection for some time due to their location, unpredictable local weather and patchy coverage from local communication towers. "We had major issues with our internet for a number of years," tumuaki Skipper says. "On many occasions, we weren't even able to mark the morning roll, or we might have only been able to have one or two computers on in a classroom at the same time. It really limited our ability to teach the kids."

Now, Reno testifies to the many advantages the satellite connection has brought to the kura. "We've purchased subscriptions to maths programmes we previously weren't able to use," he explains. "We're able to use the technology to its full extent."

"It's made a huge difference to how we teach, and there's been a noticeable improvement in the engagement of the kids."

Reno Skipper, Te Kura Kaupapa Māori o Ngāringaomatariki

Te Ahokore i Whakahaeretia Managed Wi-Fi

Equipment Support and Equipment Replacement



170 refers to schools with extended warranty and licences support. 320 refers to new Wi-Fi networks installed.

During 2023/24, N4L delivered key elements of the Ministry of Education-led Te Mana Tūhono programme, developed to boost the resilience, capacity and security of school wireless networks.

The Te Mana Tūhono programme has three phases:

- 1 Equipment Support** - Across an increasing number of schools, network equipment licences and warranties are expiring. N4L is providing extended support and assistance through our Customer Support team.
- 2 Equipment Replacement** - N4L is replacing schools' network equipment with next-generation wireless technology so that all schools will use infrastructure that N4L has designed, installed and is managing. It will be the single largest distributed and managed Wi-Fi network in Aotearoa.

Users on network



- 3 Secure Access** - N4L provides schools with the ability to establish multiple virtual local area networks (VLANs) to accommodate various user groups such as educators, students, professional learning and development partners and guests, making networks more secure.

Wi-Fi upgrades

In 2023/24, N4L's Customer Support team provided support to schools whose old network equipment licences and warranties are expiring, while N4L's Delivery team replaced schools' outdated equipment with next-generation Wi-Fi technology.

In 2023/24, N4L completed 320 network upgrades, and a further 146 schools received a partial upgrade. N4L completed the upgrade process for schools who had previously received only partial upgrades. In addition, N4L brought 170 schools on to the Equipment Support programme, ensuring support if their network hardware failed.



Rangahau whakapūaho | Case study

Silverdale School



N4L's Managed Wi-Fi equipment upgrade boosts speed and reliability

Before Silverdale School completed its Wi-Fi equipment upgrade with N4L, the Auckland region primary school was routinely challenged with inconsistency in their internet connection and speed, with ākonga sometimes unable to fully utilise their digital learning tools.

"There was frustration," recalls Principal Cameron Lockie. "The kids would try to get onto their Chromebooks, and they'd get the spinning wheel of death and not be able to connect to the network."

Silverdale's fast-growing enrolment numbers and ageing access points meant their network was no longer able to keep up and handle the load. Teachers frequently had to resort to alternatives to planned tech-integrated lessons. "It's a significant financial expense for us to provide all our children with Chromebooks, so we can't have them sitting in a cupboard gathering dust. We needed that network," Principal Lockie says.

Since receiving its N4L custom-designed Wi-Fi equipment upgrade in December 2023, the school has enjoyed a boost in its network capability, capacity, and resilience. "There's more consistency. We don't have the downs we had before," Cameron says. "In classrooms, it's much better quality and it's reliable."

As well as faster speeds, fewer network disruptions and more students using the internet simultaneously, the Equipment Replacement programme allows N4L to better deliver its award-winning customer support to schools and troubleshoot issues remotely.

"Recently, we had a power outage in the area and I got a phone call within five or 10 minutes (from N4L) letting us know that all the access points were down," Cameron shares. "That support is amazing."

"There's more consistency. We don't have the downs we had before. In classrooms, it's much better quality and it's reliable."

Cameron Lockie, Silverdale School



Whakamaru ā-ipurangi i whakahaeretia

Managed cybersecurity

Safe & Secure Internet
recommended settings compliance



96%
OF SCHOOLS

Events processed per second by
Security Operations Centre



330
THOUSAND

An event is an action that takes place on the network. Each one is analysed and they may or may not be security-related.

Malware Free Networks® and Phishing Disruption Service™

In 2023/24, N4L enhanced cybersecurity services by partnering with and integrating the National Cyber Security Centre's (NCSC) Malware Free Networks® (MFN) Service and Phishing Disruption Service™ (PDS) into its existing service.

This collaboration improves security and integrates the cyber threat intelligence of other Government agencies into N4L's cybersafety and security services. This enables N4L to quickly and efficiently block specific New Zealand threats, as well as global threats, across the network. It also allows N4L to promptly share threat intel with the NCSC.

Email Protection

N4L's inbound Email Protection solution helps shield schools and kura from the rising tide of email-based cyber threats. During 2023/24, 1558.1M emails were processed, with 387M being delivered, and the remaining 1171.3M blocked as malicious or harmful. In 2023/24, 170 schools were onboarded to this service, bringing the total number of schools using the service to 1644.



Rangahau whakapūaho | Case study

St Mary's College



N4L Managed Cybersecurity quashes possible credential leak

Because N4L informed St Mary's College about a potential leak of their log-in credentials on the dark web in October 2023, the Wellington secondary school was able to swiftly address its security vulnerabilities and curtail the prospective damage.

Our Security Operations Centre (SOC) proactively monitors the network for cybersecurity risks or incidents and helps mitigate harm from cybersecurity vulnerabilities and incidents. When the team were alerted to a potential leak, they immediately notified St Mary's and the school promptly investigated their logs, confirmed their network hadn't been compromised, and reset their password credentials.

"It was good to know this had been stopped at the border by N4L," says Mark Hurley, St Mary's College's International Dean, Administration. "It was picked up before it caused any mischief in

the school. If N4L hadn't been there, then who knows what could have happened? It was picked up, sorted and didn't require any intervention on our part."

Mark has worked at St Mary's for 38 years and acts as a liaison point between the school and external IT support, in between his day job of teaching and administering the school's international programme. He says the support he receives from N4L makes his life easier and provides reassurance St Mary's will receive a heads-up if anything goes wrong.

"I get regular updates (from N4L) about maintenance and things like that, which reassures me the system is constantly being looked over and monitored," he says. "The more support or background help we get, the better for us."

"If N4L hadn't been there, then who knows what could have happened? It was picked up, sorted and didn't require any intervention on our part."

Mark Hurley, St Mary's College

“Every time I have had contact with N4L, they’ve been great and explained what’s needed to be done or how they could help. Great support through our internet upgrade and no job is ever questioned.”

Kirsty Graveson, Katikati Primary School

Cyber threats detected on the network



**Phishing Business Email
Compromise Malware
Ransomware Distributed
Denial of Service Data and
privacy breaches Unusual remote
activity Misuse of school technology**

Secure Access relaunch

N4L’s Secure Access product is designed to improve schools’ security posture through:

- Controlling how students, staff and guests access the network, and what they can do when they’re on it.
- Securely authenticating and authorising individual school network users and devices onto the network.
- Segmenting school networks to limit the impact of potential future security breaches and improving data protection.

During 2023/24, 94 schools were onboarded to Secure Access, after the product was tested, piloted and relaunched in early-2024.

“N4L support is always quick to respond, and very proactive. I appreciate when they have noticed something is wrong and get in touch with us to let us know, particularly when it’s during the holidays or the weekend, when we aren’t there to notice ourselves.”

Evelyn Perry, Makara Model School





Whakamōhio

Inform

Introducing MyN4L



MyN4L

In 2023/24, N4L piloted MyN4L, our self-service platform with smart and simple tools to deliver dashboards and notifications to schools, enabling them to gain a deeper understanding of their school's network data. This data offers educators actionable insights on topics like cybersafety and security, and network behaviour. MyN4L also offers schools the ability to view aspects of their network in near real-time and submit requests to update their filtering settings.

N4L's Education and Engagement team

N4L's Education and Engagement (E&E) team plays a vital role in supporting schools and kura by providing personalised guidance and assistance in managing their digital environments. As key points of contact, our School Relationship Managers work closely with school leaders and IT staff to ensure they are making the most of N4L's products and services. The E&E team also manages our relationships with a panel of installer and IT companies to ensure schools receive high-quality support and service throughout their N4L journey.

A key role of the E&E team is to offer advice and support on connectivity, cybersecurity and safety, while building strong relationships with schools and those that they partner with, to meet their evolving needs.

In 2023/24, our team visited 1402 schools from Northland to Southland and all parts in between. Customer insights play a vital role in our ability to meet and respond to customer needs. Alongside the insights captured from individual school engagement, N4L also established three regional engagement forums ('REF' groups across the north, central, south regions), providing valuable insight into how N4L's services are used.

"We have always found the N4L service to be outstanding - receptive, understanding and committed to resolving any issues."

Daryl Aim, Natone Park School



Whakarato ratonga

Service delivery

Case satisfaction



Customer satisfaction

N4L maintains a track record of customer satisfaction, with scores consistently exceeding 90% since 2012. In 2023/24, N4L is proud to report that our customer satisfaction score not only exceeded 90% but improved to 92% in 2023/24.

"Quick response to phone calls and questions. Always willing to help, and make things easy to understand."

Grayson Marsh, Sanson School

This achievement is partly due to the quality of our products, but equally important is the comprehensive support service we provide to schools and kura throughout New Zealand, particularly N4L's Customer Support team. N4L ensures schools have access to the support they need, with schools able to log cases via N4L's Support Hub or by calling the Customer Support team. Those reaching out for support range from teaching principals with little or no tech knowledge, to technology companies calling on behalf of the schools they are engaged to support. This latter group represents around 40% of all Customer Support team callers.

During 2023/24, N4L's Customer Support team had its busiest year ever, handling 45,031 customer support cases, close to a 15% increase from the 39,365 cases handled in 2022/23, reflecting the increased breadth of N4L's services as schools come onboard to N4L's Managed Wi-Fi service (over 500 in 2023/24). This increase was managed while meeting all quarterly and annual targets, including 96% customer support case satisfaction against a target of 92%.

Supporting our engagement with customers is our CRM system and monitoring platforms. Together, these tools enable our Service Delivery teams to proactively manage scheduled maintenance and demand-driven upgrades to services. This proactive approach ensures issues are addressed before they fail, without schools having to think about it.

Helping N4L support schools and kura

Technology partners



COMMScope



FORTINET



IT Panel

Aiscorp	Isometric Solutions	RepairIT
Cyclone Computer Company Ltd	MB3	Smart Computer Systems Ltd
Entity Hub	New Era Technology	TTS
Fusion Networks Ltd	Norrcom	
Glenn Cook Technologies	Our School Ltd	
Fusion5	pcMedia Technologies Ltd	

Installer Panel

ACL Communications Ltd	Exell Group Services Limited	Pacific Building Services Ltd
Aotea Electric Canterbury	Foveaux Communications Ltd	Saco Cabling
CableNet	Gilcom Communications	Teltrac Communications Limited
Chris Dunn	Glenn Cook Technologies	Vitel Cabling
CT Group Ltd	Neltech Communications	Waikato Cabling Communications Limited
ENZEC Limited	Online Communications	

“When I call, I get a human being. That is important to me! It means I can describe my situation and don't have to choose from a list that might not have my particular situation on it.”

Tom Hobbs, Portobello School

PURPOSE

Improve digital learning experiences and outcomes for all

IMPACT

Empower all learners with smart technology, simply delivered to foster confidence, active participation and lifelong learning

VALUES

Do the right thing | Succeed together | Innovate for impact

VISION

The trusted leader for digital technology in schools and kura

Te Tīma Hautūtanga Matua

Senior Leadership Team



Larrie Moore
CHIEF EXECUTIVE OFFICER

Larrie Moore is an experienced CEO in both private and public sectors. He brings 15 years of CEO expertise spanning international markets and New Zealand. Notably, he has led several groundbreaking initiatives in New Zealand's telecommunications industry, such as introducing the country's first mobile 3G network for Vodafone, the launch of Orcon Internet's first ADSL2+ fixed network and the creation and launch of the 2degrees mobile brand, driving innovation and competition in the telecommunications sector. At N4L, he has lead the establishment of a clear culture, strategy and expansion of services, including ultra-fast and hyper-fibre, wireless, satellite, Wi-Fi 6, web filtering and cybersecurity for schools. His leadership has earned industry recognition on a number of occasions, underscoring his ability to assemble and lead high-performing teams, set a clear purpose and strategy, and deliver.



Kim Hegarty
CHIEF PEOPLE OFFICER

Kim Hegarty possesses extensive experience as a strategic HR business partner. With a proven track record, she has adeptly aligned HR practices with the strategic objectives of local and international organisations, significantly contributing to their success. Previously, Kim held the role of Head of HR for Balfour Beatty's Rail business during a transformative phase and played pivotal roles in HR within British Telecom's technology division and The Crown Estate's Offshore Energy portfolio. Her HR career commenced in Bay of Plenty's local Government, affording her a well-rounded HR perspective across diverse sectors. Kim's expertise in harmonising HR with strategic goals makes her a valuable asset in N4L's purpose to improve digital learning experiences and outcomes for all.



Gavin Costello
CHIEF DIGITAL OFFICER

Gavin Costello is an accomplished technology leader with over 20 years of experience. He has led teams in the development and management of technology solutions and held senior in-country and international roles. Before joining N4L in July 2018, Gavin led the product and mobile terminals team that contributed to establishing 2degrees as the third-entrant telecommunications provider in New Zealand. Gavin is responsible for our engagement with the Ministry of Education and our panel of technology partners. He has been named among the country's most respected IT leaders and innovators, ranking 12th in the CIO50 for 2021.



Michelle Leadsom
CHIEF CUSTOMER & BRAND OFFICER

Michelle Leadsom brings to N4L a track record of excellence in marketing, communications, customer experience and operations, combined with an extensive background in the commercial and tertiary education sectors. She joined N4L following more than 13 years of leadership experience in senior private sector roles, most recently at Tower Insurance, where she was Head of Marketing and Customer Experience. Prior to Tower Insurance, Michelle spent nearly five years at Manukau Institute of Technology, where she was responsible for the end-to-end student journey for its 16,000 students. Michelle is responsible for support of and engagement with schools and kura and N4L's Installer and IT Panels.



Gill Mahony
CHIEF FINANCIAL OFFICER

Gill Mahony is a seasoned Chartered Accountant who began her career with KPMG, serving on their audit team. Over the following decade, she dedicated her efforts to corporate roles, specialising in shared services, financial systems implementations and leading finance teams. Transitioning into the not-for-profit sector, Gill played a crucial role in achieving high-quality employment outcomes for individuals with disabilities. Her extensive experience underscores her valuable contribution to ensuring project deliverables are achieved on time and within budget. Additionally, she plays a vital role in helping N4L establish fair commercial terms with its partners and customers.



Alexander (Sandy) Brown
CHIEF GOVERNMENT AFFAIRS OFFICER

Alexander (Sandy) Brown is an experienced public sector leader. Before joining N4L in 2014, he 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, the Tertiary Education Commission and the Ministry of Justice. His public sector career is a second one, having previously worked as an academic, teaching at the Massachusetts Institute of Technology and the University of Canterbury. Sandy is responsible for our engagement with N4L's authorising environment and relationships with N4L's key stakeholders in the public sector.

Te Poari Urungi

Board of Directors



Jeremy Banks
CHAIR

Jeremy Banks is a software development specialist with experience growing software startups. With a variety of current governance roles, Jeremy has whakapapa links to the top of the South Island through Ngāti Rārua, Rangitāne ki Wairau and Ngāti Kuia.

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

- Deputy Chair and Shareholder of Wakatū Incorporation
- Director, Plink Software Limited
- Children at Nayland College, Nelson
- Alternate Te Taihū Representative for the Federation of Māori Authorities
- Director, Reserve Bank of New Zealand



Sharon Cresswell
DEPUTY CHAIR

Sharon Cresswell holds a number of governance roles with technology and regional New Zealand businesses. She has had executive experience having held Chief Financial Officer and GM Corporate Services roles.

Prior to 2019, Sharon's professional experience was predominantly in assurance and risk management, having been a partner at PricewaterhouseCoopers (PwC NZ) for 16 years. She also assisted organisations in strategy development and implementation, and process improvement.

The following are general disclosures of interest given by Ms Cresswell pursuant to s140 (2) of the Companies Act 1993 and also entered into N4L's interests register:

- Director, Seeka Ltd
- Director, Wool Impact Ltd
- Casual employee, Waikato Milking Systems
- Coaching professional clients
- Children at St Peter's School, Cambridge



Ming-chun Wu
DIRECTOR AND CHAIR, AUDIT AND RISK COMMITTEE

Ming-chun Wu joined the N4L board in November 2022. A qualified teacher with past experience in the Ministry of Education, Ms Wu works as a public sector consultant, specialising in strategy development and stakeholder management. She has previously held senior management roles at Te Puni Kōkiri / Ministry for Māori Development, the Ministry of Business, Innovation and Employment and other Government departments.

The following are general disclosures of interest given by Ms Wu pursuant to s140 (2) of the Companies Act 1993 and also entered into N4L's interests register:

- Deputy Board Chairperson, Pharmacy Council of NZ
- Board member, NZ Plumbers, Gasfitters, and Drainlayers Board
- Board member and Chair of Finance and Risks Committee, NZ Chinese Medicine Council
- Board member/Trustee and Chair of Finance and Investment Committee, Wellington Community Fund
- Board member, Altrusa International District Fifteen
- Director, Axia Consulting Ltd
- Director, Zhao Sheng Company Ltd
- Chartered Director, NZ Institute of Directors
- Registered Teacher, Teaching Council of Aotearoa New Zealand



Elle Archer
DIRECTOR

Elle Archer, appointed to the N4L board in November 2022, is renowned for her strategic foresight and robust governance capabilities, particularly in the realms of technology and digital transformation. With over 17 years of experience managing technology-based services, Elle has spearheaded significant projects focused on digital equity to digital excellence, smart societies, and the integration of innovative technological solutions in education within both public and private sectors.

As Managing Director of ELG Global, Heamana Whakahaere (Executive Chair) of Te Ao Matihiko (Māori in DigiTech), Director of Tū Ātea (Spectrum and 5G Infrastructure), and Kaimahi, Mō tōna Iwi, Elle drives initiatives that bridge the gap between traditional knowledge and contemporary digital applications, promoting inclusive technology practices that resonate across diverse communities, aiding in both mana motuhake and omni-cultural unification.

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

- Lead, District Digital Equity Scoping Project - Selwyn District Council, DIA and INZ
- Director, Māori Broad Spectrum
- Board member, Information Technologies Partnership Board
- Member, Ministry of Education Digital Equity, Terms of Reference
- Starlink installer, Ngai Tahu Marae Resilience Programme
- Kaiwhakahaere, Digital Strategies, Ngā Iwi o Ngāti Tamaterā
- Managing Director, ELG Global
- Chair, DECA Constellation, Waitaha Regional Digital Equity Steering Group
- Chair, Selwyn District Council Welfare Committee
- Director, Archland Investments
- Director, Trade Specialists
- Board Trustee, Ako Ōtautahi - Learning City Christchurch
- Board Trustee, Central Plains Water Trust
- Sponsored Professional Body Researcher, Institute of Directors NZ



In remembrance

Anthony Briscoe

DIRECTOR (TERM ENDED 17 FEBRUARY 2024)

Anthony Briscoe was, until recently, President and CEO of Southern Cross Cable Network. Prior to this, he was Head of International for Telecom NZ and latterly Spark. He has served on numerous boards including Chair of HortResearch, Airways, Kordia and Wellington Cable Car.

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

- Director, Egmont Street Investments Ltd
- Trustee of the New Zealand Science and Technology Roadshow



Anthony Briscoe was a man of extraordinary depth and breadth in his professional and personal life. Anthony was insightful, always generous with his advice and analysis, helping us all see the bigger picture and think more critically.

Outside of work, Anthony’s passion for hospitality and restaurants reflected his appreciation for life’s finer things, and he was always a pleasure to talk to about his travels. He was devoted to his family, and it was clear how much they meant to him.

Above all, Anthony was a mentor to many. His legacy is not just in the projects he championed, but in the people he inspired along the way. He will be deeply missed by all of us who had the privilege of working with him.



Retired director

Clare Curran

DIRECTOR (TERM ENDED 30 JUNE 2024)

Hon Clare Curran joined N4L in November 2021. Clare runs her own consultancy and sits on several boards focused on addressing homelessness and poverty. In her day job, she manages a not-for-profit in Dunedin providing support for people in mental distress and lowering the rates of suicide. Prior to that, she was the Member of Parliament for Dunedin South for 12 years and Minister of Digital Services across Government, Broadcasting, Communications and Digital Media from 2017-2018. Prior to being an MP, she was a small business owner, consultant and media specialist. She has extensive experience in the field of communications and a deep understanding of its criticality to effective policy work, campaigns, marketing and change management.

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

- Principal, Curran Consultants
- Digital Transformation expert consultant, UNDP - Bangkok Regional Hub
- Co-General Manager, Life Matters Suicide Prevention Trust
- Member, University of Otago Council
- Trustee, The Hocken Collection
- Chair, Ōtākou Mental Health Network
- Teacher, Bayfield High School, Dunedin (Sister)

Tauākī Mana Urungi Rangatōpū

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.

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 151 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 in 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.

Sustainability

N4L is committed to environmental sustainability, with a focus on renewable energy, waste reduction, sustainability and pursuing carbon neutrality. Our small fleet of ten vehicles are hybrids suitable for the range of rural and remote communities we serve. N4L works with e-waste management partners to ensure that, as used electronic equipment is received from schools across Aotearoa New Zealand, it is recycled or disposed of in an environmentally conscious and sustainable manner.

“We had an N4L upgrade last term. The team were easy to deal with - quick and tidy in their work. It was much easier than I was anticipating.”

Keryn Grey, Patumahoe School

Tauākī Tutukitanga

Statement of Performance

Board of Directors

During 2023/24, the Board comprised six non-executive Directors, decreasing to five in February 2024. 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.

During the 2023/24 year, the Board had two standing committees.

Audit and Risk Committee

The Audit and Risk Committee 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 and audit environment.

Remuneration Committee

The role of the Committee is to perform, on behalf of the Board, tasks in respect of the recruitment and remuneration of the CEO and the direct reports to the CEO. The Committee is also responsible for advice to, and support for, the CEO on a broad range of matters relating to Human Resources within N4L including implementation of and monitoring against the company’s performance management framework.

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

“We appreciate the mahi you do to stop inappropriate sites being accessed, and the upgrades to ensure the best speed and protection.”

Michelle Spencer, Renwick School

Managed Internet: Connection

Key metric	Performance (2022/23)	Performance (2023/24)	Target (2023/24)
Percentage of eligible schools (defined as state schools and state-integrated schools) connected to the internet by N4L.	Q1: 100.0% Q2: 100.0% Q3: 100.0% Q4: 100.0%	Q1: 100.0% Q2: 100.0% Q3: 100.0% Q4: 100.0%	99.9%
Percentage of schools that voluntarily disconnect from N4L’s internet service.	Q1: 0.0% Q2: 0.0% Q3: 0.0% Q4: 0.0%	Q1: 0.0% Q2: 0.0% Q3: 0.0% Q4: 0.0%	Less than 0.5%

Managed Internet: Availability of internet services for schools

Key metric	Performance (2022/23)	Performance (2023/24)	Target (2023/24)
Network availability (Metro schools)	Q1: Metro: 99.998% Q2: Metro: 100% Q3: Metro: 100% Q4: Metro: 99.994% Annual Metro: 99.998%	Q1: Metro: 99.989% Q2: Metro: 99.999% Q3: Metro: 99.996% Q4: Metro: 99.996% Annual Metro: 99.995%	> 99.863%
Network availability (Non-Metro schools)	Q1: Non Metro: 99.998% Q2: Non Metro: 99.999% Q3: Non Metro: 99.975% Q4: Non Metro: 99.995% Annual Non Metro: 99.992%	Q1: Non Metro: 99.998% Q2: Non Metro: 99.996% Q3: Non Metro: 99.993% Q4: Non Metro: 99.990% Annual Non Metro: 99.994%	> 99.817%

Managed Wi-Fi: Equipment Support

Key metric	Performance (cumulative) (2022/23)	Performance (cumulative) (2023/24)	Target (2023/24)
School licences renewed before expiry based on the Ministry-provided list.	Q1: 72 Q2: 114 Q3: 151 Q4: 191	Q1: 31 Q2: 66 Q3: 93 Q4: 170	125

Managed Wi-Fi: Equipment Replacement

Key metric	Performance (cumulative) (2022/23)	Performance (cumulative) (2023/24)	Target (2023/24)
Number of schools with hardware replaced.	Q1: 34 (+19)^ Q2: 70 (+74)^ Q3: 119 (+153)^ Q4: 189 (+293)^	Q1: 47 (+0)^ (+72)^^ Q2: 148 (+19)^ (+ 81)^^ Q3: 223 (+71)^ (+ 81)^^ Q4: 320 (+146)^ (+81)^^	Full Replacement: 309 Access Point only: 89 Switch only: 90

^Access point- only installations. ^^ Switch only installations.

Managed cybersecurity: Secure Access

Key metric	Performance (cumulative) (2022/23)	Performance (cumulative) (2023/24)	Target (2023/24)
Number of schools provided with Secure Access services.	Q1: 18 Q2: 71 Q3: 89 Q4: 89	Q1: 0 Q2: 0 Q3: 16 Q4: 94	98

The rollout of the Secure Access service was paused by the Ministry of Education and N4L until February 2024 to allow time for N4L to resolve stability issues with the Ministry's supplier.

Managed cybersecurity: N4L's Safe & Secure Internet settings

Key metric	Performance (2022/23)	Performance (2023/24)	Target (2023/24)
Percentage of schools meeting N4L's Safe & Secure Internet cybersecurity standard.	Q1: 93.8% Q2: 94.1% Q3: 95.2% Q4: 95.4%	Q1: 95.2% Q2: 95.6% Q3: 95.8% Q4: 96.2%	93.5%

Managed cybersecurity: Cybersecurity framework and controls

Key metric	Performance (2022/23)	Performance (2023/24)	Target (2023/24)
Implement N4L's cybersecurity framework, aligned with guidance from the National Cyber Security Centre.	Current Cyber security threat level remains as "Guarded". Zero major security breaches.^ Zero data breaches.	Current Cyber security threat level remains as "Guarded". Zero major security breaches.^ Zero data breaches.	Continuous improvement of controls' effectiveness against NIST/NZISM N4L Cyber Security Framework.

^As defined as a very high or high impact event in N4L's Strategic Risk Register.

Tauākī Haepapa

Statement of Responsibility

Service delivery: Customer satisfaction

Key metric	Performance (2022/23)	Performance (2023/24)	Target (2023/24)
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.	91.2%	92.1%	90% 'satisfied' or 'very satisfied' response from respondents.

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 2024.

Service delivery: Support services

Key metric	Performance (2022/23)	Performance (2023/24)	Target (2023/24)
The number of minutes to acknowledge a service request (measured per month).	Q1: 90% Q2: 94% Q3: 88% Q4: 90% FY: 88%	Q1: 88% Q2: 90% Q3: 92% Q4: 88% FY: 90%	80% of all requests under 8 Support Hours.
Percentage of total calls taken within 30 seconds.	Q1: 97% Q2: 96% Q3: 90% Q4: 95% FY: 93%	Q1: 87% Q2: 88% Q3: 86% Q4: 88% FY: 87%	At least 85%
The number of minutes to resolve an incident (measured per month).	Q1: 97% Q2: 98% Q3: 87% Q4: 96% FY: 93%	Q1: 96% Q2: 93% Q3: 96% Q4: 94% FY: 95%	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.

Signed on behalf of the Board



Jeremy Banks

Chair

31 October 2024



Ming-chun Wu

Chair, Audit and Risk Committee

31 October 2024

Te mōhio he kaiwhakawhiwhi mahi pai a N4L

Ensuring N4L is a good employer

A summary of N4L's assessment of its performance against the seven key elements of being a Good Employer is set out below:

1. Leadership, accountability and culture:

The Board and management of N4L are committed to ensuring the company is a good employer and is guided by the Equal Employment Opportunity Principles. We have consistently communicated a vision for N4L and have created a culture in which our people feel valued. Our 2023 engagement survey results have supported us to be confident that our vision and purpose were well understood and our employees felt aligned to our vision and clear on their contribution to N4L goals. Survey results highlighted an immense pride in working for N4L and what our team achieves, and positive feedback on our managers keeping teams safe, caring about wellbeing and being great role models.

2. Recruitment, selection and induction:

N4L uses a variety of different ways to recruit staff, including direct advertising via an applicant tracking system, recruitment companies who provide services under All of Government (AoG) contracts and employees' own networks. A variety of processes, including structured interviews, behavioural competencies and senior leader presence in interviews, have been used to ensure a fair and unbiased recruitment and selection process. N4L actively works with agencies and advertises roles on social media. Our comprehensive induction and onboarding approach supports individuals to join N4L in a way that's efficient, engaging and supports a sense of belonging. We've focussed on activity in 2023/24 that will enable us to reduce our cost to hire over time.

3. 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. During 2023/24, one in seven of our employees had a career move within N4L. Roles are advertised internally to give employees the opportunity for growth within the company. All individuals who have resigned are offered the opportunity of an exit interview. Any issues are followed up on and trends are reviewed and monitored by the HR function, and communicated to the HR and Remuneration Committee.

4. Flexibility and work design:

N4L's culture fully enables staff to balance work commitments with other aspects of their lives.

5. Remuneration, recognition and conditions:

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

6. 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 complaints should they arise.

7. Safe and healthy environment:

Our Health and Safety Committee is a respected and pivotal employee voice forum. N4L's Health and Safety Committee encourages participation from all employees in creating a safe and supportive environment. Our annual plan ensures we're actively controlling hazards, embracing health and wellbeing campaigns that engage our people and continuing to invest in proactive resilience. Senior leaders take accountability for reviewing risks, being confident that controls are adequate and being adhered to, and quarterly sponsorship of the health and safety plan.

Our approaches to recruitment and selection, development moves and pay review align to best practice and have HR and Senior Leadership Team involvement to support our commitment to be inclusive and achieve diversity. At the end of June 2024, 35% of our employees were female. Our Senior Leadership Team has a 50% gender balance.





INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF THE NETWORK FOR LEARNING LIMITED'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2024

The Auditor-General is the auditor of The Network for Learning Limited (the Company). The Auditor-General has appointed me, Lloyd Bunyan, using the staff and resources of Ernst & Young, to carry out the audit of the financial statements and the performance information of the Company on his behalf.

Opinion

We have audited:

- the financial statements of the Company on pages 40 to 60, that comprise the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Company on pages 29 to 32.

In our opinion:

- the financial statements of the Company on pages 40 to 60:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2024; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards; and
- the performance information on pages 29 to 32:
 - presents fairly, in all material respects, the Company's performance for the year ended 30 June 2024, including for each class of reportable outputs:
 - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
 - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
 - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 31 October 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

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Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

Responsibilities of the Board for the financial statements and the performance information

The Board is responsible on behalf of the Company for preparing financial statements and performance information that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board is responsible on behalf of the Company for assessing the Company's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to liquidate the Company or to cease operations, or there is no realistic alternative but to do so.

The Board's responsibilities arise from the Public Finance Act 1989 and the Crown Entities Act 2004.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Company's statement of performance expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit 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.

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- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We evaluate the appropriateness of the reported performance information within the Company's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages 1 to 28, 33 to 39 and 61 but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

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

Lloyd Bunyan
Ernst & Young
On behalf of the Auditor-General
Auckland, New Zealand

A member firm of Ernst & Young Global Limited



Ngā tauākī pūtea

Financial statements

Statement of Comprehensive Income

For the year ended 30 June 2024

	Notes	2024 Actual \$000	2023 Actual \$000
Income from Exchange Transactions	3	58,357	50,541
Total Income		58,357	50,541
Expenditure			
Network Services	4	15,956	15,798
Transition Support	5	4,487	3,640
Board Operations	18	210	223
Audit Fees		72	70
Other General and Overhead Expenses	6	35,019	31,176
Total Expenses		55,744	50,907
Net Surplus/(Deficit)		2,613	(366)
Total Comprehensive Income/(Loss) for the Period		2,613	(366)

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2024

	Notes	2024 Actual \$000	2023 Actual \$000
Assets			
Current Assets			
Cash and Cash Equivalents	7	6,070	3,703
Receivables – Exchange Transactions		5,115	5,952
Term Deposits	7	1,581	1,550
Other Current Assets	8	1,355	528
Total Current Assets		14,121	11,733
Non-Current Assets			
Property, Plant and Equipment	9	1,627	2,859
Intangible Assets	10	2,046	1,553
Total Non-Current Assets		3,673	4,412
Total Assets		17,794	16,145
Represented by			
Liabilities			
Current Liabilities			
Accruals	11	3,656	2,503
Payables – Exchange Transactions		3,407	3,116
Deferred Revenue	17	1,417	3,815
Lease Incentive – Current		27	27
Provisions	15	69	55
Total Current Liabilities		8,576	9,516
Non-Current Liabilities			
Lease Incentive – Non-Current		-	16
Provisions – Non-Current	15	-	8
Total Non-Current Liabilities		-	24
Total Liabilities		8,576	9,540
Equity			
Share Capital and Reserves		9,218	6,605
Total Shareholders' Funds		9,218	6,605
Total Liabilities and Shareholders' Funds		17,794	16,145

The accompanying notes form part of these financial statements.

The financial statements were approved by the Board and authorised for issue on 31 October 2024.


Jeremy Banks
Director


Ming-chun Wu
Director

Statement of Changes in Equity

For the year ended 30 June 2024

	Share Capital	Retained Earnings/ (Deficit)	2024 Actual \$000
Opening Balance 1 July 2023	14,000	(7,395)	6,605
Net Surplus/(Deficit)	-	2,613	2,613
Total Comprehensive Income/(Loss) for the Period	-	2,613	2,613
Closing Balance 30 June 2024	14,000	(4,782)	9,218

Statement of Changes in Equity

For the year ended 30 June 2023

	Share Capital	Retained Earnings/ (Deficit)	2023 Actual \$000
Opening Balance 1 July 2022	14,000	(7,029)	6,971
Net Surplus/(Deficit)	-	(366)	(366)
Total Comprehensive Income/(Loss) for the Period	-	(366)	(366)
Closing Balance 30 June 2023	14,000	(7,395)	6,605

Statement of Cash Flows

For the year ended 30 June 2024

	Notes	2024 Actual \$000	2023 Actual \$000
Cash Flows from Operating Activities			
Receipts from Customers		55,952	52,074
Interest Received		359	103
Other Receipts		-	1
Payments to Suppliers and Staff		(51,788)	(48,178)
Net Cash Inflow from Operating Activities	13	4,523	4,000
Cash Flows from Investing Activities			
Purchase of Property, Plant and Equipment		(403)	(1,931)
Purchase of Intangible Assets		(1,721)	(2,222)
Purchase of Term Deposits		(2,032)	(2,022)
Receipt of Term Deposits		2,000	2,000
Net Cash Outflow from Investing Activities		(2,156)	(4,175)
Net Increase/(Decrease) in Cash			
Opening Balance		3,703	3,878
Closing Balance	7	6,070	3,703

The accompanying notes from part of these financial statements.

Ngā kōrero mō ngā tauākī pūtea

Notes to the financial statements

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 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 for schools and kura that provides significant benefits to students and educators by delivering a faster, safer, smarter, more reliable 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 financial statements for N4L are for the 12 month period from 1 July 2023 to 30 June 2024, and were approved by the Board on 31 October 2024.

2. Statement of Significant Accounting Policies

a) Basis of preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

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 have been prepared in accordance with, and comply with Tier 1 PBE accounting standards 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 the accounting policies of N4L in the year ended 30 June 2024. In accordance with Accounting Standard PBE IPSAS9 and PBE IPSAS23 income was reclassified between Exchange and Non - Exchange Transaction for the year ended 30 June 2024 and 30 June 2023. All other accounting policies and disclosures are consistent with those applied in the previous financial year.

(b) 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.

Income

Income is measured at the fair value of consideration received or receivable. The specific recognition criteria described below must also be met before revenue is recognised.

Income from exchange transactions:

Income from Services

Income from Services 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 risks 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 the incentive is recognised as a reduction of the expense on a straight-line basis over the period of the lease.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and term deposits held with a major NZ trading bank with original maturity of six months or less.

Receivables

Short-term 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 and 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 net 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 assets have been estimated as follows:

Computer Equipment	2.5 years	40.0%
Office Equipment	5.7 years	17.5%
Office Furniture	9.5 years	10.5%
Leasehold Improvements	5.7 years	17.5%

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

Intangible assets

Software acquisition and development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with 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 lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over their useful economic lives. The amortisation period and amortisation method for intangible assets with finite useful lives 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 as follows:

Software	2.5 years	40%
Domain names	Indefinite	no amortisation
Licenses	1 year	100%

Impairment of property, plant, equipment and intangible 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 asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

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 payables approximate their fair values.

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event; it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

The expense relating to any provision is included in the Statement of Comprehensive Income.

Employee entitlements

Short-term employee entitlements

Employee entitlements that are expected to be settled within 12 months after the end of the period in which the employee renders the related service, are measured 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.

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, 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.

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.

Forecast

The forecast numbers are taken from the Company's Statement of Performance Expectations 2023/2024 as approved by the Board on 30 June 2023. The forecast figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

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 any short-term deposit with an original maturity of six 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 result in changes in the size and composition of the contributed equity of the Company.

Critical judgements in applying accounting policies

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

Leases classification

Determining whether a lease agreement is a finance lease or operating lease 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 payment. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant and equipment, whereas for an operating lease no such asset is recognised.

3. Income

	2024 \$000	2023 \$000
Income from Services to Schools	56,707	49,688
Interest Income	359	103
Equipment Sales	1,291	750
Total Income from Exchange Transactions	58,357	50,541

Exchange income from services to schools represents income from the provision of core network services to schools, provision of license upgrades, equipment replacement for school Wi-Fi networks, and various cybersecurity services. These services for state and state-integrated schools are paid for directly by the Ministry of Education on behalf of the schools.

4. Network Services

	2024 \$000	2023 \$000
Network Provider Services	15,956	15,798
Total	15,956	15,798

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

5. Transition Support

Transition Support expenses represent payments to Information and Communication Technologies (ICT), installers and other third-party providers engaged to transition schools to N4L's services.

6. Other General and Overhead Expenses

	2024 \$000	2023 \$000
Personnel Costs	25,867	22,876
Professional Advisory Fees	1,940	1,584
Marketing and Communications	267	341
Travel	407	316
Facility Costs	943	927
IT and Telecommunications	2,179	1,780
Depreciation	1,627	1,470
Other	1,789	1,882
Total	35,019	31,176

Personnel Costs

	2024 \$000	2023 \$000
Salaries, Wages and Short-Term Employee Benefits	22,229	18,888
Defined Contribution Plans	583	508
Contractor Costs	3,055	3,480
Total Personnel Costs	25,867	22,876

N4L had 181 (2023: 165) full-time equivalent employees and 16 contractors (2023: 16) as at 30 June 2024. Employer contributions to defined contribution plans relate to contributions to KiwiSaver.

7. Cash and Term Deposits

	2024 \$000	2023 \$000
Cash at Bank	6,070	3,703
Term Deposits	1,581	1,550
Total Cash and Term Deposits	7,651	5,253

All cash and term deposits are held with a major New Zealand trading bank. Term deposit maturities are 365 days or less and based on a fixed interest rate with interest payable at maturity. The term deposits are not subject to automatic renewals.

8. Other Current Assets

	2024 \$000	2023 \$000
Sundry Debtors	504	18
Prepayments	851	510
Total Other Current Assets	1,355	528

The carrying value of other current assets approximates their fair value.

9. Property, Plant and Equipment

Movements for each class of property, plant and equipment are as follows:

	Computer Equipment	Office Furniture	Office Equipment	Leasehold Improvements	Total \$000
Cost					
Balance at 1 July 2022	3,783	405	85	655	4,928
Additions during the year	1,836	43	8	45	1,932
Disposals	(17)	-	-	-	(17)
Balance at 30 June 2023	5,602	448	93	700	6,843
Accumulated Depreciation					
Balance at 1 July 2022	1,876	274	74	307	2,531
Disposals	(17)	-	-	-	(17)
Depreciation charge for the year	1,322	34	5	109	1,470
Balance at 30 June 2023	3,181	308	79	416	3,984
Net book value at 30 June 2023	2,421	140	14	284	2,859
Cost					
Balance at 1 July 2023	5,602	448	93	700	6,843
Additions during the year	395	8	1	2	406
Disposals	(217)	(18)	(2)	(40)	(277)
Balance at 30 June 2024	5,780	438	92	662	6,972
Accumulated Depreciation					
Balance at 1 July 2023	3,181	308	79	416	3,984
Disposals	(217)	(13)	(2)	(34)	(266)
Depreciation charge for the year	1,488	22	4	113	1,627
Balance at 30 June 2024	4,452	317	81	495	5,345
Net book value at 30 June 2024	1,328	121	11	167	1,627

10. Intangible Assets

Intangible assets consist predominantly of software licences relating to the Security Operations Centre, and a small amount of internally developed software to support monitoring of our systems.

	Software & Licences	Domain Names	Total \$000
Cost			
Balance at 1 July 2022	1,544	4	1,548
Additions during the year	2,222	-	2,222
Balance at 30 June 2023	3,766	4	3,770
Amortisation			
Balance at 1 July 2022	1,022	4	1,026
Amortisation charge for the year	1,191	-	1,191
Balance at 30 June 2023	2,213	4	2,217
Net book value at 30 June 2023	1,553	-	1,553
Cost			
Balance at 1 July 2023	3,766	4	3,770
Additions during the year	1,721	-	1,721
Balance at 30 June 2024	5,487	4	5,491
Amortisation			
Balance at 1 July 2023	2,213	4	2,217
Amortisation charge for the year	1,228	-	1,228
Balance at 30 June 2024	3,441	4	3,445
Net book value at 30 June 2024	2,046	-	2,046

11. Accruals

Accruals are short term in nature and non-interest bearing.

12. Share Capital

Number of ordinary shares issued and fully paid:

	2024 \$000	2023 \$000
Balance at 1 July	14,000	14,000
Shares Issued	-	-
Balance as at 30 June	14,000	14,000

No shares issued during the 2024 financial year (2023: Nil). All shares are fully paid and have equal voting rights. The shares have no par value.

13. Reconciliation of Net Surplus/Deficit to Net Cash Flow from Operating Activities

	2024 \$000	2023 \$000
Net Surplus	2,613	(366)
Add/(Less) Non-Cash Items		
Depreciation & Amortisation	2,850	2,658
Net loss on disposal of Property, Plant and Equipment	11	-
Total Non-Cash Items	2,861	2,658
Add/(Less) movements in Working Capital Items		
Accounts Receivable	837	654
Prepayments	(341)	(218)
Other Receivables	6	80
Accrued Revenue	(493)	64
Accounts Payable, Other Payables & Deferred Revenue	(981)	1,063
Employee Entitlements	21	65
Net movement in Working Capital Items	(951)	1,708
Net Cash Inflow from Operating Activities	4,523	4,000

14. Commitments

Operating leases as lessee

N4L has entered into commercial leases on certain motor vehicles and car parks. The related leases have lives between six months to three years, with no renewal option included in the contracts.

N4L also leases office premises (including car parks) in Auckland and Christchurch, and had premises for part of the year in Wellington. A significant portion of the total non-cancellable operating lease expense relates to the lease of N4L’s Auckland premises. The leases for the Auckland premises (including car parks) expire in February 2028, with an option to vacate the premises at the lease renewal date of February 2025. N4L has assumed that it will not renew the Auckland premises at the lease renewal date. The Wellington premises lease expired on 31 October 2023, as there was no right of renewal for the premises and the premises were vacated. The Christchurch premises lease expires on 31 May 2025 with a right to renew for three years.

N4L does not have the option to purchase the leased premises, car parks and motor vehicles at the end of the lease terms, and there are no restrictions placed upon the Company by entering into the leases.

Future minimum rentals payable under non-cancellable operating leases as at 30 June 2024 and 2023 are, as follows:

	2024 \$000	2023 \$000
Not later than one year	584	890
Later than one year but not later than five years	26	618
Later than five years	-	-
Total Commitments	610	1,508

Other commitments

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

17. Deferred Revenue

The Company has a deferred revenue liability during the year. As a result of the Security Operations Centre, additional hardware and software licences were charged to the Ministry of Education. This hardware and software will be used to deliver the programme, and the deferred revenue will be recognised against that programme.

15. Lease make good provision

In respect of its leased premises in Auckland, N4L is required at the expiry of the lease term to make good any damage caused to the premises and to remove specified fixtures and fittings installed by N4L. N4L has the option to renew these leases, which affects the timing of expected cash outflows to make good the premises. N4L has assumed that the option to renew will not be exercised in measuring the provision. The cash flows associated with the lease make-good provision for the Auckland premises is expected to occur in February 2025.

16. Contingencies

Contingent liabilities

The company has no contingent liabilities as at 30 June 2024 (2023: \$nil).

Contingent assets

The company has no contingent assets as at 30 June 2024 (2023: \$nil).

18. Related Party Transactions and Key Management Personnel

Related party transactions

N4L is a wholly-owned entity of the Crown.

Significant transactions with Government-related entities

N4L invoices the Ministry of Education directly and in accordance with the contracts N4L has with the Ministry of Education.

N4L received no capital funding during the year (2023: nil).

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.

Key management personnel include the Management team and the Board Members. During 2024, no changes were made to the Management team. The number of directors fluctuated between five and six across the year, with the enduring number being five directors.

During the year ended 30 June 2024, no employees received compensation in relation to cessation of their employment. (2023: \$61k). No contractors received compensation in relation to cessation of their contracts (2023: \$0k).

There were 6 employees in the Management team who received remuneration over \$100k during the 2024 financial year (2023: 6).

The Chief Executive Officer was paid \$520,604 in fixed remuneration and benefits (2023: \$504,812) which included short-term benefits of \$21,905 (2023: \$20,673) for KiwiSaver, healthcare and a car park. There were no short or long-term incentives.

N4L has in place 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.

Anthony Briscoe passed away on 17 February 2024. Clare Curran's term ended on 30 June 2024.

19. Employee Remuneration

	2024 No. of employees	2023 No. of employees
\$100,000 - \$109,999	31	18
\$110,000 - \$119,999	12	10
\$120,000 - \$129,999	5	9
\$130,000 - \$139,999	13	10
\$140,000 - \$149,999	10	3
\$150,000 - \$159,999	7	6
\$160,000 - \$169,999	3	3
\$170,000 - \$179,999	3	3
\$180,000 - \$189,999	4	3
\$190,000 - \$199,999	2	2
\$200,000 - \$209,999	2	0
\$210,000 - \$219,999	2	2
\$220,000 - \$229,999	1	2
\$230,000 - \$239,999	2	0
\$260,000 - \$269,999	0	3
\$270,000 - \$279,999	1	1
\$280,000 - \$289,999	1	0
\$290,000 - \$299,999	1	0
\$320,000 - \$329,999	0	1
\$330,000 - \$339,999	1	0
\$360,000 - \$369,999	0	1
\$370,000 - \$379,999	1	0
\$500,000 - \$509,999	0	1
\$520,000 - \$529,999	1	0

Key Management Personnel Compensation

	2024 \$000	2023 \$000
Management Team		
Remuneration and Short-Term Benefits	2,010	1,931
Defined Contribution Plans	59	57
Total	2,069	1,988
Full-time Equivalent Members	6	6
Board Members		
Remuneration	173	180
Full-time Equivalent Members	6	6

Board Member Remuneration

The total value of remuneration paid or payable to Board members during the year was:

	2024 \$000	2023 \$000
Karen Poutasi - Deputy Chair	-	10
Jeremy Banks - Chair	51	23
Colin MacDonald - Chair	-	46
Sharon Cresswell - Deputy Chair	30	23
Anthony Briscoe	17	23
Clare Curran	25	23
Ming-chun Wu	25	16
Elle Archer	25	16
Total Directors' fees	173	180

20. Events after Balance Date

N4L was granted major transaction approval by its shareholders on 8 September 2024 to enter into agreements with the Ministry for renewals of contracts, and to provide the Managed Network upgrade. Approval to enter into commercial contracts with third party vendors in relation to the Managed Network upgrade was also approved. Following major transaction approval, agreements were entered into with the Ministry and third party vendors. N4L also entered into foreign exchange contracts in relation to vendor payments pertaining to the Managed Network upgrade.

21. 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.

22. Financial Instruments

Financial instrument categories

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

N4L has no financial assets or liabilities that are measured at fair value in the Statement of Financial Position. 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. All financial liabilities of N4L are current.

Financial instrument 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 financial 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 due to changes in market interest rates. N4L’s exposure to cash flow interest rate risk 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.

23. Explanation of major variances to unaudited forecast

The forecast numbers are taken from the Company’s Statement of Performance Expectations 2023-2024 (SPE).

Statement of Comprehensive Income

For the year ended 30 June 2024

	Ref	2024 Actual \$000	2024 Forecast (Unaudited) \$000
Income from Exchange Transactions	A	58,357	55,839
Total Income		58,357	55,839
Expenditure			
Network Services		15,956	18,113
Transition Support	B	4,487	950
Board Operations		210	243
Audit Fees		72	76
Other General and Overhead Expenses	C	35,019	36,260
Total Expenses		55,744	55,642
Net Surplus/(Deficit)		2,613	197
Total Comprehensive Income/(Loss) for the Period		2,613	197

2024 Actual delivered a comprehensive income of \$2.4M higher than forecast. Key drivers of this are:

A – Income from services

Income from services was higher than the SPE forecast, primarily due to revenue which was not budgeted for in the SPE. Additional funding was received for Statements of Work related to Dataloggers, Equipment Replacement, 1GB upgrades, Satellite for Schools and the Managed Network upgrade. Increase in equipment sales to schools and ICTs over and above the SPE target also impacted the revenue favourably.

B – Transition support

Transition support expenses were higher than the SPE forecast, primarily driven by cost associated with increase in revenue. It represents payments to Information and Communication Technologies (ICT), installers and other third-party providers engaged to transition schools to N4L’s services.

C – Other and general overheads

Other and general overheads were lower due to lower personnel related costs and lower travel costs.

Statement of Financial Position

As at 30 June 2024

	Ref	2024 Actual \$000	2024 Forecast (Unaudited) \$000
Assets			
Current Assets			
Cash and Cash Equivalents	D	6,070	5,942
Receivables – Exchange Transactions	E	5,115	4,708
Term Deposits		1,581	-
Other Current Assets		1,355	384
Total Current Assets		14,121	11,034
Non-Current Assets			
Property, Plant and Equipment		1,627	1,788
Intangible Assets	F	2,046	1,017
Total Non-Current Assets		3,673	2,805
Total Assets		17,794	13,839
Represented by			
Liabilities			
Current Liabilities			
Accruals		3,656	3,105
Payables - Exchange Transactions		3,407	2,596
Deferred Revenue	G	1,417	1,195
Lease Incentive – Current		27	27
Provisions		69	62
Total Current Liabilities		8,576	6,985
Non-Current Liabilities			
Lease Incentive – Non-Current		-	18
Provisions – Non-Current		-	-
Total Non-Current Liabilities		-	18
Total Liabilities		8,576	7,003
Equity			
Share Capital and Reserves		9,218	6,836
Total Shareholders’ Funds		9,218	6,836
Total Liabilities and Shareholders’ Funds		17,794	13,839

D – Cash and cash equivalents

Cash and cash equivalents are higher than forecast, primarily due to improved financial performance.

E – Receivables – Non-Exchange transactions

Receivables are higher than forecast in the SPE, due to higher revenue.

F – Intangibles

During the year, N4L purchased and amortised software primarily in relation to the Security Operations Centre.

G – Deferred revenue

Deferred revenue has risen due to revenue not yet earned from cybersecurity services.

Statement of Changes in Equity

For the year ended 30 June 2024

	Share Capital	Retained Earnings / (Deficit)	2024 Actual \$000	2024 Forecast (Unaudited) \$000
Opening Balance 1 July 2023	14,000	(7,395)	6,605	6,639
Net Surplus/(Deficit)	-	2,613	2,613	197
Total Comprehensive Income/(Loss) for the Period	-	2,613	2,613	197
Closing Balance 30 June 2024	14,000	(4,782)	9,218	6,836

Statement of Cash Flows

For the year ended 30 June 2024

	Ref	2024 Actual \$000	2024 Forecast (Unaudited) \$000
Cash Flows from Operating Activities			
Receipts from Customers		55,952	61,892
Interest Received		359	76
Payments to Suppliers and Staff		(51,788)	(60,248)
Net Cash Inflow from Operating Activities	H	4,523	1,720
Cash Flows from Investing Activities			
Purchase of Property, Plant and Equipment		(403)	(2,972)
Purchase of Intangible Assets		(1,721)	-
Purchase of Term Deposits		(2,032)	-
Receipt of Term Deposits		2,000	-
Net Cash Outflow from Investing Activities		(2,156)	(2,972)
Net Increase/(Decrease) in Cash		2,367	(1,252)
Opening Balance		3,703	7,194
Closing Balance		6,070	5,942

H Net increase/ (decrease) in cash

Cash Flow for the year was higher than forecast primarily due to improved financial performance.

Papatohu
Directory

Shareholders:

Minister of Finance (Hon Nicola Willis) and
Minister of Education (Hon Erica Stanford)

Responsible Minister
for the Company:

Minister of Education (Hon Erica Stanford)

Registered office:

C/- Simpson Grierson HSBC Tower
195 Lambton Quay
Wellington 6140

Contact address:

PO Box 37118
Parnell, Auckland 1151
W n4l.co.nz
E info@n4l.co.nz
P 0800 LEARNING (0800 532 764)

Auditor:

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

Solicitors:

Bell Gully

Bankers:

Westpac New Zealand Limited

Senior Management:

Larrie Moore, Chief Executive Officer
Michelle Leadsom, Chief Customer and Brand Officer
Gavin Costello, Chief Digital Officer
Gill Mahony, Chief Financial Officer
Alexander (Sandy) Brown, Chief Government Affairs Officer
Kim Hegarty, Chief People Officer

Board of Directors:

Jeremy Banks, Chair
Sharon Cresswell, Deputy Chair
Elle Archer
Ming-chun Wu

Anthony Briscoe (term ended 17 February 2024)
Clare Curran (term ended 30 June 2024)

**Network for Learning
Auckland Head Office**

The Textile Centre
Level 2, 117 – 125 St Georges Bay Road
Parnell, Auckland 1052

Christchurch Office

3/2 Musgrove Close
Wigram
Christchurch 8025

W n4l.co.nz

P 0800 LEARNING (0800 532 764)

E info@n4l.co.nz

