

TE PŪRONGO Ā-TAU ANNUAL REPORT 2025

Rārangi upoko Contents

Foreword 3 Chair's report CEO's report 6 Ko wai mātou Who we are 8 performance 10

Concluding statement

11 Kupu whakataki He hopuāhua o te whakarato a N4L 2024/25 N4L 2024/25 delivery snapshot Tauākī Haepapa 12 Statement of Responsibility Te Rōpū Whakahaere Senior Leadership Team Te pūrongo a te tiamana 14 Te Poari Urungi **Board of Directors** Te pūrongo a te kaiwhakahaere matua Tauākī Mana Urungi Rangatōpū Statement of Corporate Governance 19 Tauākī Tutukitanga Statement of Performance Te ahu whakamua o ngā takunetanga rautaki Te mōhio he kaiwhakawhiwhi Progress on strategic intentions mahi pai a N4L Ensuring N4L is a good employer Te aromatawai o ngā 25 whakahaere me te mahi Assessment of operations and Te pūrongo a te Kaiarotake Auditor's Report 28 Tauākī Whakamutunga Ngā tauākī pūtea

Financial statements

32 Ngā kōrero mō ngā tauākī pūtea Notes to the financial statements 49 Papatohu Directory

KUPU WHAKATAKI | FOREWORD

TAUĀKĪ HAEPAPA | STATEMENT OF RESPONSIBILITY

Kupu whakataki

Foreword

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

N4L is tasked to provide equitable access for every school and kura in New Zealand to a safe, reliable, and high-performing digital environment, ensuring teachers and learners can focus on the core activities of teaching and learning. N4L, on behalf of the Ministry of Education, delivers the digital infrastructure that supports modern education, from internet and Wi-Fi to cybersecurity services that protect the entire school.

The 2024/25 financial year was defined by both operational excellence and strategic advancement. N4L successfully met all of its service delivery targets, providing the consistent and dependable service that schools rely upon daily. This translates directly into tangible benefits for schools, enabling uninterrupted learning, consistent access to digital resources and a secure online environment protected from an ever-evolving landscape of cyber threats. This reliability is the foundation of N4L's partnership with the education sector.

The past year saw N4L commence the delivery of two multi-year projects. The first is the Managed Network Upgrade, a significant investment in the future of school connectivity. This programme is designed to ensure school networks have capacity and resilience for years to come. The second is MyN4L, a new digital services platform. Developed through consultation and co-design with school leaders, MyN4L puts powerful tools directly into the hands of educators, allowing for more agile management of web filtering, network access, and security policies. The launch of these major initiatives marks a new era of capability for N4L and the schools it serves.

N4L's success is ultimately measured by the confidence of those it supports. An increase in principal satisfaction this year reflects our ability to listen and respond to the needs of school leaders, treating them as partners in a shared endeavour. This result can be put down to our focus on continuous service refinement based on direct feedback from the education sector. This external success is mirrored internally, as the organisation maintained exceptionally high staff engagement. This internal strength is critical, as it fuels the innovation, dedication, and customer-centric focus required to meet the complex needs of schools.

Tauākī Haepapa

Statement of Responsibility

The Board is responsible for the preparation of The Network for Learning Limited financial statements and Statement of Performance, and for judgments 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 2025.

Signed on behalf of the Board

Jeremy Banks

Chair

30 September 2025

Ming-chun W

Chair, Audit and Risk Committee

30 September 2025

TE PŪRONGO A TE TIAMANA | CHAIR'S REPORT TE PŪRONGO A TE KAIWHAKAHAERE MATUA | CEO'S REPORT

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

It is with pride that I present the Annual Report for Network for Learning (N4L) for the 2024/25 financial year. This year was defined by the successful delivery of our core services alongside the ambitious launch of projects that will shape the future of digital learning in Aotearoa New Zealand.

Our foundational commitment is providing a safe, reliable, and high-performing digital environment. We are pleased to report we met all of our service delivery targets, a result of our team's relentless focus on operational excellence. Our work ensures all ākonga (learners) and kaiako (teachers) have access to the digital technology they need to learn and to thrive.

Building on this foundation, the past year saw us embark on two major undertakings: the Managed Network Upgrade and the new digital services platform, MyN4L.

The Managed Network Upgrade represents

None of this would be possible without a generational leap in school connectivity, delivering enhanced performance and security to meet modern pedagogical demands. Simultaneously, MyN4L was designed for and with schools to provide an intuitive and empowering user experience, putting more control directly into the hands of educators. Commencing these major projects signals a new era of innovation and capability for N4L.

Ultimately, our success is measured by the confidence of those we serve. We are therefore encouraged by the significant increase in principal satisfaction this year. This positive trend reflects our commitment to listen to school leaders, understand their challenges, and respond with practical and effective solutions. We are grateful for their partnership and feedback, which is invaluable.

the culture created by the N4L team: passionate, collaborative, and purposedriven. Our team's dedication is the engine behind every success, and we continue to invest in their growth and well-being.

Looking ahead, we are energised by this progress and excited by the future. We will continue delivering on our core promises while driving our new initiatives forward, working with the education sector to unlock the full potential of digital learning for all ākonga.

Whaowhia te kete mātauranga. Fill your baskets of knowledge.

Jeremy Banks

Chair

Te pūrongo a te kaiwhakahaere matua CEO's report

Looking back on the 2024/25 financial year, I am immensely proud of what our team has accomplished for the learners of Aotearoa New Zealand. Our work is not simply about providing technology; it is about enabling potential, unlocking creativity, and contributing directly to improved educational outcomes for every child. We see our purpose realised in classrooms across the country every day, and it's this impact that drives our focus and determination. This year, we have delivered on our promise to the sector, strengthening the digital foundation upon which future learning will be built.

Our achievements are a direct result of our commitment to the schools we serve and to supporting the Government's ambitious

education agenda. We understand our critical role within the broader ecosystem, and we take our responsibility to deliver a safe, reliable, and high-performing digital environment very seriously - it is a non-negotiable bedrock of modern

I am incredibly proud to lead an organisation with such a strong, positive culture, a place where talented individuals are deeply engaged and committed to our shared mission. This makes N4L not just an effective organisation, but a truly great place to work, which in turn allows us to deliver the best possible service to schools.

The future of education is digital, and our vision is for N4L to be at the very heart of it.

We are moving towards a fully integrated digital infrastructure for education, a seamless ecosystem that's intelligently empowered by data and Al. This is not technology for its own sake, but technology with a clear purpose: to provide teachers with deeper insights and to create a more equitable system that delivers brilliant, personalised learning outcomes for every single student, regardless of where they are. The work we have done this year is a significant step towards that future, and I'm more excited than ever about the journey ahead.

Larrie Moore

Ko wai mātou

Who we are

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

N4L's mandate is to deliver managed technology services (including internet, Wi-Fi, and cybersecurity) to all state and state-integrated schools and kura across New Zealand, on behalf of the Ministry of Education.

Our dedicated team of experts, specialising in network management, cybersecurity and service delivery, play a pivotal role in ensuring that over 900,000 school leaders, teachers and learners benefit from daily access to reliable, secure and affordable managed technology services. This reliability, where everything 'just works,' allows teachers and learners to concentrate on teaching and learning, creating efficiency and effectiveness in schools and kura across New Zealand.

N4L is located between the Ministry of Education, the education sector, and the technology sector, bringing these entities together effectively to advance the education system's goals.

Te ahu whakamua o ngā takunetanga rautaki

Progress on strategic intentions

Managed Network Upgrade

During 2024/25, N4L began a significant upgrade of its Managed Network. The project, scheduled from February 2025 to mid-2026, sees the replacement of end-of-life firewalls and a transition to a new internet connection for schools across the country. This initiative is enhancing security, improving performance, and future-proofing schools' digital learning environment

At the core of this upgrade are two key technology partners - Palo Alto Networks and 2degrees - alongside a panel of technology companies tasked with physical installation and on-site support.

- A global cybersecurity leader, Palo Alto Networks, is providing and co-managing the new firewalls for all schools connected to the N4L Managed Network, offering advanced security features that help protect schools from evolving online threats.
- 2degrees has been selected as the new internet service provider for the upgraded network, facilitating the switch to a new internet connection for schools to deliver faster and more reliable connectivity.
- IT Panel: A group of accredited IT companies are responsible for the physical deployment of the new hardware in schools, working directly to manage the installation process, ensuring a smooth transition to the upgraded network.

The upgrade is fully funded by the Ministry of Education for all state and state-integrated schools, and is a critical step in ensuring New Zealand's schools are equipped with a secure and robust digital infrastructure to support modern learning.

During 2024/25, N4L upgraded 541 schools, exceeding the internal target of 500 schools upgraded by 30 June 2025. This is approximately 20% of schools in New Zealand, with the remaining schools to be upgraded in 2025/26.

MyN4L

MyN4L is the self-service online portal for staff at New Zealand schools and kura. It serves as the primary way for schools to manage and monitor their connection to the N4L Managed Network. The platform provides IT administrators, principals, and other delegated personnel with direct visibility and control over their school's internet services. This empowers them to tailor the digital environment to their specific educational needs and gain valuable insights into how their network is being used, all from a single, secure dashboard.

Through the MyN4L portal, users can perform a variety of critical tasks without needing to directly contact a helpdesk. Key functions include viewing detailed reports on internet usage, managing web filtering policies to block or allow specific websites, the ability to review potentially malicious emails placed in quarantine and safely release legitimate ones, and greater flexibility in connecting guests and devices to school networks. The portal is also a key channel for checking network status updates, and accessing important information regarding N4L services. Ultimately, MyN4L simplifies network administration and ensures schools can efficiently manage their resources to maintain a safer and effective digital learning environment.

During 2024/25, N4L onboarded 1041 schools to MyN4L, with 306 schools receiving access prior to this through various pilots. The remaining approximately 1200 schools will be provided with access during 2025/26 and 2026/27.

Te aromatawai o ngā whakahaere me te mahi

Assessment of operations and performance

Managed Internet

During 2024/25, N4L's provision of the Managed Internet achieved all SLAs, with all state and state-integrated schools receiving a highly-reliable service, delivered to a high degree of satisfaction. All eligible schools were connected to the Managed Internet service, with no disconnections.

Managed Wi-Fi

In the past year, 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. This phase has now been completed.
- 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.
- 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.

Equipment Replacement

In 2024/25, N4L completed 475 network upgrades, of which approximately half were replacement of all equipment and the remainder the replacement of outdated switches.

Secure Access

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.

Once schools have had their Wi-Fi equipment replaced, they become eligible for Secure Access installation. In 2024/25, 405 schools were onboarded to Secure Access, bringing the total number of schools onboarded to 947. In addition, 66 schools previously onboarded to Secure Access were retrofitted with the improved Secure Access solution.

Managed cybersecurity

Malware Free Networks® and Phishing Disruption Service™

N4L is now one of the largest participants with the National Cyber Security Centre's (NCSC) Malware Free Networks® (MFN) Service and Phishing Disruption Service™ (PDS). N4L automatically feeds back the volume of incidents when that threat intelligence has led to schools being blocked from accessing IP or domains identified as malicious by the NCSC. N4L operates its own MISP (Malware Information Sharing Platform) that allows the gathering of multiple threat feeds, including MFN and PDS, and then to automate the use of those across all our security systems.

Email Protection

N4L's inbound Email Protection solution helps shield schools and kura from the rising tide of email-based cyber threats. These threats continue to develop, with AI techniques improving the quality of phishing emails, and hackers developing different techniques, including coercing targets to phone scam contact centres to bypass firewalls.

During 2024/25, over 1.6 billion emails were processed, with 476.2M being delivered, and the remaining 1134.8M deemed malicious or harmful and subsequently blocked. In 2024/25, 181 schools were onboarded to this service, bringing the total number of schools using the service to 1825.

Service delivery

Customer satisfaction

N4L maintains a strong track record of customer satisfaction, with scores consistently exceeding 90% since 2012. In 2024/25, N4L is proud to report that our principal customer satisfaction score not only exceeded 90% but improved to 93.4%.

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 those 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 2024/25, N4L's Customer Support team had its busiest year ever, handling 48,216 customer support cases, a 7% increase from the 45,031 cases handled in 2023/24, reflecting the increased breadth of N4L's services as schools come onboard to N4L's Managed Wi-Fi service and receive their Managed Network Upgrade. This increase was managed while meeting all quarterly and annual targets.

Education Service Desk

In November 2024, the Education Service Desk (ESD) moved from the Ministry of Education to N4L, with 14 new staff joining N4L (three in Auckland, seven in Wellington and four in Christchurch). ESD manages enquiries for a range of applications used by schools and the wider education sector (such as Education Sector Logon and e-asTTle). Since moving to N4L, the team has managed 35,358 cases across a wide range of applications. To ensure the Education Service Desk can provide the same support as before, N4L now has authorised access to National Student Numbers (NSNs).

As the majority of ESD staff are Wellington-based, N4L reopened an office in Wellington in October 2024.

Tauākī Whakamutunga Concluding statement

The 2024/25 financial year was a year of achievement for N4L, marked by our commitment to operational excellence and the ambitious launch of key strategic initiatives. We are proud to have not only met, but exceeded our core service delivery targets, ensuring schools across Aotearoa New Zealand have the reliable and secure digital foundation they need. Beginning the Managed Network Upgrade and implementing the MyN4L digital platform signals a new era, empowering educators and future-proofing our infrastructure for the next generation of learners. As we look ahead, we are excited by our purpose: improve digital learning experiences and educational outcomes

He hopuāhua o te whakarato a N4L 2024/25

N4L 2024/25 delivery snapshot



out of 2,541 schools (21%) upgraded to the new Managed Network as at 30 June 2025

2024/25 Target of 500 achieved



out of 2,541 schools (71%) have received a full Wi-Fi upgrade as at 30 June 2025

2024/25 Target of 475 achieved



2

947

out of 2,541 schools (37%) are using Secure Access as at 30 June 2025

2024/25 Target of 452 achieved



out of 2,541 schools (53%) are using MyN4L as at 30 June 2025

2024/25 Target of 1,030 achieved

Te Rōpū Whakahaere

Senior Leadership Team

Larrie Moore CHIEF EXECUTIVE OFFICER

Larrie Moore is an experienced CEO with over 15 years of leadership across both private and public sectors in New Zealand and international markets. His work has shaped key developments in New Zealand's telecommunications landscape, from launching Vodafone's first 3G mobile network and Orcon Internet's ADSL2+ rollout, to helping bring 2degrees to market as a new challenger brand - driving greater innovation and competition across the sector.

At N4L, Larrie has led the development of a clear organisational culture and strategy, alongside a significant expansion of services. These include ultra-fast broadband, Hyperfibre, wireless and satellite connectivity, Wi-Fi 6, web filtering, and cybersecurity solutions for schools. His leadership has been recognised multiple times across the industry for his ability to build and empower high-performing teams, set a compelling purpose and direction, and deliver meaningful outcomes at scale.

Gill MahonyCHIEF 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, and managing relationships with major stakeholders.

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.

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.

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.

Michelle Leadsom

CHIEF CUSTOMER AND BRAND OFFICER

Michelle Leadsom brings to N4L a track record of excellence in marketing, 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, previously 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 N4I 's Installer and IT Panels

13

NETWORK FOR LEARNING | TE PÜRONGO Ä-TAU ANNUAL REPORT 2025

Te Poari UrungiBoard of Directors

Jeremy Banks CHAIR

Jeremy Banks is a software development specialist with experience growing software startups, and he holds a variety of 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
- · Director, Reserve Bank of New Zealand
- · Trustee, Te Here-ā-Nuku Interim Trust
- Alternate Te Tauihu Representative for the Federation of Māori Authorities
- · Children at Nayland College, Nelson

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 Limited
- · Director, LondonGreen Limited
- · Director, Montana Group Limited
- · Director, Montana Catering 2001 Limited
- · Director, Wool Impact Limited
- Coaching professional clients
- Casual employee, Waikato Milking Systems
- · Children at St Peter's School, Cambridge

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

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 Kökiri / 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:

- · Board Chair and Deputy Board Chair, Pharmacy Council of NZ
- · Board member, NZ Plumbers, Gasfitters, and Drainlayers Board
- Deputy Board Chair, Chair of Finance and Risks Committee and Board member, 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
- · Council member, Medical Council of NZ
- · Independent Chair, TechCollect NZ Ltd

Deidre Shea

DIRECTOR AND CHAIR, PEOPLE AND CULTURE COMMITTEE

Deidre Shea is a distinguished figure in the New Zealand education landscape, with a career centred on educational leadership. Her extensive experience includes serving as the Principal of Onehunga High School, a role in which she made a significant impact.

Deidre has held executive positions with both the Auckland Secondary School Principals' Association and the Secondary Principals' Association of New Zealand (SPANZ), serving as President of the latter from 2019 to 2021. Her leadership extends to her role as a Commissioner with the Tertiary Education Commission and as a Board Director of Education Payroll. Furthermore, she chairs the Alternative Education Consortium Te Hīkoi and also chaired the National Certificate of Educational Achievement (NCEA) Professional Advisory Group for the Minister of Education.

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

- · Chair, Te Hīkoi, Alternative Education Consortium
- Board member, Tertiary Education Commission
- · Director, Education Payroll Ltd
- Trustee, Motutapu Youth Education and Development Charitable Trust
- · Registered Teacher, Teaching Council of Aotearoa New Zealand
- · Leadership Advisor, Zayed College for Girls

Elle Archer DIRECTOR

Elle Archer is known for her strategic foresight and governance expertise, particularly in technology, digital transformation, and inclusive innovation. With over 17 years of experience leading technology-based services, Elle has guided major initiatives across digital equity, smart society infrastructure, and the application of emerging technologies in education, spanning both public and private sectors.

She is the Managing Director of ELG Global, Chair of Te Hapori Matihiko (Māori in DigiTech), a Director of Tū Ātea (Spectrum and 5G Infrastructure), and serves her iwi through kaupapa that weave traditional knowledge with contemporary digital solutions. Elle is a recognised voice in bridging systems, advocating for mana motuhake, omni-cultural unification, and future-focused, inclusive technology practices that serve all communities.

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:

- Managing Director, ELG Global
- Heamana/Executive Chair, Te Ao Matihiko (Māori DigiTech Council Aotearoa)
- · Chair, Digital Equity Board
- Director, Digital Equity Coalition Aotearoa (DECA) and Chair, DECA Constellation, Waitaha Regional Digital Equity Steering Group
- · Chair, Selwyn District Council Welfare Committee
- Co-Chair/Trustee, Te Matarau (Research, Policy, Pathways) Trust Board
- Director, Tū Ātea (Māori Broad Spectrum 5G Infrastructure)
- · Director, Archland Investments (Property)
- · Director, Māori Broad Spectrum
- Director, Trade Specialists
- · Board member, AgriTech New Zealand
- · Board member, Information Technologies Partnership Board
- Board member, Aotearoa New Zealand Association of Emergency Managers (ANZAEM)
- · Trustee, Central Plains Water Trust Board
- · Trustee, Ako Ōtautahi Learning City Christchurch

- Member and Alternate (during event), ECAN CDEM Regional Recovery Board Canterbury
- Member, MoE Digital Equity, Terms of Reference
- Lead, District Digital Equity Scoping Project Selwyn District Council, DIA and INZ
- Lead, Economic Development Strategy, Ngā lwi o Ngāti Tamaterā - Pare Hauraki
- Co-Lead CDEM, Regional Emergency Management (Group) Recovery, Resilience, and Welfare Portfolios - Skills and Capability
- Kairahi, Digital Strategy, Ngā lwi o Ngāti Tamaterā Pare Hauraki
- Researcher, Progressive Governance, Digital Equity to Digital Excellence, Omni-Cultural and Impact Legacy Research, Institute of Directors NZ and University of Canterbury
- Sponsored Professional Body Researcher, Institute of Directors NZ

Anthony Brennan DIRECTOR

Anthony Brennan brings a unique international perspective to the N4L board, with a career that spans the education, technology, and government sectors in both Australia and New Zealand. He is a co-founder of EduGrowth, Australia's peak body for education technology and innovation, and has served as its director and chairman.

Anthony's governance experience is extensive. He currently serves as an Independent Director of Education Services Australia, a company instrumental in delivering national education priorities in Australia. His professional background also includes time as a corporate lawyer and an Adjunct Law Professor, where he focused on corporate governance education and board training for the Australian Institute of Company Directors.

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

- · Director, Education Services Australia
- Director, Canberra Institute of Technology
- · Chairman, Talisium Pty Ltd
- · Shareholder, Dicker Data

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, 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.

Board of Directors

During 2024/25, the Board began the year as four non-executive Directors, increasing to six with the appointments of Anthony Brennan in August 2024 and Deidre Shea in December 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 2024/25 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.

People and Culture Committee (formerly HR and Remuneration)

The People and Culture Committee (formely HR and Remuneration Committee) assists the Board in fulfilling its responsibilities by providing recommendations, advice and information concerning:

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

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.

Tauākī Tutukitanga

Statement of Performance

Managed Internet: Connection

Key metric	Performance (2023/24)	Performance (2024/25)	Target (2024/25)
Percentage of eligible schools (defined as state schools and state- integrated schools) connected to the internet by N4L.	100%	100%	99.9%
Percentage of schools that voluntarily disconnect from N4L's internet service.	0.0%	0.0%	Less than 0.5%

Managed Internet: Availability of internet services for schools

Key metric	Performance (2023/24)	Performance (2024/25)	Target (2024/25)
Network availability (Metro schools)	Q1: 99.989% Q2: 99.999% Q3: 99.996% Q4: 99.996%	Q1: 99.995% Q2: 99.997% Q3: 99.997% Q4: 99.995%	> 99.863%
Network availability (Non-Metro schools)	Q1: 99.998% Q2: 99.996% Q3: 99.993% Q4: 99.990%	Q1: 99.988% Q2: 99.992% Q3: 99.994% Q4: 99.996%	> 99.817%

Managed Wi-Fi: Equipment Replacement

Key metric	Performance	Performance	Target
	(2023/24)	(2024/25)	(2024/25)
Number of schools with hardware replaced.	Full Replacement: 320 Access point - only installations: 81 Switch only installations: 146	Full replacement: 245 Switch only installations: 230	475

Managed cybersecurity: Secure Access

Key metric		Performance (2024/25)	Target (2024/25)
Number of schools provided with Secure Access services.	94 *	New: 405 Retrofit: 66	452

^{*}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 (2023/24)	Performance (2024/25)	Target (2024/25)
Percentage of schools meeting N4L's Safe and Secure cybersecurity standard.	Q1: 95.2% Q2: 95.6% Q3: 95.8% Q4: 96.2%	Q1: 96.2% Q2: 96.6% Q3: 96.6% Q4: 96.3%	93.5%

Managed cybersecurity: Cybersecurity framework and controls

Key metric	Performance (2023/24)	Performance (2024/25)	Target (2024/25)
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.

Service delivery: Customer satisfaction

Key metric	Performance (2023/24)	Performance (2024/25)	Target (2024/25)
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.	92.4% 1	92.03% ²	90% 'satisfied' or 'very satisfied' response from respondents.

¹ In 2023/24, 500 surveys were received, with 462 respondents reporting 'satisfied' or 'very satisfied'.

NETWORK FOR LEARNING | TE PÜRONGO Ā-TAU ANNUAL REPORT 2025

² In 2024/25, 665 surveys were received, with 612 respondents reporting 'satisfied' or 'very satisfied'.

TAUĀKĪ TUTUKITANGA | STATEMENT OF PERFORMANCE

Service delivery: Support services

Key metric	Performance (2023/24)	Performance (2024/25)	Target (2024/25)
The number of minutes to acknowledge a service request (measured per month).	Q1: 88% Q2: 90% Q3: 92% Q4: 88%	Q1: 78% Q2: 91% Q3: 93% Q4: 86%	80% of all requests under 8 Support Hours.
Percentage of total calls taken within 30 seconds.	Q1: 87% Q2: 88% Q3: 86% Q4: 88%	Q1: 83% Q2: 91% Q3: 92% Q4: 87%	At least 85%
The number of minutes to resolve an incident (measured per month).	Q1: 96% Q2: 93% Q3: 96% Q4: 94%	Q1: 88% Q2: 86% Q3: 94% Q4: 96%	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.

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 2024 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, 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.

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. A number of our employees have had a career move within N4L in the last 12 months. 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 People and Culture Committee.

4. Flexibility and work design:

N4L's culture fully enables staff to balance work commitments with other aspects of their lives. Our smart and simple working approach advocates for decisions regarding where and when people work to consider customers, N4L, the team and individuals. In addition we have shared occasions where we can expect people to come together to ensure we're balancing flexibility with connection, learning and collaboration. A number of our employees, at their request, have flexible working arrangements. When reviewing roles, we consider how they interface with other roles effectively and are deliberate about the role focus, decisions and expertise required.

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 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'. Our employee value proposition was created with the input of our team and insights from our engagement survey. Core pillars of our employee value proposition are:

- 'building a better tomorrow',
- 'developing our people for a better tomorrow',
- · 'building tomorrow together', and
- · 'a caring environment builds a better tomorrow'.

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 we have HR and Senior Leadership Team involvement to support our commitment to be inclusive and achieve diversity.



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF THE NETWORK FOR LEARNING LIMITED'S ANNUAL FINANCIAL STATEMENTS AND STATEMENT OF PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

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, on his behalf, the audit of:

- the annual financial statements that comprise the statement of financial position as at 30 June 2025, 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 on pages 28 to 48; and
- the statement of performance for the year ended 30 June 2025 on pages 19 to 22.

Opinion

In our opinion:

- The annual financial statements of the Company:
 - fairly present, in all material respects:
 - its financial position as at 30 June 2025; 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.
- The statement of performance fairly presents, in all material respects, the Company's service performance for the year ended 30 June 2025. In particular, the statement of performance:
 - provides an appropriate and meaningful basis to enable readers to assess the actual performance of the Company for each class of reportable outputs; determined in accordance with generally accepted accounting practice in New Zealand; and
 - o fairly presents, in all material respects, for each class of reportable outputs:
 - the actual performance of the Company;
 - the actual revenue earned; and
 - the output expenses incurred,

as compared with the forecast standards of performance, the expected revenues, and the proposed output expenses included in the Company's statement of performance expectations for the financial year; and

complies with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards.

Our audit was completed on 30 September 2025. This is the date at which our opinion is expressed.

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, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): The Audit of Service Performance Information issued by the New Zealand Auditing and Assurance Standards

24



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 audit opinion.

Responsibilities of the Board for the annual financial statements and the statement of performance

The Board is responsible on behalf of the Company for preparing:

- Annual financial statements that fairly present the Company's financial position, financial performance, and its
 cash flows, and that comply with generally accepted accounting practice in New Zealand.
- A statement of performance that:
 - provides an appropriate and meaningful basis to enable readers to assess the actual performance of the Company for each class of reportable outputs; determined in accordance with generally accepted accounting practice in New Zealand:
 - o fairly presents, for each class of reportable outputs:
 - the actual performance of the Company;
 - the actual revenue earned; and
 - the output expenses incurred

as compared with the forecast standards of performance, the expected revenues, and the proposed output expenses included in the Company's statement of performance expectations for the financial year; and

complies 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 annual financial statements, and a statement of performance that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, and a statement of performance, the Board is responsible on behalf of the Company for assessing the Company's ability to continue as a going concern.

The Board's responsibilities arise from the Crown Entities Act 2004

Responsibilities of the auditor for the audit of the annual financial statements and the statement of performance

Our objectives are to obtain reasonable assurance about whether the annual financial statements, and the statement of performance, 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 the annual financial statements, and the statement of performance.

For the budget information reported in the annual financial statements, and the statement of performance, 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 annual financial statements, and the statement of performance.

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 annual financial statements, and the statement of
performance, 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.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We evaluate whether the statement of performance:
 - provides an appropriate and meaningful basis to enable readers to assess the actual performance of the Company. We make our evaluation by reference to generally accepted accounting practice in New Zealand;
 - o fairly presents the actual performance of the Company for the financial year.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board.
- We evaluate the overall presentation, structure and content of the annual financial statements, and the statement of performance, including the disclosures, and whether the annual financial statements, and the statement of performance 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 all of the information included in the annual report, but does not include the annual financial statements, and the statement of performance, and our auditor's report thereon.

Our opinion on the annual financial statements, and the statement of performance 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 annual financial statements, and the statement of performance, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the annual financial statements, and the statement of performance 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.

Independenc

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) issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in, the Company.

Lloyd Bunyan Ernst & Young

On behalf of the Auditor-General Auckland, New Zealand

NETWORK FOR LEARNING | TE PÜRONGO Ā-TAU ANNUAL REPORT 2025

26

Ngā tauākī pūtea

Financial statements

Statement of Comprehensive Income

For the year ended 30 June 2025

	Notes	2025 Actual	2024 Actual
		\$000	\$000
Income from Exchange Transactions	3	64,727	58,357
Gain on Foreign Exchange	3	2,929	-
Total Income		67,656	58,357
Expenditure			
Network Services	4	16,528	15,956
Transition Support	5	4,689	4,487
Board Operations	18	206	210
Audit Fees	6	88	72
Other General and Overhead Expenses	6	43,249	35,019
Total Expenses		64,760	55,744
Net Surplus/(Deficit)		2,896	2,613
Total Comprehensive Income/(Loss) for the Period		2,896	2,613

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2025

	Notes	2025 Actual	2024 Actual
		\$000	\$000
Assets			
Current Assets			
Cash and Cash Equivalents	7	9,703	6,070
Receivables - Exchange Transactions		12,118	5,115
Term Deposits	7	1,105	1,581
Other Current Assets	8	14,191	1,355
Total Current Assets		37,117	14,121
Non-Current Assets			
Property, Plant and Equipment	9	12,089	1,627
Intangible Assets	10	9,987	2,046
Total Non-Current Assets		22,076	3,673
Total Assets		59,193	17,794
Represented by			
Liabilities			
Current Liabilities			
Accruals	11	4,664	3,656
Payables – Exchange Transactions		7,090	3,407
Deferred Revenue	17	3,971	1,417
Lease Incentive - Current		-	27
Provisions	15	69	69
Total Current Liabilities		15,794	8,576
Non-Current Liabilities			
Deferred Revenue	17	31,285	-
Total Non-Current Liabilities		31,285	-
Total Liabilities		47,079	8,576
Equity			
Share Capital and Reserves		12,114	9,218
Total Shareholders' Funds		12,114	9,218
Total Liabilities and Shareholders' Funds		59,193	17,794

The accompanying notes form part of these financial statements.

The financial statements were approved by the Board and authorised for issue on 30 September 2025.

Jeremy Banks
Director

Ming-chun Wu Director

Statement of Changes in Equity

For the year ended 30 June 2025

	Share Capital	Retained Earnings/ (Deficit)	2025 Actual \$000
Opening Balance 1 July 2024	14,000	(4,782)	9,218
Net Surplus/(Deficit)	-	2,896	2,896
Total Comprehensive Income/(Loss) for the Period	-	2,896	2,896
Closing Balance 30 June 2025	14,000	(1,886)	12,114

Statement of Changes in Equity

For the year ended 30 June 2024

Sh. Cap	are ital	Retained Earnings/ (Deficit)	2024 Actual \$000
Opening Balance 1 July 2023 14,0	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 14,0	000	(4,782)	9,218

Statement of Cash Flows

For the year ended 30 June 2025

	Notes		2024 Actual
		\$000	\$000
Cash Flows from Operating Activities			
Receipts from Customers		91,369	55,952
Gain on Foreign Exchange		2,929	
Interest Received		358	359
Payments to Suppliers and Staff		(70,129)	(51,788)
Net Cash Inflow from Operating Activities	13	24,527	4,523
Cash Flows from Investing Activities			
Purchase of Property, Plant and Equipment		(11,626)	(403
Purchase of Intangible Assets		(9,744)	(1,721
Purchase of Term Deposits		(2,024)	(2,032
Receipt of Term Deposits		2,500	2,000
Net Cash Outflow from Investing Activities		(20,894)	(2,156)
Net Increase/(Decrease) in Cash		3,633	2,36
Opening Balance		6,070	3,70
Closing Balance	7	9,703	6,07

The accompanying notes form part of these financial statements.

NETWORK FOR LEARNING | TE PÜRONGO Ä-TAU ANNUAL REPORT 2025

Ngā korero mo ngā tauākī pūtea

Notes to the financial statements

1. Reporting Entity

The Network for Learning Limited, 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 2024 to 30 June 2025, and were approved by the Board on 30 September 2025.

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 2025.

The External Reporting Board has issued amendments to the following standards to incorporate requirements and guidance for Public Benefit Entities. These updated accounting standards did not have any impact on N4L's financial statements.

Standard	Title	Application date
PBE IPSAS 1	Disclosure of Fees for Audit Firms Services	01 Jan 2024
PBE IPSAS 1	Presentation of Financial Reports	01 Jan 2026 (early adoption permitted)
PBE IAS 12	International Tax Reform - Pillar Two Model Rules	21 Nov 2024

(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 generally recognised when the service is performed. For Managed Network Replacement Programme, revenue has been received in advance to build and establish the service. This is initially recorded as a liability (deferred revenue) in the Statement of Financial Position. Revenue is released from deferred revenue and recognised in the Statement of Comprehensive Income in line with the actual delivery of services under the programme.

Interes

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. Under the Managed Network Replacement

Programme, directly attributable labour and project costs associated with the build and delivery of network infrastructure has been capitalised within Computer Equipment.

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 reliability. 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 - 7 years	14 - 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.

NETWORK FOR LEARNING | TE PŪRONGO Ā-TAU ANNUAL REPORT 2025

Intangible assets

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software, or to enable hardware. 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 - 7 years	14 - 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 2024/2025 as approved by the Board on 27 June 2024. 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

	2025 \$000	2024 \$000
Income from Services to Schools	62,508	56,707
Interest Income	358	359
Equipment Sales	1,861	1,291
Total Income from Exchange Transactions	64,727	58,357

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.

	2025 \$000	2024 \$000
Gain on Forward Exchange Contracts	2,636	-
Bank Revaluation	293	-
Gain on Foreign Exchange	2,929	-

Gain on Foreign Exchange represents the gain on forward exchange contracts and gain on USD bank accounts.

NETWORK FOR LEARNING | TE PŪRONGO Ā-TAU ANNUAL REPORT 2025

4. Network Services

2025 \$000	2024 \$000
Network Provider Services 16,528	15,956
Total 16,528	15,956

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

	2025 \$000	2024 \$000
Personnel Costs	27,778	25,867
Professional Advisory Fees	3,647	1,940
Marketing and Communications	333	267
Travel	482	407
Facility Costs	1,097	943
IT and Telecommunications	4,976	2,179
Depreciation	1,053	1,627
Realised and Unrealised Foreign Exchange	1,020	-
Other	2,863	1,789
Total	43,249	35,019

Audit fees of \$88,000 were paid to EY. No other fees were paid to EY.

Personnel Costs

	2025 \$000	2024 \$000
Salaries, Wages and Short-Term Employee Benefits	24,381	22,229
Defined Contribution Plans	656	583
Contractor Costs	2,741	3,055
Total Personnel Costs	27,778	25,867

N4L had 257 (2024: 181) full-time equivalent employees and 23 contractors (2024: 16) as at 30 June 2025. Employer contributions to defined contribution plans relate to contributions to KiwiSaver.

7. Cash and Term Deposits

202 \$00	
Cash at Bank	3 6,070
Term Deposits 1,10	5 1,581
Total Cash and Term Deposits 10,80	8 7,651

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

	2025 \$000	2024 \$000
Sundry Debtors	342	504
Prepayments	13,849	851
Total Other Current Assets	14,191	1,355

The carrying value of other current assets approximates their fair value. The increase in prepayments is due to prepaid support contracts for the Managed Network Upgrade.

37

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 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
Cost					
Balance at 1 July 2024	5,780	438	92	662	6,972
Additions during the year	11,200	30	115	281	11,626
Disposals	(342)	(79)	(31)	(659)	(1,111)
Balance at 30 June 2025	16,638	389	176	284	17,487
Accumulated Depreciation					
Balance at 1 July 2024	4,452	317	81	495	5,345
Disposals	(334)	(72)	(31)	(563)	(1000)
Depreciation charge for the year	931	19	11	92	1,053
Balance at 30 June 2025	5,049	264	61	24	5,398
Net book value at 30 June 2025	11,589	125	115	260	12,089

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 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
Cost			
Balance at 1 July 2024	5,487	4	5,491
Additions during the year	9,744	-	9,744
Balance at 30 June 2025	15,231	4	15,235
Amortisation			
Balance at 1 July 2024	3,441	4	3,445
Amortisation charge for the year	1,803	-	1,803
Balance at 30 June 2025	5,244	4	5,248
Net book value at 30 June 2025	9,987	-	9,987

11. Accruals

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

12. Share Capital

Number of ordinary shares issued and fully paid:

2025 \$000	2024 \$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 2025 financial year (2024: 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

	2025 \$000	2024 \$000
Net Surplus	2,896	2,613
Add/(Less) Non-Cash Items		
Depreciation & Amortisation	2,856	2,850
Net loss on disposal of Property, Plant and Equipment	108	11
Total Non-Cash Items	2,964	2,861
Add/(Less) movements in Working Capital Items		
Accounts Receivable	(7,002)	837
Prepayments	(12,998)	(341)
Other Receivables	(3)	6
Accrued Revenue	165	(493)
Accounts Payable, Other Payables & Deferred Revenue	38,328	(981)
Employee Entitlements	177	21
Net movement in Working Capital Items	18,667	(951)
Net Cash Inflow from Operating Activities	24,527	4,523

14. Commitments

Operating leases as lessee

N4L 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 lease for Auckland (including car parks) expires in February 2028, with an option to renew for a further three years. The Wellington lease expires in November 2027, and has two, three year rights of renewal. The Christchurch lease expires on 31 August 2025. At the reporting date, management has not determined whether it will exercise any renewal options, and accordingly the potential lease commitments relating to renewal periods are not included in the amounts disclosed above.

N4L has entered into commercial leases on certain motor vehicles. The related leases have lives between two to 15 months, with no renewal option included in the contracts.

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.

15. Lease make good provision

In respect of its leased premises in Auckland, Wellington and Christchurch, 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 for all premises in measuring the provision. The cash flows associated with the lease make-good provision are expected to occur at the end of the current lease terms as documented in note 14 above.

16. Contingencies

Contingent liabilities

The company has no contingent liabilities as at 30 June 2025 (2024: \$nil).

Contingent assets

The company has no contingent assets as at 30 June 2025 (2024: \$nil).

Future minimum rentals payable under non-cancellable operating leases as at 30 June 2025 and 2024 are, as follows:

2025 \$000		2024 \$000
Not later than one year	1,021	584
Later than one year but not later than five years	1,538	26
Later than five years	-	-
Total Commitments	2,559	610

Other commitments

As at 30 June 2025, N4L had entered into contractual capital commitments for the purchase of hardware relating to the Managed Network Upgrade. These contracts were signed and committed at balance date for NZD \$1,195,000 and was settled in September 2025.

17. Deferred Revenue

The Company has a deferred revenue liability during the year. As a result of both the Managed Network Upgrade and the operation of the Security Operations Centre, hardware and software licenses were charged to the Ministry of Education. This hardware and software will be used to deliver the programme over future periods, and the deferred revenue will be recognised against that programme.

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 (2024: 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 The Chief Executive Officer was paid \$581,560 in fixed remuneration and conditions that apply to all tax and levy payers. N4L is exempt and benefits (2024: \$520,604) which included short-term benefits from paying income tax.

Key management personnel includes the Management team and the Board Members. During 2025, no changes were made to the Management team. The number of directors fluctuated between four and six across the year, with the enduring number being

During the year ended 30 June 2025, no employees received compensation in relation to cessation of their employment (2024: \$0). No contractors received compensation in relation to cessation of their contracts (2024: \$0k).

There were 6 employees in the Management team who received remuneration over \$100k during the 2025 financial year (2024: 6). Employer contributions to defined contribution plans relate to contributions to KiwiSaver.

of \$23,997 (2024: \$21,905) for KiwiSaver, healthcare and a car park. There were no short or long-term incentives.

Key Management Personnel Compensation

	2025 \$000	2024 \$000
Management Team		
Remuneration and Short-Term Benefits	2,229	2,010
Defined Contribution Plans	62	59
Total	2,291	2,069
Full-time Equivalent Members	6	6
Board Members		
Remuneration	196	173
Full-time Equivalent Members	6	6

Board Member Remuneration

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

	2025 \$000	2024 \$000
Jeremy Banks - Chair	57	51
Sharon Cresswell - Deputy Chair	36	30
Anthony Briscoe	-	17
Clare Curran	-	25
Ming-chun Wu	30	25
Elle Archer	29	25
Deidre Shea	18	-
Anthony Brennan	26	-
Total Directors' fees	196	173

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

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

19. Employee Remuneration

	2025 No. of employees	2024 No. of employees
\$100,000 - \$109,999	32	31
\$110,000 - \$119,999	19	12
\$120,000 - \$129,999	15	5
\$130,000 - \$139,999	11	13
\$140,000 - \$149,999	9	10
\$150,000 - \$159,999	5	7
\$160,000 - \$169,999	7	3
\$170,000 - \$179,999	6	3
\$180,000 - \$189,999	4	4
\$190,000 - \$199,999	4	2
\$200,000 - \$209,999	2	2
\$210,000 - \$219,999	1	2
\$220,000 - \$229,999	3	1
\$230,000 - \$239,999	2	2
\$260,000 - \$269,999	1	0
\$270,000 - \$279,999	0	1
\$280,000 - \$289,999	1	1
\$290,000 - \$299,999	0	1
\$300,000 - \$309,999	2	0
\$320,000 - \$329,999	0	0
\$330,000 - \$339,999	0	1
\$340,000 - \$349,999	1	0
\$360,000 - \$369,999	0	0
\$370,000 - \$379,999	0	1
\$390,000 - \$399,999	1	0
\$520,000 - \$529,999	0	1
\$550,000 - \$559,999	1	0

NETWORK FOR LEARNING | TE PŪRONGO Ā-TAU ANNUAL REPORT 2025 43

20. Events after Balance Date

On 22 August 2025, N4L entered into an agreement to sublease an office in Christchurch from 25 August 2025 to 7 October 2026. The intention is to enter into a lease with the head landlord following the expiry of the sublease agreement.

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 are classified as financial liabilities, measured at amortised cost.

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.

For certain foreign currency transactions, the company uses derivative financial instruments (foreign currency forward exchange contracts) to mitigate risks associated with foreign currency fluctuations. The foreign currency forward exchange contracts are entered into with New Zealand Debt Management. Derivative financial instruments are restated at fair value at each balance date and are reported as either assets or liabilities, with the movement in the fair value recognised in the financial result.

At balance date, the Group held forward exchange contracts with a total notional amount of \$3,131,504 USD. The fair value of these contracts resulted in a financial liability of \$127,680 NZD, recognised in the Statement of Financial Position under 'Accruals'. The fair value of forward foreign exchange contracts was determined using forward exchange rates provided by New Zealand Debt Management, derived from observable market inputs. These instruments are therefore classified within Level 2 of the fair value hierarchy.

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, and does not consider any risk of non performance on its derivative contracts.

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.

Currency risk

The company undertakes transactions denominated in foreign currencies and is exposed to currency risk arising from these transactions. To manage this risk, the Group enters into forward foreign exchange contracts where transactions are more than \$500,000. These contracts reduce the Group's exposure to fluctuations in foreign currency rates by fixing the exchange rate at which the foreign currency asset or liability will be settled.

23. Explanation of major variances to unaudited forecast

The forecast numbers are taken from the Company's Statement of Performance Expectations 2024/25 (SPE).

Statement of Comprehensive Income

For the year ended 30 June 2025

	Ref	2025 Actual	2025 Forecast (Unaudited)
		\$000	\$000
Income from Exchange Transactions	А	64,727	62,459
Gain on Foreign Exchange		2,929	-
Total Income		67,656	62,459
Expenditure			
Network Services		16,528	18,948
Transition Support	В	4,689	1,912
Board Operations		206	243
Audit Fees		88	78
Other General and Overhead Expenses	С	43,249	40,517
Total Expenses		64,760	61,698
Net Surplus/(Deficit)		2,896	761
Total Comprehensive Income/(Loss) for the Period		2,896	761

2025 Actual delivered a comprehensive income of \$2.1M 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 Sector Service Desk and Proofpoint. Increase in equipment sales to schools and ICT's 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 higher due to higher personnel related costs, IT and Telecommunications cost and Realised and Unrealised Foreign Exchange.

45

NETWORK FOR LEARNING | TE PÜRONGO Ä-TAU ANNUAL REPORT 2025

Statement of Financial Position

As at 30 June 2025

			2025
	Ref	2025 Actual \$000	2025 Forecast (Unaudited) \$000
Assets			
Current Assets			
Cash and Cash Equivalents	D	9,703	10,080
Receivables – Exchange Transactions	Е	12,118	7,216
Term Deposits	D	1,105	-
Other Current Assets		14,191	7,355
Total Current Assets		37,117	24,651
Non-Current Assets			
Property, Plant and Equipment		12,089	9,829
Intangible Assets	F	9,987	5,852
Total Non-Current Assets		22,076	15,681
Total Assets		59,193	40,332
Represented by			
Liabilities			
Current Liabilities			
Accruals		4,664	3,722
Payables - Exchange Transactions		7,090	4,172
Deferred Revenue	G	3,971	2,467
Lease Incentive - Current		-	27
Provisions		69	68
Total Current Liabilities		15,794	10,456
Non-Current Liabilities			
Deferred Revenue	G	31,285	19,959
Total Non-Current Liabilities		31,285	19,959
Total Liabilities		47,079	30,415
Equity			
Share Capital and Reserves		12,114	9,917
Total Shareholders' Funds		12,114	9,917
Total Liabilities and Shareholders' Funds		59,193	40,332

D – Cash and cash equivalents

Cash and cash equivalents are in line with forecast.

E – Receivables – Non-Exchange transactions

Receivables are higher than forecast, due to higher revenue.

F – Intangibles

Intangibles are higher due to the Managed Network Upgrade and Data Centre upgrade costs which was approved in June 2025 and not included in the SPE.

G - Deferred revenue

Deferred revenue has risen due to revenue not yet earned from Managed Network Replacement Programme.

Statement of Changes in Equity

For the year ended 30 June 2025

	Share Capital	Retained Earnings / (Deficit)	2025 Actual \$000	2025 Forecast (Unaudited) \$000
Opening Balance 1 July 2024	14,000	(4,782)	9,218	9,156
Net Surplus/(Deficit)	-	2,896	2,896	761
Total Comprehensive Income/(Loss) for the Period	-	2,896	2,896	761
Closing Balance 30 June 2025	14,000	(1,886)	12,114	9,917

Statement of Cash Flows

For the year ended 30 June 2025

	Ref	2025 Actual	2025 Forecast
		\$000	(Unaudited) \$000
Cash Flows from Operating Activities			
Receipts from Customers		91,369	89,992
Gain on Foreign Exchange		2,929	-
Interest Received		358	446
Payments to Suppliers and Staff		(70,129)	(70,408)
Net Cash Inflow from Operating Activities	Н	24,527	20,030
Cash Flows from Investing Activities			
Purchase of Property, Plant and Equipment		(11,626)	(17,424)
Purchase of Intangible Assets		(9,744)	-
Purchase of Term Deposits		(2,024)	-
Receipt of Term Deposits		2,500	-
Net Cash Outflow from Investing Activities		(20,894)	(17,424)
Net Increase/(Decrease) in Cash		3,633	2,606
Opening Balance		6,070	7,474
Closing Balance		9,703	10,080

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:

Level 5, 8 Tangihua Street Auckland Central Auckland 1010

Contact address:

PO Box 37118 Parnell, Auckland 1151

E info@n4l.co.nz

W 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 Anthony Brennan Deidre Shea Ming-chun Wu

NETWORK FOR LEARNING | TE PŪRONGO Ā-TAU ANNUAL REPORT 2025

Network for Learning Auckland Head Office

Level 5, 8 Tangihua Street Auckland Central Auckland 1010

Wellington Office 3/354 Lambton Quay Wellington 6011

Christchurch Office 128 Wrights Road Addington Christchurch 8024

w n4l.co.nz

- P 0800 LEARNING
- **E** info@n4l.co.nz

This work is openly licensed via Crown Commons BY 4.0 For more information, visit creativecommons.org/licenses/by/4.0