



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

Annual Report 2016

New Zealand Catholic Education Office Limited

Te Tari Mātauranga Katorika o Aotearoa

Annual Report 2016

100% of our schools are Catholic

100% of our schools are Catholic

2020 BEACON PLAN GOALS

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

Adopted 1998
2014 Edition

CONTENTS

New Zealand Catholic Education Office Limited Annual Report from the Chairperson to the Shareholders for the year 1 January to 31 December 2016.....	3
Report on the Outputs of New Zealand Catholic Education Office Limited.....	10
New Zealand's Catholic Schools	22
Report of the Directors of New Zealand Catholic Education Office Limited.....	26
Group Financial Statements for New Zealand Catholic Education Office Limited for the year ended 31 December 2016.....	28
New Zealand Catholic Education Office Limited Consolidated Statement of Accounting Policies for the year ended 31 December 2016.....	29
New Zealand Catholic Education Office Limited Consolidated Statement of Financial Position as at 31 December 2016	36
New Zealand Catholic Education Office Limited Consolidated Statement of Comprehensive Income for the year ended 31 December 2016.....	38
New Zealand Catholic Education Office Limited Consolidated Movements in Equity for the year ended 31 December 2016.....	39
New Zealand Catholic Education Office Limited Consolidated Statement of Cash Flows for the year ended 31 December 2016	40
New Zealand Catholic Education Office Limited Notes to the Consolidated Financial Statements for the year ended 31 December 2016.....	41
Independent Auditor's Report to the Shareholders of New Zealand Catholic Education Office Limited	55
Directory.....	58

REPORT FROM THE CHAIRPERSON OF THE COMPANY TO THE SHAREHOLDERS OF NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED FOR THE YEAR ENDED 31 DECEMBER 2016

INTRODUCTION

The year saw a number of positive new developments, along with consolidation occurring in a number of areas, which overall led to a successful set of outcomes for Shareholders.

NZCEO Limited continues to serve the Proprietors of the nation's Catholic schools. The Board of the New Zealand Catholic Education Office continues to work towards the 2020 Beacon Plan while at the same time reviewing and preparing a new Strategic Plan to take it through the transition of leadership. Catholic schools have much to celebrate, along with the challenges that have had to be addressed at national, regional and local levels.

RELATIONSHIPS WITH GOVERNMENT

NZCEO continues to work closely with the Minister of Education, the Hon Hekia Parata, and her department in matters affecting integrated schools. The Minister welcomes our submissions and is responsive to our concerns.

The Minister has continued to work with the new CEO in the same engaged manner as she did with our retiring CEO. We retain our excellent relationship with government.

Opposition Labour Party Spokesperson for Education, the Hon Chris Hipkins, has also understood our position and is supportive of it.

UPDATING THE 1975 PRIVATE SCHOOLS CONDITIONAL INTEGRATION ACT

In April the Minister indicated that she wanted to update the Act and subsume it into the Education Amendment Bill.

NZCEO is well aware that the current legislation has served us well over the past 40 years and has proved a good legal framework to guide our relationship with government.

The Board charged the CEO with protecting the current provisions of the Act while working with the Minister to maintain our relationship and to explore opportunities for settling some of the issues that have proved difficult to resolve in the past.

After detailed negotiation and strong legal advice, a Memorandum of Understanding was signed by the Secretary for Education and the CEO.

The Memorandum of Understanding contained a number of clauses which continue to assure us of the government's intention with this new legislation.

Significant work was done to engage with the full group of APIS Proprietors to ensure that everyone was able to have input, and to come on board with the proposed changes.

Detailed representations were also made to the Parliamentary Select Committee in November 2016 and at the start of 2017.

POLICY ONE AND POLICY TWO CHANGES

Following representation from NZCEO and APIS new rates were advised in November 2016.

The new rates for Policy One funding reflect the increases in costs to schools in managing their property.

The new rate for Policy Two funding is aligned with costs met by the Ministry of Education in building new schools and classrooms in New Zealand.

As part of the Memorandum of Understanding signed in 2016, integrated schools will now be guaranteed 85% of Policy Two money on new builds approved by the Ministry of Education. This will go a long way towards assisting Proprietors to meet the costs of expanding their school network and thus meet the needs of the diocesan communities.

QUANTITY FUNDING

For some time NZCEO has been involved in negotiations with the Minister and the Ministry in relation to our claim for Quantity Funding.

Despite various groups arriving at an agreement in principle which entitles integrated schools to that funding stream from now on, no settlement has yet been reached in respect of past claims.

In 2016, during discussions with the government over the revision of the 1975 Private Schools Conditional Integration Act, an opportunity was presented to bring the Quantity Funding negotiations to a conclusion.

Detailed talks have taken place with both the Minister and the Ministry and a paper for settlement has been taken to Cabinet.

The Board is hopeful that this matter can be successfully concluded in 2017.

ACCOLADES FOR OUR SCHOOLS

During the year various publications delivered good news stories about our schools' education outcomes. There were two standout accolades for the Catholic school system:

McAuley High School, Otahuhu won the Prime Minister's Supreme Award and the Award for Excellence in Engaging.

On 31 December 2016 the New Year Honours Awards were announced, with Georgina Kingi receiving a DNZM for services to Māori and to education. Dame Georgina has been the principal of St Joseph's Māori Girls' College, Taradale since 1987, having joined the school as a teacher in 1969. She was herself educated at St Joseph's.

Our schools continue to have a positive impact on their communities. Government and Ministry personnel cite their successes and their commitment to the youth of New Zealand. This recognition is a tribute to the work of Bishops, other Proprietors, Boards of Trustees, principals, teachers and students.

THE SHAREHOLDERS' MASTER AGREEMENT

During 2016 two Proprietors indicated that they were considering withdrawing from the Shareholders' Master Agreement because of the pressure they faced with managing Policy One money and the need to undertake significant earthquake strengthening which exceeded their Policy One funds.

The NZCEO executive has worked closely with the Proprietors to help navigate their challenges and to provide every support for their continued participation as shareholders.

The executive remains hopeful that all Proprietors will stay in the Scheme, and that the principle of the Common Good, which underpins all the work of NZCEO, will remain the abiding mantra for all our schools and their Proprietors. Managing affordability for Catholic families is at the heart of all our work.

NEW ZEALAND CATHOLIC BISHOPS CONFERENCE REPORTING

The CEO has reported twice to NZCBC during this financial year.

Advising NZCBC of the implications of updating the Private Schools Conditional Integration Act has been at the centre of both reports.

The CEO was able to assure NZCBC that the legal protection within the Memorandum of Understanding preserved their interests as Proprietors.

In April NZCBC agreed to raise the Attendance Dues levy by 3% as a reflection of the rise in the Building Cost Index.

NEW SCHOOLS AND SCHOOL GROWTH

Work began on Holy Trinity Catholic School at Takanini in Auckland, due to open at the start of 2017.

Growth in Holy Family School, Wanaka resulted in the funding of three new classrooms under Policy Two. Building of this extension should be completed in 2017.

Negotiation and planning for new schools continue to centre around other areas of growth:

- Drury (secondary school)

- Hamilton (primary)

- Papamoa (primary)

All of these initiatives will hopefully receive Policy Two funding. It is important to establish new schools at times which fit in with the government's requirement to provide additional capacity in specific geographic locations.

The government has indicated a significant increase for Policy Two funding from December 2016. The rate will increase from \$185,000 per room to \$299,000. The Board appreciates that this is a much better reflection of the actual costs of new builds.

CAPITAL LOAN MONEY

The Board has made interim plans to release another \$20 million of capital for the upgrading and development of schools in 2018. Initial consultation has begun with Proprietors.

Discussion with Proprietors about the appropriation of the capital fund will take place early in 2017.

STRATEGIC PLANNING

With the appointment of a new CEO, much reflection has taken place about the work and focus of the Office, as a way of understanding the expectations of Shareholders.

The new plan developed in 2016, for adoption in 2017, puts a stronger emphasis on supporting school leaders, formation of staff and finding ways to evangelise through our schools.

INVESTING IN EDUCATIONAL SUCCESS

NZCEO has supported and encouraged schools to form Communities of Learning (COLs). During 2016 the participation of Catholic Integrated Schools in COLs was reported to the Board. By the end of 2016 all dioceses had schools engaging in these Communities. Some dioceses were leading the sector and forming faith-based Communities.

The largest Community of Learning in New Zealand, with 8000 students, is a faith-based Community in Auckland.

Participation in a Community of Learning is important for schools to enable them to access Ministry support systems in the future, and NZCEO encourages schools to be active in this process.

TECHNOLOGY INITIATIVES

Early in 2016 NZCEO recognised that the portal known as New Zealand Catholic Schools Online would not meet the needs of teachers and school communities as it had been superseded by other initiatives in Communities of Learning and social media.

As part of the strategic thinking being undertaken by the new CEO, plans were made to provide a range of networking solutions to teachers beginning in 2017. These will include a video conferencing facility, website upgrade, communications review and some use of Facebook.

TRANSITION OF CEO

During the first three months of 2016, Sir Brother Pat Lynch, KNZM transferred his leadership to the new CEO, Paul Ferris, QSM.

At a function in March, Minister Hekia Parata, Cardinal John Dew, the Reverend Sue Fordyce of APIS and myself as Chairperson thanked Pat for his 22-year leadership of NZCEO, and his achievements during that time.

Pat has left an enormous legacy through his leadership and advocacy for Catholic schools. Catholic education has developed enormously under his leadership, and the Board expresses our very deep gratitude to him.

Paul Ferris has been CEO from April 2016.

STAFFING OF NZCEO

In September the CEO undertook a review of staffing in the Office to align it with the strategic needs of the Office in the future.

One support position was disestablished and two others have reduced hours.

Staff were supportive and involved in planning for the future.

In September Donna Campbell, our long-serving Financial Controller, tendered her resignation. Donna gave wonderful service to the Office for 12 years. She was suitably acknowledged by the Board and staff at her farewells.

The new Financial Controller is Heather Richardson. Heather comes from a strong audit background and readily assumed the role and responsibilities that Donna had.

After considering the strategic needs of the Office it was decided not to appoint another Office Manager but to realign this position with the outputs needed to meet the expectations of the Shareholders.

A new position of Project Manager and Policy Analyst was created with a strong emphasis on data and service delivery around formation and leadership support.

At the start of 2017 Siobhan Dilly took up this role.



APPRECIATION

As Chairperson I extend my sincere gratitude to my fellow Board members who bring wide experience and expertise to their role of ensuring our nation's Catholic schools deliver the authentic, quality education which our Bishops, other Proprietors and the Church community legitimately expect.

It is encouraging to have the support and good will of Shareholders as a continuously changing set of challenges comes before the Board. The Board is grateful for this.

Gratitude is also extended to our CEO, Paul Ferris, and the wonderful staff of the Office who go well beyond the call of duty in what they deliver for all of us and our schools.

A handwritten signature in blue ink that reads "Geoffrey Ricketts". The signature is written in a cursive, flowing style.

Geoffrey Ricketts
CHAIRPERSON

REPORT ON THE OUTPUTS OF NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED

A. INTRODUCTION

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

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

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

B. 2016 BUSINESS PLAN OUTPUTS

1 Relationships with Shareholding Stakeholders

Strategic Plan Implementation

- The Strategic Plan priorities for 2016 were actioned.
- A report on the Office's 2016 Business Plan was published on the Office's website and is available for public viewing.
- An unexpected piece of work, not foreseen in planning for 2016, was the revision of the Private Schools Conditional Integration Act, and its transition into the Education (Update) Amendment Bill. This required substantial work over much of the year

Serving the Board of Directors, Shareholders and Stakeholders

- A number of meetings took place with senior members of diocesan offices.

Strength and Development of Special Character in Schools

- The Office continued its range of publications to support Special Character. A range of examples of good practice have been highlighted in these publications.

- The Office provided reports and advice to the New Zealand Catholic Bishops Conference, in particular when attending the formal Conference meetings.
- The Office continued its interaction with Caritas Aotearoa New Zealand, with which it has a Memorandum of Understanding. The Office promoted Caritas resources to schools, and publicised work that Caritas does.
- The Office continued to work with The Catholic Institute, in particular with the National Centre for Religious Studies (NCRS), on a range of matters including digital communications with school leaders. It is expected that this work will further develop during 2017.
- The review of the Catholic Character Review and Development process continued. The NZCBC gave permission for two trial reviews to be held using the new draft, and these reviews provided much valuable information for further improving the draft.

NZCEO Finance Limited

- NZCEO Finance Limited administers the National Attendance Dues and Capital Indebtedness Sharing Scheme and the Catholic Education Trust Fund. Both entities continue to operate effectively.
- Quarterly financial reports are sent to Proprietor finance personnel.
- Two property and finance meetings took place with Proprietors and Proprietor's agents, to discuss current issues.

Long-Term Viability of Catholic Schools

- Long-term planning and negotiations with the Ministry of Education continued in relation to Catholic schools in areas of growing population. This focused on four proposed new schools, and on relocation and expansion of existing schools.
- The Ministry also initiated discussion relating to areas of declining rolls and small integrated schools in urban areas.
- The Office continued to negotiate with government regarding an enhanced funding stream for specific capital works. While this took longer than expected, by the end of the year the work was

considerably advanced, with notice that the per-classroom rate of funding is to be substantially increased.

- Detailed discussion took place around the preparation of a ministerial bid to Cabinet with respect to Quantity Funding. The Minister of Education remains strongly committed.
- The Office has continued to stress the importance of Catholic schools establishing Communities of Learning, which are an important initiative in the strengthening of quality education. Catholic schools have continued to negotiate to establish Communities of Learning.

2 Relationships with First Tier Stakeholders

Collaboration

- The Office continued its regular interactions with diocesan education office personnel and the administration departments in each diocese. Office personnel continued to attend Proprietor, Trust Board and Company meetings, to share information and provide updates on the operations of NZCEO Finance Limited.
- As usual, groups of teachers, trustees, parents and Church organisations were met with in order to engender support and enthusiasm for Catholic schools and their mission in the life of the Church. The CEO visited nine integrated schools during the year. He also formally addressed a number of gatherings, including diocesan conferences.
- A Memorandum of Understanding was established with the Catholic Enquiry Centre. The Office assisted the Centre with the preparation of cards for all schools, to go in enrolment packs, to support the continuing evangelisation of families.
- Several teleconference briefings were held with Proprietors, to familiarise them with the proposed updating of the Private Schools Conditional Integration Act.
- The Office continues to work to promote greater collaboration between parishes and schools. With the support of the Bishops, an initiative was put in place to ensure that this will receive increased attention in Catholic Character reviews from 2017 onwards.

- The Handbook for the Boards of Trustees of New Zealand Catholic Integrated Schools underwent major revision and reformatting. It was distributed to diocesan offices, who undertake its dissemination to schools, shortly after the triennial Boards of Trustees elections.
- The Office has continued to place information on the NZCEO website and the APIS website, and to publicise the availability of this material. By the end of 2016 planning was in place to start revamping the websites in 2017.
- Quarterly reports were sent to Proprietors' Appointees on Boards of Trustees, and they have been encouraged to share these with their boards.
- The triennial Catholic Schools Day was held on 16 May 2016. A large number of schools participated, many of them joining together in celebration of Catholic education.
- Initial planning for the 2018 Catholic Education Convention took place, with the signing of contracts for that event, and the identification of international keynote speakers.
- A response was provided to the Vatican's Survey for the Dicastery on Catholic Schooling. The national information provided by the Office will be used in the preparation of a global report on Catholic education.

Association of Proprietors of Integrated Schools

- A range of services sought by the wider integrated schools sector continued to be delivered, with an emphasis on meetings to address specific Proprietor issues. Such meetings were often on-site. The Office continues to work closely with Executive Officers and school bursars, which is beneficial to Proprietors.
- Two regional meetings of Proprietors took place. This completed the nationwide set of meetings commenced in 2015.
- As usual, the Office responded to many individual enquiries on matters to do with integrated schools, including enquiries from overseas teachers hoping to teach in New Zealand's integrated schools.
- While the Religious Studies Teachers Association is no longer the responsibility of NZCEO, it is pleasing to note that after considerable hard work from the interim executive, the

Association was officially launched in November 2016. NZCEO continues to take an interest in the Association.

- As noted earlier, an unexpected piece of work was the revision of the Private Schools Conditional Integration Act, and its transition into the Education (Update) Amendment Bill as Section 33. This was requested by the Minister of Education, and a Memorandum of Understanding on the process was signed by the CEO and the Secretary for Education. Substantial work occurred over much of the year, involving reshaping the wording of the PSCI Act and providing analysis of the wording of Section 33. The new section has the same security built into it ('This Section shall bind the Crown') as was previously provided in the PSCI Act.
- The Christchurch Proprietors' second application to government for special funding to support the property upgrade work required post earthquake was successful in the 2016 Budget, and in the second half of the year the Office worked with the Proprietors and the Ministry of Education on the development of parameters for funding. Applications were sought for the money allotted, with allocation of funding announced by the end of 2016. It remains to be seen whether further funding will be made available in the 2017 Budget.

3 Relationships with Second Tier Stakeholders

Relationship with Government

- Staff of the Office continued to interact with the Minister of Education and other government ministers on a range of issues, including buildings and finance, to foster beneficial results for integrated schools.
- Senior politicians from the major parties were met with, to ensure that the role and needs of integrated schools were understood.
- The CEO continued as a member of the Minister of Education's National Education Cross-Sector Forum. He also took part in high-level discussions on the Funding Review.

Ministry of Education

- Frequent meetings continued to take place with the Secretary for

Education and senior Ministry of Education officials to improve outcomes for Catholic and other integrated schools.

- Policy development and specific actions took place in a wide range of areas, including the following:
 - legal issues
 - liaison involving schools experiencing a range of difficulties
 - property matters
 - agreement that all Integration Agreements will require a Supplementary Agreement stating that 85% of Quantity Funding provided by government to state schools will be provided to integrated schools
 - agreement that MOE and APIS will cooperate to trial a new format for Integration Agreements.

Education Review Office

- One meeting with senior staff of the Education Review Office took place, in order to maintain contact on matters specific to integrated schools.
- Schools received an individual letter from the CEO, in response to their ERO school report.
- ERO national reports continue to be publicised.

New Zealand Qualifications Authority

- Informal contacts were maintained with NZQA.

Education Council of Aotearoa New Zealand

- Office staff worked with staff from Catholic Schools Education Services Wellington and the Education Council to develop a document which the Council supported, providing Special Character expectations to be included in the Practising Teacher Criteria.
- Conversations were initiated on the provision of appropriate training for teachers in integrated schools.
- The CEO participated in two Education Council workstreams, relating to Teacher Conduct and Teacher Standards. That work is ongoing.

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

February	<ul style="list-style-type: none"> • Two submissions to the New Zealand Education Council on the proposed ECANZ Rules 2016 • Submission to the Education and Science Committee on the Education Legislation Bill, on local body charges • Education Council Initial Teacher Education meeting
March	<ul style="list-style-type: none"> • Attendance at Education and Science Committee hearing
April	<ul style="list-style-type: none"> • Meetings with Ministry of Education on proposed changes to the PSCI Act • Deputy Prime Minister's Data Hui
May	<ul style="list-style-type: none"> • Ministerial briefing on the 2016 Budget • Response to the Secretary for Education on the Heads of Agreement covering proposed changes to the PSCI Act and other matters
August	<ul style="list-style-type: none"> • Meetings with Ministry of Education on the Education (Update) Amendment Bill
September	<ul style="list-style-type: none"> • National Excellence in Teaching Awards • UNESCO 2016 Global Education Monitoring Report • CIBSA (integrated schools' buildings) meeting in Christchurch
November	<ul style="list-style-type: none"> • Submission to the Science and Education Select Committee on the Education (Update) Amendment Bill • Submission to the Science and Education Select Committee on the Education (Update) Amendment Bill – Schedule Two • Australian principals sabbatical group • Deputy Prime Minister's Data Hui

D. OTHER ACTIVITIES OF THE OFFICE

1. Ongoing Involvement with Consultative and Reference Committees

Participation in the following committees occurred on a regular basis:

- Ministry of Education Regional Property Forum
- Ministry of Education Senior Staff Property Policy Group
- Ministry of Education Professional Learning and Development Implementation Reference Group
- Ministerial Cross-Sector Forum for Leaders
- Ministry of Education Schools Property Reference Group
- Ministry of Education Tracking Meetings (monitoring progress of site plan updates and maximum roll applications)
- Ministry of Education Health and Safety Reference Group
- Ministry of Education Technical Development Group
- Rural Education Reference Group
- Police/Education Partnership
- Children's Action Plan and Vulnerable Children Act implementation working group

2. Political Contacts

Communications took place with government and two other political parties.

3. Ongoing Liaison with Sector Groups

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

- New Zealand Principals' Federation
- Secondary Principals' Association of New Zealand
- PPTA Principals' Council
- NZEI Principals' Council
- New Zealand Education Institute Te Riu Roa
- Post Primary Teachers' Association

- New Zealand School Trustees Association
- Early Childhood Association of New Zealand
- Independent Schools of New Zealand
- Tertiary Education Commission
- Office of the Commissioner for Children
- Te Kura – The Correspondence School
- New Zealand Council for Education Research
- Parent Teacher Association of New Zealand
- New Zealand Police National Headquarters

4. Wider Educational Engagement

- Low-level involvement continued with the New Zealand National Commission for UNESCO. NZCEO Limited is a registered cooperating body with the New Zealand National Commission for UNESCO. As noted above, the Office participated in the launch of the UNESCO 2016 Global Education Monitoring Report.

5. International Education Connections

- Communications continued with leaders of Catholic education in Australia who were seeking detailed information on the way the New Zealand Catholic schooling system works. Personnel from Western Australia and South Australia visited the Office for briefings.
- Contact was made with Catholic Schools Youth Ministry Australia (CSYMA) to explore ideas for evangelisation and formation of secondary school students.
- As of 1 July 2016 there were 833 foreign fee-paying students in Catholic schools, compared with 759 in 2015.

6. Public Relations and Educational Debate

- The CEO worked with media to clarify Office positions on educational matters, where appropriate. He provided a positive response to news stories and media inquiries involving education issues.
- The CEO wrote four blogs contributing to the education debate within New Zealand, and two media statements were released.

7. Supporting Catholic Schools, Principals and Trustees

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

Collaboration with Primary and Secondary Schools

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

Māori Boarding Schools

- Difficulties at one of these schools were addressed with their Proprietors and the Ministry of Education.
- At the end of 2016, in the New Year Honours List 2017, the principal of St Joseph's Māori Girls' College, Taradale, Dame Georgina Kingi, was made a Dame Companion of the New Zealand Order of Merit for services to Māori and education. She is warmly congratulated.

Publications

- *The Lighting New Fires* newsletter was published five times, the *Good News and the News* broadsheet of good practice was published twice, and *Aoraki*, the publication for senior management in schools, was published twice. The Catholic Early Childhood newsletter was published four times. The Office estimates that these publications reach some 20,000 readers.

Business Partnerships

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

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

Collaborative action occurred on a range of matters, including:

- the work of the Religious Studies Teachers Association
- relationship building with the new Director of NCRS, leading to planning for new joint projects
- meetings with the Director of The Catholic Institute, focusing on joint strategic thinking.

9. Administration

- The majority of the Office's communications are now electronic. The administration staff number has been reduced by one.

10. NZCEO and APIS Websites

- Plans began to be developed for major updating and revision of both websites.

E. CONCLUSION

- The reputation of Catholic schools in New Zealand continues to be excellent. This is due to the leadership and energetic efforts of many individuals who govern and lead schools. Proprietor administrative systems that support schools also function effectively.
- The requirements of the Shareholders of the Company, our Bishops and other Proprietors, continue to be the highest priority for the work of the Board and the Office.
- At a day-to-day level, the Board and the Office have worked assiduously to meet the requirements and expectations of the country's 237 Catholic schools, their trustees, principals, teachers, students, parishes and the wider community.
- Gratitude is expressed to Geoffrey Ricketts, the Chairperson of NZCEO Limited, and his fellow Directors for their generosity in leading the national Catholic school system.



- Gratitude is expressed to the New Zealand Catholic Bishops and their fellow Proprietor Shareholders, along with their agents, for their support and goodwill during the year.
- Gratitude is also expressed to the staff of the Office for their dedication and commitment to serving all those involved with the country's Catholic schools.

A handwritten signature in blue ink, appearing to read 'Paul Ferris', with a large flourish at the top.

Paul Ferris

CHIEF EXECUTIVE OFFICER

NEW ZEALAND'S CATHOLIC SCHOOLS

There are 237 Catholic schools throughout New Zealand; 49 of these are secondary.

Auckland	Diocese	58
Hamilton	Diocese	33
Palmerston North	Diocese	36
Wellington	Archdiocese	47
Christchurch	Diocese	35
Dunedin	Diocese	28

Nationally, there were 66,460 students in Catholic schools in July 2016. Regional breakdown of students as of July 2016:

Auckland	Diocese	10,898	Primary
		13,626	Secondary
Hamilton	Diocese	5,582	Primary
		4,164	Secondary
Palmerston North	Diocese	4,236	Primary
		3,293	Secondary
Wellington	Archdiocese	6,412	Primary
		4,944	Secondary
Christchurch	Diocese	4,440	Primary
		3,725	Secondary
Dunedin	Diocese	2,793	Primary
		2,347	Secondary
Total		66,460	July Total

AUCKLAND

Colleges

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

Primary Schools

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

Holy Cross Catholic School,
Henderson
Holy Cross School, Papatoetoe
Marist Primary School, Mt Albert
Marist Catholic School, Herne Bay
Monte Cecilia School, Hillsborough
Mt Carmel Primary School,
Meadowbank
Our Lady of the Sacred Heart
School, Epsom
Our Lady Star of the Sea School,
Howick
Pompallier Catholic School, Kaitiāia
Stella Maris School, Silverdale
Sancta Maria Catholic Primary
School, Flat Bush
St Anne's Catholic School, Manurewa
St Dominic's Catholic School,
Blockhouse Bay
St Francis Catholic School, Pt
Chevalier
St Francis School, Thames
St Francis Xavier Catholic School,
Whangarei
St Ignatius Catholic School, St
Heliers
St John the Evangelist Catholic
School, Otara

St John's School, Mairangi Bay
St Joseph's Catholic School,
Dargaville
St Joseph's School, Grey Lynn
St Joseph's School, Onehunga
St Joseph's School, Orakei
St Joseph's School, Otahuhu
St Joseph's School, Pukekohe
St Joseph's Catholic School,
Takapuna
St Leo's Catholic School, Devonport
St Mark's Catholic School, Pakuranga
St Mary MacKillop Catholic School,
Mangere
St Mary's School, Avondale
St Mary's School, Ellerslie
St Mary's School, Northcote
St Mary's Catholic School, Papakura
St Michael's Catholic School,
Remuera
St Patrick's School, Panmure
St Paul's School, Massey
St Pius X Catholic School, Glen Innes
St Therese's School, Three Kings
Te Kura O Hato Hohepa te Kamura,
Waitaruke
Te Kura O Hata Maria O Pawaranga,
North Hokianga

HAMILTON

Colleges

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

Primary Schools

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

St Joseph's Catholic School,
Te Kuiti
St Joseph's School, Fairfield
St Joseph's School, Matamata
St Joseph's School, Matata
St Joseph's School, Morrinsville
St Joseph's School, Opotiki
St Joseph's School, Paeroa
St Joseph's School, Te Aroha
St Joseph's School, Waihi
St Joseph's School, Whakatane
St Mary's Catholic School,
Putaruru
St Mary's Primary School,
Gisborne

St Mary's School, Otorohanga
St Mary's School, Rotorua
St Mary's School, Tauranga
St Michael's School, Rotorua
St Patrick's School, Taumarunui
St Patrick's School, Taupo
St Patrick's School, Te Awamutu
St Paul's Catholic School,
Ngaruawahia
St Peter Chanel School, Te Rapa
St Peter's Catholic School,
Cambridge
St Pius X School, Melville
St Thomas More School,
Mt Maunganui

PALMERSTON NORTH

Colleges

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

Primary Schools

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

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

WELLINGTON

Colleges

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

Primary Schools

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

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

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

CHRISTCHURCH

Colleges

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

Primary Schools

Christ the King School, Burnside
New Brighton Catholic School,

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

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

DUNEDIN

Colleges

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

Primary Schools

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

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

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

REPORT OF THE DIRECTORS OF NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED

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

- Geoffrey Ricketts (Chairperson)
- Jenny Gordon
- Bishop Stephen Lowe
- Bishop Charles Drennan
- John Gallaher (Deputy Chairperson)
- Michael Hanaray
- Virginia Noonan
- Stephen Grey

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

Nature of the Company Business

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

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

Auditor

Deloitte

Solicitor

Shanahan Law

Company Number

WN/1042025

Registered Office

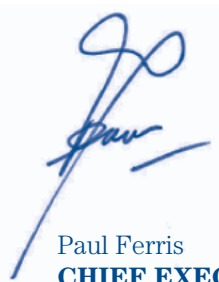
New Zealand Catholic Education Office Limited, PO Box 12307, Wellington 6144

Approval of Financial Statements by Directors

The Directors of New Zealand Catholic Education Office Limited are pleased to present the group financial statements for the year ended 31 December 2016.



Geoffrey Ricketts
CHAIRPERSON




Paul Ferris
CHIEF EXECUTIVE OFFICER

For and on behalf of the Board of Directors, 24 February 2017

**GROUP FINANCIAL STATEMENTS FOR NEW ZEALAND
CATHOLIC EDUCATION OFFICE LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2016**

These group financial statements have been prepared by New Zealand Catholic Education Office Limited and they fairly reflect the consolidated financial position and the activities of the Office and its subsidiary for the 12-month period ended 31 December 2016.

A handwritten signature in blue ink, appearing to read 'Paul Ferris', is positioned above the printed name and title.

Paul Ferris
CHIEF EXECUTIVE OFFICER

24 February 2017

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED CONSOLIDATED STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2016

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

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

The consolidated financial statements comprise the financial statements of New Zealand Catholic Education Office Limited and its wholly-owned subsidiary NZCEO Finance Limited ('the Group') for the year ended 31 December 2016. The consolidated financial statements were authorised for issue by the Directors on 24 February 2017.

Basis of Preparation

NZCEO Limited is a reporting entity for the purpose of the Financial Reporting Act 2013 and these financial statements comply with that Act.

NZCEO Limited is a not-for-profit (NFP) public benefit entity (PBE) for the purposes of financial reporting.

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice ('NZ GAAP'). These are the first financial statements presented in accordance with Tier 2 PBE Standards RDR (NFP) and all disclosure concessions have been applied, except for disclosure concessions in relation to financial instruments. The Group has elected to report under Tier 2 as it is not publicly accountable and not large as defined in the Accounting Standards Framework for PBEs issued by the External Reporting Board.

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

Going Concern

The going concern assumption has been adopted by the Directors, given the reasonable expectation that the Group will have adequate resources to continue operations for the foreseeable future. Consideration was given to the following factors:

- Financial modelling for the Scheme, which includes forecast attendance dues and debt servicing, shows that the Scheme will generate sufficient cash flows to support all debt servicing obligations, including repayment of the loan from NZCEO Finance.
- The receipt of attendance dues is subject to an underwrite from the Catholic Bishops of the five participating dioceses.
- A Letter of Financial Support has been received from the Catholic Education Trust Fund to enable NZCEO Finance to meet its cash flow commitments should it be required.
- Directors have reviewed all the assumptions in the financial model and are satisfied that the going concern assumption can be applied.

Accounting Policies

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

Basis for Preparing Consolidated Financial Statements

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

Property, Plant and Equipment

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

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

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

	Life in Years	Straight Line Depn Rate
Computer hardware	3	33.3%
Office equipment	4–10	10%–25%
Furniture	13	7.5%

Intangibles

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

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

Intangibles are amortised over a three-year period at a straight line rate of 33.3%.

Trade and Other Receivables

Trade and other receivables are stated at cost less impairment losses, if any.

Impairment

The carrying amounts of the Group's assets are reviewed at each balance date to determine whether there is any indication of impairment. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the asset, the estimated future cash flows of the asset have been impacted. If any such indication exists, the assets recoverable amount is estimated.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in the Consolidated Statement of Comprehensive Income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed. The extent of the impairment loss reversal is limited to what the amortised cost would have been had the impairment not been recognised.

Financial Instruments

The Group is party to financial instruments as part of its day-to-day operations. These include bank accounts, investments, receivables, payables and loans. All financial instruments are recognised in the Consolidated Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the Consolidated Statement of Comprehensive Income.

All financial instruments are shown at fair value on initial recognition. Subsequent to initial recognition financial assets are measured at amortised cost using the effective interest method less impairment, if any.

The Group does not enter into any off balance sheet transactions or use derivative financial instruments.

Financial Assets

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

Capital Risk Management

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

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

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

The Group has no target gearing ratio.

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

Financial Liabilities

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

Provisions

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

Deferred Financing and Development Costs

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

Trade and Other Payables

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

Employee Entitlements

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

Income

The Group receives levies from the Proprietors of schools integrated under the Private Schools Conditional Integration Act 1975. Income is recognised on an accrual basis and is considered to be exchange revenue.

Interest Income

Interest income is recognised as the interest accrues to the net carrying value of the financial asset. Interest is recorded at gross value as determined using the effective interest method and is considered to be exchange revenue. The Group does not attract resident withholding tax.

Interest Expense

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

Operating Lease Payments

Operating lease payments, where the lessors effectively retain substantially all of the risks and benefits of ownership of the leased items, are recognised

as an expense in the Consolidated Statement of Comprehensive Income on a straight line basis over the term of the lease.

Goods and Services Tax ('GST')

These financial statements have been prepared on a GST exclusive basis; any GST due or owing is recorded in the Consolidated Statement of Financial Position.

Charitable Status and Income Tax

NZCEO Limited and NZCEO Finance were registered as charitable entities with the Charities Commission in 2008.

Registration confirmed NZCEO Limited's and NZCEO Finance's charitable status and exemption from income tax; accordingly, no charge for income tax has been provided for.

Changes in Accounting Policies

There have been no changes in accounting policy for the year ended 31 December 2016.

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Note	Group 2016 \$	Group 2015 \$	Company 2016 \$	Company 2015 \$
EQUITY					
Share capital	1	98,888	98,888	98,888	98,888
Convention reserve	22	71,096	71,096	71,096	71,096
Retained earnings		553,774	589,430	314,203	327,155
TOTAL EQUITY		\$723,758	\$759,414	\$484,187	\$497,139
CURRENT ASSETS					
Cash and cash equivalents	2	350,124	754,890	8,910	31,364
Term deposits	3	489,033	525,241	489,033	525,241
Trade and other receivables	4	23,697	10,853	23,697	9,795
Prepayments	5	16,318	1,726	16,318	1,726
Current portion: loans to Participating Proprietors	7	1,135,461	1,122,859	-	-
Total Current Assets		2,014,633	2,415,569	537,958	568,126
NON-CURRENT ASSETS					
Property, plant and equipment	8	15,252	17,946	15,252	17,946
Intangibles	9	-	-	-	-
Loan to National Attendance Dues and Capital Indebtedness Sharing Scheme	6	13,203,922	16,556,250	-	-
Non-current portion: loans to Participating Proprietors	7	23,564,544	26,300,236	-	-
Total Non-Current Assets		36,783,718	42,874,432	15,252	17,946
TOTAL ASSETS		38,798,351	45,290,001	553,210	586,072

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

	Note	Group 2016 \$	Group 2015 \$	Company 2016 \$	Company 2015 \$
CURRENT LIABILITIES					
Trade and other payables	10	94,273	119,508	69,023	88,933
Deferred financing and development costs	11	31,615	30,850	-	-
Loan from Catholic Education Trust Fund	13	19,468,643	23,022,701	-	-
Loan from Bank of New Zealand	7,12	1,000,000	1,000,000	-	-
Total Current Liabilities		20,594,531	24,173,059	69,023	88,933
NON-CURRENT LIABILITIES					
Loan from Bank of New Zealand	7,12	17,480,062	20,357,528	-	-
Total Non-Current Liabilities		17,480,062	20,357,528	-	-
TOTAL LIABILITIES		38,074,593	44,530,587	69,023	88,933
NET ASSETS		\$723,758	\$759,414	\$484,187	\$497,139

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

These accounts were authorised for issue by the Board on 24 February 2017.

For and on behalf of the Board



Geoffrey Ricketts
CHAIRPERSON
24 February 2017



Michael Hanaray
DIRECTOR
24 February 2017

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Group 2016 \$	Group 2015 \$	Company 2016 \$	Company 2015 \$
INCOME					
From exchange transactions:					
Proprietors' levies		756,765	743,326	756,765	743,326
Convention 2015		-	525,707	-	525,707
Cost recoveries	14	28,846	180,372	96,966	96,153
Interest	15	2,699,261	3,512,087	17,075	20,078
Sale of publications		19,733	9	19,733	9
Other income		500	-	500	-
From non-exchange transactions:					
Sponsorship - publications		31,051	38,729	31,051	38,729
TOTAL INCOME		3,536,156	5,000,230	922,090	1,424,002
EXPENDITURE					
ACC levies		1,213	1,533	1,213	1,533
Audit fee		35,050	33,975	9,275	8,400
Administration	16	43,273	46,746	41,831	46,746
Amortisation of intangible assets	9	-	37	-	37
Bank charges		1,278	1,521	670	838
Convention 2015		-	503,196	-	503,196
Computer expenses		26,477	40,121	26,477	40,121
Computer hardware		5,623	8,876	5,623	8,876
Depreciation	8	3,259	6,899	3,259	6,899
Interest paid to Catholic Education Trust Fund		1,320,942	1,512,311	-	-
Interest paid to Bank of New Zealand		1,286,673	1,399,075	-	-
Legal and professional fees	17	183,976	37,520	182,646	26,555
Meetings - Proprietors	18	30,384	34,989	30,384	34,989
Motor vehicle	19	15,928	19,777	15,928	19,777
Other fees paid to auditors	17	-	-	-	-
Publications and promotions	20	29,750	18,412	29,750	18,412
Principals' Initiative	21	(3,458)	30,960	(3,458)	30,960
Rent		36,662	35,156	36,662	35,156
Salaries		529,703	577,475	529,703	577,475
Travel - Office		25,079	20,571	25,079	20,571
TOTAL EXPENDITURE		3,571,812	4,329,150	935,042	1,380,541
TOTAL COMPREHENSIVE (LOSS) INCOME		\$(35,656)	\$671,080	\$(12,952)	\$43,461

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

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED CONSOLIDATED MOVEMENTS IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

		Retained Earnings/ (Accumulated Deficits)	Convention Reserve (Note 22)	Share Capital	Total
		\$	\$	\$	\$
GROUP	Opening balance 1 January 2015	(59,139)	88,585	98,888	128,334
	Total comprehensive income	671,080	-	-	671,080
	Transfer (to)/from Reserves	(22,511)	(17,489)	-	(40,000)
	Balance at 31 December 2015	589,430	71,096	98,888	759,414
	Total comprehensive (loss) income	(35,656)	-	-	(35,656)
	Balance at 31 December 2016	\$553,774	\$71,096	\$98,888	\$723,758
		Retained Earnings	Convention Reserve (Note 22)	Share Capital	Total
		\$	\$	\$	\$
COMPANY	Opening balance 1 January 2015	306,205	88,585	98,888	493,678
	Total comprehensive income	43,461	-	-	43,461
	Transfer (to)/from Reserves	(22,511)	(17,489)	-	(40,000)
	Balance at 31 December 2015	327,155	71,096	98,888	497,139
	Total comprehensive (loss) income	(12,952)	-	-	(12,952)
	Balance at 31 December 2016	\$314,203	\$71,096	\$98,888	\$484,187

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

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Group 2016 \$	Group 2015 \$	Company 2016 \$	Company 2015 \$
OPERATING					
Cash received from proprietors		776,986	753,154	776,986	753,154
Cash received from related parties		28,846	180,372	96,966	96,153
Cash received from sponsors		26,102	38,729	26,102	30,379
Cash received from proprietors - Convention		-	429,694	-	429,694
Cash received from sponsors and exhibitors - Convention		2,500	47,520	2,500	55,870
Interest received		38,088	48,075	12,922	20,584
Interest received from Participating Proprietors and other related parties		1,708,739	2,366,960	-	-
Interest paid		(1,286,673)	(1,399,075)	-	-
Payments to suppliers		(456,555)	(333,632)	(423,898)	(305,858)
Payments to suppliers - Convention		(13,940)	(483,151)	(13,940)	(483,151)
Payments to employees		(535,735)	(575,561)	(535,735)	(575,561)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		288,358	1,073,085	(58,097)	21,264
INVESTING					
Loans made to Participating Proprietors		-	(800,062)	-	-
Loan repayments received		2,723,090	966,829	-	-
Purchase of capital assets		(565)	-	(565)	-
Proceeds from maturity/(Purchase) of term deposits		36,208	(27,251)	36,208	(27,251)
TOTAL CASH FLOWS FROM INVESTING ACTIVITIES		2,758,733	139,516	35,643	(27,251)
FINANCING					
Loan advances made to related parties		(19,274,391)	(14,449,318)	-	-
Loan advances received from related parties		18,700,000	13,950,000	-	-
Loan repayments made		(2,877,466)	(1,500,000)	-	-
Loan advances received		-	800,062	-	-
TOTAL CASH FLOWS FROM FINANCING ACTIVITIES		(3,451,857)	(1,199,256)	-	-
TOTAL CASH FLOWS		(404,766)	13,345	(22,454)	(5,987)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		754,890	741,545	31,364	37,351
CASH AND CASH EQUIVALENTS, END OF YEAR		\$350,124	\$754,890	\$8,910	\$31,364
BALANCE CONSISTS OF:					
Cash and cash equivalents	2	\$350,124	\$754,890	\$8,910	\$31,364

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

NEW ZEALAND CATHOLIC EDUCATION OFFICE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

	Group 2016 \$	Group 2015 \$	Company 2016 \$	Company 2015 \$
1. SHARE CAPITAL				
The Proprietors of Catholic integrated schools are the shareholders of NZCEO Limited. There are twenty-seven shareholders with one ordinary share each. The voting rights attached to each ordinary share are proportional to the number of schools under each shareholder (Proprietor). The shares have no par value.				
Fully paid in share capital	98,888	98,888	98,888	98,888
	\$98,888	\$98,888	\$98,888	\$98,888

2. CASH AND CASH EQUIVALENTS				
Bank Accounts				
ANZ	8,910	31,364	8,910	31,364
Bank of New Zealand	341,214	723,526	-	-
	\$350,124	\$754,890	\$8,910	\$31,364

3. SHORT-TERM DEPOSITS				
ANZ	\$489,033	\$525,241	\$489,033	\$525,241

Refer Note 7 for details of interest rates and maturities

4. TRADE AND OTHER RECEIVABLES				
From exchange transactions:				
Trade receivables	4,961	-	4,961	-
GST receivable	13,311	9,581	13,311	8,523
Accrued interest	5,425	1,272	5,425	1,272
	\$23,697	\$10,853	\$23,697	\$9,795
There have been no impairment losses during the year.				

	Group 2016 \$	Group 2015 \$	Company 2016 \$	Company 2015 \$
5. PREPAYMENTS				
Convention 2018	13,940	-	13,940	-
Course registrations and subscriptions	2,378	246	2,378	246
Travel paid in advance	-	1,480	-	1,480
	\$16,318	\$1,726	\$16,318	\$1,726

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

NZCEO Finance has on-lent funds to the Scheme to meet the shortfall between the attendance dues collected and the debt servicing commitments. This lending is at an interest rate of 5.5% for 2016 (2015 5.5%), reviewed annually with no specific date set for repayment.

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

(Repaid to)/Advanced by NZCEO Finance	(3,286,519)	1,014,090	-	-
Cumulative interest	16,490,441	15,542,160	-	-
	\$13,203,922	\$16,556,250	\$-	\$-

7. FINANCIAL INSTRUMENTS

a) Fair Values

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

b) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to NZCEO Finance.

NZCEO Finance has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Financial instruments which potentially subject NZCEO Finance to a concentration of credit risk consist principally of loans to Participating Proprietors and loans to the Scheme.

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

	2016 \$	2015 \$
Significant counterparty exposure is as follows:		
Christian Brothers loan	808,026	838,187
Dunedin Diocese loans	10,766,081	12,877,405
Hamilton Diocese loans	12,139,031	12,679,639
Marist Brothers Auckland loan	986,867	1,027,864
Total Proprietors' loans	24,700,005	27,423,095
Less current portion	(1,135,461)	(1,122,859)
	\$23,564,544	\$26,300,236

These loans are funded from the Bank of New Zealand ('BNZ') Term Loan Facility and have priority as per Note 7(f).

c) Liquidity Risk

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

d) Interest Rate Risk

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

e) Contractual Maturity Analysis

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

2016 Contractual Maturities							
Effective Interest Rate	0-6 months	6-12 months	1-2 years	2-3 years	3-4 years	4-5 years	5 years +
	\$	\$	\$	\$	\$	\$	\$
							Total
							\$
Cash	1.66%	350,124					350,124
Short-term deposits	3.30%	489,033					489,033
Trade and other receivables	0.00%	23,697					23,697
Loans to Participating Proprietors	6.65%	558,319	577,142	1,213,314	1,296,503	1,480,387	18,188,940
Loan to National Attendance Dues and Capital Indebtedness Sharing Scheme	5.50%						13,203,922
BNZ Term Loan	6.67%		(1,000,000)	(16,077,000)			(17,077,000)
BNZ Term Loan	6.70%		(603,000)				(603,000)
BNZ Term Loan	5.51%		(800,062)				(800,062)
Trade and other payables	0.00%	(94,273)					(94,273)
Loan from Catholic Education Trust Fund	5.50%		(19,468,643)				(19,468,643)
Total		\$1,326,900	(\$19,891,501)	(\$16,266,748)	\$1,296,503	\$1,480,387	\$31,392,862
							\$723,801

2015 Contractual Maturities								
Effective Interest Rate	0–6 months	6–12 months	1–2 years	2–3 years	3–4 years	4–5 years	5 years +	
	\$	\$	\$	\$	\$	\$	\$	
							Total	
							\$	
Cash	2.45%	754,890					754,890	
Short-term deposits	3.07%	525,241					525,241	
Trade and other receivables	0.00%	12,579					12,579	
Loans to Participating Proprietors	7.50%	552,122	570,737	1,199,848	1,282,117	1,370,023	1,463,958	
Loan to National Attendance Dues and Capital Indebtedness Sharing Scheme	5.50%						16,556,250	
BNZ Term Loan	6.67%				(170,770,000)		(170,770,000)	
BNZ Term Loan	4.57%		(1,000,000)	(1,000,000)	(877,466)		(2,877,466)	
BNZ Term Loan	6.70%				(603,000)		(603,000)	
BNZ Term Loan	5.51%				(800,062)		(800,062)	
Trade and other payables	0.00%	(150,358)					(150,358)	
Loan from Catholic Education Trust Fund	5.50%		(23,022,701)				(23,022,701)	
Total		\$1,694,474	(\$23,451,964)	\$199,848	(\$18,075,411)	\$1,370,023	\$1,463,958	\$37,540,540
f) Priority								\$741,468

The BNZ loans are secured against all current and future NZCEO Finance assets and registered first or second mortgages held over the properties listed in Note 12.

8. PROPERTY, PLANT AND EQUIPMENT

Group and Company				
	Computer Hardware \$	Office Equipment \$	Furniture \$	Total \$
Cost				
Balance at 1 January 2015	43,834	9,934	60,737	114,505
Additions	-	-	-	-
Disposals	(15,499)	-	-	(15,499)
Balance at 31 December 2015	28,335	9,934	60,737	99,006
Additions	-	-	565	565
Disposals	-	-	-	-
Balance at 31 December 2016	28,335	9,934	61,302	99,571
Accumulated depreciation and impairment				
Balance at 1 January 2015	41,547	8,687	39,426	89,660
Depreciation expense	2,223	1,247	3,429	6,899
Disposals	(15,499)	-	-	(15,499)
Balance at 31 December 2015	28,271	9,934	42,855	81,060
Depreciation expense	64	-	3,195	3,259
Disposals	-	-	-	-
Balance at 31 December 2016	28,335	9,934	46,050	84,319
Net book value				
At 31 December 2015	\$64	\$-	\$17,882	\$17,946
At 31 December 2016	\$-	\$-	\$15,252	\$15,252

9. INTANGIBLES

Group and Company			
	Computer Software \$	Systems Development \$	Total \$
Cost			
Balance at 1 January 2015	1,967	5,200	7,167
Additions	-	-	-
Disposals	-	-	-
Balance at 31 December 2015	1,967	5,200	7,167
Additions	-	-	-
Disposals	-	-	-
Balance at 31 December 2016	1,967	5,200	7,167
Accumulated amortisation and impairment			
Balance at 1 January 2015	1,930	5,200	7,130
Amortisation expense	37	-	37
Disposals	-	-	-
Balance at 31 December 2015	1,967	5,200	7,167
Amortisation expense	-	-	-
Disposals	-	-	-
Balance at 31 December 2016	1,967	5,200	7,167
Net book value			
At 31 December 2015	\$-	\$-	\$-
At 31 December 2016	\$-	\$-	\$-

	Group 2016 \$	Group 2015 \$	Company 2016 \$	Company 2015 \$
10. TRADE AND OTHER PAYABLES				
From exchange transactions:				
Trade payables	71,138	92,841	45,888	62,266
PAYE payable	-	-	-	-
Monies received in advance	2,500	-	2,500	-
Employees' salary and holiday pay liability	20,635	26,667	20,635	26,667
	\$94,273	\$119,508	\$69,023	\$88,933

11. DEFERRED FINANCING AND DEVELOPMENT COSTS

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

Opening balance	30,850	27,285	-	-
Plus: Net set-up costs to be recovered	15,727	15,727	-	-
Plus: Administration credit from new loan	-	4,000	-	-
Less: Use of administration credit against current costs	(14,962)	(16,162)	-	-
Closing balance	\$31,615	\$30,850	\$ -	\$ -

12. LOAN FROM BANK OF NEW ZEALAND

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

Contractual maturities are as per Note 7(e).

	Interest Rate	Group 2016 \$	Group 2015 \$
Total Loan			
Bank of New Zealand - Term Loan Facility	6.67% Fixed	17,077,000	17,077,000
Bank of New Zealand - Term Loan Facility	6.70% Fixed	603,000	603,000
Bank of New Zealand - Term Loan Facility	4.74% Floating	-	2,877,466
Bank of New Zealand - Term Loan Facility	5.51% Fixed	800,062	800,062
		18,480,062	21,357,528
Current Liability			
Repayment - Term Loan Facility		(1,000,000)	(1,000,000)
		\$17,480,062	\$20,357,528

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

- John Paul College, Rotorua
- John Paul College Hostel, Rotorua
- Kavanagh College, Rattray Street, Dunedin
- St John's College, Hillcrest Road, Hamilton
- St Paul's School, Massey, Auckland
- St Peter's College, Auckland

	Group 2016 \$	Group 2015 \$	Company 2016 \$	Company 2015 \$
13. LOANS FROM THE CATHOLIC EDUCATION TRUST FUND AT AMORTISED COST				
The Trust has on-lent funds to NZCEO Finance for the funding of the BNZ principal repayment and for on-lending to the Scheme to cover the shortfall between attendance dues received and debt servicing commitments. This lending is at an interest rate of 5.5% for 2016 (2015 5.5%), reviewed annually with no specific date set for repayment. Financial modelling of the expected future attendance dues to be collected and forecast debt servicing payments shows that the repayments which commenced in 2010 will continue. The assumptions underpinning the financial model used for the loan impairment review include forecast attendance dues receipts and forecast debt servicing payments. The loan is stated at amortised cost.				
Advanced by the Catholic Education Trust Fund	1,324,223	6,199,223	-	-
Cumulative interest	18,144,420	16,823,478	-	-
	\$19,468,643	\$23,022,701	\$-	\$-

14. COSTS RECOVERIES				
These expenses have been recovered by NZCEO Limited for providing administrative services to NZCEO Finance and the Trust.				
NZCEO Finance	-	172,671	68,120	88,452
National Attendance Dues and Capital Indebtedness Sharing Scheme	19,231	-	19,231	-
Catholic Education Trust Fund	9,615	7,701	9,615	7,701
	\$28,846	\$180,372	\$96,966	\$96,153

15. INTEREST INCOME				
Interest was earned from the following sources:				
ANZ	17,075	20,078	17,075	20,078
Bank of New Zealand	25,166	27,491	-	-
Proprietor loans	1,708,739	2,315,315	-	-
National Attendance Dues and Capital Indebtedness Sharing Scheme on funds advanced	948,281	1,149,203	-	-
	\$2,699,261	\$3,512,087	\$17,075	\$20,078

	Group 2016 \$	Group 2015 \$	Company 2016 \$	Company 2015 \$
16. ADMINISTRATION				
General expenses	25,107	19,542	8,703	4,776
Photocopier lease payments	9,103	9,888	9,103	9,888
Photocopier expenses	1,920	2,899	1,920	2,899
Postage	6,045	5,305	6,045	5,305
Printing, stationery and archiving	7,351	8,398	7,351	8,398
Professional development	3,342	7,256	3,342	7,256
Repairs and maintenance	83	202	83	202
Subscriptions and books	1,514	2,057	1,514	2,057
Telephones	3,770	5,965	3,770	5,965
Recovery of deferred administration	(14,962)	(14,766)	-	-
	\$43,273	\$46,746	\$41,831	\$46,746

	Group 2016 \$	Group 2015 \$	Company 2016 \$	Company 2015 \$
17. LEGAL AND PROFESSIONAL FEES				
These fees include negotiation, support and legal advice on various issues relating to government policies; school maintenance; depreciation; legislative and regulatory interpretations; and a range of other issues.				
Legal fees	156,984	26,982	155,654	16,017
Consultants and specialised office support	26,992	10,538	26,992	10,538
	183,976	37,520	182,646	26,555
Other fees paid to auditors - corporate finance and taxation	-	-	-	-
	\$183,976	\$37,520	\$182,646	\$26,555

18. MEETINGS - PROPRIETORS				
NZCEO Limited Board of Directors' travel expenses, Association of Proprietors of Integrated Schools' Executive travel expenses, catering, subsets of Board meetings and related costs.				
	\$30,384	\$34,989	\$30,384	\$34,989

19. MOTOR VEHICLE EXPENSES				
Running costs	147	695	147	695
Car lease	1,426	4,278	1,426	4,278
Car parking	14,355	14,804	14,355	14,804
	\$15,928	\$19,777	\$15,928	\$19,777

20. PUBLICATIONS AND PROMOTIONS				
The production and distribution of <i>Lighting New Fires</i> , <i>Good News and the News</i> and <i>Aoraki</i> continued in 2016. A number of resources are now available on the NZCEO Limited website.				
	\$29,750	\$18,412	\$29,750	\$18,412

	Group 2016 \$	Group 2015 \$	Company 2016 \$	Company 2015 \$
21. PRINCIPALS' INITIATIVE				
This is an NZCEO Limited Board of Directors' initiative to support the ongoing supply of committed teachers to provide leadership for Catholic schools. There were no courses delivered in 2016.				
Expenditure	\$(3,458)	\$30,960	\$(3,458)	\$30,960

22. CONVENTION RESERVE				
The 2015 Catholic Education Convention was held in June 2015. An amount of \$40,000 was transferred from the Convention Reserve to assist with the costs associated with the 2015 Convention. The surplus generated from the 2015 Convention was transferred back to the Convention Reserve to assist with the costs associated with future Conventions.				
Opening balance	71,096	88,585	71,096	88,585
Transfer to 2015 Convention	-	(40,000)	-	(40,000)
Transfer from retained earnings	-	22,511	-	22,511
Convention Reserve at end of period	\$71,096	\$71,096	\$71,096	\$71,096

23. RELATED PARTY TRANSACTIONS				
NZCEO Limited provides administration services to its wholly-owned subsidiary NZCEO Finance, and to the Catholic Education Trust Fund and the National Attendance Dues and Capital Indebtedness Sharing Scheme on behalf of Participating Proprietors.				
During the year NZCEO Finance took out loans from the Catholic Education Trust Fund and on-lent that money to the National Attendance Dues and Capital Indebtedness Sharing Scheme to fund the shortfall between the national attendance dues received from Participating Proprietors and the debt servicing paid on behalf of the Participating Proprietors (Refer Note 13).				
All administration costs for NZCEO Finance (2016 \$68,120; 2015 \$88,452), National Attendance Dues and Capital Indebtedness Scheme (2016 \$19,231; 2015 \$Nil) and the Catholic Education Trust Fund (2016 \$9,615; 2015 \$7,701) were initially paid by NZCEO Limited and recovered by way of reimbursement.				
Loans are provided by NZCEO Finance to Participating Proprietors of the National Attendance Dues and Capital Indebtedness Sharing Scheme as disclosed in the Statement of Financial Position. The Participating Proprietors of the Scheme are also shareholders of NZCEO Limited (Refer Note 7).				

	Group 2016 \$	Group 2015 \$	Company 2016 \$	Company 2015 \$
24. COMMITMENTS				
Operating lease commitments for office premises, car and photocopier are payable as follows:				
Less than one year	54,410	52,767	54,410	52,767
Between one and five years	16,576	27,044	16,576	27,044
More than five years	-	-	-	-
	\$70,986	\$79,811	\$70,986	\$79,811

There are no capital commitments as at 31 December 2016 (2015 \$Nil).

25. INSURANCE

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

26. CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 December 2016 (2015 \$Nil).

27. SUBSEQUENT EVENTS

There have been no events subsequent to balance date that would materially affect the Financial Statements as presented at 31 December 2016.

28. TRANSITION TO PBE STANDARDS RDR

This is NZCEO Limited and the Group's first set of financial statements presented in accordance with PBE Standards RDR.

There are no material differences arising from the transition from previous NZIFRS to PBE Standards RDR that affect the Group and NZCEO Limited's reported financial positions, statement of comprehensive income, statement of movements in equity and statement of cash flows. The only differences relate to enhanced disclosure of revenue, receivables and payables between exchange and non-exchange transactions, as well as the presentation of a cash flow statement.

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

Deloitte

Opinion

We have audited the financial statements of New Zealand Catholic Education Office Limited (the 'company') and its subsidiary ('the group'), which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of comprehensive income, statement of movements in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements, on pages 29 to 54, present fairly, in all material respects, the consolidated financial position of the group as at 31 December 2016, and its consolidated financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report.

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

We are independent of the group in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants*, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor, we have no relationship with or interests in the entity or any of its subsidiaries.

Board of Directors' responsibility for the consolidated financial statements

The Board of Directors are responsible on behalf of the group for the preparation and fair presentation of the consolidated financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime, and for such internal control as the Board of Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 conducted in accordance with ISAs and ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on the External Reporting Board's website at: https://www.xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page7.aspx.

This description forms part of our auditor's report.

Restriction on use

This report is made solely to the group's shareholders, as a body, in accordance with Section 207B of the Companies Act 1993. Our audit has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte Limited

Wellington, New Zealand
24 February 2017

DIRECTORY

ADDRESS

1st floor
The Catholic Centre
22–30 Hill Street
Wellington 6011

PO Box 12307
Wellington 6144

Telephone (04) 496 1739
Fax (04) 496 1734
Email nzceooffice@nzceo.org.nz
Website www.nzceo.org.nz

CHAIRPERSON

Geoffrey Ricketts

CHIEF EXECUTIVE OFFICER

Paul Ferris

SENIOR MANAGEMENT

Susan Apáthy, *Deputy CEO*
Heather Richardson, *Financial Controller*

EXCELLENCE IN SCHOOLS THAT MAKE A DIFFERENCE