

TE PŪRONGO Ā-TAU
ANNUAL REPORT
2026

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Kupu whakataki
Foreword

The Network for Learning Limited (N4L) operates and stewards the shared national digital platform on which New Zealand's state and state-integrated schools and kura increasingly depend. On behalf of the Crown, we deliver nationally-managed internet, Wi-Fi, cybersecurity and digital safety services, and work directly with schools, kura and their ICT providers to support their effective use.

As teaching and learning become more digital, schools face growing technological complexity and increasingly sophisticated risks. Frontier artificial intelligence (AI) and other emerging technologies offer significant opportunities for education, but also create new challenges for cybersecurity, privacy, digital safety and trust. N4L anticipates these developments, strengthens national protections and supports schools and teachers to adopt new technologies safely and confidently.

Through our national approach, we give every school access to secure, resilient services, regardless of its size, location or local technical capacity. N4L takes responsibility for designing, delivering and operating these services, identifying and managing risks across the system, applying common standards, and using the sector's collective scale to secure better value from public investment. This allows schools and kura to focus more of their resources and attention on teaching and learning.

N4L combines specialist technology expertise with commercial capability, bringing together the needs of more than 2,500 schools to secure and manage technology, connectivity and support services on behalf of the Crown. We negotiate effective supplier arrangements, reduce duplication and direct investment towards services that meet schools' needs, strengthening the efficiency and effectiveness of the education system's digital infrastructure.

During 2025/26, N4L completed the modernisation of the national Managed Network. This was more than an infrastructure refresh. For the first time, N4L became the virtual Internet Service Provider (vISP) for almost every state and state-integrated school, shifting our role from managing services delivered by others to operating the national education network. This gives the Crown and the education system greater control, resilience and security, while establishing a platform on which N4L can develop and deliver future national digital services.

N4L also continued to extend Managed Wi-Fi, Secure Access, MyN4L and centrally-managed cybersecurity services. Through these services, we reduce duplication, improve consistency between schools and deliver sophisticated technology and security capabilities nationally, rather than requiring individual schools to develop and maintain them.

The challenge for the next decade is no longer simply to connect schools to the internet. N4L must help the education system respond to rapid technological change, including the opportunities and risks presented by frontier AI, increasingly sophisticated cyber threats and new forms of online harm. We will identify emerging risks, develop national responses and help schools benefit from innovation while protecting privacy, security, equity and trust.

Close cooperation between N4L, schools and kura, the Ministry of Education, technology providers and local delivery partners made the achievements of 2025/26 possible. Together, we have demonstrated the public value that responsible governance, national scale and trusted partnerships can deliver for education.

He hopuāhua o te whakarato a N4L 2025/26

N4L 2025/26 delivery snapshot

1,986

schools migrated to the new Managed Network during 2025/26

541 schools migrated in 2024/25

90%

Customer satisfaction

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

1,473

schools (58%) onboarded to Secure Access as at 30 June 2026

947 at same time last year

1,996

schools (nearly 80%) onboarded to MyN4L as at 30 June 2026

1,346 at same time last year

Te pūrongo a te tiamana

Chair's report

It is my pleasure to present N4L's Annual Report for the year ended 30 June 2026. This year marked an important step in the development of a shared national digital platform for New Zealand's education system.

For the Board, the significance of the Managed Network Upgrade lies less in the scale of the programme itself than in the enduring capability it created – enabling N4L to directly manage the technology we provide to schools. By bringing that responsibility within N4L, the upgrade gives the Crown greater visibility and control over the infrastructure on which schools depend, strengthening its ability to manage resilience, security and investment across the system as a whole.

The Board's responsibility extends beyond oversight of individual programmes. N4L is providing the Crown and communities it serves with transparent governance and stewardship of nationally-significant education technology infrastructure. This requires confidence that services remain secure and reliable, assets are managed over their full life, public investment is used effectively, and future decisions protect the long-term sustainability of the capability.

N4L's nationally-coordinated model provides public value that could not be achieved through fragmented local delivery. It supports consistent standards, avoids duplicated local investment, strengthens visibility of system-wide digital risk and allows investment decisions to reflect the needs of the education system as a whole. Strong operational performance, high levels of school satisfaction and consistent, successful delivery at national scale provide the Crown with confidence that N4L fulfils this role responsibly.

The Board has also focused on N4L's long-term mandate. The shared national digital platform for schools allows us to strengthen cybersecurity, simplify the experience of schools and enable safe access to emerging technologies and new digital services. These opportunities must be pursued with discipline, clear evidence of need and a continuing focus on lasting public value.

On behalf of the Board, I acknowledge the leadership of the Chief Executive Officer and Senior Leadership Team, and thank all N4L staff for their contribution during a transformational year. I also thank the Ministry of Education, the Treasury for their continued support, our delivery and technology partners, and the schools and kura whose partnership made these achievements possible.

Deidre Shea MNZM
Chair

Te pūrongo a te kaiwhakahaere matua
CEO's report

N4L's defining achievement of 2025/26 was not simply the completion of the Managed Network Upgrade. N4L became the virtual Internet Service Provider (vISP) for every state and state-integrated school in New Zealand. That fundamentally changed our role, from managing services delivered by others to operating a nationally-managed education network.

We made that transition while replacing critical equipment across the country and continuing to run services used by nearly one million learners and educators every day. Schools differ in their buildings, technology, local support arrangements and preferred times for installation. Delivering a national programme in that environment required careful planning, practical judgement and close coordination with every school and partner involved.

I am proud of how our people approached that task. The Managed Network Upgrade was completed on time and under budget, but the numbers tell only part of the story. Its success came from thousands of conversations, site visits, installations, checks and follow-ups. It depended on people being patient, responsive and prepared to solve problems together, while never losing sight of the continuity and safety of services for schools. That result also reflected disciplined financial and commercial management, with the programme completed substantially below its original funding envelope while delivering the capability agreed with the Crown.

At the same time, our operational teams continued to support the wider system. The Customer Support team managed more than 68,000 issues, the Education Service Desk responded to more than 67,000 enquiries across the applications it supports, and our security teams monitored threats and responded to incidents. We also continued to roll out Managed Wi-Fi, Secure Access and MyN4L. These achievements show that nationally-delivered services can operate at scale while remaining responsive to the circumstances of individual schools.

I want to thank every member of the N4L team for the care and professionalism they brought to their work. I also acknowledge the Ministry of Education, our technology and installation partners, local information technology providers and the school staff who worked alongside us. The national capability created this year was built through collective effort and could not have been delivered by N4L alone.

The network is now stronger and N4L's role is clearer. The completion of the Managed Network Upgrade also establishes the network foundation of New Zealand's shared national digital platform for schools. Our role is to operate and steward this platform well, strengthen its security and resilience, continue improving the experience of schools, and prepare responsibly for the next generation of national digital services. The enduring value of this year's work will be measured not only by what we delivered, but by what the education system can now do because the capability exists.



Larrie Moore
Chief Executive Officer

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. N4L's management and leadership draws on significant experience across the government, education and technology sectors.

N4L operates nationally-significant digital infrastructure for New Zealand's education system. We ensure equity through connecting all state and state-integrated schools and kura to safer, more secure high-speed services, while giving the Crown clear accountability for how that technology is designed, delivered and operated.

N4L occupies a unique position between government, schools and kura, and the technology market. We combine deep understanding of school technology environments with commercial and technical expertise, aggregating national demand and working with technology providers to secure, integrate and manage services at scale. We translate national policy and public investment into practical capability used in schools every day. In doing so, we manage risks that would otherwise be carried separately by thousands of schools and help ensure that location, size and local capability do not determine the quality of a school's digital foundations.

We are therefore more than a managed services provider. N4L is the steward of nationally-significant education technology, the operator of a shared national digital platform, and a trusted strategic partner to government. Bringing together sector needs, public investment and technology capability in this way helps government manage system-wide digital risk, apply consistent standards and secure better value from public investment than fragmented, school-by-school delivery could achieve.

Te ahu whakamua o ngā takunetanga rautaki
Progress on strategic intentions

The 2025/26 financial year was a landmark year for N4L and New Zealand's national education technology infrastructure. During the year, the completion of the Managed Network Upgrade marked an important step in the development of a shared national digital platform for schools and kura.

The platform brings together the connectivity, Wi-Fi, cybersecurity, secure access, management tools, digital safety and engagement, and support capabilities that schools increasingly rely on to operate in a digital environment. The Managed Network provides the foundational network layer, with Managed Wi-Fi extending nationally-managed infrastructure into classrooms, cybersecurity providing protection across the system, Secure Access strengthening control over users and devices, and MyN4L giving schools greater visibility and control of their services.

Bringing these capabilities together creates value beyond the individual services themselves. The platform allows technology and security risks to be managed across the education system, supports common standards, reduces duplicated investment and effort, and gives the Crown greater visibility of the digital infrastructure on which schools depend. It also provides an enduring foundation on which future national digital services can be developed where there is a clear need and public value in doing so.

Alongside this transformation, N4L continued to develop MyN4L, deliver the Ministry of Education-led Te Mana Tūhono programme, strengthen cybersecurity services and provide responsive support across the education sector.

Managed Network Upgrade

Schools now depend on internet connectivity as critical infrastructure for teaching, learning and administration. Delivering that connectivity separately across more than 2,500 schools would be inefficient, inconsistent and increasingly difficult to secure and sustain. The Managed Network Upgrade was therefore not simply a technology replacement programme. It was an investment in the network foundation of the platform, through which performance, resilience, security and future development can be managed coherently.

During 2025/26, N4L migrated 1,986 schools to the upgraded Managed Network, replacing end-of-life firewalls and transitioning them to a new national internet service. This follows the 541 schools we migrated during the previous year. In doing so, N4L took on the vISP role directly, rather than managing it through others. This gives N4L greater visibility and control, and creates a stronger foundation from which to respond to changing internet use, increasing cyber threats and the future digital needs for teaching and learning.

Three groups of partners were central to delivery:

- Palo Alto Networks supplied and co-manages the new firewalls used across the Managed Network. The technology provides advanced security capabilities that help protect schools from evolving online threats.
- 2degrees became the internet service provider for the upgraded Managed Network, supporting the move to a modern national connection with greater performance, resilience and capacity.
- A panel of accredited information technology companies carried out the physical installation of equipment and provided on-site support. Their local knowledge and direct engagement with schools helped ensure a smooth transition.

The Ministry of Education fully funded the upgrade for state and state-integrated schools. The programme had an approved funding envelope of $88 million. N4L drew down $65 million and completed the programme for $61 million, $4 million under budget. Delivery on schedule and under budget demonstrates the value of combining national scale, technical expertise and disciplined commercial management. N4L's role included designing the service model, establishing and managing national supplier arrangements, coordinating delivery partners and managing investment within the Crown's funding envelope.

More importantly, it created an enduring national capability: schools across Aotearoa New Zealand now use a consistent, modern and securely managed network platform, regardless of their size or location, and the Crown has a stronger basis for managing investment and risk across the system.

MyN4L

MyN4L is a free self-service platform with smart and simple tools designed specifically for schools, kura and IT providers. This nationally-managed platform combines the efficiency and consistency of delivery at scale with appropriate visibility, simplicity and control for individual schools.

Through MyN4L, authorised users can view information about internet use, manage web filtering settings, review potentially malicious emails held in quarantine, connect guests and devices, check network status and access information about N4L services.

These functions help schools tailor their digital environment to local needs while maintaining appropriate safety and security controls.

MyN4L is an important part of N4L's future service model. It will provide schools with clearer information, more direct control and a simpler way to interact with N4L, while supporting more efficient national service delivery. It also provides a channel through which future capabilities can be consistently made available as the needs of schools and the wider education system evolve.

N4L continued the staged rollout and development of MyN4L during 2025/26, with 635 schools onboarded to MyN4L. In total, 1996 schools have been onboarded since the programme began.

Te aromatawai o ngā whakahaere me te mahi

Assessment of operations and performance

Managed Internet

High-quality internet connectivity now underpins almost everything schools do, from daily teaching and learning to attendance, assessment, administration of systems and property. N4L's Managed Internet service gives the Crown a single point of accountability for the performance, security and resilience of that connectivity across the whole school system.

N4L's Managed Internet service connects all eligible state and state-integrated schools and kura to a fast, reliable, safer and more secure national internet service. During 2025/26, all eligible schools remained connected and no schools voluntarily disconnected. Network performance met the applicable service levels, providing continuity and capacity for teaching, learning and daily operations across the system.

Completion of the Managed Network Upgrade transformed the foundation of this service, with N4L now providing it directly in its new role as vISP. Beyond improved performance and modern security controls, the platform's wider value lies in being managed consistently at national scale, supporting common standards and giving the Crown greater visibility and control than separate procurement and management by individual schools could provide.

Managed Wi-Fi

Reliable classroom connectivity is now an essential part of educational infrastructure. Designing, operating and renewing enterprise-grade wireless networks is increasingly complex and beyond the practical capability of many individual schools. N4L therefore provides nationally-designed, deployed and managed Wi-Fi infrastructure that delivers greater consistency, stronger security and better value through coordinated national investment.

Through the Ministry of Education-led Te Mana Tūhono programme, N4L is extending nationally-managed wireless infrastructure from the school gate into classrooms and learning spaces. The programme strengthens the resilience, capacity and security of school networks while reducing the burden on individual schools of sustaining increasingly complex infrastructure.

Equipment Replacement

During 2025/26, N4L completed 398 full network equipment replacements. Each installation extended the platform into another school, replacing ageing infrastructure with modern wireless technology and creating a consistent basis for performance, security, support and future replacement planning.

Delivering this work requires careful coordination with each school, local information technology providers and installation partners. N4L plans installations around school calendars and local circumstances, demonstrating how national delivery can be standardised without becoming inflexible or unresponsive to individual schools.

Secure Access

Secure Access turns the shared Wi-Fi platform into a more secure and manageable environment for schools. It 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 2025/26, 522 schools were onboarded, bringing the total to 1,473. These figures are evidence of a wider system change: secure identity, device control and network segmentation are increasingly being provided as shared national capabilities rather than left to individual schools to design and maintain.

Managed Cybersecurity

Cybersecurity is a national education system risk, not simply a local technology issue, so N4L delivers this protection centrally: firewalls, web filtering, domain name system threat protection, distributed denial-of-service protection, email protection, security monitoring and incident response through its Security Operations Centre.

This shared national capability allows sophisticated protection to be delivered the same way across all schools, creating stronger security, greater consistency and better value. N4L uses a layered approach that combines protective technology, active monitoring, recommended settings, testing and remediation. New firewalls introduced through the Managed Network Upgrade strengthen this capability and provide more visibility across the national network.

Because threats and patterns can be identified across the national network rather than school by school, N4L can intervene faster, improve collective resilience and direct effort to where it will have the greatest impact. This gives the Crown a coordinated and cost-effective means of managing risk.

N4L also continued to encourage schools to use the recommended settings within its Internet Safety & Security Services, with 98% of schools in compliance over the year. This level of adoption provides a strong baseline of protection while allowing schools to make decisions that reflect their educational context.

Service delivery

Customer satisfaction

Nationally-delivered services must succeed at scale without losing the confidence of schools, principals and teachers. Customer satisfaction is therefore more than a service metric: it demonstrates whether coordinated national delivery is creating genuine public value. N4L has maintained a satisfaction score of 90% every year since 2012, providing confidence that schools value and trust the services delivered on the Crown's behalf.

That result reflects both the quality of N4L's products and the support provided by the Customer Support and Education Service Desk teams. Their role is central to making a national service model work in practice, particularly for schools with limited local technology capability or complex circumstances.

Customer Support team

A nationally-managed platform requires a support model capable of responding to the very different circumstances of individual schools. N4L's Customer Support team provides that connection, helping school staff and local technology providers resolve issues, understand services and maintain continuity. Schools can log cases through N4L's Support Hub or contact the team directly.

During 2025/26, the team handled 68,345 cases, a 42% increase from 48,216 in 2024/25. The increase reflects the expanding breadth of N4L's national role as more schools received Managed Wi-Fi and completed their Managed Network Upgrade.

The team absorbed this additional demand while meeting all quarterly and annual targets, demonstrating that the service model can scale without losing reliability or responsiveness.

Education Service Desk

The Education Service Desk provides a shared support capability for more than 45 applications used by schools and the wider education sector. By managing user access and application-related enquiries centrally, it reduces duplication and gives the education system a consistent point of support. In 2025/26, the team managed 67,302 cases while maintaining applicable service levels and customer satisfaction.

Financial performance

N4L continued to manage significant Crown investment on behalf of the education system during 2025/26. Revenue of $75.7 million supported the operation of national connectivity, Wi-Fi, cybersecurity and support services, alongside continued investment in the Managed Network Upgrade and Te Mana Tūhono.

N4L recorded a surplus of $6.3 million for the year, compared with $2.9 million in 2024/25. The entity completed the majority of schools under the Managed Network Upgrade during the period, and also changed to a vISP. Alongside this, the company continued delivery of the Equipment Replacement and Secure Access programmes, and had a full year of delivery for the Education Service Desk. Costs were well managed, including internal recruitment to place a significant number of fixed term project roles, resulting in significant savings in agency recruitment fees.

The year also demonstrated the value of disciplined commercial and financial management. The Managed Network Upgrade had an approved funding envelope of $88 million. N4L drew down $65 million and completed the programme for $61 million, $4 million under budget. Through national procurement, active management of technology partners and careful programme delivery, N4L seeks to ensure that Crown funding is converted efficiently into reliable, sustainable services for schools.

N4L ended the year with $17.7m of cash, providing an ability to meet routine replacement of N4L's core infrastructure in the near term, and enabling a dividend to be paid in September 2026. Maintaining the national platform over the longer term will require continued lifecycle investment and sustainable funding arrangements as infrastructure is renewed and the digital needs of schools continue to evolve.

Te whakarite mō te anamata
Preparing for the future

The challenge for the next decade is not to simply maintain the platform's underlying connectivity, but to use it to help all schools adopt emerging technologies safely, remain resilient against cyber threats and access digital capabilities that would be difficult or uneconomic to deliver individually. N4L is taking a measured approach to opportunities including artificial intelligence, with attention to genuine sector needs, privacy, security, equity, trust and transparency.

The long-term value of the national platform also depends on disciplined stewardship. National services require lifecycle planning, sound asset management and sustained investment so that infrastructure is replaced before it becomes unreliable or vulnerable. The experience gained through the Managed Network Upgrade and Te Mana Tūhono provides a strong basis for more coherent long-term planning across the education system.

N4L's enduring value lies in bringing together public investment, the needs of schools and kura, technical expertise and commercial capability. By aggregating demand and managing technology markets and supplier relationships at national scale, N4L can reduce fragmentation, secure better value, manage risk and create capabilities that no individual school could efficiently provide for itself.

Tauākī Whakamutunga
Concluding statement

The 2025/26 financial year marked a defining change in N4L's role. During the year, N4L completed the Managed Network Upgrade and took on the vISP role for almost every state and state-integrated school, assuming direct responsibility for operating the national education network. The final school migration was completed in July 2026, with the programme delivered on schedule and under budget.

Alongside this transformation, N4L progressed Managed Wi-Fi and Secure Access, strengthened cybersecurity, developed MyN4L and expanded its support role through the Education Service Desk. These achievements demonstrate the public value of coordinated national delivery. They show how a single accountable steward can cut duplicated, school-by-school effort, apply common standards, manage system-wide risk and translate public investment into reliable capability used by schools every day.

The platform now in place creates choices for the future. N4L will continue to operate and steward it, protect and sustain the infrastructure on which it depends, improve the experience of educators and school leaders, and carefully and responsibly develop new capabilities. As digital dependence and cyber risk grow, N4L's role is increasingly important: to operate and steward the platform that enables safe, equitable and effective digital learning across Aotearoa New Zealand.

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 Mahony
CHIEF FINANCIAL OFFICER

Gill Mahony is a seasoned Chartered Accountant who began her career with KPMG in audit before moving into senior corporate finance roles. Her experience spans financial and strategic planning, treasury management, commercial management and organisational transformation across corporate, not-for-profit and public sector environments. In the not-for-profit sector, Gill combined financial leadership with long-term strategic planning and investment decision-making to support the organisation's long term sustainability while delivering high-quality employment outcomes for people with disabilities. At N4L, Gill provides strategic financial and commercial leadership, supporting long-term planning, investment decisions and the delivery of major programmes. She also plays a key role in establishing sustainable commercial arrangements with 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 a senior public sector leader with extensive experience in education, public policy, technology and organisational strategy. Since joining N4L in 2014, he has played a key role in the organisation's development and its relationships across government and the education sector. Before joining N4L, Sandy was Chief Advisor, Education Sector Leadership at the Ministry of Education. He previously held senior leadership and policy roles at Education New Zealand, the Tertiary Education Commission and the Ministry of Justice, working across strategy, investment, policy and organisational performance.

At N4L, Sandy leads government and strategic stakeholder engagement. He works with senior leaders across government and the education sector on issues affecting N4L and the wider digital education environment, helping shape policy, investment and strategic direction. He also supports N4L's engagement on emerging opportunities at the intersection of education and technology, ensuring the organisation's experience, evidence and expertise contribute to the development of New Zealand's education system.

Gavin Costello
CHIEF DIGITAL OFFICER

Gavin Costello is an accomplished technology leader with more than two decades of experience across senior in-country and international roles. Before joining N4L in July 2018, Gavin led the product and mobile terminals team that helped establish 2degrees as New Zealand's third telecommunications provider.

At N4L, Gavin has led the delivery of major nationwide technology programmes, including the Ministry of Education's Te Mana Tūhono programme, which is upgrading the wireless networks of around 2,500 schools, and the Managed Network Upgrade, completed in 2026, which moved every state and state-integrated school and kura onto next-generation internet and security infrastructure. As Chief Digital Officer, he is responsible for N4L's engagement with its technology partners and the Ministry of Education.

Michelle Leadsom
CHIEF CUSTOMER AND BRAND OFFICER

Michelle Leadsom is an experienced customer and brand leader with more than 15 years of senior leadership across the financial, education and technology sectors. Before joining N4L, she was Head of Marketing and Customer Experience at Tower Insurance, and prior to that held senior leadership roles at Manukau Institute of Technology and Bank of New Zealand.

At N4L, Michelle leads teams across Brand and Marketing, Customer Operations, Security Operations, and Sales and Sector Engagement, with a focus on the end-to-end experience for schools, kura, and N4L's Installer and IT Panels.

Te Poari Urungi
Board of Directors

Deidre Shea MNZM
CHAIR (term as Chair began in May 2026)

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. She has also previously chaired the National Certificate of Educational Achievement (NCEA) Professional Advisory Group for the Minister of Education.

In the 2022 Queen's Birthday Honours Deidre was appointed as a member of the New Zealand Order of Merit (NZOM) for services to 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

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

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 Kōkiri / Ministry for Māori Development, the Ministry of Business, Innovation and Employment and other Government departments.

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

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

Anthony Brennan

DIRECTOR AND CHAIR, PEOPLE AND CULTURE COMMITTEE

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.

Tony'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
- Chairman, Talisium Pty Ltd

Elle Archer

DIRECTOR

Elle Archer is known for her strategic foresight and governance expertise, particularly in technology, digital transformation, and inclusive innovation. With over 18 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
- Chair, Te Hapori Matihiko (Māori DigiTech Council Aotearoa)
- Deputy Chair, Electrotechnology, Information Technology, and Creative Industry Skills Board, Tertiary Education Commission
- Director, Tū Ātea (Māori Broad Spectrum 5G Infrastructure)
- Board member, Quantum and Photonics Forum New Zealand
- Board member, Aotearoa New Zealand Association of Emergency Managers (ANZAEM)
- Trustee, Ako Ōtautahi - Learning City Christchurch
- Trustee, Central Plains Water Trust Board
- Director, Archland Investments (Property)
- Steward, Digital Equity Coalition Aotearoa (DECA)
- Member (during event), ECAN - CDEM Regional Recovery Board Canterbury
- Alternate (during event), ECAN - CDEM Regional Recovery and Welfare Management Canterbury
- Lead: Economic Development Strategy, Ngā Iwi o Ngāti Tamaterā - Pare Hauraki
- Co-Lead CDEM, Regional Emergency Management (Group) Recovery, Resilience, and Welfare Portfolios - Skills and Capability
- Researcher, Progressive Governance, Digital Equity to Digital Excellence, Omni-Cultural Governance Research, Institute of Directors NZ and University of Canterbury
- Ambassador, Smart Cities Council

Jeremy Banks

DIRECTOR (Term as Chair ended in April 2026)

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

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

- Tumu Whakarae (CEO) and Shareholder of Wakatū Incorporation
- Director, Plink Software Limited
- Director, Reserve Bank of New Zealand
- Trustee, Te Here-ā-Nuku Trust
- Children at Nayland College, Nelson

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 SOI 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 2025/26, the Board consisted of six non-executive Directors. The Directors are appointed by the shareholding Ministers. All decisions about N4L's operations are made under the authority of the Board. The Board is responsible for agreeing outputs with the shareholding Ministers and ensuring expectations of N4L are met.

During the 2025/26 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

The People and Culture 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 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 2026.

Signed on behalf of the Board

Deidre Shea MNZM
Chair
22 October 2026

Ming-chun Wu
Chair, Audit and Risk Committee
22 October 2026

Tauākī Tutukitanga
Statement of Performance

The Company has a number of key metrics against which it assesses its non-financial performance. These are as follows:

Managed Internet: N4L connects all state and state-integrated schools to our Managed Internet, a fast, reliable, safer and more secure connection that enables schools to access all the internet they need for digital learning.

Key metric	Performance (2024/2025)	Performance (2025/2026)	Target (2025/2026)
Percentage of eligible schools connected to the internet by N4L.	**100%**	**100%**	99.9%
Percentage of schools that voluntarily disconnected from N4L's internet service.	**0.0%**	**0.0%**	Less than 0.5%
Network availability.	**New measure**	**Q1: 99.99%** **Q2: 99.98%** **Q3: 99.99%** **Q4: 99.99%**	99.84%
Number of schools connected via the Managed Network Upgrade.	**541**	**1,986**	1,986

Managed Wi-Fi (Equipment Replacement and Secure Access): N4L is delivering an upgrade to schools' internal Wi-Fi networks on behalf of the Ministry of Education.

Key metric	Performance (2024/2025)	Performance (2025/2026)	Target (2025/2026)
Number of schools hardware replaced.	**Full replacement: 245** **Switch only installations: 230**	**398**	397
Number of schools provided with Secure Access or equivalent services.	**New: 405** **Retrofit: 66**	**522**	510

Managed Cybersecurity (Recommended Settings - Firewalls): In conjunction with the Ministry of Education, N4L has developed settings for its firewall service.

Key metric	Performance (2024/2025)	Performance (2025/2026)	Target (2025/2026)
Percentage of schools using the recommended settings within N4L's Internet Safety & Security Services.	**Q1: 96.2%** **Q2: 96.6%** **Q3: 96.6%** **Q4: 96.3%**	**Q1: 97.9%** **Q2: 98.5%** **Q3: 96.5%** **Q4: 97.3%**	93.5%[1]
Percentage of high-priority remediations from annual security penetration testing resolved within the recommended timeframe.	**New measure**	**100%**	100%[2]

[1] Internet Safety & Security Services includes firewall security and web filtering settings, DNS filtering, SafeSearch and DDoS Protection. This metric shifts as schools change their network settings, so the level of compliance shifts over time.
[2] This measure and target refers to the security of N4L's internal systems.

Support services: N4L is focused on providing reliable and safe digital technology so schools can focus on teaching and learning. Our support services include targeted communications, face-to-face engagement, self-service and inbound channels (like 0800 and email).

Key metric	Performance (2024/2025)	Performance (2025/2026)	Target (2025/2026)
Principal and/or operational contact at each state and state-integrated schools' satisfaction with the performance of N4L delivering the Managed Network and associated services.	**92%**	**90%**	90% 'satisfied' or 'very satisfied' response from respondents[3]
Time to acknowledge the MAC (Moves, Adds and Changes) service request.	**Q1: 78%** **Q2: 91%** **Q3: 93%** **Q4: 86%**	**Q1: 73%** **Q2: 93%** **Q3: 88%** **Q4: 88%**	>80% of all requests within 8 Support Hours
Phone answering time (percentage of calls answered within 30 seconds).	**Q1: 83%** **Q2: 91%** **Q3: 92%** **Q4: 87%**	**Q1: 79%** **Q2: 88%** **Q3: 89%** **Q4: 89%**	> 85%
Time to resolve by tier 1 and tier 2 Service Desk (the number of minutes to resolve an incident, measured per month).	**Q1: 88%** **Q2: 86%** **Q3: 94%** **Q4: 96%**	**Q1: 94%** **Q2: 93%** **Q3: 95%** **Q4: 95%**	Target: 85% of incidents resolved within agreed time to respond. P1: 4 Support Hours P2: 8 Support Hours P3: 16 Support Hours P4: 100 Support Hours

[3] Customer satisfaction is measured and reported annually via our Touchpoint Survey.

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. We've proactively invested in leaders to support a positive work environment and high performing culture. Our 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.

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. A number of our employees have had a career move within N4L. Roles are advertised internally to give employees the opportunity for growth within the company. All individuals who have resigned are offered the opportunity of an exit interview. Any issues are followed up on and trends are reviewed and monitored by the HR function, and communicated to the 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'. In 2025 we also launched a local recognition approach to enable meaningful recognition across a variety of different roles. 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'.

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

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

Overall, 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.

The Audit Office
Te Mana Arotake

Independent Auditor's Report

To the readers of The Network for Learning Limited's financial statements and Statement of Performance for the year ended 30 June 2026

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

Opinion

We have audited:

- the financial statements of the Company that comprise the Statement of Financial Position as at 30 June 2026, the Statement of Comprehensive Income and expenses, Statement of changes in Equity and Statement of cash flows for the year ended on that date and the notes to the financial statements on pages 28 to 48; and
- the performance information that consists of the Statement of Performance for the year ended 30 June 2026 on pages 19 to 21.

In our opinion:

- The financial statements of the Company present fairly, in all material respects, its financial position as at 30 June 2026, and its financial performance and cash flows for the year then ended, in accordance with Public Benefit Entity Standards.
- The performance information of the Company is appropriate and meaningful and prepared in accordance with the Company's measurement bases or evaluation methods and Public Benefit Entity Standards and presents fairly, in all material respects:
    - the Company's service performance and actual revenue and expenses for each reportable class of outputs for the year ended 30 June 2026 compared to the forecast standards and budgets included in the statement of performance expectations for the year.

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 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 financial statements and the Statement of Performance

The Board is responsible on behalf of the Company for preparing financial statements and performance information that are fairly presented and comply with Public Benefit Entity Standards.

This includes:

- the selection of elements/aspects of service performance, performance measures and/or descriptions, and measurement bases or evaluation methods to enable the presentation of service performance information that is appropriate and meaningful; and
- the preparation of a statement of performance, in accordance with the Company's measurement bases or evaluation methods, that provides an appropriate and meaningful basis to enable readers to assess what has been achieved for the year.

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

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

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

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

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

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements and performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We obtain an understanding of the process applied by the Company to select its elements/aspects of service performance, performance measures and/or descriptions and the measurement bases or evaluation methods.
- We evaluate whether:
    - the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods present an appropriate and meaningful assessment of the entity's service performance; and
    - the performance information is prepared in accordance with the Company's measurement bases or evaluation methods, and presents fairly, in all material respects in accordance with Public Benefit Entity Standards, for each class of reportable outputs;
        - the actual performance of the Company as compared with the forecast standards of performance included in the Company's statement of performance expectations for the financial year; and
        - the actual revenue earned and output expenses incurred as compared to the expected revenues and the proposed output expenses included in the Company's statement of performance expectations for the financial year.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and performance information represent the underlying transactions and events in a manner that achieves fair presentation.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises all of the information included in the annual report, but does not include the financial statements, the performance information consisting of the statement of performance, and our auditor's report thereon.

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

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

Independence

We are independent of the Company in accordance with the 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)* for audits of public interest entities 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
22 October 2026

Ngā tauākī pūtea
Financial statements

Statement of Comprehensive Income

For the year ended 30 June 2026

	Notes	2026 Actual $000	2025 Actual $000
Income from Exchange Transactions	3	75,579	64,727
Gain on Foreign Exchange	3	124	2,929
Total Income		**75,703**	**67,656**
Expenditure			
Network Services	4	10,420	16,528
Transition Support	5	6,217	4,689
Board Operations	18	307	206
Audit Fees	6	105	100
Other General and Overhead Expenses	6	52,326	43,237
Total Expenses		**69,375**	**64,760**
Net Surplus/(Deficit)		**6,328**	**2,896**
Total Comprehensive Income/(Loss) for the Period		**6,328**	**2,896**

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2026

	Notes	2026 Actual $000	2025 Actual $000
Assets			
Current Assets			
Cash and Cash Equivalents	7	17,697	9,703
Receivables		8,257	12,118
Term Deposits	7	1,129	1,105
Other Assets	8	5,102	14,191
Total Current Assets		**32,185**	**37,117**
Non-Current Assets			
Other Assets		8,018	-
Property, Plant and Equipment	9	22,742	12,089
Intangible Assets	10	9,681	9,987
Total Non-Current Assets		**40,441**	**22,076**
Total Assets		**72,626**	**59,193**
Represented by			
Liabilities			
Current Liabilities			
Accruals	11	5,349	4,664
Payables		4,911	7,090
Deferred Revenue	17	9,474	3,971
Provisions	15	80	69
Total Current Liabilities		**19,814**	**15,794**
Non-Current Liabilities			
Deferred Revenue	17	34,370	31,285
Total Non-Current Liabilities		**34,370**	**31,285**
Total Liabilities		**54,184**	**47,079**
Equity			
Share Capital and Reserves		18,442	12,114
Total Shareholders' Funds		**18,442**	**12,114**
Total Liabilities and Shareholders' Funds		**72,626**	**59,193**

The accompanying notes form part of these financial statements.

The financial statements were approved by the Board and authorised for issue on 22 October 2026.

Deidre Shea MNZM
Director

Ming-chun Wu
Director

Statement of Changes in Equity

For the year ended 30 June 2026

	Share Capital	Retained Earnings/ (Deficit)	2026 Actual
			$000
Opening Balance 1 July 2025	**14,000**	**(1,886)**	12,114
Net Surplus/(Deficit)	-	6,328	6,328
Total Comprehensive Income/(Loss) for the Period	**-**	**6,328**	**6,328**
Closing Balance 30 June 2026	**14,000**	**4,442**	**18,442**

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 Cash Flows

For the year ended 30 June 2026

	Notes	2026 Actual	2025 Actual
		$000	$000
Cash Flows from Operating Activities			
Receipts from Customers		87,019	91,369
Gain on Foreign Exchange		124	2,929
Interest Received		333	358
Payments to Suppliers and Staff		(62,445)	(70,129)
Net Cash Inflow from Operating Activities	13	**25,031**	**24,527**
Cash Flows from Investing Activities			
Purchase of Property, Plant and Equipment		(14,330)	(11,626)
Purchase of Intangible Assets		(2,683)	(9,744)
Purchase of Term Deposits		(2,524)	(2,024)
Receipt of Term Deposits		2,500	2,500
Net Cash Outflow from Investing Activities		**(17,037)**	**(20,894)**
Net Increase/(Decrease) in Cash		**7,994**	**3,633**
Opening Balance		9,703	6,070
Closing Balance	7	**17,697**	**9,703**

The accompanying notes form part of these financial statements.

Ngā kōrero mō 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 2025 to 30 June 2026, and were approved by the Board on 22 October 2026.

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 except for derivative financial instruments which are measured at fair value.

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 2026.

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	Presentation of Financial Reports	01 Jan 2026 (early adoption permitted)

(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 the Managed Network Upgrade, 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.

Interest

Interest income is recognised using the effective interest method.

Foreign currency transactions

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

Leases

Operating Leases

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to the Company are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives under an operating lease are recognised as a 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 call and in savings accounts held with a major NZ trading bank.

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.

Prepayments

Prepayments are recognised at cost and expensed over the period in which the related service is received. Prepayments to be consumed more than 12 months after the balance date are presented as non-current assets.

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 Upgrade, directly attributable labour and project costs of building and delivering the network have been capitalised, with hardware recognised within property, plant and equipment, and software recognised as an intangible asset.

Additions

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

Disposals

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

Subsequent costs

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

Depreciation

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

Computer Equipment	2.5 - 7 years	14 - 40%
Office Equipment	5.7 years	17.5%
Office Furniture	9.5 years	10.5%

Leasehold improvements are depreciated over the shorter of their useful life and the expected lease term.

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

Intangible assets

Software acquisition and development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software, or to enable hardware. Costs associated with maintaining computer software are recognised as an expense when incurred.

Under the Managed Network Upgrade, directly attributable labour and project costs associated with the build components of the network are capitalised as software.

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
Licences	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 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 2025/2026 as approved by the Board on 25 June 2025. 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 on call and savings accounts held at the bank and are readily available.
- 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.

Managed Network Upgrade

Revenue received in advance from the Ministry of Education to build and establish the service has been deferred and is recognised as the service is delivered through to June 2031. Directly attributable labour and project costs of the programme are capitalised, with hardware costs recognised within property, plant and equipment, and software costs within intangible assets. Depreciation and amortisation will conclude at the end of useful life which is expected to be 30 June 2031. Applying these policies requires judgement about the pattern of service delivery, the allocation of costs between hardware and software, and the timing of capitalisation during the rollout.

Disengagement costs

Costs of disengaging from the previous network provider were expensed as incurred. As any potential cost of disengagement from the current network provider at the end of the contract cannot currently be reliably estimated, no provision has been recognised.

3. Income

	2026 $000	2025 $000
Income from Services to Schools	72,891	62,508
Interest Income	333	358
Equipment Sales	2,355	1,861
Total Income from Exchange Transactions	**75,579**	**64,727**

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.

	2026 $000	2025 $000
Gain on Forward Exchange Contracts	93	2,636
Bank Revaluation	31	293
Gain on Foreign Exchange	**124**	**2,929**

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

4. Network Services

	2026 $000	2025 $000
Network Provider Services	10,420	16,528
Total	**10,420**	**16,528**

Network provider services expenses represent payments to the network providers 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

	2026 $000	2025 $000
Personnel Costs	32,672	27,778
Professional Advisory Fees	1,836	3,647
Marketing and Communications	324	333
Travel	474	482
Facility Costs	1,346	1,097
IT and Telecommunications	8,250	4,976
Depreciation & Amortisation	6,661	2,856
Realised and Unrealised Foreign Exchange	(189)	1,020
Other	952	1,048
Total	**52,326**	**43,237**

Audit fees of $105,433 (2025: $99,844) were paid to EY who acted for the Auditor-General. No other fees were paid to EY.

Personnel Costs

	2026 $000	2025 $000
Salaries, Wages and Short-Term Employee Benefits	28,890	24,381
Defined Contribution Plans	812	656
Contractor Costs	2,970	2,741
Total Personnel Costs	**32,672**	**27,778**

N4L had 242 (2025: 257) full-time equivalent employees and 18 contractors (2025: 23) as at 30 June 2026, noting some personnel working on the Managed Network Upgrade completed their fixed term employment prior to 30 June 2026. Employer contributions to defined contribution plans relate to contributions to KiwiSaver.

7. Cash and Term Deposits

	2026 $000	2025 $000
Cash at Bank	17,697	9,703
Term Deposits	1,129	1,105
Total Cash and Term Deposits	**18,826**	**10,808**

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

	2026 $000	2025 $000
Sundry Debtors	1,026	342
Prepayments	4,076	13,849
Total Other Current Assets	**5,102**	**14,191**

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 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)	(1,000)
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**
Cost					
Balance at 1 July 2025	16,638	389	176	284	17,487
Additions during the year	14,197	6	34	93	14,330
Disposals	(4)	-	-	-	(4)
Balance at 30 June 2026	**30,831**	**395**	**210**	**377**	**31,813**
Accumulated Depreciation					
Balance at 1 July 2025	5,049	264	61	24	5,398
Disposals	(3)	-	-	-	(3)
Depreciation charge for the year	3,567	22	27	60	3,676
Balance at 30 June 2026	**8,613**	**286**	**88**	**84**	**9,071**
Net book value at 30 June 2026	**22,218**	**109**	**122**	**293**	**22,742**

10. Intangible Assets

Intangible assets consist of software licences required to operate school firewalls and the Security Operations Centre, software capitalised under the Managed Network Upgrade, 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 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**
Cost			
Balance at 1 July 2025	15,231	4	15,235
Additions during the year	2,683	-	2,683
Disposals during the year	(4)	-	(4)
Balance at 30 June 2026	**17,910**	**4**	**17,914**
Amortisation			
Balance at 1 July 2025	5,244	4	5,248
Amortisation charge for the year	2,985	-	2,985
Disposals during the year	-	-	-
Balance at 30 June 2026	**8,229**	**4**	**8,233**
Net book value at 30 June 2026	**9,681**	**-**	**9,681**

11. Accruals

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

12. Share Capital

Number of ordinary shares issued and fully paid:

	2026 $000	2025 $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 2026 financial year (2025: 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

	2026 $000	2025 $000
Net Surplus	**6,328**	**2,896**
Add/(Less) Non-Cash Items		
Depreciation & Amortisation	6,661	2,856
Net loss on disposal of Property, Plant and Equipment	7	108
Total Non-Cash Items	**6,668**	**2,964**
Add/(Less) movements in Working Capital Items		
Accounts Receivable	3,860	(7,002)
Prepayments	1,754	(12,998)
Other Receivables	(201)	(3)
Accrued Revenue	(482)	165
Accounts Payable, Other Payables & Deferred Revenue	6,994	38,328
Employee Entitlements	110	177
Net movement in Working Capital Items	**12,035**	**18,667**
Net Cash Inflow from Operating Activities	**25,031**	**24,527**

14. Commitments

Operating leases as lessee

N4L leases office premises (including car parks) in Auckland, Christchurch and 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 8 October 2029 and has two, three year rights of renewal. 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 below.

N4L has entered into commercial leases on certain motor vehicles. The related leases have remaining terms of between 3 and 39 months at 30 June 2026, 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.

Future minimum rentals payable under non-cancellable operating leases as at 30 June 2026 and 2025 are, as follows:

	2026 $000	2025 $000
Not later than one year	1,135	1,021
Later than one year but not later than five years	841	1,538
Total Commitments	**1,976**	**2,559**

Other commitments

Alongside the Company's commitment regarding operating leases, the company is subject to early termination charges from the network provider which apply for the following 24 months.

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.

16. Contingencies

Contingent liabilities

The company has no contingent liabilities as at 30 June 2026 (2025: $nil).

Contingent assets

The company has no contingent assets as at 30 June 2026 (2025: $nil).

17. Deferred Revenue

The Company has a deferred revenue liability at 30 June 2026. As a result of the Managed Network Upgrade, hardware and software licences were charged to the Ministry of Education at the commencement of the programmes. 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 (2025: nil).

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

Key management personnel include the Management team and the Board Members. During 2026, no changes were made to the Management team or the Board of Directors aside from role changes. Deidre Shea was appointed as Board Chair on 4 May 2026 replacing Jeremy Banks who remained as a director.

There were 6 employees in the Management team who received remuneration over $100k during the 2026 financial year (2025: 6). Employer contributions to defined contribution plans relate to contributions to KiwiSaver.

The Chief Executive Officer was paid $586,584 in fixed remuneration and benefits (2025: $557,118) which included short-term benefits of $26,387 (2025: $23,550) for KiwiSaver, healthcare and a car park. There were no short or long-term incentives.

Key Management Personnel Compensation

	2026 $000	2025 $000
Management Team		
Remuneration and Short-Term Benefits	2,225	2,122
Defined Contribution Plans	68	62
Total	**2,293**	**2,184**
Full-time Equivalent Members	6	6
Board Members		
Remuneration	**255**	**196**
Number of Directors	6	6

Board Member Remuneration

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

	2026 $000	2025 $000
Deidre Shea - Chair	41	18
Sharon Cresswell - Deputy Chair	43	36
Jeremy Banks	63	57
Ming-chun Wu	38	30
Elle Archer	35	29
Anthony Brennan	35	26
Total Directors' fees	**255**	**196**

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

Board Member attendance

Eleven board meetings were held during the period, the directors attendance at those meetings is noted in the table.

Director	Attendance
Deidre Shea	10/11
Sharon Cresswell	11/11
Jeremy Banks	11/11
Ming-chun Wu	11/11
Elle Archer	10/11
Anthony Brennan	11/11

19. Employee Remuneration

The table lists employees receiving total remuneration, including cessation payments, of $100,000 or more.

	2026 No. of employees	2025 No. of employees
$100,000 - $109,999	35	32
$110,000 - $119,999	33	19
$120,000 - $129,999	21	15
$130,000 - $139,999	15	11
$140,000 - $149,999	13	9
$150,000 - $159,999	7	5
$160,000 - $169,999	7	7
$170,000 - $179,999	7	6
$180,000 - $189,999	7	4
$190,000 - $199,999	6	4
$200,000 - $209,999	3	2
$210,000 - $219,999	2	1
$220,000 - $229,999	4	3
$230,000 - $239,999	0	2
$240,000 - $249,999	3	0
$260,000 - $269,999	0	1
$270,000 - $279,999	1	0
$280,000 - $289,999	0	1
$290,000 - $299,999	1	0
$300,000 - $309,999	1	2
$320,000 - $329,999	1	0
$340,000 - $349,999	0	1
$350,000 - $359,999	1	0
$390,000 - $399,999	0	1
$400,000 - $419,999	1	0
$550,000 - $559,999	0	1
$580,000 - $589,999	1	0

During the year ended 30 June 2026, 1 employee received compensation in relation to cessation of their employment $17.5k (2025: $0).

20. Events after Balance Date

A dividend of $3.2m was paid to the Crown on 14 September 2026. The dividend was declared on 22 July 2026 and has not been recognised as a liability as of 30 June 2026.

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 operates in a manner to ensure it meets its obligations as they fall due. Beyond operating cashflow, N4L aims to retain sufficient capital to sustain the network infrastructure schools rely upon. 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 financial assets. 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.

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, forward exchange contracts were held with a total notional amount of USD 930,519. The fair value of these contracts resulted in a financial asset of NZD 52,125 recognised in the Statement of Financial Position under 'Other Current Assets'. 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 term deposits are held at fixed rates of interest and its bank accounts are held at variable rates of interest. N4L's exposure to cash flow interest rate risk is therefore limited to its bank accounts. N4L does not actively manage its exposure to cash flow interest rate risk. N4L considers its exposure to interest rate risk to be immaterial.

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, N4L enters into forward foreign exchange contracts where transactions exceed NZD 500,000. These contracts reduce N4L'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 2025/2026 (SPE).

Statement of Comprehensive Income

For the year ended 30 June 2026

	Ref	2026 Actual $000	2026 Forecast (Unaudited) $000
Income from Exchange Transactions	A	75,579	71,474
Gain on Foreign Exchange		124	-
Total Income		**75,703**	**71,474**
Expenditure			
Network Services		10,420	10,535
Transition Support	B	6,217	5,395
Board Operations		307	315
Audit Fees		105	78
Other General and Overhead Expenses	C	52,326	53,245
Total Expenses		**69,375**	**69,568**
Net Surplus/(Deficit)		**6,328**	**1,906**
Total Comprehensive Income/(Loss) for the Period		**6,328**	**1,906**

2026 Actual delivered a comprehensive income of $4.4M higher than forecast largely reflecting higher revenue received during the year together with modest expenditure savings. Key drivers of this are:

A – Income from services

Income from services was higher than the SPE forecast, primarily driven by one-off revenue items and new Statements of Work (SoWs) signed after the SPE had been finalised. Additional revenue streams not confirmed at the time of the SPE, including Shared Assurance Platform, Vendor Management and Proofpoint, contributed to the favourable variance. In addition, equipment sales to schools and ICTs were higher than the SPE target, further contributing to the favourable revenue variance.

B – Transition support

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

C – Other and general overheads

Other and general overheads were lower than the SPE forecast, primarily due to lower personnel-related costs, consulting and travel expenses, recruitment costs, and favourable realised and unrealised foreign exchange movements.

Statement of Financial Position

As at 30 June 2026

	Ref	2026 Actual $000	2026 Forecast (Unaudited) $000
Assets			
Current Assets			
Cash and Cash Equivalents	D	17,697	16,055
Receivables	E	8,257	6,447
Term Deposits		1,129	-
Other Assets		5,102	10,583
Total Current Assets		**32,185**	**33,085**
Non-Current Assets			
Other Assets		8,018	-
Property, Plant and Equipment		22,742	25,773
Intangible Assets	F	9,681	6,175
Total Non-Current Assets		**40,441**	**31,948**
Total Assets		**72,626**	**65,033**
Represented by			
Liabilities			
Current Liabilities			
Accruals		5,349	4,625
Payables		4,911	2,629
Deferred Revenue	G	9,474	8,733
Lease Incentive		-	27
Provisions		80	66
Total Current Liabilities		**19,814**	**16,080**
Non-Current Liabilities			
Deferred Revenue	G	34,370	34,928
Total Non-Current Liabilities		**34,370**	**34,928**
Total Liabilities		**54,184**	**51,008**
Equity			
Share Capital and Reserves		18,442	14,025
Total Shareholders' Funds		**18,442**	**14,025**
Total Liabilities and Shareholders' Funds		**72,626**	**65,033**

D – Cash and cash equivalents

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

E – Receivables

Receivables were higher than forecast at year end, primarily reflecting the higher level of revenue generated during the year.

F – Intangibles

Intangible assets were higher at year end, primarily due to the reclassification of costs between hardware and software as part of the Managed Network Upgrade. Property, plant and equipment was correspondingly lower.

G – Deferred revenue

Total deferred revenue was in line with forecast.

Statement of Changes in Equity

For the year ended 30 June 2026

	Share Capital	Retained Earnings / (Deficit)	2026 Actual $000	2026 Forecast (Unaudited) $000
Opening Balance 1 July 2025	**14,000**	**(1,886)**	**12,114**	**12,119**
Net Surplus/(Deficit)	-	6,328	6,328	1,906
Total Comprehensive Income/(Loss) for the Period	**-**	**6,328**	**6,328**	**1,906**
Closing Balance 30 June 2026	**14,000**	**4,442**	**18,442**	**14,025**

Statement of Cash Flows

For the year ended 30 June 2026

	Ref	2026 Actual $000	2026 Forecast (Unaudited) $000
Cash Flows from Operating Activities			
Receipts from Customers		87,019	92,638
Gain on Foreign Exchange		124	-
Interest Received		333	372
Payments to Suppliers and Staff		(62,445)	(70,117)
Net Cash Inflow from Operating Activities		**25,031**	**22,893**
Cash Flows from Investing Activities			
Purchase of Property, Plant and Equipment		(14,330)	(20,194)
Purchase of Intangible Assets		(2,683)	-
Purchase of Term Deposits		(2,524)	-
Receipt of Term Deposits		2,500	-
Net Cash Outflow from Investing Activities		**(17,037)**	**(20,194)**
Net Increase/(Decrease) in Cash	H	**7,994**	**2,699**
Opening Balance		9,703	13,356
Closing Balance		**17,697**	**16,055**

H - Net increase/ (decrease) in cash

Cash flow for the year was higher than forecast, primarily reflecting stronger financial performance during the year.

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
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:

Deidre Shea MNZM, Chair
Sharon Cresswell, Deputy Chair
Elle Archer
Jeremy Banks
Anthony Brennan
Ming-chun Wu

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