

New Zealand Kindergartens Inc

Performance Report

31 March 2018

New Zealand Kindergartens Inc
Performance Report Contents
For the year ended 31 March 2018

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New Zealand Kindergartens Inc
Entity Information
For the year ended 31 March 2018

Legal name of entity

New Zealand Kindergartens Incorporated (NZK)

Type of entity and legal basis

Incorporated as a Incorporated Society under the Incorporated Societies Act 1908
Registered as a Charity (CC28763) under the Charities Act 2005

Entity's purpose or mission statement

Growing and strengthening kindergarten.

Entity structure & governance

Entity is governed by a board of 7 board members.

On the NZK board:

President	James Patea
Member	Helen McNaughten
Member	Claire Brown
Member	Craig Vercoe
Member	Maire Stockman
Member	Grant Harrison
Member	Tania Jones

Main sources of cash & resources

NZK receives cash or resources from:

- Levies from member associations

Main methods used by the entity to raise funds

NZK levies member associations.

The entity's reliance on volunteers and donated goods or services

The members on the governing body are all volunteers. Trustees are paid an honorarium.

The entity does not receive donated goods.

New Zealand Kindergartens Inc
Entity Information
For the year ended 31 March 2018

Additional information

Independent Assurance Practitioner	Moore Stephens Wellington Audit Wellington
Banker	ASB Porirua
Solicitor	Mai Chen Managing Partner ChenPalmer Partners P O Box 106 114 Auckland 01143

Contact information

Registered Office	Level 1, 32 The Terrace, Wellington 6140
Postal Address	PO Box 3058, Wellington 6140
Website	www.nzkindergarten.org.nz
Phone	(04) 470-0775
Email	contact@nzkindergarten.org.nz

New Zealand Kindergartens Inc
Statement of Service Performance
For the year ended 31 March 2018

Description of the entity's outcomes - constitutional objects

- To support affordable access to quality early childhood education for all children in New Zealand/ Aotearoa
- To assist Member Associations to provide and develop high quality and accessible early childhood education services.
- To support and promote the interests of Member Associations.
- To do all things which shall be thought to be conducive to the carrying out of the above objects and the furtherance of Early Childhood Education.

Description and quantification of the entity's outputs	2018	2017
Engagement outputs		
Senior teacher hui	1	0
Managers hui	2	2
Administrators hui	0	1
National meetings	1	0
Regional meetings	0	5
Conference	0	1
Visits / charring working groups member associations	18	13
Annual general meetings	1	1
Governance hui	1	0
Influence outputs		
NZK working groups	8	13
NZK representation at external advisory group meetings	65	56
Publications / reports / papers / surveys	5	3
Bargaining	0	4
Submissions	7	11
Administration outputs		
Administer Joyce Barnes Travel Trust	1	1
Renewal of national insurance scheme	0	0
Surveys	1	4
Administer high trust relationship agreement	2	2

New Zealand Kindergartens Inc
Statement of Financial Performance
For the year ended 31 March 2018

	Note	2018	2017
Revenue			
Levies and meeting registrations	1	410,122	431,309
Revenue from providing goods or services			
Interest, dividends and other investment revenue		11,409	13,252
Other revenue	1	42,483	150,578
Total Revenue		464,014	595,138
Expenses			
Personel and board costs	2	289,890	296,823
Costs related to providing goods or services	2	183,936	212,945
Other expenses	2	35,031	74,614
Total Expenses		508,857	584,382
Surplus/(Deficit) for the year		(44,843)	10,756

New Zealand Kindergartens Inc
Statement of Financial Position
As at 31 March 2018

	Note	2018	2017
Assets			
Current Assets			
Bank accounts and cash	3	71,764	175,768
Debtors and prepayments	3	34,906	20,237
Term deposit		313,502	303,153
Work in progress		25,000	-
Total Current Assets		445,171	499,158
Non-Current Assets			
Property, plant and equipment	5	7,199	1,257
Other non-current assets			
Total Non-Current Assets		7,199	1,257
Total Assets		452,370	500,415
Liabilities			
Current Liabilities			
Bank overdraft			
Creditors and accrued expenses	4	38,527	17,718
Employee costs payable	4	21,043	25,188
Other current liabilities	4	-	19,865
Total Current Liabilities		59,570	62,771
Total Liabilities		59,570	62,771
Total Assets less Total Liabilities (Net Assets)		392,800	437,643
Accumulated Funds			
Accumulated surpluses or (deficits)	6	364,437	398,395
Reserves	6	28,364	39,248
Total Accumulated Funds		392,800	437,643

For and on behalf of the board:

Board member

Chief executive

3 JULY 2018

Date authorised for issue

New Zealand Kindergartens Inc
Statement of Cash Flows
For the year ended 31 March 2018

	Note	2018	2017
Cash flows from operating activities			
Cash was received from:			
Levies and meeting registrations		418,767	447,694
Interest, dividends and other investment revenue		1,074	3,750
Other income		52,726	61,750
Net GST		<u>(6,842)</u>	<u>11,690</u>
		465,725	524,883
Cash was applied to:			
Payments to suppliers and employees		<u>(522,396)</u>	<u>(627,709)</u>
		(522,396)	(627,709)
		<u>(56,670)</u>	<u>(102,826)</u>
Net cash flows from operating activities			
Cash flows from investing & financing activities			
Cash receipt from sale of property, plant and equipment		153	
Payment for property, plant and equipment		(7,756)	(0)
Cash flow from investing activities		-	100,000
Net cash flows from investing & financing activities		<u>(7,603)</u>	<u>100,000</u>
		(64,273)	(2,826)
Net increase/(decrease) in cash		(64,273)	(2,826)
Opening bank accounts and cash		175,768	138,865
Closing bank accounts and cash		<u>111,495</u>	<u>136,038</u>
This is represented by:			
Bank accounts & Cash		<u>71,764</u>	<u>175,768</u>

New Zealand Kindergartens Inc

Statement of Accounting Policies

For the year ended 31 March 2018

Basis of preparation

New Zealand Kindergartens Inc has elected to apply PBE SFR-A (NFP) *Public Benefit Entity Simple Format Reporting - Accrual (Not for profit)* on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

GST

All amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated inclusive of GST.

Specific Accounting Policies

Income Tax

New Zealand Kindergartens is a registered charitable entity under the Charities Act 2005, and accordingly is exempt from income tax under sections CW41 and CW42 of the Income Tax Act 2007.

Bank accounts & Cash

Bank accounts & cash in the Statement of Cash Flows comprise cash balances and bank balances.

Revenue from sale of services

Revenue is recorded based on the stage of completion of the service at balance date.

Particular Accounting Policies

Fixed Assets

Fixed Assets owned by the New Zealand Kindergartens Inc are recorded at cost less accumulated depreciation.

Depreciation

Depreciation is provided on a straight line basis at rates that will write off the cost of the assets over their estimated useful lives.

The useful lives of assets have been estimated as follows:

Furniture and Equipment	3-10 years
Office Equipment	3-10 years
Computer Equipment and Software	3-10 years

Accounts Receivable

Accounts receivable are recorded at the net realisable value.

Liabilities

Liabilities are recognised when the goods and services to which they relate are received. Liabilities are carried at the amount of cash which is required to settle those liabilities.

Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used throughout the period (Last year - Nil)

New Zealand Kindergartens Inc
Notes to the Performance Report
For the year ended 31 March 2018

Note 1: Analysis of Revenue		2018	2017
Revenue Item	Analysis		
Levies and meeting registrations			
	Subscriptions from members	390,400	389,222
	Member conference fees	19,722	42,087
	Total	410,122	431,309
Other revenue			
	Other income - special projects	-	-
	Other income - rebates	10,387	51,849
	NZK History Project	-	16,870
	Sundry income	12,231	15,876
	Other income - participation initiative	19,865	65,983
	Total	42,483	150,578
Note 2: Analysis of Expenses		2018	2017
Expense Item	Analysis		
Personnel and board costs			
	Salary & Wages	247,852	260,561
	Professional development	561	-
	Board expenses and fees	40,610	35,649
	ACC Levies	867	614
	Total	289,890	296,823
Costs related to providing services			
	Legal	5,512	44
	National contracts management	4,178	11,240
	Operational	52,793	46,427
	Meeting expenses	48,146	86,633
	Policy development	37,844	33,187
	Rent	31,200	31,200
	Review engagement fees	2,600	3,060
	Depreciation	1,662	1,154
	Total	183,936	212,945
Other expenses			
	Participation initiative	20,000	48,873
	Promotional strategy reserve	-	-
	Heritage project reserve	10,884	22,421
	Rebates	4,147	3,319
	Total	35,031	74,614

New Zealand Kindergartens Inc
Notes to the Performance Report
For the year ended 31 March 2018

Note 3: Analysis of Assets		2018	2017
Asset Item	Analysis		
Bank accounts and cash			
	Petty Cash	0	88
	Bank account call	11,968	40,628
	Bank account savings	59,486	134,743
	Term investments	-	-
	International currency	309	309
	Total	71,764	175,768
Debtors and prepayments			
	Accounts receivable	24,051	13,716
	Prepaid expenses	10,855	6,521
	Total	34,906	20,237
Note 4: Analysis of Liabilities		2018	2017
Liabilities Item	Analysis		
Creditors and accrued expenses			
	Accounts payable	35,927	15,158
	Subscriptions received in advance	-	-
	Accrued review fee	2,600	2,560
	Accrued other expenses		
	Total	38,527	17,718
Employee costs payable			
	Annual leave accrual	16,143	18,337
	Salary & Wage accrual	-	-
	PAYE and other taxes owing at balance date	4,900	6,852
	Total	21,043	25,188
Other current liabilities			
	Participation initiative	-	19,865
	Total	-	19,865

New Zealand Kindergartens Inc
Notes to the Performance Report
For the year ended 31 March 2018

Note 5: Property Plant & Equipment

This Year

Asset Class	Opening carrying amount	Purchases	Sales/ (Disposals)	Current year depreciation	Closing carrying amount
Furniture and fixtures	185	2,007	-	256	1,936
Office equipment					-
Computers	1,071	5,749	198	1,360	5,262
Total	1,257	7,756	198	1,617	7,199

Last Year

Asset Class	Opening carrying amount	Purchases	Sales/ (Disposals)	Current year depreciation	Closing carrying amount
Furniture and fixtures	242	-	-	57	185
Office equipment					
Computers	2,169	-	-	1,098	1,072
Total	2,411	-	-	1,154	1,257

New Zealand Kindergartens Inc
Notes to the Performance Report
For the year ended 31 March 2018

Note 6: Changes in Accumulated Funds
This Year

Description	Capital Contributed by Owners or Members	Accumulated Surpluses or (Deficits)	Reserves	Total
Opening Balance	-	398,395	39,248	437,644
	-			-
	-			-
Surplus/(Deficit)	-	(44,843)		(44,843)
Expenses transfer to Reserves	-	10,884	(10,884)	0
Transfer from Reserves	-	-	-	-
Closing Balance	-	364,437	28,364	392,800

Last Year				
Description	Capital Contributed by Owners or Members	Accumulated Surpluses or (Deficits)	Reserves	Total
Opening Balance	-	382,088	44,799	426,887
				-
				-
Surplus/(Deficit)	-	10,756		10,756
				-
Expenses transfer to Reserves	-	5,551	(5,551)	0
Transfer to Reserves	-	-	-	-
Closing Balance	-	398,395	39,248	437,643

Nature and purpose of each reserve	2018	2017
Promotional strategy reserve		
Fund to design and implement a marketing and promotional strategy.	-	-
Heritage project reserve		
Fund to establish a heritage website and archive, and to commission a publication on the history of NZK.	28,364	39,248
Total	28,364	39,248

New Zealand Kindergartens Inc
Notes to the Performance Report
For the year ended 31 March 2018

Note 7: Commitments

NZKI has entered into a lease of a Ricoh photocopier which expires 20/06/2022 as follows

	2018	2017
Not later than 1 year	2,220.00	-
Later than one year and not later than five years	7,030.03	-
Total	9,250.03	-

Note 8: Contingent Liabilities

At balance date there were no known contingent liabilities (Last year: nil)

Note 9: Related Party transactions

Description of relationship	Description of transaction	2018	2017
Transactions with trustees	Honorarium	7,400	7,200
	Total	7,400	7,200

There are no amounts due from or to related parties at balance date (Last year: nil)

Note 10: Events after balance date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report. (Last year: nil)

Note 11: Other disclosures

Assets used as security for liabilities

No assets have been used as security for liabilities at reporting date (Last year: Nil)

Independent assurance practitioner's review report

To the Members of New Zealand Kindergartens Incorporated

We have reviewed the accompanying performance report of New Zealand Kindergartens Incorporated, which comprises of the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 31 March 2018, the statement of financial position as at 31 March 2018, and the statement of accounting policies and other explanatory information.

The responsibility of the board for the performance report

The board are responsible on behalf of the entity for:

- a) identifying suitable outcomes and outputs and quantification methods where practicable to report in the statement of service performance
- b) the preparation and fair presentation of the performance report in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) Standard issued in New Zealand by the New Zealand Accounting Standards Board, and
- c) for such internal control as the Trustees determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

Assurance Practitioner's Responsibility

Our responsibility is to express a conclusion on the performance report. We conducted our review of the financial information (consisting of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report) in accordance with International Standard on Review Engagements (New Zealand) (ISRE (NZ)) 2400, "Review of Historical Financial Statements Performed by an Assurance Practitioner who is not the Auditor of the Entity", and the review of the non-financial information (consisting of the entity information and statement of service performance) in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Those standards require us to conclude whether anything has come to our attention that causes us to believe that the performance report, taken as a whole, is not prepared in all material respects in accordance with the Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) Standard. Those standards also require that we comply with ethical requirements.

A review of the Performance Report in accordance with ISRE (NZ) 2400 and ISAE (NZ) 3000 (Revised) is a limited assurance engagement. A review of the statement of service performance also involves performing procedures to obtain evidence and evaluating the suitability of the reported outcomes, outputs and quantification methods used. We performed procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applied analytical procedures, and evaluated the evidence obtained. The procedures selected depend on our judgement, including the areas identified where a material misstatement is likely to arise.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and ISAE (NZ) 3000 (Revised). Accordingly, we do not express an audit opinion on the performance report.

Other than in our capacity as assurance practitioner we have no relationship with, or interests in, New Zealand Kindergartens Incorporated.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that this performance report does not present fairly, in all material respects, the entity information and the financial position of New Zealand Kindergartens Incorporated as at 31 March 2018 and its financial performance, cash flows and service performance for the year then ended in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) Standard.

Moore Stephens

Moore Stephens Wellington Audit | Chartered Accountants, Wellington, New Zealand
3 July 2018