AUCKLAND KINDERGARTEN ASSOCIATION

Annual Report 2012

AR12

CONTENTS

Mission Statement

To provide leadership in education.

Vision Statement

Every Aucklander has the opportunity to excel and realise their cultural distinctiveness and potential in a community of learning.

Values Statement

Act with integrity to educate, empower and ensure excellence.
Enjoy what you do!



Acknowledgements 2012

We are very grateful to the following organisations for their support of the Auckland Kindergarten Association:

- ASB Charitable Trust
- Auckland Airport Community Trust
- Auckland Council
- Community Organisation Grants Scheme (COGS)
- Duffy Books in Homes Programme
- Enviroschools Foundation
- Four Winds Foundation
- Fuji Xerox
- Hesketh Henry
- Infinity Foundation
- Lion Foundation
- Local Community Boards
- Local Licensing Trusts
- Local Rotary Clubs
- Local RSA's
- Nautilus Foundation
- North and South Trust
- Oxford Community Trust
- Pelorus Trust
- Mt Wellington Foundation
- NZ Lottery Grants Board
- Sir John Logan Campbell Trust
- Southern Trust
- SPARC
- The Trusts Community Foundation Inc (TTCF)
- Winger Motors Ltd

And all those who fundraise to assist kindergartens.

The Auckland Kindergarten Association is a charitable trust that has been providing quality early childhood education since 1908. The kindergarten service that is provided is of the highest quality and the organisation is widely respected after 104 years of operation in the Auckland community.

Message from the Chairperson of the AKA Board

Tena Koutou

The last year has seen an enhanced awareness and understanding of the importance of high quality early childhood education (ECE). We are very proud of the service provided by the Auckland Kindergarten Association (AKA) to over 7,500 children, parents and whanau on any given day. This report highlights some of our key activities over the last year or so.

ECE Taskforce

The independent ECE Taskforce was established by the former Education Minister, Anne Tolley, in October 2010 to review the effectiveness of ECE spending and propose new ideas for innovative, cost effective and evidence-based ways to support children's learning in early childhood and the first years of compulsory schooling. The report of the ECE Taskforce, An Agenda for Amazing Children, was released on 1 June 2011. Our General Manager, Tanya Harvey, was part of this group, and the Report recommends that the Government take action in the coming years to raise the quality of early childhood education in New Zealand, reduce variance in quality levels, and ensure that all children have access to appropriate services, given their needs. Funding for such actions should be given highest priority, even during times of fiscal pressures. The new Education Minister, Hekia Parata, established further working groups within the ECE sector to more fully explore the functional aspects of the recommendations. We await the announcements, later this year, regarding the impact of this work on future Government policy.

Supporting Vulnerable Children

We have become increasingly aware of the need to support our nation's most vulnerable children. The Minister of Social Development, Paula Bennett, attended professional development with our teachers to provide an overview of the Green Paper for Vulnerable Children and answered questions to inform our submission. We eagerly await the White Paper that is due for release in October.

The Government has also released 10 Better Public Service Goals to be achieved over the next five years. These targets require a stretch beyond immediately deliverable results and highlight opportunities for new ways of working together to deliver better public services to New Zealanders. The work underway in these areas will, in time, demonstrate innovation and improvement across a connected, collaborative public sector. One of the themes relates to supporting vulnerable children, via an increase in participation in ECE, an increase in infant immunisation rates and a reduction in the number of assaults on children. Another theme focuses on reducing the bureaucracy and seemingly ever increasing paperwork that is required.

Auckland Plan

At a more local level, the AKA has been involved with enhancing quality ECE throughout the Auckland region. We were pleased with the release of the Auckland Plan that has the number one priority to 'Put children and young people first'.

Part of the first strategic direction is to create a strong, inclusive and equitable society that ensures opportunity for all Aucklanders. The targets include that by 2017, all pre-school children will receive all well checks, including the B4 school check, and are up-to-date with childhood immunisation. And that all 3 to 4 year olds will participate in, and have access to quality, culturally appropriate early childhood learning services by 2020.

The synergies between Central and Local Government are clearly evident.

Learning Auckland Accord – Te Whakakotahitanga Te Ara Matauranga

Working together for education in Auckland

The Accord grew out of the Auckland Education Summit held in 2011. Auckland Council signalled its intention to put children and young people first in Auckland's Plan, and to recognise learning as a key way for Auckland to become the world's most liveable city. Nearly two hundred leaders from the city's education, social, political and commercial landscape agreed they needed to work collaboratively to create and deliver a success strategy to lift achievement for *all* Aucklanders.

It is a common accord that spells out this shared commitment. Anyone – whanau, education professionals, learners, communities, individuals, private or public organisations can sign up if they agree with its intent. Those who register receive a certificate to record their commitment, and regular advice about collective impact activities and progress reports. There will also be ways to find out how to track progress towards shared goals and who to call to advance their own projects.

Our General Manager was part of the smaller Kaitiaki group that was formed to create the document and the AKA and KiNZ signed the Learning Auckland Accord earlier this year.

AKA Strategic Plan

During all this activity, the AKA Board reviewed the AKA's Mission Statement and Strategies for Implementation by the General Manager.

It was agreed to create a Vision Statement that would be more measurable and lead into a full strategic plan review in 2015. Strategies were slightly modified to reflect the changes that had occurred over the last few years and the direction going forward. Specific key performance indicators were also developed to help measure the outcomes of the policy direction.

Details of the Strategic Plan 2012–2015 are included at the back of this Report.

The operational face of the AKA has continued to change with 54 kindergartens operating the traditional afternoon/morning sessions (with a ratio of 1 teacher to 15 children) and 53 kindergartens providing the Kindergarten Day Model (KDM) (essentially 9-3pm, which offers the longer and shorter sessions with a ratio of 1 teacher to 10 children). We are seeing a trend towards longer hours in our communities; where traditionally we have had long waiting lists and a relatively high age of entry, this is no longer the situation in many cases. We continue to work with our communities to ensure our hours of operation meet their needs, now and into the future.

The high quality of teaching and learning delivered by the AKA continues to be provided by nearly 400 of our qualified teachers (compared to nearly 300 in 2010). The Education Review Office continues to confirm this and provide positive feedback during their visits.

A survey of our employees was conducted to help us understand the changing environment in which we operate. The results reflected the following:

- 99% supported the AKA's mission to be leaders in education.
- 95% felt their job gave a feeling of personal accomplishment.
- 91% felt they worked in a safe, nurturing and pleasant environment.

We continue to strive to be the employer of choice within the ECE sector and we are attracting more staff to our limited positions, as well as welcoming staff who have returned to the AKA.



Significant achievements and events for the year ending 30th June 2012

Education

- 15 kindergartens working towards the Enviroschools bronze reflection award.
- 64 Head Teachers currently involved in a year-long Leadership Symposium developed and run by the AKA.
- 9 kindergartens participated in the cluster trials for the new methodology undertaken by ERO which is ongoing.
- 75% of kindergartens re-licensed under the 2008 ECE Regulations; completion by the end of 2012.
- 320 ECE teachers participated in the Incredible Years Teacher programme, and 37 parents in the Parent programme, facilitated by the AKA.
- 4 local kindergartens are involved in the Tamaki Transformation Project undertaken by the Ministry of Education.
- Elisabeth Greaves, Teacher at Wellsford Kindergarten, won the annual Kiwibank Local Heroes Award for 60 years teaching service.
- Carol Hartley, Head Teacher at Mangere Bridge Kindergarten, won the NEiTA award for leadership.
- Jemma Smith, Pat Rogers and Carol Hartley, Mangere Bridge Kindergarten, published 'Crossing the Border' with Margaret Carr and Sally Peters. 'Crossing the Border' is a book in which a community negotiates the transition from early childhood to primary school.
- Botany Downs Kindergarten developed a transition to school DVD with their local primary school.
- Research into the use of iPads being undertaken by Roskill South Kindergarten.

Property

- Implementation of the sustainable buildings programme; with building alterations to allow for passive ventilation and insulation to be fitted for those kindergartens in the capital programme.
- The streamlining of processes and more efficient delivery of both capital and facilities projects.
- Construction of the new Waterview Kindergarten building due for completion in September as a result of the Western Link and Tunnel. Substantial funding was obtained from the NZ Transport Authority for this to occur.
- A new site at Whenuapai Primary School was secured to allow for the relocation of the Hobsonville North Kindergarten building. This move arose with the new property and roading developments in the area.
- The first kindergarten operated by the AKA in Victoria Park, Logan Campbell Kindergarten, was refurbished by Auckland Council and they are seeking ideas for future community use.
- Alternative 'suitable' land has not been found in the Pt Chevalier area so the Pt Chevalier Kindergarten remains operational on the Primary School site.

Finance

- Training for all kindergarten administrators to up-skill and refresh knowledge on the administrative package info-care.
- Implementation of the payroll system Chris 21, including the development of user manuals for all user types.

Health and Safety

- Tertiary accreditation from Accident Compensation Corporation was retained.
- The Police Education Service facilitated a *Dealing with Difficult People* training session for all teachers.
- Auckland Council Civil Defence members presented a "get ready get through" session with all teachers receiving resources to share with their communities.
- Two of the management team attended the Employers and Manufacturers Association Health and Safety Stage 3 training.
- AKA staff supported the Health and Safety Committee objective to reduce injuries in the home and at work through participation in campaigns such as Safety in the Home.

Marketing

- Design and printing of over 20 individual kindergartens flyers, posters and brochures; with printing 100% sponsored by Fuji Xerox.
- Participation in the Storylines Festival, Toddler Day Out, Beginning Teacher Expo and Parent and Child Show, along with several local community events.
- Increased advertising in newspapers, washroom advertising, Finda, Littlies magazine, Little Treasures magazine, radio and parent/child focussed websites including Google.
- Launch of the new internal newsletter providing kindergartens with up to date information on a weekly basis.

Our parent survey showed that we continue to have a positive influence on the lives of the children, families, whanau and communities through children who attend our kindergartens. Parent responses from the survey indicated that:

- 98% felt their child enjoyed going to kindergarten.
- 94% felt the teachers know their child well.
- 97% felt the kindergarten was well resourced with a good range of equipment.
- 92% felt their child's portfolio was regularly updated and is a great record of his/her learning while at kindergarten.
- 98% felt they were kept up to date with important information (via newsletter, noticeboard, in person etc).
- 98% would recommend their kindergarten to other parents.

The kindergartens used this feedback to review their action plans so that they can maintain and improve the service provided to ensure we remain effective in meeting the needs of our families.

Information and Communication Technology (ICT)

- Developed a strategic plan for the ICT portfolio that involved completing a full audit of ICT equipment for every centre.
- Transitioned to a robust and effective ICT Helpdesk service to meet the growing needs of Head Office and Kindergarten staff.
- Implemented Smartphones to Head Office mobile users to provide enhanced communication channels.
- Completed and implemented kindergarten microsites enabling all kindergartens the means to communicate the quality of teaching and learning in kindergarten.

KiNZ Early Learning Centres

- Positive ERO reviews for centres, highlighting the strengths of the teachers to provide high quality teaching and learning in an all day early learning centre.
- KiNZ Myers Park undertaking research with Auckland University.

Financial Matters

The Government Budget 2012 was not unexpected in that it allowed for no increase in bulk funding; although a targeted increase in equity funding was seen as a positive move. This extra funding impacts 34 of our kindergartens and the additional funding will be pooled to develop a Participation and Engagement workstream within the AKA. This will allow for higher level policy implementation to focus on the Government's objective to achieve 98% participation in ECE by 2016. This work has clear synergies to the vision of the AKA and the Auckland Learning Accord.

The financial statements for the year ended 30 June 2012 have been prepared in accordance with International Financial Reporting Standards (IFRS) and an unqualified audit report has been issued by Deloitte. The key reports and those most read are contained in this report.

The 'Association' is the combination of the Head Office and Kindergartens, while the 'Consolidation' is the combination of the Association and the 100% subsidiary company, Kindergarten NZ Ltd (KiNZ). This company operates four early learning centres and provides advisory consultancy to the ECE sector.

The financial statements for the AKA are detailed at the back of the annual report; however a summary of the operating results is as follows:

	2012 000's	2011 000's
Association profit	4,396	3,104
Consolidated profit	4,875	3,181

It is important to note that although this is a large surplus, there has been a significant investment in capital projects and this expenditure of $3m is reflected in the financial statements.

There is a large capital commitment ($1.7m) reflected in the notes to the financial statements plus an extra $282,000 of pre-planned capital work started in July 2012 onwards which will flow into next year's results.

This totals nearly $4.9m of committed expenditure which is the result of the Consolidated profit for the year; so not a lot of additional funds left to allocate.

We have seen an increase in funding for property relocations, more kindergartens moving to the KDM operation, a continued reduction in costs and being mindful of reinvesting into the communities while also allowing reserves for future growth opportunities. Or, as was the case this year, allowing for when no further Government funding is made available.

The Cash Flow Statement shows a net inflow of cash of $2.8m (2011: $58k) of which the AKA Board has committed a further $2 million of reserves into additional capital and facilities programmes over the next two years.

Board Matters

At the end of December 2011 our Treasurer of 17 years, Ian Kendall retired. When he started with the AKA, the financial situation was in a deficit and a huge shakeup of the finance area was required. With newer more professional staff, he has helped oversee considerable change and kept a high level of accountability for the management team and Board. We decided not to recruit a further Treasurer; as we have enhanced the objectives of the Finance and Risk Committee and two Chartered Accountants will serve on the Board at any point in time. Ian has remained as a KiNZ director so we do not lose his knowledge and expertise completely.

We were saddened late last year with the passing of two life members, Eileen Bethell and Dr David Barney. They were both extremely committed to the aims of the organisation and had kept an avid interest in events for the last 30 years or so.

On a more positive note, we welcomed two new Board members at the Annual Meeting; Glenn Mottram and Simon Jones, with Lee-Anne Coburn being seconded during the year after the departure of Christine Scott.

We appreciate everyone's commitment to the AKA, whether it be past or present Board members, staff, parents, whānau and children, and look forward to another exciting year ahead.

No rera, nga mihi

Jo Hadley
Chairperson of the AKA Board

Board Members

Chairperson
Jo Hadley

Deputy Chairperson
Shane Hinton – Dip Bus (Fin)
Enterprise Risk Manager

Lee-Anne Coburn – BA LLB

Jeremy Drummond – LLB
Executive Officer SPELD NZ Inc

Robin Houlker – MEd (Hons)
Education Consultant, Learning Expressed Ltd

Simon Jones – MBA, MCom (Hons), CA
Chief Financial Officer, Aotearoa Fisheries Ltd

Glenn Mottram – CA JP
Company Director

Agnes Naera – BMD, MBA
Programme Director Equity, AUT University

Ron Viviani

Statement of Comprehensive Income

For the 12 months ended 30 June 2012

		Consolidated		Association	
	Note	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Revenue	2	40,658	38,703	37,164	35,480
Other income	2	2,958	2,106	2,893	2,045
		43,616	40,809	40,057	37,525
Expenses					
Staff		28,995	28,217	26,655	25,771
Professional and consultancy fees		444	367	423	328
Management administration		35	41	34	40
Property and resources		7,110	6,901	6,740	6,534
Depreciation	8	1,308	1,139	1,070	897
Loss/(gain) on disposal of fixed assets		5	40	5	40
Office administration		686	727	615	646
Marketing and public relations		158	196	119	165
		38,741	37,628	35,661	34,421
Profit/(Loss) for the period		4,875	3,181	4,396	3,104
Other comprehensive income		–	–	–	–
Total comprehensive profit/(loss)		**4,875**	**3,181**	**4,396**	**3,104**

Statement of Changes in Equity

For the 12 months ended 30 June 2012

	Consolidated		Association	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Opening Balance	21,359	18,178	20,973	17,869
Profit/(loss) for the period	4,875	3,181	4,396	3,104
Total comprehensive profit/(loss)	4,875	3,181	4,396	3,104
Closing Balance	**26,234**	**21,359**	**25,369**	**20,973**

The contents of this page should be read in conjunction with the Summary of Accounting Policies and Notes to the Financial Statements and are subject to the Auditors' Report.

Statement of Financial Position

As at 30 June 2012

	Note	Consolidated 2012 $'000	Consolidated 2011 $'000	Association 2012 $'000	Association 2011 $'000
Current assets					
Cash and cash equivalents	17	12,839	9,393	11,576	8,813
Trade and other receivables	5	1,050	1,659	778	1,287
Other	6	280	345	247	339
Total current assets		**14,169**	**11,397**	**12,601**	**10,439**
Non-current assets					
Investments	7	–	–	1,900	1,900
Property, plant and equipment	8	16,785	15,004	13,349	11,374
Total non-current assets		**16,785**	**15,004**	**15,249**	**13,274**
Total assets		**30,954**	**26,401**	**27,850**	**23,713**
Current liabilities					
Trade and other payables	9	2,913	3,152	2,481	2,740
Deferred income	10	83	83	–	–
Total current liabilities		**2,996**	**3,235**	**2,481**	**2,740**
Non-current liabilities					
Deferred income	10	1,724	1,807	–	–
Total non-current liabilities		**1,724**	**1,807**	**–**	**–**
Total liabilities		**4,720**	**5,042**	**2,481**	**2,740**
Net assets		**26,234**	**21,359**	**25,369**	**20,973**
Equity					
Retained earnings		26,234	21,359	25,369	20,973
Total equity		**26,234**	**21,359**	**25,369**	**20,973**

On behalf of Auckland Kindergarten Association Board:

Chairperson

Board Member 25 September 2012

The contents of this page should be read in conjunction with the Summary of Accounting Policies and Notes to the Financial Statements and are subject to the Auditors' Report.

Cash Flow Statement

For the 12 months ended 30 June 2012

		Consolidated		Association	
	Note	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Cash Flows from operating activities					
Government funding received		37,498	34,765	34,949	32,823
Interest received		838	547	777	519
Receipts from parents		3,222	2,751	2,238	1,856
Sundry income		2,783	2,256	2,824	1,946
Payments to employees		(29,395)	(28,327)	(27,060)	(25,882)
Payments to suppliers		(8,406)	(8,728)	(7,915)	(8,180)
Net cash provided by/(used in) operating activities	17(b)	**6,540**	**3,264**	**5,813**	**3,082**
Cash Flows from investing activities					
Payment for property, plant and equipment		(3,094)	(3,054)	(3,050)	(3,023)
Proceeds from sale of property, plant and equipment		–	2	–	2
Intercompany advance		–	–	–	(3)
Net cash used in investing activities		(3,094)	(3,052)	(3,050)	(3,024)
Net increase/(decrease) in cash and cash equivalents		3,446	212	2,763	58
Cash and cash equivalents at the begining of the period		9,393	9,181	8,813	8,755
Cash and cash equivalents at the end of the period	17(a)	**12,839**	**9,393**	**11,576**	**8,813**

The contents of this page should be read in conjunction with the Summary of Accounting Policies and Notes to the Financial Statements and are subject to the Auditors' Report.

Notes to the Financial Statements

1. Summary of accounting policies

Reporting Entity

The Auckland Kindergarten Association was founded in 1908 and is registered as a charitable entity under the Charities Act 2005. The reporting group consists of the Association, which includes its constituent kindergartens and its wholly owned subsidiary company, Kindergarten NZ Limited. The principal activity of the Group is the provision of Early Childhood Education. The group is a reporting entity for the purposes of the Financial Reporting Act 1993 and its financial statements comply with that Act.

Statement of Compliance

The financial statements have been prepared in New Zealand dollars in accordance with generally accepted accounting practice in New Zealand, applying New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) as appropriate to public benefit entities.

The consolidated financial statements comply with International Financial Reporting Standards (IFRS).

The financial statements were authorised for issue by the Auckland Kindergarten Board on 25 September 2012.

Basis of Preparation

The financial statements for the group have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. The principal policies are set out below.

The functional and presentation currency is New Zealand Dollars.

Key sources of estimation uncertainty

Some judgment was required in the calculation of teacher's holiday pay in the current year. The balance of teacher's holiday pay as at 30 June 2012 is $247,177 (2011: $392,385).

Management has exercised judgement in determining that the computer leases do not transfer substantially all of the risks and rewards of ownership to the Group.

Significant Accounting Policies

The following accounting policies have been adopted in the preparation and presentation of the financial statements:

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in bank and investments in money market instruments.

(b) Financial assets

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.



1. Summary of accounting policies *continued*

Subsequent to initial recognition, investments in subsidiaries are measured at cost.

Other financial assets are classified as 'loans and receivables'.

Loans and receivables
Trade and other receivables are recorded at amortised cost less impairment.

Impairment of financial assets
Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(c) Revenue recognition

All income and expense due or owing at balance date has been brought to account.

Funding Received in Advance
Funding received in advance from the Ministry of Education is recognised on an accrual basis and is recognised as earned based on actual enrolled child hours.

Interest Revenue
Interest revenue is recognised using the effective interest rate method.

(d) Donated services

The work of the kindergartens is partly dependent on the voluntary service of parents, caregivers and the general public. Since these services are not normally purchased by the Association and because of the difficulty of determining their value with reliability, donated services are not recognised in these financial statements.

1. Summary of accounting policies *continued*

(e) Grants

Grants received are recognised in the Statement of Comprehensive Income as revenue, except where some grant conditions remain unfulfilled at balance date, in which case the related amount is recognised as a liability.

Government grants are assistance by the government in the form of transfers of resources to the group in return for past or future compliance with certain conditions relating to the operating activities of the entity.

Government grants include government assistance where there are no conditions specifically relating to the operating activities of the group other than the requirement to operate in certain regions or industry sectors.

Government grants relating to income are recognised as income over the periods necessary to match them with the related costs. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the group with no future related costs are recognised as income of the period in which it becomes receivable.

Government grants relating to assets are treated as deferred income and recognised in profit and loss over the expected useful lives of the assets concerned.

The following estimated useful life is used in the calculation of deferred income:

Capital Accommodation Grant	25 years

There are no unfulfilled conditions and other contingencies attached to government assistance.

(f) Property, plant and equipment

Land and Buildings include kindergarten buildings, which have been purchased with government assistance and are recorded at historical cost. Whilst the Association is responsible for the care and maintenance of these buildings, there may be restrictions on the entitlements to any proceeds from a sale or disposition of such buildings.

Land used by the Association for kindergarten purposes, but not owned by the Association, is not attributed any value in the Association's accounts.

Depreciation is provided on property, plant and equipment, including buildings developed and owned by the Association but excluding land.

Depreciation is calculated on a straight line basis so as to write off the net cost of an asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each annual reporting period.

Buildings erected on land owned by the Association are depreciated at the rate of 3% per annum on cost. Other buildings used by kindergartens are depreciated at rates calculated to amortise the cost of the buildings over their economic useful life.

The following estimated useful lives are used in the calculation of depreciation:

Buildings	25 – 50 years
Playgrounds	10 years
Plant and equipment	5 years

(g) Impairment of assets

At each reporting date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1. Summary of accounting policies *continued*

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(h) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except for receivables and payables which are recognised inclusive of GST.

(i) Principles of consolidation

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the parent entity, Auckland Kindergarten Association and its subsidiary, Kindergarten NZ Limited as defined in NZ IAS 27 'Consolidated and Separate Financial Statements'. All inter-entity transactions and balances have been eliminated on consolidation. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair values of the identifiable net assets acquired exceeds the cost of acquisition, the difference is recognised in profit and loss in the period of acquisition.

The consolidated financial statements include the information and results of each subsidiary from the date on which the Association obtains control and until such time as the Association ceases to control the subsidiary.

Subsequent to initial recognition, investments in subsidiaries are measured at cost.

(j) Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In classifying the leases of computers as operating leases management has exercised significant judgment in determining that the leases do not transfer substantially all of the risks and rewards of ownership to the Group. This judgment was based on:

- management's estimated life of the computers being 5 years and therefore the average lease term of 3 years does not constitute a major part of the asset's life;
- the computers being less susceptible to technological obsolescence than windows based computers;
- the fact that there is no legal transfer of title at the end of the lease term and no option to purchase below fair value; and
- the assets not being considered to be specialised in nature.

1. Summary of accounting policies *continued*

(k) Payables

Trade payables and other accounts payable are recognised when the group becomes obliged to make future payments resulting from the purchase of goods and services.

Trade payables and other accounts payable are classified as 'liabilities at amortised cost' and are measured at amortised cost.

(l) Cash Flow Statement

The following are the definitions of the terms used in the Cash Flow Statement:

(i) Cash and cash equivalents represents cash on hand, current bank balances and short term deposits, which can be converted to cash within two working days.

(ii) Operating activities include all transactions and other events that are not investing or financing activities.

(iii) Investing activities are those activities relating to the acquisition, holding and disposal of property, plant and equipment and of investments.

(iv) Financing activities are those activities that result in changes in the size and composition of the asset structure of the Association.

(m) Income tax

The parent entity, Auckland Kindergarten Association is a registered Charitable Trust and has a wholly owned subsidiary, Kindergarten NZ Limited. The Inland Revenue Department has confirmed that the charitable trust and the company are exempt from income tax.

(n) Employee benefits

Provision is made for benefits accruing to employees in respect of salaries and wages, annual leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the group in respect of services provided by employees up to reporting date.

(o) Adoption of new and revised Standards and Interpretations

(i) Standards and Interpretations effective in the current period

Amendments to NZ IAS 24 *Related Party Disclosures* [1 January 2011] – relating to the simplification of the definition of related parties. AKA is in compliance with this standard and this amendment does not affect any of the amounts recognised in the financial statements.

(ii) Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, a number of Standards and Interpretations were in issue but not yet effective.

Initial application of the following Standards will not affect any of the amounts recognised in the financial statements, but will change the presentation and disclosures presently made in relation to the Association's and group's financial statements:

1. Summary of accounting policies *continued*

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
Amendments to NZ IAS 1 'Presentation of Financial Statements' – Presentation of Items of Other Comprehensive Income	1 July 2012	30 June 2013
Improvements to IFRS:2009 – 2011 cycle	1 January 2013	30 June 2014
NZ IFRS 9 'Financial Instruments'	1 January 2015	30 June 2016
Revised NZ IFRS 9 'Financial Instruments' (2010)*	1 January 2015	30 June 2016
Amendments to NZ IFRS 9 and NZ IFRS 7 Mandatory Effective Date 1 and Transition Disclosures	1 January 2015	30 June 2016

* The revised NZ IFRS 9 adds guidance on the classification and measurement of financial liabilities and derecognition of financial instruments. The effective date is the same as the previous version of NZ IFRS 9, with earlier adoption permitted.

2. Profit from operations

	Consolidated		Association	
	2012	2011	2012	2011
(a) Revenue	$'000	$'000	$'000	$'000
Bulk funding income	26,138	25,846	24,506	24,307
20 hours ECE funding	9,988	8,673	9,196	7,978
	36,126	34,519	33,702	32,285
Equity funding income ***(i)***	580	557	555	518
PRT support grant ***(ii)***	–	194	–	168
Parent contributions:				
Donations	132	254	132	244
Fees	1,854	1,468	870	573
Optional charges	1,236	1,038	1,236	1,038
	3,222	2,751	2,238	1,855
Interest revenue:				
Cash and cash equivalent	730	682	669	654
	40,658	38,703	37,164	35,480

(i) Equity funding income

An analysis of expenditure is as follows:

Property	37	76	37	76
Sundry expenses	56	132	56	132
Support staff	103	172	103	172
Teaching resources	384	177	359	138
Unspent funding received carried forward	–	–	–	–
	580	557	555	518

(ii) PRT Support grant

The organisation no longer qualifies for the Support Grant for Provisionally Registered Teachers as the Ministry of Education changed the criteria from July 2011.

	Consolidated		Association	
	2012	2011	2012	2011
An analysis of expenditure is as follows:	$'000	$'000	$'000	$'000
Management support	–	95	–	82
Registration workshops and resources	–	5	–	5
Registrant release days	–	32	–	32
Tutor teacher allowance	–	45	–	32
Tutor teacher release days	–	17	–	17
	–	194	–	168

2. Profit from operations *continued*

	Consolidated		Association	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
(b) Other income				
Government grants received for building and resourcing new childcare centres	–	7		
Recognised as deferred income	–	(7)		
Government grants recognised as income	83	83	–	–
	83	83	–	–
Other grants received	275	271	275	271
Sundry income	2,600	1,752	2,618	1,774
	2,958	2,106	2,893	2,045
(c) Other expenses				
Kiwisaver employer contributions	262	222	233	191

3. Key management personnel compensation

The compensation of the President, Treasurer (from July to December 2012) and Executives being the key management personnel of the entity, is set out below:

	Consolidated		Association	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Short-term employee benefits	733	683	733	683
	733	683	733	683

4. Renumeration of auditors

	Consolidated		Association	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Audit of the financial statements	42	42	37	37
	42	42	37	37

The auditor of the Auckland Kindergarten Association is Deloitte.

5. Current trade and other receivables

	Consolidated		Association	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Funding receivable	264	977	(8)	618
Debtors	406	135	406	135
Goods and services tax (GST) receivable	380	468	380	468
Intercompany advances to subsidiary	–	–	–	–
PRT support grant receivable	–	79	–	66
	1,050	1,659	778	1,287

The Group does not have any receivables past due and therefore no provision for bad debts is required.

6. Other current assets

	Consolidated		Association	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Pre payments	111	28	102	23
Sundry debtors	169	317	145	316
	280	345	247	339

7. Investments

	Consolidated		Association	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Shares in subsidiary	–	–	1,900	1,900
	–	–	1,900	1,900

8. Property, plant and equipment

	Consolidated					
	Land at cost $	Buildings at cost $	Playgrounds at cost $	Plant and equipment at cost $	Capital work in progress $	Total $
Gross carrying amount						
Balance at 1 July 2010	342	14,488	2,084	4,746	11	21,671
Additions	–	1,233	63	320	1,448	3,064
Disposals	–	(77)	(3)	(110)	(11)	(201)
Balance at 30 June 2011	342	15,644	2,144	4,956	1,448	24,534
Additions	–	1,655	407	917	1,563	4,542
Disposals	–	–	(1)	(123)	(1,448)	(1,572)
Balance at 30 June 2012	342	17,299	2,550	5,750	1,563	27,504
Accumulated depreciation						
Balance at 1 July 2010	–	(3,758)	(1,255)	(3,527)	–	(8,540)
Disposals	–	38	3	108	–	149
Depreciation expense	–	(532)	(129)	(478)	–	(1,139)
Balance at 30 June 2011	–	(4,252)	(1,381)	(3,897)	–	(9,530)
Disposals	–	–	1	118	–	119
Depreciation expense	–	(610)	(151)	(547)	–	(1,308)
Balance at 30 June 2012	–	(4,862)	(1,531)	(4,326)	–	(10,719)
Net book value						
As at 30 June 2011	342	11,392	763	1,059	1,448	15,004
As at 30 June 2012	342	12,437	1,019	1,424	1,563	16,785

	Association					
	Land at cost $	Buildings at cost $	Playgrounds at cost $	Plant and equipment at cost $	Capital work in progress $	Total $
Gross carrying amount						
Balance at 1 July 2010	342	10,647	1,980	4,318	11	17,298
Additions	–	1,230	56	302	1,448	3,036
Disposals	–	(77)	(3)	(110)	(11)	(201)
Balance at 30 June 2011	342	11,800	2,033	4,510	1,448	20,133
Additions	–	1,654	402	879	1,563	4,498
Disposals	–	–	(1)	(123)	(1,448)	(1,572)
Balance at 30 June 2012	342	13,454	2,434	5,266	1,563	23,059
Accumulated depreciation						
Balance at 1 July 2010	–	(3,429)	(1,234)	(3,348)	–	(8,011)
Disposals	–	38	3	108	–	149
Depreciation expense	–	(378)	(118)	(401)	–	(897)
Balance at 30 June 2011	–	(3,769)	(1,349)	(3,641)	–	(8,759)
Disposals	–	–	1	118	–	119
Depreciation expense	–	(457)	(138)	(475)	–	(1,070)
Balance at 30 June 2012	–	(4,226)	(1,486)	(3,998)	–	(9,710)
Net book value						
As at 30 June 2011	342	8,031	684	869	1,448	11,374
As at 30 June 2012	342	9,228	948	1,268	1,563	13,349

9. Current trade and other payables

	Consolidated		Association	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Creditors and accruals	1,689	1,527	1,446	1,300
Employee entitlements	1,219	1,619	1,035	1,440
Goods and services tax (GST) payable	5	6	–	–
	2,913	3,152	2,481	2,740

All payables are due within 30 days of purchase, the Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

10. Deferred income

	Consolidated		Association	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Balance bought forward	1,890	1,966	–	–
Grant received	–	7	–	–
Recognised as income	(83)	(83)	–	–
Balance carried forward	1,807	1,890	–	–
Current portion	83	83	–	–
Team portion	1,724	1,807	–	–
	1,807	1,890	–	–

11. Capital expenditure commitments

	Consolidated		Association	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Building and playground upgrades	1,661	173	1,661	173
	1,661	173	1,661	173

12. Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets as at 30 June 2012 (30 June 2011: $nil).

13. Subsequent events

There have been no subsequent events impacting the Association.

14. Operating leases

(a) Leasing arrangements

Operating leases relate to computers, office building and motor vehicles with lease terms between 2 to 3 years. The Association/Group does not have an option to purchase the leased asset at the expiry of the lease period. Contingent rent payable is determined based on the total of future lease payments.

(b) Operating lease rental expenses

	Consolidated		Association	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Minimum lease payments	340	465	329	445
	340	465	329	445

(c) Non-cancellable operating lease payments

	Consolidated		Association	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Not longer than 1 year	208	376	201	363
Longer than 1 year and not longer than 5 years	4	210	4	203
	212	586	205	566

15. Subsidiaries

		Ownership interest and voting rights	
		2012	**2011**
Name of Entity	**Country of Incorporation**	**%**	**%**
Parent entity			
Auckland Kindergarten Association	New Zealand		
Susidiaries			
Kindergarten NZ Limited	New Zealand	100	100

16. Related party disclosures

There were management fees of $50,000 (2011 : $48,000) and a dividend of $nil (2011 : $nil) paid by Kindergarten NZ Limited to Auckland Kindergarten Association for the 12 months ended 30 June 2012. The Chairperson was paid an honorarium of $7,500 for the 12 months ended 30 June 2012 (2011 : $8,125).

One of the Kindergarten NZ Limited directors, Mr Ron Crawford owns a controlling interest in Universal Decor Limited, which provides painting services to the Association and Kindergarten NZ Limited. During the year, the Association purchased no services from Universal Decor Limited. (2011 : $24,399).

17. Notes to the Cash Flow Statement

(a) Reconciliation of cash and cash equivalents

For the purposes of the Cash flow statement, cash and cash equivalents inlcudes cash on hand and in banks and investments in money market instruments. Cash and cash equivalents at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items iin the statement of Financial Position as follows:

	Consolidated		Association	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Kindergartens	2,643	2,535	2,643	2,535
Head Office	8,933	6,278	8,933	6,278
Kindergarten NZ Limited	1,263	580	–	–
	12,839	9,393	11,576	8,813

(b) Reconcilliation of profit for the period to net cash flows from operating activites

	Consolidated		Association	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Profit/(loss) for the period	4,875	3,181	4,396	3,104
Loss on sale or disposal of non-current assets	5	40	5	40
Depreciation of non-current assets	1,308	1,139	1,070	897
Changes in net assets and liabilities:				
(Increase)/decrease in assets:				
Current receivables	609	(589)	509	(212)
Other current receivables	65	(206)	92	(270)
Increase/(decrease) in liabilities:				
Current payables	(239)	(225)	(259)	(200)
Other current liabilities	–	–	–	–
Funds received in advance	–	–	–	–
Intercompany advance	–	–	–	(277)
Deferred income	(83)	(76)	–	–
Net cash flow/(outflow) from operating activities	6,540	3,264	5,813	3,082

Gross cash flows are presented exclusive of GST.

(c) Restrictions on cash received

Cash received from grants is restricted to the purpose for which the grant was approved.

18. Financial instruments

All financial instruments to which Group is a party are recognised in the financial statements.

There are no changes from the previous year in how the Group manages its credit risk, interest risk and liquidity risk.

18. Financial instruments *continued*

(a) Credit risk management

In the normal course of business, the Group incurs credit risk from trade and other receivables and banking institutions. The Group manages its exposure to credit risk by:

(i) holding cash and cash equivalents and term deposits with New Zealand registered banking institutions; and
(ii) maintaining credit control procedures over trade and other receivables.

The Group has no significant concentration of credit risk. The maximum exposure at balance date is equal to the total amount of cash and cash equivelents, short term deposits and trade and other receivables disclosed in the Statement of Financial Position.

The Group does not require any collateral or security to support financial instruments it holds due to the low risk associated with the realisation of these instruments.

(b) Interest rate risk management

The interest rate risk of funds held is managed through the use of short-term investments, held until maturity. The interest rate risk associated with short-term deposits is considered minimal because Association deposits matured in July 2012 and Kindergarten NZ Limited deposits matured between July and September 2012.

(c) Liquidity risk management

All financial liabilities fall due within 30 days of balance date.

(d) Capital risk management

The Association manages its capital to ensure that the Association will be able to continue as a going conern.

The capital structure of the Association consists of cash and cash equivelents as disclosed in Note 17, and equity, comprising retained earnings as disclosed on the statement of changes in equity.

The Association's overall startegy remains unchanged from 2011 except to ensure investments are with more than one bank.

There are no externally imposed capital requirements on the Association.

(e) Carrying amount

The directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair value.

18. Financial instruments *continued*

(f) Categories of financial instruments

	Consolidated at 30 June 2012			Association at 30 June 2012		
	Loans and receivables	Financial assets and liabilities at amortised cost	Total	Loans and receivables	Financial assets and liabilities at amortised cost	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Assets						
Cash and cash equivalents	12,839	–	12,839	11,576	–	11,576
Trade and other receivables	670	–	670	398	–	398
Sundry debtors	169	–	169	145	–	145
Total financial assets	13,678	–	13,678	12,119	–	12,119
Total non-financial assets			17,276			15,731
Total assets			30,954			27,850
Liabilities						
Creditors and accruals	–	1,689	1,689	–	1,446	1,446
Total financial assets	–	1,689	1,689	–	1,446	1,446
Total non-finacial assets			3,031			1,035
Total liabilities			4,720			2,481

	Consolidated at 30 June 2011			Association at 30 June 2011		
	Loans and receivables	Financial assets and liabilities at amortised cost	Total	Loans and receivables	Financial assets and liabilities at amortised cost	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Assets						
Cash and cash equivelents	9,393	–	9,393	8,813	–	8,813
Trade and other receivables	1,191	–	1,191	819	–	819
Sundry debtors	317	–	317	316	–	316
Total financial assets	10,901	–	10,901	9,948	–	9,948
Total non-financial assets			15,500			13,765
Total assets			26,401			23,713
Liabilities						
Creditors and accruals	–	1,527	1,527	–	1,300	1,300
Total financial assets	–	1,527	1,527	–	1,300	1,300
Total non-financial assets			3,515			1,439
Total liabilities			5,042			2,739

19. Government funding subsidies

In accordance with Ministry of Education circular 2005/04 we report the following:

	Equity funding received $
Akarana Avenue	–
Anchorage Bridge	7,723
Aorere	12,871
Avondale	8,284
Bairds	34,351
Belmont Bayswater	–
Birdwood	7,881
Birkdale	–
Blockhouse Bay	–
Broadlands	–
Bucklands Beach	–
Colwill	3,336
Constance Colegrove	–
Dannemora	–
Devonport	–
Don Buck	9,217
Eden Epsom	–
Ellerslie	–
Favona	21,246
Flat Bush	27,494
Fort Richard Road	23,571
Freemans Bay	–
Glen Eden	8,215
Glen Innes	17,031
Glendowie	–
Glenfield	–
Green Bay	–
Henderson	11,853
Highland Park	–
Hillsborough	7,593
Idlewild	33,919
Kauri Park	–
Kingsdene	26,665
KiNZ East Tamaki	25,006
KiNZ Mission Heights	–
KiNZ Myers Park	–
KiNZ Sandringham	–
Kotiri	8,362
Lady Cobham	–
Laingholm	–
Lincoln North	9,398
Mangawhai	–
Mangere Bridge	–
Maraetai/Beachlands	–
Marlborough	–
Massey	5,967
Mayfield	28,088
McNaughton	25,648

	Equity funding received $
Meadowbank	–
Milford	–
Mission Bay	–
Morningside	–
Mt Albert	–
Mt Eden	–
Mt Wellington	9.975
Murdoch Park	12,600
New Lynn	8,153
Northbridge	–
Omana	5,984
Oranga	6,312
Orakei	–
Oratia	–
Otahuhu	18,587
Owairaka	11,899
Pakuranga	–
Papatoetoe	8,642
Parnell	–
Pigeon Mountain	–
Ponsonby	–
Pt Chevalier	–
Pt England	36,020
Ranui	13,588
Rosier Road	4,774
Roskill South	6,740
Snells Beach	–
Somerville	–
St Heliers	–
Sturges Road	–
Summerland	–
Sunnyvale	5,386
Takapuna	–
Tamaki	5,387
Taupaki	–
Te Atatu South	–
Te Atatu Village	–
Titirangi	–
Waiheke	–
Waitakere	–
Waterview	6,834
Wellsford	3,727
Wesly	23,950
Westlake Forrest Hill	–
Westmere	–
Whiteacres	–
Yendarra	27,909
	580,186

For further analysis of expenditure for equity funding refer to Note.2.

Deloitte.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AUCKLAND KINDERGARTEN ASSOCIATION

Report on the Financial Statements

We have audited the financial statements of Auckland Kindergarten Association and group on pages 7 to 25, which comprise the consolidated and separate statement of financial position as at 30 June 2012, and the consolidated and separate statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Board's Responsibility for the Financial Statements

The Board is responsible for the preparation and fair presentation of financial statements; in accordance with generally accepted accounting practice in New Zealand, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates, as well as the overall presentation of the financial statements.

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

In addition to the audit of the financial statements, partners and employees of our firm deal with Auckland Kindergarten Association on normal terms within the ordinary course of trading activities of the business of Auckland Kindergarten Association. The firm has no other relationship with, or interest in, Auckland Kindergarten Association.

Opinion

In our opinion, the financial statements on pages 7 to 25 present fairly, in all material respects, the financial position of Auckland Kindergarten Association as at 30 June 2012, and its financial performance and cash flows for the year ended on that date in accordance with generally accepted accounting practice in New Zealand.

Deloitte

Chartered Accountants
25th September 2012
Auckland, New Zealand

AUCKLAND KINDERGARTEN ASSOCIATION

Strategic Plan

2012 - 2015

Mission Statement

To provide leadership in education.

Vision Statement

Every Aucklander has the opportunity to excel and realise their cultural distinctiveness and potential in a community of learning.

Values

Act with integrity to educate, empower and ensure excellence. Enjoy what you do!

Strategy One

Be innovative and responsive leaders in the ECE sector

Supporting Strategies

- Influence the decision making processes of central and local Government and other key stakeholders
- Recognise the success and innovative practice of kindergartens
- Ensure a research based approach to teaching and learning
- Focus on vulnerable children not participating in ECE (MOE target 98% by 2016)

Key Performance Indicator

Influence to achieve positive outcomes

Strategy Two

Ensure a responsive high quality ECE service

Supporting Strategies

- Facilitate access for families to service providers
- Engage volunteers, corporate organisations and the community
- Provide flexibility in the provision of ECE

Key Performance Indicator

To maximise participation of kindergarten service

Strategy Three

Continuously improve and communicate the quality of teaching and learning in kindergarten

Supporting Strategies

- Promote the value of ECE
- Promote the value of kindergarten
- Ensure that reflective practice is promoted

Key Performance Indicator

To have 50% of primary school leaders and new entrant teachers actively involved with, and advocates for, their local kindergarten

Strategy Four

Ensure the sustainability of the organisation

Supporting Strategies

- Ensure strong governance and management within the AKA
- Be the employer of choice within the Auckland ECE sector
- Ensure financial viability
- Ensure environments are safe, stimulating and challenging with sustainable operating practices

Key Performance Indicator

To maximise kindergarten operations

To modernise kindergartens to enhance 21st century learning

ART2

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