Ngā Tamariki Puāwai o Tāmaki
AUCKLAND KINDERGARTEN ASSOCIATION

ANNUAL REPORT 2023

HE TOKA TŪ MOANA

A ROCK STANDING FIRM IN THE SEA

“Kotahi te kākano, he nui ngā hua o te rākau. A tree comes from one seed but bears many fruit.”

In our commonality we are all different. In early learning we celebrate those differences while maintaining our relationship with each other.

E rere ana ngā mihi ki a koutou katoa, i runga ngā āhuatanga o te wā.
Acknowledgements to you all, in these times.

E ngā mana, e ngā reo, e ngā rau rangatira.
To all authorities, to all voices, to you all as leaders.

Tēnā koutou, tēnā koutou, tēnā koutou katoa.
Greetings, greetings, greetings.

CONTENTS

REPORT FROM THE CHAIR AND CHIEF EXECUTIVE

The year in review with Bruce McLachlan, Chair, and Pauline A. Winter, Chief Executive


Rānui Kindergarten


Ellerslie Community Event


Mangawhai Kindergarten

Tēnā koutou katoa and warm Pacific greetings.

This year's theme, "he toka tū moana – a rock standing firm in the sea" reflects our manawanui during storms. We continue to contribute to our 115-year history. We stay resilient no matter the weather. We prepare for the future, so we are able to educate coming generations of tamariki.

Te Taiao, the natural world, reminded us dramatically of our interconnectness. A nationwide surge in Omicron cases and respiratory illnesses meant we experienced higher rates of illness than the previous year. Our kindergartens looked after tamariki and kaiako wellbeing, with good ventilation and health practices. We worked hard to maintain 85% enrolment, and educated 9082 tamariki in our kindergartens and centres, along with 436 tamariki in Playgroups.

Some kindergartens are full with waiting lists, while others have capacity. An increase in two-year-olds, population growth in Tāmaki Makaurau, and reduced community-based options, provides a positive outlook for us. We are confident that there is demand for our accessible, affordable, high-quality early education.

We began 2023 with high hopes of normalcy, but our network and many of our whānau were hit by the Anniversary Weekend flood and the February cyclone. Initially we had 12 closed sites. Four were closed for months as we worked through immense flood damage, a slip hazard, complex Auckland Council or Ministry of Education (MoE) ownership, contractor availability, and insurance claims. In wonderful demonstrations of maanakitanga and kotahitanga, many kindergartens, centres and one primary school welcomed tamariki displaced by floods, allowing their education to continue. Despite the challenges of pandemic, weather damage, and increased costs, we recorded a deficit of $1,245,000, which is ahead of our budgeted deficit of $1,696,000.

Ngā mihi to Board members for their guidance during this challenging year; to the Executive Team and staff; life members; and our Parent and Whānau Group Chairs. We continue to work hard to sustain Auckland Kindergarten Association, to ensure all tamariki have access to excellent education.

Our education remains strong, as we continue to align pedagogy with the Ministry of Education's National Education Learning Priorities (NELP) and other key frameworks. This year we had our first Governing Organisation Review by the Education Review Office (ERO), a new approach for officials checking compliance and teaching methodologies. Teams are working on improvements, focusing on processes and systems for reporting. We strongly believe in our ako, and will continue to evolve to meet whānau needs and directions in education.

Highlights of the year include:

- The opening of Fonua ʻAlaha Manongi, in partnership with Waikato-Tainui, co-designed with the Tongan community of Ōtāhuhu.
- He Mātauranga Huanga, the programme to restore 100% qualified teachers, was completed.
- Parent-Whānau Group support, with Chairs elected at 90 kindergartens.
- We are grateful for continued support from mana whenua, community grants bodies, Duffy Books, MoE, Auckland Council, Local Boards, NZEI Te Riu Roa, Auckland University of Technology Te Wānanga Aronui o Tāmaki Makau Rau (AUT) and local and national agencies.
- Growth in our Enviroschools – we now have 39.
- A research partnership with Te Ipukarea Research Institute at AUT to foster Te Reo Māori acquistion via digital technology in early childhood.

We welcomed a refreshed leadership team. Looking forward, we are working on a programme to take us further on our bicultural journey, along with systems and processes to power our strategic priorities of educational excellence, family and community engagement, and future focus. There are some uncertainties ahead, with shifting government priorities, climate concerns and the impact of social disruption on our network. There are also opportunities for us, as enrolments continue, other centres close, more housing goes into Tāmaki Makaurau, and our excellent education remains in demand. Ngā mihi nui for your ongoing support.

Bruce McLachlan
Chair

Pauline A. Winter
Chief Executive


Glen Innes Kindergarten


Freemans Bay Kindergarten


Titirangi Kindergarten


Ōtāhuhu Kindergarten


Belmont-Bayswater Kindergarten

OUR STRATEGIC FRAMEWORK

Vision

Excellence in early childhood education continues to be the right of all tamariki.

Purpose

To ensure tamariki and whānau of Tāmaki Makaurau fully participate in kindergarten and KiNZ early childhood education.

Mission

Weave Te Whāriki – He whāriki mātauranga mō ngā mokopuna o Aotearoa, through ako and learning through play in the spirit of partnership and respect.

Values

Manawanui / Commitment to Purpose
To show commitment and dedication

Kotahitanga / Collaboration
Oneness or unity; working collaboratively towards the same goal

Manaakitanga / Respect
Caring and respecting each other

Ngākau Pono / Trust
To act in a way which shows your trust in others and engenders trust in others

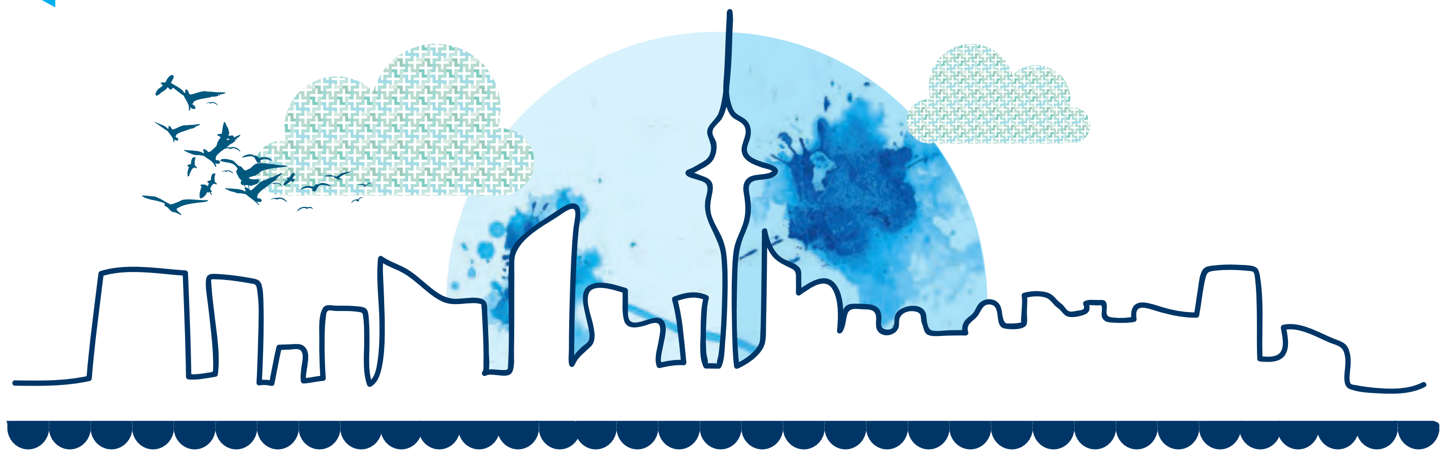
Whakamana / Empower
Supporting others to become stronger and more confident

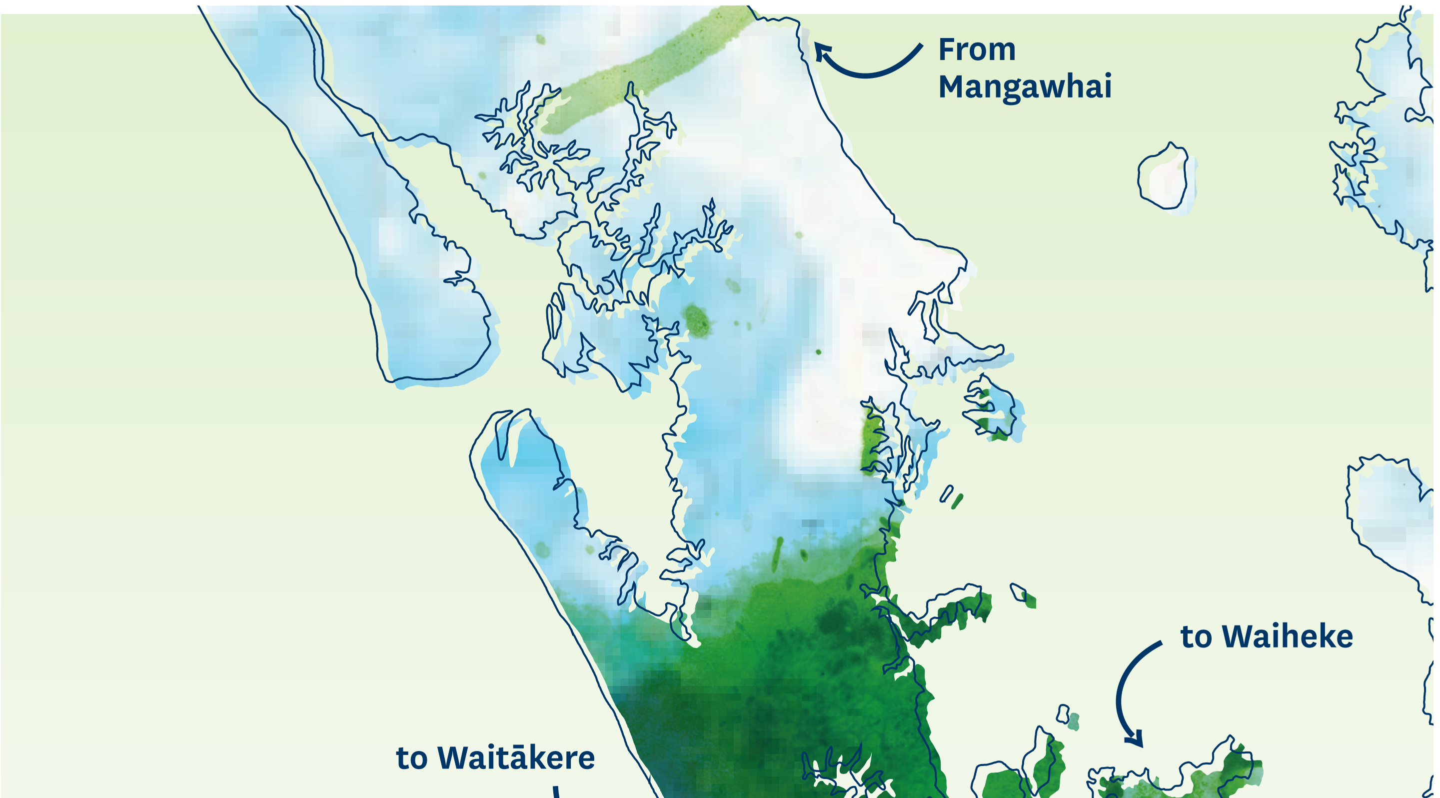
Atawhai / Kindness
Sincere use of one's time, talents and resources to better the lives of others by showing compassion, generosity and service

Our strategic priorities

Educational Excellence
Whānau and Community Engagement
Future Focus

NGĀ TAMARIKI PUĀWAI O TĀMAKI AT A GLANCE





We have

107 Kindergartens

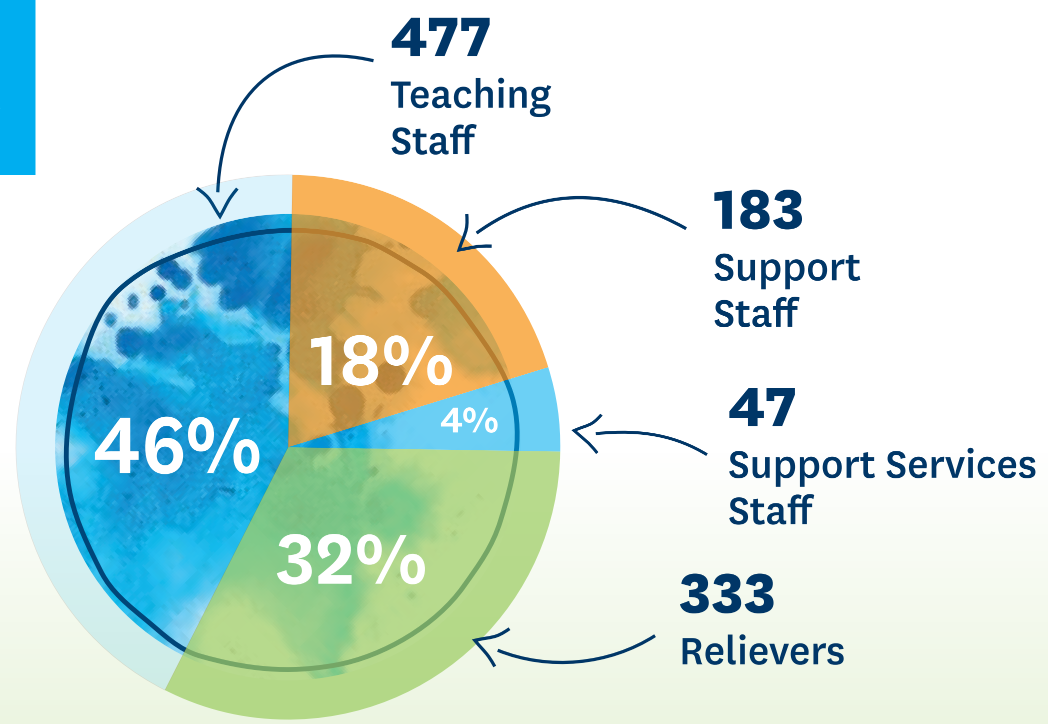
4 KiNZ Centres

5 Playgroups

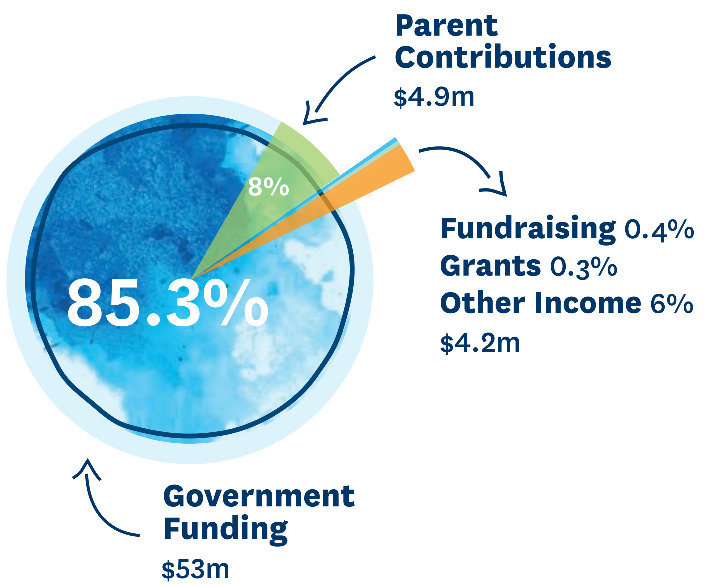
39 of our sites are Enviroschools

This year we educated 9,518 tamariki

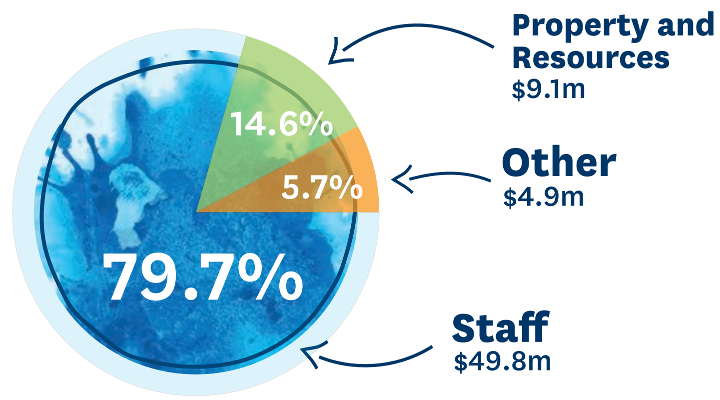
1040 Staff



Sources of income …



We spend our income on …



June 2022-2023 AKA

CO-DESIGNING A NEW KINDERGARTEN: FONUA 'ALAHA MANONGI

Lea Faka Tonga (the Tongan language) and culture are at the heart of Fonua 'Alaha Manongi - seen and heard with red and white flags, Tongan language spoken by kaiako and tamariki, Tongan proverbs and alphabet on the walls and inside the language resources. The Ōtāhuhu site was opened by dignitaries in March 2023, and is the first Pasifika language nest in the 115-year history of Ngā Tamariki Puāwai o Tāmaki | Auckland Kindergarten Association. It is our first co-designed kindergarten, a collaboration with the Tongan community, in partnership with mana whenua Waikato-Tainui.

Designed to reflect and celebrate the identity, language and culture of the tamariki who are enrolled, the kindergarten was two years in the making. The community aspires to have every child's identity strengthened and to build a foundation for lifelong learning.

The team of qualified early childhood teachers from the Tongan community have a deep understanding of Anga Fakatonga (Tongan culture and ways of doing.) It is the only AKA kindergarten that is open all year, responding to the needs of its community.

Fonua is about the connection of people, land and beginnings and is also the Tongan word for placenta. Manongi and 'Alaha are about every child having a garland of connected quality learning experiences.

Fonua 'Alaha Manongi Kindergarten

Cascades Kindergarten

Massey Kindergarten

SUSTAINABILITY JOURNEYS WITH ENVIROSCHOOLS

Enviroschool Cascades Kindergarten was among six sites reflecting Green Gold in the 22/23 year, a culmination of 10 years of their sustainable education journey. Beach Haven, Glenfield, Massey, Ōtāhuhu, and KiNZ Mission Heights also reflected Green Gold this year.

“Our sustainable education is geared towards shaping the next generation of people, who truly care about the environment and the planet they share. Instilling generosity, selflessness, passion and enthusiasm (for eco-conservation) in our children will bring about a cultural transformation in our society,” the Cascades team says.

An important aspect of their journey was strengthening their bicultural practices. The kindergarten has incorporated Te Ao Māori into everyday life, through nurturing whānau relationships, instilling Māori values, practicing tikanga, embedding Te Reo, learning about place and strengthening their relationship with their local marae, O Wairoa.

“We embrace our unique Māori culture as being the binding thread to all people living in Aotearoa. It is about understanding tikanga, and the reasons behind it, and using Te Ao Māori ways of living to guide our daily practice.”

Tamariki have disposed of noxious moth pods, learnt about worm farms, sold worm wee tea, grown vegetables, added native bush, harnessed rainwater, recycled and reused, and stopped using non-degradable products including plastic glitter. They have practiced yoga and mindfulness and integrated New Zealand Sign Language into their communications. Reflecting Green Gold is a massive achievement. It is evidence of a long-term commitment to the Enviroschools kaupapa to create a healthy, peaceful, sustainable world through learning and taking action together.

Ponsonby and Mayfield reflected bronze. Flatbush and Farm Cove began their journeys, increasing our Enviroschools to 39. Enviroschools is a partnership with Toimata Foundation and Auckland Council, and we thank them for their continued support.

Duffy Books at Aorere Kindergarten

Natural resources at Oranga Kindergarten

EXCELLENCE IN EDUCATION

Providing Excellence in Education is the vision we aspire to every day. This comes to life in many rich and varied ways, across our organisation. Our partnership with Duffy Books, generously sponsored by the Freemasons, is a great example. It supports a love of literacy by gifting books at home to tamariki in 42 kindergartens.

The team at Aorere Kindergarten says, “Books are a springboard for so many learning opportunities. For example, creating sock puppet snakes with tamariki was a fun activity, inspired by a book we’d chosen to link with teaching oral literacy, building vocabulary and functional communication.” Integrating learning activities at kindergarten and at home helps make learning a natural part of everyday life.

Our qualified teachers follow the rich curriculum Te Whāriki and the National Early Learning Priorities (NELP) set by government. Kaiako, with whānau input, create their own philosophy and programme for each location. For example, the team at Oranga Kindergarten is passionate about creating an environment that evokes wonder, awe and a sense of belonging and home. Kaiako, tamariki and whānau recycle and upcycle, collecting resources from thrift shops or treasure hunting online.

“We have many authentic resources such as crafted wooden dressers and old-fashioned ornate teapots – all ‘real’ items that once had a purpose in a home. Tamariki love these items, appreciating their beauty and authenticity,” the team at Oranga explains. This flows through to the use of natural resources, using plants and dried flowers in playdough instead of bright colours, glitter and plastic cutters.

The kindergarten has a dedicated space for “Loose Parts,” which are beautiful found objects and materials that tamariki can move, manipulate, control and change while they play, creating all manner of things. The possibilities for learning are endless.

Right across the organisation we continue to foster connections with whānau, the community and education networks, and advocate for positive change at a national and local level. We believe excellence in early education is the right of all tamariki and that’s what continues to drive us every day.

WEATHERING THE STORM

Flooding at Auckland Anniversary Weekend caused all our kindergartens, centres and playgroups to close and be assessed. We experienced damage to 25 sites, with 12 kindergartens closed for several weeks. Flood waters damaged resources and furniture, floors, walls, and ceilings, windows, shade sails, trees, and contaminated cushion fall and sandpits. A downed power line caused a closure. Subsidence with threat of landslips closed Titirangi and reduced Parnell's play area. Damage to roads impeded access for many whānau.

Hillsborough, Epsom North, Oratia and Titirangi remained closed beyond the end of the 22/23 year, for complex remediation. We are thrilled that Hillsborough was repaired and was able to reopen in Term 3.

As well as our usual work of teaching and supporting the network, we were occupied with flood recovery. We were engaged with hundreds of calls, emails and meetings with the Ministry of Education, Auckland Council, AT, Vector, geotech assessors, contractors and insurers. Despite these challenges, our kindergartens, KiNZ centres and Playgroups were stable, calm environments for tamariki, at a time of uncertainty and constraint for many whānau.

Tamariki and kaiako displaced from their kindergartens were welcomed across the network. Thanks to Blockhouse Bay, Epsom South, Glen Eden, Glen Eden West, Green Bay, Laingholm, Mt Albert, Remuera, Sandringham, Mt Roskill, Roskill South, Lynfield and Ōwairaka. Thank you also to whānau who helped sandbag and clean up, and for the patience of many.

At Hillsborough Kindergarten, flood waters flushed through the entire site. After a lengthy dry-out; the walls, flooring, whiteware, resources and playground materials were reinstated. The Hillsborough team says, "We had great learning opportunities while working at other kindergartens. We had the opportunity to reflect on our teaching practices, experience different settings, learn new ideas and share knowledge with other teams."

It has been a true reflection of our values – particularly kotahitanga |unity, atawhai |using our talents to better the lives of others, and manawanui |commitment and dedication.


Titirangi Kindergarten


Epsom North Kindergarten


Oratia Kindergarten


Hillsborough Kindergarten

NGĀ TAMARIKI PUĀWAI O TĀMAKI STATEMENT OF SERVICE PERFORMANCE

For the year ended 30 June 2023

Ngā Tamariki Puāwai o Tāmaki is driven by its vision that excellence in early childhood education continues to be the right of all tamariki. Our mission is to weave Te Whāriki – He whāriki mātauranga mō ngā mokopuna o Aotearoa, through ako and learning through play in the spirit of partnership and respect. Driven by our core values, our strategic goals provide the framework against which we measure the impact of our mahi.

Educational Excellence

Outcome: Tamariki learning is supported by qualified teachers who provide a balance of child-initiated play-based experiences, using tamariki strengths and interests, along with intentional teaching strategies consistent with Te Whāriki.

Priorities

- Deliver high quality early childhood education
- Teaching and learning pedagogy is culturally responsive
- Value fully qualified teachers
- Collaborate and share expertise

KEY ACTIVITY	TARGET	2023	2022	COMMENTARY
Professional Learning and Development to build educator and leader knowledge, culture and capability	**75** internal PLD workshops are offered across the network.	77	140	The association supports the network with internal PLD opportunities, including inductions and ongoing training.
	100% fully qualified teachers through our kindergartens.	95%	75%	Value is placed on fully qualified teachers.
Organisation-wide internal and external evaluation processes use evidence to inform learner centred decision making	**100%** of the network are engaging in internal evaluation.	100%	100%	Internal evaluation processes are established in the services with teams guided by specialists, drawing on Ngā Aronga Whai Hua. Focussed on continuous improvement to curriculum.
	We achieve a **Sustaining** ERO rating.	Emerging	N/A FY23 is the first year of review	2023 is the first year the Association as a governing organisation has had an ERO review. ERO provides impartial and objective monitoring and evaluation of the pre-tertiary education.
Provide and invest in optimal learning environments	**100%** Building Warrant of Fitness (BWOF) property compliance	100%	100%	BWOF ensures that all the systems in the building are functional and operating effectively, without any risk to health and safety.
	Maintain a vacancy rate of >**5%** across the network	1.06%	0.89%	A low vacancy rate ensures there is consistency of resourcing across our network.

Whānau and Community Engagement

Outcome: Whānau are able to participate in tamariki learning, using and supporting their kindergarten's services.

Priorities

- Deliver services our communities want
- Engage with whānau in their tamariki learning
- Build strong resilient relationships with our communities
- Ensure kindergartens are a community resource

KEY ACTIVITY	TARGET	2023	2022	COMMENTARY
Whānau are able to participate in tamariki learning, using and supporting their kindergarten's services	**80%** of kindergartens have a PWG representative.	83%	75%	PWG is the Association's Parent and Whānau Group.
	We achieve a monthly average of 3500 Storypark parent responses.	3481	3612	Storypark is the Association's online portal for tamariki and their whānau.
Communities use and support their kindergarten's services	**85%** enrolment across all sites.	85%	85%	This is based on an average over the financial year.
	5500 tamariki on average are enrolled in our services daily.	5009	4985	Average number of tamariki enrolled each day. Disruption has happened in FY23 due to weather events.
	75% average attendance across all sites.	60%	42%	Attendance has been negatively impacted by weather events and COVID-19.

Future Focus

Outcome: We make an influential contribution to the early learning sector and take a leadership role for kindergartens.

Priorities

- Be an effective leader in the early learning sector
- Maintain and promote the kindergarten point of difference

KEY ACTIVITY	TARGET	2023	2022	COMMENTARY
We make an influential contribution to the early learning sector	Kaimahi average annual turnover rate is below **5%**	1.9%	1.4%	We are focussed on attracting and keeping kaimahi. We are viewed as a workplace of choice.
	Grow the number of sites that are Enviroschools.	39 sites	37 sites	Enviroschools' kaupapa is about creating a healthy, peaceful, sustainable world through learning and working together.
	MoE provider of Incredible Years (IY) and Beginning Years (BY) workshops.	13 IY 2 BY	6 IY 4 BY	This programme is based on strengthening teacher classroom management strategies.
We take a leadership role for kindergartens	Pilot a bilingual kindergarten offering	1	N/A	Opening of Fonua ʻAlaha Manongi in March 2023.
	Remain an active voice on the Early Childhood Advisory Committee (ECAC). Attend all 4 hui.	4 hui attended	4 hui attended	ECAC is an important part of the MoE's relationship with the sector. The purpose of ECAC is to foster a relationship between Government and the early learning sector to achieve common goals.
	Submissions are developed on current issues facing the sector.	5	3	We are proactive in providing submissions, and have a clear voice on current issues.

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

For the year ended 30 June 2023

Revenue	Note	2023	2022
Government funding		53,288	51,845
Grant revenue		199	119
Parent contributions		4,958	3,820
Fundraising revenue		284	103
Interest revenue		609	147
Other sundry revenue		3,139	1,042
Total revenue	3	62,477	57,076
Expenses			
Staff	4	49,814	46,280
Professional and consultancy fees		1,254	1,113
Property and resources		9,092	7,400
Depreciation	10	2,423	2,471
Loss/(gain) on sale or disposal of non-current assets		282	-
Office administration		717	772
Marketing		140	94
Total expenses		63,722	58,130
(Deficit)/Surplus for the year		(1,245)	(1,054)
Total comprehensive revenue		(1,245)	(1,054)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2023

Current assets	Note	2023	2022
Cash and cash equivalents	18(a)	11,157	13,991
Trade and other receivables	7	3,394	855
Taxes receivable	8	6	94
Other assets	9	74	68
Total current assets		14,631	15,008
Non-current assets			
Property, plant and equipment	10	20,484	21,045
Total non-current assets		20,484	21,045
Total assets		35,115	36,053
Current liabilities			
Trade and other payables	11	1,316	1,491
Income in advance	12	1,604	2,099
Employee entitlements		4,277	2,727
Taxes payable	8	571	1,085
Provisions	13	20	79
Total current liabilities		7,788	7,481
Total liabilities		7,788	7,481
Net assets		27,327	28,572
Net assets/equity			
Accumulated comprehensive revenue and expense		27,327	28,572
Total net assets/equity		27,327	28,572

On behalf of Auckland Kindergarten Association Board:

Bruce McLachlan
Chair
25 October 2023

Katherine Souness
Chair, Audit Risk Assurance Committee
25 October 2023

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS/EQUITY

For the year ended 30 June 2023

	2023	2022
Accumulated comprehensive revenue and expense at the start of the year	28,572	29,626
(Deficit)/Surplus for the year	(1,245)	(1,054)
Accumulated comprehensive revenue and expense at the end of the year	27,327	28,572

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2023

Cash flows from operating activities	**Note**	**2023**	**2022**
Government funding received		52,854	52,455
Grant revenue received		105	191
Parent contributions received		4,591	3,618
Fundraising revenue received		284	103
Interest received		609	147
Other sundry revenue received		457	235
Payments to employees		(48,779)	(47,125)
Payments to suppliers		(10,810)	(9,164)
Net cash provided by/(used in) operating activities	17(b)	(689)	460
Cash flow used in investing activities			
Payment for property, plant and equipment		(2,145)	(808)
Term deposit investment - net		-	3,000
Net cash received from/(used in) investing activities		(2,145)	2,192
Net increase/(decrease) in cash and cash equivalents		(2,834)	2,652
Cash and cash equivalents at the beginning of the period		13,991	11,339
Cash and cash equivalents at the end of the period	17(a)	11,157	13,991

NOTES TO THE FINANCIAL STATEMENTS

1 Basis of Preparation

The financial statements of Ngā Tamariki Puāwai o Tāmaki | Auckland Kindergarten Association Group are for the year ended 30 June 2023. The financial statements were authorised by the Board of Directors on 25 October 2023. The following accounting policies that materially affect the measurement of financial performance, financial position and cash flows have been applied:

Reporting Entity
Auckland Kindergarten Association was founded in 1908 and is domiciled in New Zealand. Auckland Kindergarten Association is registered as a charitable entity under the Charities Act 2005. The financial statements comprise Auckland Kindergarten Association (the Association), which includes its constituent kindergartens and its wholly owned subsidiary, Kindergarten NZ Limited (collectively, the Group). The principal activity of the Group is the provision of early childhood education.

Statement of Compliance
The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and the requirements of the Charities Act 2005. For the purposes of complying with NZ GAAP, the Group is a public benefit entity.

The financial statements comply with New Zealand Public Benefit Entity International Public Sector Accounting Standards. The financial statements also comply with Tier 1 Public Benefit Entity International Public Sector Accounting Standards.

Measurement Base
The financial statements for the Group have been prepared on the basis of historical cost.

Functional and presentation currency
All transactions and balances are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated. The functional currency of the Group is New Zealand dollars.

Use of judgements and estimates
In the process of applying the accounting policies, management makes judgements, estimates and assumptions. Actual results may differ from these estimates. Information about critical judgements that have the most significant effect on the amounts recognised in the financial statements are included below:

Provisions (note 13)
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 or service potential will be required to settle
- the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Contingent liabilities (note 14)
Contractual lease obligations require the Group to make good the conditions of land and buildings upon terminating a lease and vacating the premises. Estimation and assumptions are made in determining the likelihood, amount and timing of cash necessary to settle the obligations.

Contractual lease obligations for leases assigned to a third party require the Group to pay the outstanding rent due to the leasor should the assignee default on the lease. Estimation and assumptions are made in determining the likelihood, amount and timing of cash necessary to settle the obligations.

2 Statement of Accounting Policies

Basis of consolidation
Subsidiaries are investees controlled by the Group. The Group controls an investee if it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of the subsidiaries are included in the Group's financial statements from the date on which control commences until the date control ceases.

All intra-group balances and transactions, and unrealised income and expenses resulting from intra-group transactions are eliminated on consolidation. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

When the Group loses control over a subsidiary, it derecognises the related assets and liabilities, and any other components of equity. Any interest in the former subsidiary is measured at fair value when control is lost.

Business combination
Business combinations are accounted for using the acquisition method. The consideration transferred in the acquisition is measured at fair value at the acquisition date. Acquisition related costs are expensed as incurred, except if they are related to the issue of debt or equity securities.

Goodwill is initially measured at cost, being the excess of the consideration transferred and the fair value net identifiable assets acquired and liabilities assumed. Any gain on a bargain purchase is recognised in surplus or deficit immediately. After initial recognition goodwill is measured at cost less any accumulated impairment losses.

Changes in accounting policy
PBE IPSAS 41 Financial instruments replaces parts of IPSAS 29 Financial Instruments: Recognition and Measurement, bringing together all three aspects for the accounting for financials instruments: classification and measurement; impairment; and hedge accounting.

The Group has applied PBE IPSAS 41 from 1 July 2022.

As a result of adopting PBE IPSAS 41 as at 1 July 2022 there were no changes to the value of assets or liabilities, rather a change in the measurement category of the assets.

The nature of these presentational changes is described below:

(i) Classification and Measurement of financial assets and liabilities

Under PBE IPSAS 41, financial assets are subsequently measured at fair value through surplus or deficit (FVTSD), amortised cost or fair value through surplus or deficit (FVTSD) or amortised cost. Financial instruments measured at amortised cost replaces the previous measurement category: loans and receivables, the change in category is outlined in the below table. The classifications are based on two criteria:

(1) the Group's business model for management the assets: and
(2) whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Group's business model was made as at date of initial application namely 1 July 2022. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

Receivables from exchange and non-exchange transactions and term deposits were classified as Loans and Receivables as at 30 June 2022 and are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Debit instruments at amortised cost beginning on 1 July 2022.

	Measurement Category		Entity	
	PBE IPSAS 29	PEB IPSAS 41	PBE IPSAS 29	PEB IPSAS 41
Financial Assets				
Cash & cash equivalents	Amortised cost	Amortised cost	11,157	11,157
Term deposit	Amortised cost	Amortised cost	-	-
Trade receivables	Amortised cost	Amortised cost	3,394	3,394
Taxes receivable	Amortised cost	Amortised cost	6	6
Financial Liabilities				
Trade and other payables	Amortised cost	Amortised cost	1,316	1,316
Income in advance	Amortised cost	Amortised cost	1,604	1,604
Employee entitlements	Amortised cost	Amortised cost	4,277	4,277
Taxes payable	Amortised cost	Amortised cost	571	571

(ii) Impairment

The adoption of PBE IPSAS 41 has changed the Group's accounting for impairment losses for financial assets by replacing PBE IPSAS 29's incurred loss approach with a forward-looking expected credit loss (CEL) approach. PBE IPSAS 41 requires the Group to recognise an allowance for ECL's for all debt instruments not held at fair value through surplus and deficit.

Upon the adoption of IPSAS 41 on 1 July 2022, the Group did not recognise any additional impairment.

PBE FRS 48 Service Performance Reporting is effective for financial years beginning on or after 1 January 2022. The standard seeks to guide entities in defining what service performance information is and how this should be reported in their annual reports. This is the first year the Group has presented the Statement of Service Performance (see pages 18 to 19 of the annual report).

Financial Assets
Financial assets are classified, at initial recognition, and subsequently measured at amortised costs, and fair value through surplus or deficit.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of short-term receivables and payables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial not at fair value through surplus or deficit, transaction costs.

In order for a financial asset to be classified and measured at amortised cost it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified at fair value through surplus or deficit, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

(i) Financial assets at fair value through surplus or deficit
Financial assets at fair value through surplus or deficit are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of financial performance.

After initial recognition the financial assets in this category are measured at fair value with gains or loss on re-measurement recognised in surplus or deficit. The Group has not recognised any financial assets in this category.

(ii) Debt instruments at amortised costs
Debt instruments at amortised costs are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, debt instruments are subsequently measured at amortised cost using the effect interest method (EIF), and are subject to impairment. Gains and losses are recognised in surplus or deficit when the asset is derecognised, modified or impaired.

The Group's cash and cash equivalents, trade receivables and taxes receivable are categorised as debt instruments at amortised costs.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement: and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred not retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged, waived, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, then such an exchange nor modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of financial performance.

Impairment of financial assets
Financial assets are assessed for evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit. The Group considers writing off a financial asset primarily when the debt is older than 6 months and there is no ongoing financial transactions with the other party involved.

Financial liabilities
Financial liabilities at amortised cost are classified, at initial recognition and include trade payables. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowing and payables, net of directly attributable transactions costs. The Group's financial liabilities include payables under exchange transactions, income in advance, employee entitlements and taxes payable.

Subsequent measurement
After initial recognition, payables are subsequently measured at amortised costs using the effective interest rate (EIR) method. Gains or losses are recognised in surplus or deficit when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as office administration costs in the statement of financial performance.

Impairment of non-financial assets
Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An annual internal review of asset values is performed at the end of each financial year. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

An impairment loss is recognised for any amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is determined using a discounted cash flow model. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Any impairment losses are recognised in surplus or deficit. Non-financial assets that suffered impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

Property, plant and equipment
Land and Buildings include buildings which have been purchased with government assistance and are recorded at historical cost. Whilst the Group 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 land and buildings.

Land used but not owned by the Group, is not attributed any value in the Group's accounts.

Buildings used by the Group, under a lease to occupy are not attributed a value on commencement of the lease. Any improvements of a capital nature required to ensure the buildings meet the needs of the Group are capitalised and depreciated over their estimated economic useful life.

Depreciation is provided on property, plant and equipment, including buildings developed and owned by the Group 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 Group are depreciated at the rate of 3% per annum on cost. Other buildings used by the Group are depreciated at rates calculated to amortise the cost of the buildings over their useful economic 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

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

Provisions made in respect of employee benefits are recorded at nominal values. The value of provisions recognised reflect accrued entitlements at balance date calculated at the prevailing rates of pay.

Leases
Payments made under operating leases are charged to surplus or deficit on a straight-line basis over the period of the lease. Any lease incentives are amortised over the estimated occupancy periods and offset against lease expenditure in surplus or deficit. The estimated occupancy period is based on the contractual terms of the lease and is reviewed annually.

Taxes
Current tax
Auckland Kindergarten Association, along with its subsidiary is a registered charitable entity. The Inland Revenue Department has confirmed that the charitable entity is exempt from income tax.

Goods and services tax
All revenues and expenses are recognised net of goods and services tax (GST). Any GST on expenses that is not recoverable is recognised in surplus or deficit. Receivables and payables are recognised inclusive of any applicable GST. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Revenue recognition
Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Revenue is classified as exchange and non-exchange. The Group has determined exchange transactions to include interest revenue and parent fees. All other sources are considered to be non-exchange.

Government funding
Government funding is recognised in surplus or deficit on completion of the relevant services.

Grant revenue
The recognition of revenue from grants depends on whether the grant comes with any stipulations imposed. Stipulations that are conditions specifically require the Group to return the grant if they are not used in the way stipulated, resulting in the recognition of a liability that is subsequently recognised as revenue as and when the conditions are satisfied. Stipulations that are restrictions do not specifically require the Group to return the grant received if they are not utilised in the way stipulated, and therefore do not result in the recognition of liability, which results in the immediate recognition of revenue.

Parent contributions
Parent contributions include parent fees and optional charges. Parent fees are recognised in surplus or deficit on completion of the relevant services. Parent optional charges are recognised in surplus or deficit on receipt.

Fundraising revenue and donations
Money raised from fundraising activities and donations is recognised in surplus or deficit when received.

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

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

3 Revenue

Government funding	Note	**2023**	**2022**
Operational funding		51,831	50,670
Equity funding	19	1,267	1,078
Targeted funding		190	97
Total Government funding		53,288	51,845
Grant revenue		199	119
Parent contributions		4,958	3,820
Fundraising revenue		284	103
Interest revenue		609	147
Other sundry revenue	3(a)	3,139	1,042
Total revenue		62,477	57,076

3(a) Other sundry revenue includes funding

- Received from the Ministry of Education for Incredible Years and Incredible Beginnings programmes $522,000 (2022: $363,000)
- Received from Ministry of Social Development for COVID-19 leave payments $138,000 (2022: $165,000).
- Received from the Group's insurance company for business interruption insurance proceeds following the weather events in Auckland. $422,000 (2022: $nil)
- Received and receivable from the Group's insurance company for material damage insurance claim following the 2023 weather events in Auckland. $1,086,000 (2022:nil)

4 Staff

	2023	2022
Salaries and wages	48,524	45,083
Defined contribution - Kiwisaver	1,290	1,197
	49,814	46,280

5 Remuneration of Auditors

	2023	2022
Audit of the financial statements	65	56
	65	56

Ngā Tamariki Puāwai o Tāmaki | Auckland Kindergarten Association Group auditor is Crowe New Zealand Audit Partnership

6 Key Management Personnel

	2023	2022
Key management personnel compensation comprises:		
Board member fees - 5 FTE people (2022: 7 FTE people)	128	134
Executive Leadership Team - 6 FTE people (2022: 6 FTE people)	1,442	1,318
	1,570	1,452

7 Trade and other Receivables

	2023	2022
Non exchange transactions		
Funding receivable	2,315	716
Exchange Transactions		
Debtors	1,207	217
Provision for doubtful debts	(128)	(78)
Total	**3,394**	**855**

Administration costs include the movement in provision for doubtful debt expense of $96,000 (2022: $24,000) and bad debt expense incurred of $46,000 (2022: $204,000).

Doubtful debt provision	2023	2022
Opening balance	(78)	(258)
Additional provision made	(96)	(24)
Amounts used	46	204
Closing balance	**(128)**	**(78)**

8 Taxes receivable/(payable)

	2023	2022
Payroll tax (PAYE)	(571)	(1,085)
Goods and services tax (GST)	6	94
Closing balance	**(565)**	**(991)**

9 Other Assets

	2023	2022
Prepayments	74	68
Closing balance	**74**	**68**

10 Property, plant and equipment

The Group's property, plant and equipment were impacted by severe weather events during the year, with four kindergartens closed for a prolonged period of time. The Group has disposed of the property, plant and equipment that has been assessed to be materially damaged during the year. The Group has not impaired any property, plant and equipment in the year as all materially damaged property, plant and equipment has been disposed of.

	Land	Buildings	Playgrounds	Plant and Equipment	Total
Gross value at 30 June 2021	342	32,788	9,092	7,708	49,930
Additions	-	343	267	197	807
Disposals	-	-	-	(520)	(520)
Gross value at 30 June 2022	342	33,131	9,359	7,385	50,217
Additions	-	549	945	667	2,161
Disposals	-	(474)	(85)	(631)	(1,190)
Gross Value at 30 June 2023	342	33,206	10,219	7,421	51,188
Accumulated depreciation at 30 June 2021	-	(14,389)	(6,432)	(6,401)	(27,222)
Disposals	-	-	-	521	521
Depreciation expense	-	(1,394)	(574)	(503)	(2,471)
Accumulated depreciation at 30 June 2022	-	(15,783)	(7,006)	(6,383)	(29,172)
Disposals	-	309	32	550	891
Depreciation expense	-	(1,431)	(563)	(429)	(2,423)
Accumulated depreciation at 30 June 2023	-	(16,905)	(7,537)	(6,262)	(30,704)
Net book value					
At 30 June 2022	342	17,348	2,353	1,002	21,045
At 30 June 2023	342	16,301	2,682	1,159	20,484

11 Trade and other payables

Payables from exchange transactions	2023	2022
Trade and other payables	1,316	1,491
Closing balance	**1,316**	**1,491**

All creditors are due within 50 days of purchase. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

12 Income in advance

Income in advance from non exchange transactions	2023	2022
Targeted funding for disadvantaged	328	348
Equity funding for disadvantaged	913	1,136
Grant funding in advance	104	198
Other income in advance	259	417
Closing balance	1,604	2,099

13 Provisions

Make good	2023	2022
Opening balance	79	79
Additional provisions and increases to exisiting provisions	20	-
Reversal of previously recognised provisions	(79)	-
Closing balance	20	79

The provisions for make good arose from one non-cancellable contract where the Group is required to reinstate the condition of a leased asset to its condition as it was at the commencement of the lease. During the year one non-cancellable contract expired and a new non-cancellable contract was entered into, both of which required the reinstatement the condition of the leased assets.

14 Commitments and contingencies

Operating lease commitments	2023	2022
Payable within 1 year	504	629
Payable after 1 year and within 5 years	1,624	2,194
Payable after 5 years	-	40
Closing balance	2,128	2,863

Capital commitments	2023	2022
Property upgrades	219	-
Closing balance	219	-

Contingent Liabilities

The Group leases properties from Auckland Council. Auckland Council is now issuing new lease agreements with an initial term of 3 years, with a tenant only rights of renewal and obligations to make good properties to pre-lease conditions. There is now some doubt regarding the likelihood of leases being renewed or extended beyond their initial terms, although the Group has no historical experience of leases being terminated by Auckland Council. The Group is not able to reliably estimate the costs of reinstatement and has made no provision for any future reinstatement costs.

The Group assigned the leases of one early childhood education centre (Lease 1) and two development sites (Lease 2 and Lease 3) in 2019. Under New Zealand law the Group remains liable to the landlord for the payment of rent and the performance of the covenants of each lease until the end of the term of each lease. The Group is contingently liable to the landlord, following the date of assignment, in the event of a default by the assignee. The Group is not able to determine the likelihood or timing of any default or reliably estimate the cost of any default and has made no provision for any costs of a default. In addition, the Group has provided to the landlord of Lease 1 a bank guarantee irrevocable until and including the first renewal date and equivalent to twelve months passing rent. The bank guarantee has been provided as security for the observance and performance of the terms and conditions contained in the lease.

	Anniversary Date	1st Renewal date	Annual rent at date of assignment	Full years since assignment	Fixed rent increase
Lease 1	18th April	18/04/2030	$306,306	4	2% per annum
Lease 2	8th October	26/08/2033	$312,000	4	2% per annum
Lease 3	16th June	16/06/2032	$283,920	4	2% per annum

15 Subsequent Events

There are no subsequent events after reporting date.

16 Related Party Disclosures

A board member of The Group was also a board member of Northern Auckland Free Kindergarten Association during the year, appointment to the Group's board ended in the year.

An employee of The Group was a member of the Executive Leadership Team of The Group and is contracted on a part time basis in the position of General Manager of Northern Auckland Free Kindergarten Association. The arrangement was terminated during the year and the employee is no longer employed by the Group. Included within other income is $13,000 (2022: $44,000 for the provision of this service to Northern Auckland Free Kindergarten Association. Included within Debtors is $nil (2022: $5,000) due from Northern Auckland Free Kindergarten Association and no impairment has been recorded against this debtor. Included in professional and consultancy fees is $17,000 (2022: $11,000) for the provision of services by Northern Auckland Free Kindergarten Association to The Group. Included within Creditors is $9,000 (2022: $nil) due to Northern Auckland Free Kindergarten Association.

A board member of the Group during the year is also a board member of Devonport Community Creche incorporated. The board member resigned for the board of the Group during the year. There were no transactions between the two parties during the year. (2022: $nil)

A member of the Executive Leadership Team of The Group is also a board member of Tui Ora Limited. Included in Professional and consultancy fees is $24,000 (2022: $26,000) for the provision of services by Tui Ora Limited to The Group. Included within Creditors is $14,000 (2022: $nil) due to Tui Ora Limited.

17 Reconciliation of cash flow from operating activities

(a) Reconciliation of cash and cash equivalents

For the purposes of the Cash Flow Statement, cash and cash equivalents includes cash on hand, in banks and in short term deposits of less than 90 days. Cash and cash equivalents at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Statement of Financial Position as follows:

	2023	2022
Cash on hand	-	26
Cash in bank	1,657	1,465
Short term deposits	9,500	12,500
	11,157	**13,991**

In addition to the above, the Group has a credit card facility of $250,000 (2022: $250,000).

(b) Reconciliation of profit for the period to net cash flows from operating activities

	2023	2022
(Deficit) / surplus for the year	(1,245)	(1,054)
Loss / (gain) on sale or disposal of non-current assets	282	-
Depreciation of non-current assets	2,423	2,471
Changes in net assets and liabilities:		
(Increase)/decrease in assets:		
Current receivables	(2,539)	(16)
Other current assets	82	375
Increase/(decrease) in liabilities:		
Current payables	308	(1,316)
Net cash inflow provided by operating activities	(689)	460

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.

Equity funding and targeted funding for disadvantaged is received from the Government for the expressed purpose of making early learning opportunities available for all Auckland children. There is no specific timeframe or obligation on the Group to spend these funds. Refer notes 19 & 20 for further details.

18 Financial instruments

All financial instruments to which the 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.

(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, however the Group only deals with one bank currently ASB, and its funding receivable is from the Ministry of Education. The maximum exposure at balance date is equal to the total amount of cash and cash equivalents, 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 on funds held is managed through the use of term investments, held until maturity. The interest rate risk associated with short term deposits is considered minimal as the Group's deposits mature within 3 months from investment date.

(c) Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents on hand as disclosed in Note 17 Cash flows.

All financial liabilities fall due within 50 days of balance date.

(d) Capital risk management
The Group manages its capital to ensure that the Group will be able to continue as a going concern.

The capital structure of the Group consists of net assets/equity, comprising accumulated comprehensive revenue and expense as disclosed on the Statement of Changes in Net Assets/Equity.

The Group's overall strategy remains unchanged from 2022.

There are no externally imposed capital requirements on the Group.

(e) Fair values
Management considers that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair value.

(f) Categories of financial instruments

Consolidated at 30 June 2023

Financial assets	Debt instruments at amortised cost	Financial liabilities at amortised cost	Total
Cash and cash equivalents	11,157	-	11,157
Trade and other receivables	3,394	-	3,394
Taxes receivable	6	-	6
Total financial assets	14,557	-	14,557
Liabilities			
Trade and other payables	-	1,316	1,316
Income in advance	-	1,604	1,604
Employee entitlements	-	4,277	4,277
Taxes payable	-	571	571
Total financial liabilities	-	7,768	7,768

Consolidated at 30 June 2022

Assets	Debt instruments at amortised cost	Financial liabilities at amortised cost	Total
Cash and cash equivalents	13,991	-	13,991
Trade and other receivables	855	-	855
Taxes receivable	94	-	94
Total financial assets	14,940	-	14,940
Liabilities			
Trade and other payables	-	1,491	1,491
Income in advance	-	2,099	2,099
Employee entitlements	-	2,727	2,727
Taxes payable	-	1,085	1,085
Total financial liabilities	-	7,402	7,402

NOTES TO THE FINANCIAL STATEMENTS

19 Equity funding

Equity funding received from the Government provides targeted funding to make early learning opportunities available for all Auckland children.

Equity funding income:	2023	2022
Low socio economic	918	727
Special needs & non-English speaking backgrounds	349	351
	1,267	**1,078**

Equity funding utilised:	2023	2022
Discounted parent contributions	1,053	971
Learning Support	42	68
Other	172	39
	1,267	**1,078**

During the year the Group focused on increasing the participation of children in early learning by offering parents from 41 communities discounted parent contributions.

20 Targeted funding

Targeted funding for the disadvantaged received from the Government provides targeted funding to make early learning opportunities available for all Auckland children.

	2023	2022
Targeted funding for the disadvantged income	190	97

Target funding utilised	2023	2022
Discounted parent contribution	162	88
Learning support	13	8
Other	16	1
	175	**97**

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INDEPENDENT AUDITOR'S REPORT

To the Members of Auckland Kindergarten Association

Opinion

We have audited the consolidated general purpose financial report of Auckland Kindergarten Association (the Association) and its controlled entity (the Group) which comprise the consolidated financial statements on pages 20 to 33, and the consolidated service performance information on pages 18 to 19. The complete set of consolidated financial statements comprise the consolidated statement of financial position as at 30 June 2023, and the consolidated statement of comprehensive revenue and expenses, consolidated statement of changes in net assets/equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated general purpose financial report presents fairly, in all material respects:

- the consolidated financial position of the Group as at 30 June 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended; and

- the consolidated service performance of the Group for the year ended 30 June 2023 in accordance with the entity's service performance criteria

in accordance with Public Benefit Entity Accounting Standards issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the consolidated service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standard (NZ AS) 1 *The Audit of Service Performance Information*. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated General Purpose Financial Report* section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Auckland Kindergarten Association or its controlled entity.

Information Other Than the Consolidated General Purpose Financial Report and Auditor's Report

The Association are responsible for the other information. The other information comprises the information included in the Annual report on pages 4 to 17, but does not include the consolidated general purpose financial report and our auditor's report thereon.

Our opinion on the consolidated general purpose financial report 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 consolidated general purpose financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated general purpose financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, 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.

Other Matter

The consolidated service performance of the Group of the year ended 30 June 2022 was not audited.

Board's Responsibilities for the Consolidated General Purpose Financial Report

The Board are responsible on behalf of the Group for:

(a) the preparation and fair presentation of the consolidated financial statements and consolidated service performance information in accordance with Public Benefit Entity Accounting Standards issued by the New Zealand Accounting Standards Board;

(b) service performance criteria that are suitable in order to prepare consolidated service performance information in accordance with Public Benefit Entity Accounting Standards and

(c) such internal control as the Board determine is necessary to enable the preparation of the consolidated financial statements and consolidated service performance information that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated General Purpose Financial Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole and the consolidated service performance information are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS 1 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this consolidated general purpose financial report.

As part of an audit in accordance with ISAs (NZ) and NZ AS 1, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the consolidated service 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.

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- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and the consolidated service performance information 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Obtain an understanding of the process applied by the entity to select what and how to report its consolidated service performance.
- Evaluate whether the service performance criteria are suitable so as to result in consolidated service performance information that is in accordance with the Public Benefit Entity Accounting Standards.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Group and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 consolidated general purpose financial report 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated general purpose financial report, including the disclosures, and whether the consolidated general purpose financial report represents the underlying transactions, events and service performance information in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and service performance information of the entities or business activities within the Group to express an opinion on the consolidated general purpose financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for the audit opinion.

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.

Restriction on Use

This report is made solely to the Members of the Association, 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.

Crowe

Crowe New Zealand Audit Partnership
CHARTERED ACCOUNTANTS

Dated at Auckland this 1st day of November 2023

OUR BOARD

Bruce McLachlan
Board Chair
Member Audit Risk Assurance Committee

Katherine Souness
Deputy Chair
Chair Audit Risk Assurance Committee

Professor Tania Ka'ai
Māori Director
Member Audit Risk Assurance Committee

Ankita Sharma
Teacher Director

Michelle Moffitt
Community Director

OUR EXECUTIVE LEADERSHIP TEAM

Pauline A. Winter
Chief Executive Officer

Simon Tran
Chief Financial Officer (Interim)

Bram Kukler
General Manager
Education and Innovation

Richard Selave
General Manager
People and Capability

Casey Taylor
General Manager
Community Engagement

Toni Nealie
General Manager
Strategic Engagement

ACKNOWLEDGEMENTS

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- Ministry of Education
- Auckland Council and local boards
- Comet Auckland
- Kāinga Ora
- North and South Trust
- Roskill Together Trust
- Trillian Trust
- Bluesky Community Trust
- Dragon Community Trust
- Four Winds
- Lion Foundation
- MBIE Curious Minds
- Pub Charity
- TTCF
- Duffy Books
- Freemasons
- Wheelers

We also acknowledge our Life Members:

- Sue Crockett
- Jeremy Drummond ONZM
- Denise Iverson
- Hewitt Harrison
- Robin Houlker

Thank you to kindergartens and centres who feature in our photographs:

- Anchorage Park Kindergarten
- Aorere Kindergarten
- Belmont-Bayswater Kindergarten
- Cascades Kindergarten
- Epsom North Kindergarten
- Fonua ʻAlaha Manongi Kindergarten
- Freemans Bay Kindergarten
- Glen Innes Kindergarten
- Hillsborough Kindergarten
- Mangawhai Kindergarten
- Massey Kindergarten
- Mayfield Kindergarten
- Oranga Kindergarten
- Oratia Kindergarten
- Ōtāhuhu Kindergarten
- Rānui Kindergarten
- Titirangi Kindergarten

and to our whānau and friends who support our local kindergartens.

Mayfield Kindergarten

Auckland Kindergartens

KiNZ

Playgroup

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