

**NORTHERN AUCKLAND KINDERGARTEN ASSOCIATION
INCORPORATED**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

NORTHERN AUCKLAND KINDERGARTEN ASSOCIATION INCORPORATED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

CONTENTS	PAGES
Statement of Responsibility for Annual Financial Statements	3
Auditors Report	4-5
Statement of Financial Performance	6
Statement of Movements in Equity	7
Statement of Financial Position	8
Statement of Cash Flows	9
Accounting Policies	10-12
Notes to the Financial Statements	13-16
Kindergarten Statement of Financial Performance	17
Listing of Kindergartens	18

NORTHERN AUCKLAND KINDERGARTEN ASSOCIATION INCORPORATED
STATEMENT OF RESPONSIBILITY FOR ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

The Board of Northern Auckland Kindergarten Association Incorporated (the Association) is responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related information. The independent external auditors, CST Nexia Audit, have audited the annual financial statements and their report appears on pages 4-5.

The Board of Management is also responsible for the systems of internal control. These are designed to provide reasonable but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability for assets, and to prevent and detect material misstatements. Appropriate systems of internal control have been employed to ensure that all transactions have been executed in accordance with authority and correctly processed and accounted for in the financial statements. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the Board to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review.

The financial statements are prepared on a going concern basis. Nothing has come to the attention of the Board to indicate that the Association and group will not remain a going concern in the foreseeable future.

In the opinion of the Board of Management:

- the statement of financial performance is drawn up so as to give a true and fair view of the profit of the Association and the Group for the financial year ended 31 December 2008;
- the statement of financial position is drawn up so as to give a true and fair view of the state of affairs of the Association and the Group as at 31 December 2008; and
- there are reasonable grounds to believe that the group will be able to pay its debts as and when they fall due.

Signed on behalf of the Board of Management by:

ROBBIE PICKFORD
PRESIDENT

PAULA KEARNS
ACTING GENERAL MANAGER

DATE

DATE

DRAFT

Auditors' Report

To the Members of Northern Auckland Kindergarten Association Incorporated

We have audited the financial statements on pages 6 to 16. The financial statements provide information about the past financial performance of Northern Auckland Kindergarten Association Incorporated, and group for the year ended 31 December 2008 and their financial position as at that date. This information is stated in accordance with the accounting policies set out on pages 10 to 12.

Board of Management's Responsibilities

The Board is responsible for the preparation of the financial statements, which give a true and fair view of the financial position of Northern Auckland Kindergarten Association Incorporated, and group as at 31 December 2008 and of their results of operations for the year ended on that date.

Auditors' Responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the Board and report our opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Board in the preparation of the financial statements, and
- whether the accounting policies are appropriate to Northern Auckland Kindergarten Association Incorporated's and group's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditors, we have no interest in or relationship with Northern Auckland Kindergarten Association Incorporated.

DRAFT

Qualified Opinion

The group's reported income includes parent fees & donations and fundraising income of \$458,428. Control over parent fees & donations and fundraising income prior to being recorded is limited and there are no practical audit procedures to determine the effect of this limited control.

In our opinion, except for adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning fundraising income, the financial statements on pages 6 to 16:

- comply with generally accepted accounting practice in New Zealand;
- give a true and fair view of the financial position of Northern Auckland Kindergarten Association Incorporated, and group as at 31 December 2008 and the results of their operations for the year ended on that date.

Our audit was completed on XX April 2009 and our qualified opinion is expressed as at that date.

**CST Nexia Audit
Chartered Accountants
Manukau City**

NORTHERN AUCKLAND KINDERGARTEN ASSOCIATION INCORPORATED

**CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	2008		2007	
		Association \$	Group \$	Association \$	Group \$
Operating Revenue					
Bulk Funding		2,886,160	2,886,160	2,695,801	2,695,801
Other Funding		536,859	536,859	291,952	291,952
Interest		121,004	158,003	94,575	120,281
Other Income	1	79,978	655,504	49,865	664,780
		<u>3,624,001</u>	<u>4,236,526</u>	<u>3,132,193</u>	<u>3,772,814</u>
Operating Expenses					
Remuneration to Auditors					
- CST Nexia Audit		15,000	15,000	-	-
- WHK Gosling Chapman		-	-	17,667	17,667
Staff Expenses		2,954,998	3,016,868	2,615,392	2,667,041
Distribution to Kindergartens		258,477	-	134,821	-
Consultancy Fees		8,873	9,754	2,762	2,762
Management Administration		2,384	123,365	14,458	123,647
Property & Resources		68,946	94,250	55,884	97,277
Depreciation	2(c)	109,664	319,596	92,479	288,258
Office Administration		144,953	531,268	73,466	455,969
Market & Public Relations		18,584	18,584	10,881	10,881
		<u>3,581,879</u>	<u>4,128,685</u>	<u>3,017,810</u>	<u>3,663,502</u>
Operating Surplus		<u><u>42,122</u></u>	<u><u>107,841</u></u>	<u><u>114,383</u></u>	<u><u>109,312</u></u>

The accompanying notes and auditor's report form part of and are to be read in conjunction with these financial statements.

NORTHERN AUCKLAND KINDERGARTEN ASSOCIATION INCORPORATED

**CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008		2007	
	Association \$	Group \$	Association \$	Group \$
Statement of Movements in Equity				
Balance at 1 January	3,487,939	4,498,421	3,373,556	4,389,109
Plus: Surplus for the Year	42,122	107,841	114,383	109,312
Total Recognised Revenues & Expenses	<u>42,122</u>	<u>107,841</u>	<u>114,383</u>	<u>109,312</u>
Equity as at 31 December	<u><u>3,530,061</u></u>	<u><u>4,606,262</u></u>	<u><u>3,487,939</u></u>	<u><u>4,498,421</u></u>

The accompanying notes and auditor's report form part of and are to be read in conjunction with these financial statements.

NORTHERN AUCKLAND KINDERGARTEN ASSOCIATION INCORPORATED

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2008**

	Notes	2008		2007	
		Association \$	Group \$	Association \$	Group \$
ASSETS					
<i>Non-current assets</i>					
Property, Plant and Equipment	2	2,855,708	3,395,918	2,743,218	3,302,110
Total non-current assets		<u>2,855,708</u>	<u>3,395,918</u>	<u>2,743,218</u>	<u>3,302,110</u>
 Current Assets					
Cash at Bank	3	1,374,937	2,011,568	1,262,296	1,760,662
Accounts Receivable	4	34,974	34,974	20,152	20,152
Receivable from Kindergartens		14,729	-	-	-
Prepayments		13,502	13,502	78,107	34,187
Interest Receivable		4,358	4,358	3,275	3,275
Total current assets		<u>1,442,500</u>	<u>2,064,402</u>	<u>1,363,830</u>	<u>1,818,276</u>
TOTAL ASSETS		<u>4,298,208</u>	<u>5,460,320</u>	<u>4,107,048</u>	<u>5,120,386</u>
 EQUITY AND LIABILITIES					
<i>Equity</i>					
Accumulated Equity		3,530,061	4,606,262	3,487,939	4,498,421
Total Equity		<u>3,530,061</u>	<u>4,606,262</u>	<u>3,487,939</u>	<u>4,498,421</u>
 Current Liabilities					
Accounts Payable	5	243,957	250,158	110,415	116,616
Government Bulk Funding in Advance		432,843	432,843	394,435	393,075
Goods and Services Tax		91,347	84,244	114,259	110,555
Grants in Advance	6	-	86,813	-	1,360
Finance Lease		-	-	-	359
Total current liabilities		<u>768,147</u>	<u>854,058</u>	<u>619,109</u>	<u>621,965</u>
TOTAL EQUITY AND LIABILITIES		<u>4,298,208</u>	<u>5,460,320</u>	<u>4,107,048</u>	<u>5,120,386</u>

ROBBIE PICKFORD
PRESIDENT

PAULA KEARNS
ACTING GENERAL MANAGER

DATE

The accompanying notes and auditor's report form part of and are to be read in conjunction with these financial statements.

NORTHERN AUCKLAND KINDERGARTEN ASSOCIATION INCORPORATED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	2008		2007	
		Association	Group	Association	Group
		\$	\$	\$	\$
Cashflows from Operating Activities					
<i>Cash was provided from:</i>					
Bulk Funding Received		3,432,590	3,432,590	3,080,170	3,080,170
Receipts from Other Funding and Income		79,266	654,792	49,865	653,155
Grants Received		-	86,813	-	1,360
Interest Received		119,921	156,920	96,409	122,115
GST Received		(22,914)	(26,311)	53,187	50,662
		<hr/>	<hr/>	<hr/>	<hr/>
		3,608,863	4,304,804	3,279,631	3,907,462
<i>Cash was applied to:</i>					
Payments to Suppliers		(470,826)	(731,100)	(340,416)	(745,730)
Payments to Employees		(2,803,242)	(2,909,036)	(2,666,480)	(2,655,330)
		<hr/>	<hr/>	<hr/>	<hr/>
		(3,274,068)	(3,640,136)	(3,006,896)	(3,401,060)
Net Cash Inflow (Outflow) from Operating Activities	7	334,795	664,669	272,735	506,402
Cashflows from Investing Activities					
<i>Cash was applied to:</i>					
Purchase of Property, Plant & Equipment		(222,155)	(413,404)	(56,502)	(155,455)
		<hr/>	<hr/>	<hr/>	<hr/>
Net Cash Inflow (Outflow) from Investing Activities		(222,155)	(413,404)	(56,502)	(155,455)
Cashflows from Financing Activities					
<i>Cash was applied to:</i>					
Repayment of Loan		-	(359)	-	-
Net Cash Inflow (Outflow) from Financing Activities		-	(359)	-	-
Net Increase (Decrease) in Cash Held		112,640	250,906	216,233	350,947
Add Cash at Start of Year (1 January)		1,262,297	1,760,662	1,046,063	1,409,715
		<hr/>	<hr/>	<hr/>	<hr/>
Balance at End of Year (31 December)		1,374,937	2,011,568	1,262,296	1,760,662

The accompanying notes and auditor's report form part of and are to be read in conjunction with these financial statements.

NORTHERN AUCKLAND KINDERGARTEN ASSOCIATION INCORPORATED

ACCOUNTING POLICIES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

A. REPORTING ENTITIES

Northern Auckland Kindergarten Association Incorporated is a non-profit organisation registered under the Incorporated Societies Act 1908. The consolidated financial statements for the Group comprises Northern Auckland Kindergarten Association Inc and the 13 kindergartens under its control.

B. REPORTING FRAMEWORK

These financial statements have been prepared in accordance with the Financial Reporting Act 1993.

These financial statements have been prepared under the existing New Zealand Financial Reporting Standards Framework, which is one of the two frameworks for generally accepted accounting practice currently available to be applied in New Zealand for qualifying small entities. The other framework for generally accepted accounting practice is "New Zealand Equivalents to International Financial reporting Standards", (NZ IFRS). The time line and criteria applicable to small entities and incorporated societies for mandatory conversion to NZ IFRS is yet to be announced by the Accounting Standards Review Board.

C. DIFFERENTIAL REPORTING

The Association and kindergartens are qualifying entities in accordance with the New Zealand Institute of Chartered Accountants' Differential Reporting Framework as they are not publicly accountable and not large. The Association and kindergartens have taken advantage of all available differential reporting exemptions except for FRS -10 Statement of Cash Flows.

D. ACCOUNTING POLICIES

The following particular accounting policies have been used in the preparation of the financial statements:

Basis of Consolidation

The consolidated financial statements include those of the Association and the 13 kindergartens under its control, accounted for using the purchase method. Kindergartens consolidated are those controlled, either directly or indirectly, by the Association. Kindergartens are consolidated when the Association has power to govern the financial and operating policies of the kindergartens. All material inter-entity transactions, balances and unrealised surpluses and deficits on transactions between the Association and the kindergartens are eliminated.

Revenue Recognitions

Government grants for bulk funding are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Other grants are recorded as income as received unless there are unfulfilled conditions attaching to the grant, in which case the amount relating to the unfulfilled conditions is recognised as income in advance under liabilities and released to income as the conditions are fulfilled.

Fees are recognised on an accrual basis in accordance with the substance of the relevant agreement.

Donations are recorded as income when their receipt is formally acknowledged by the Association.

Interest income is recognised as it accrues, using the effective interest method.

NORTHERN AUCKLAND KINDERGARTEN ASSOCIATION INCORPORATED

ACCOUNTING POLICIES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

Revenue Recognitions (Continued)

Goods and Services Tax

The statement of financial performance has been prepared so that all components are stated exclusive of GST. All items in the statement of financial position are stated net of GST, with the exception of receivables, payables and government bulk funding in advance, which includes GST invoiced.

Operating Lease

An operating lease is a lease that does not transfer to the lessee substantially all of the risks and rewards incidental to ownership of the asset. Payments made under operating leases are recognised in the income statement on a straight line basis over the term of the lease.

Accounts Receivable

Accounts receivable are recorded at estimated realisable value after providing against debts where collection is doubtful.

Property, Plant and Equipment

Property and equipment are stated at cost less aggregate depreciation. Land and buildings owned by the Crown and/or local councils are excluded from these financial statements. Where material parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Subsequent costs are added to the carrying amount of an item of property, plant and equipment when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Association and the kindergartens and the cost of the item can be measured reliably. All other costs are recognised in the statement of financial performance as an expense as incurred.

Property, Plant and Equipment (Continued)

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between sales proceeds and carrying amount of the asset and are recognised in income.

Depreciation

Depreciation for the following assets classes is provided on a straight line basis at rates that will allocate the cost of the assets over their estimated useful lives.

Depreciation (Continued)

The useful lives of the assets are as follows:

Buildings & Improvements	5 – 50 Years
Office and Equipments	5 Years
Electronic Equipment	5 Years
Leased Assets – Photocopier	10 Years
Furniture and Fittings	10 Years

NORTHERN AUCKLAND KINDERGARTEN ASSOCIATION INCORPORATED

ACCOUNTING POLICIES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

Statement of Cash Flows

The Statement of Cash flows is prepared to include all cash flows as stated in the accounts and exclusive of GST, which is consistent with the method used in the Statement of Financial Performance.

Definitions of the terms used in the statement of cash flows:

- a) Cash included coins and notes, demand deposits and other highly liquid investments readily convertible into cash used by the Association and group as part of their day-to-day cash management.
- b) Operating activities include all transactions and other events that are not investing or financing activities.
- c) Investing activities are those activities relating to the acquisitions and disposal of current and non-current investments and any other non-current assets.
- d) Financing activities are those activities relating to changes in the equity and debt capital structure of the Association and group and those activities relating to the cost of serving the Association's and the group's equity capital.

Taxation

The Association is exempt from income tax under the Income Tax Act 2004.

Change in Accounting Policies

There have been no changes in accounting policies during the year. All policies have been applied on a consistent basis with those used in previous years.

NORTHERN AUCKLAND KINDERGARTEN ASSOCIATION INCORPORATED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008		2007	
	Association	Group	Association	Group
1. Other Income	\$	\$	\$	\$
Teachers Registration Support Grant	23,925	23,925	13,390	13,390
Grants Received	-	86,355	20,000	64,040
Insurance Refund for Legal Fee	22,708	22,708	-	-
Grants Received from Kindergartens	29,447	-	-	-
Parent Donations & Fees	-	236,162	-	325,364
Fundraising Income	-	222,266	-	200,136
Other Income	3,898	64,088	16,475	61,850
	<u>79,978</u>	<u>655,504</u>	<u>49,865</u>	<u>664,780</u>

2. Property, Plant and Equipment

a. Association	Cost \$	2008	Book Value \$	Cost \$	2007	Book Value \$
		Accum Depn \$			Accum Depn \$	
Land	28,951	-	28,951	28,951	-	28,951
Buildings & Improvements	3,718,194	985,922	2,732,272	3,542,538	906,763	2,635,775
Office Equipment	8,783	7,589	1,194	8,003	6,904	1,099
Electronic Equipment	212,242	131,927	80,315	173,076	106,685	66,391
Leased Asset Photocopier	14,432	14,432	-	14,432	12,025	2,407
Furniture and Fittings	32,675	19,699	12,976	26,123	17,528	8,595
Total	<u>4,015,277</u>	<u>1,159,569</u>	<u>2,855,708</u>	<u>3,793,123</u>	<u>1,049,905</u>	<u>2,743,218</u>

b. Group	Cost \$	Accum	Book Value \$	Cost \$	Accum	Book Value \$
		Depn \$			Depn \$	
Land	28,951	-	28,951	28,951	-	28,951
Buildings & Improvements	4,093,443	1,276,192	2,817,251	3,758,808	1,067,534	2,691,274
Office Equipment	56,006	53,492	2,514	55,226	44,744	10,482
Electronic Equipment	336,524	225,836	110,688	290,531	193,600	96,931
Leased Asset Photocopier	14,432	14,432	-	14,432	12,025	2,407
Furniture and Fittings	1,384,393	947,879	436,514	1,352,766	880,701	472,065
Total	<u>5,913,749</u>	<u>2,517,831</u>	<u>3,395,918</u>	<u>5,500,714</u>	<u>2,198,604</u>	<u>3,302,110</u>

c. Depreciation	2008		2007	
	Association	Group	Association	Group
	\$	\$	\$	\$
Buildings & Improvements	79,159	208,658	75,191	188,365
Office Equipment	685	8,748	581	9,878
Electronic Equipment	25,243	32,236	11,580	16,400
Leased Asset Photocopier	2,406	2,406	2,886	2,886
Furniture and Fittings	2,171	67,548	2,241	70,729
Total Depreciation	<u>109,664</u>	<u>319,596</u>	<u>92,479</u>	<u>288,258</u>

NORTHERN AUCKLAND KINDERGARTEN ASSOCIATION INCORPORATED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008		2007	
	Association	Group	Association	Group
	\$	\$	\$	\$
3. Cash in Hand and Bank				
Working Account	126,567	126,567	26,238	26,238
Salaries Account	239	239	96,930	96,930
Building Fund Account	17,264	17,264	16,157	16,157
Silverdale Building Fund Account	6,586	6,586	7,871	7,871
Investment Account	-	-	330,000	330,000
MOE Funding Investment	445,000	445,000	-	-
NAKA Building - Term Investment	325,000	325,000	325,000	325,000
Term Investments	454,158	454,158	460,000	460,000
Kindergartens Balances				
- Cheque Accounts	-	58,684	-	71,677
- Investment Accounts	-	577,947	-	40,689
- Petty Cash	123	123	100	100
- Deposit	-	-	-	386,000
	<u>1,374,937</u>	<u>2,011,568</u>	<u>1,262,296</u>	<u>1,760,662</u>
4. Accounts Receivable				
Sundry Receivables	29,346	29,346	20,152	20,152
MOE Receivable	5,628	5,628	-	-
	<u>34,974</u>	<u>34,974</u>	<u>20,152</u>	<u>20,152</u>
5. Accounts Payable				
Audit Fees	15,000	15,000	18,000	18,000
Salaries Payable	150,299	150,299	76,362	76,362
Sundry Payables	34,543	40,744	16,053	22,254
Legal Fees	44,115	44,115	-	-
	<u>243,957</u>	<u>250,158</u>	<u>110,415</u>	<u>116,616</u>

6. Grants in Advance

Included within the group liabilities are funds received from various sources, which are predominantly required to be applied to the specific purposes as follows.

Provider	Purpose	2008 Group Not Applied	2007 Group Not Applied
Rodney Council	Carpets	-	1,360
ASB Charitable Trust	Building Project	25,000	-
Pelorus Trust	Building Project	5,000	-
Waitemata Health Nutrition Fund	Interactive Kitchen	9,313	-
ASB Community Trust	Building Project	10,000	-
North Shore City	Building Project	2,500	-
Perry Foundation	Resource Room	10,000	-
ASB Community Trust	Building Project	10,000	-
ASB Community Trust	Building Project	10,000	-
ASB Community Trust	Drainage/Fencing	5,000	-
		<u>86,813</u>	<u>1,360</u>

NORTHERN AUCKLAND KINDERGARTEN ASSOCIATION INCORPORATED

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2008**

7. Reconciliation of Net Cash Flows from Operating Activities with Operating Surplus

	2008		2007	
	Association	Group	Association	Group
	\$	\$	\$	\$
REPORTED OPERATING SURPLUS	42,122	107,841	114,383	109,312
Add (Less) Non-cash Items:				
Depreciation	109,664	319,596	92,479	288,258
Loss on Disposal of Property, Plant & Equipment	-	4,074	-	10,779
Assets Donated - Talking Points	-	(3,715)	-	(10,265)
	<u>151,786</u>	<u>427,796</u>	<u>206,862</u>	<u>398,084</u>
Add (less) Movements in Working Capital Items:				
Accounts Receivable	(14,822)	(14,822)	5,006	5,006
Receivable from Kindergartens	(14,729)	-		
Prepayments	64,605	20,685	(78,107)	(34,187)
Interest Receivable	(1,083)	(1,083)	1,834	1,834
Accounts Payable	133,542	133,542	(18,241)	(18,241)
Government Bulk Funding in Advance	38,408	39,768	108,975	108,975
Goods and Services Tax	(22,912)	(26,311)	46,406	44,572
Grants in Advance	-	85,453	-	-
Finance Lease	-	(359)	-	359
	<u>183,009</u>	<u>236,873</u>	<u>65,873</u>	<u>108,318</u>
Net Cash Flows from Operating Activities	<u><u>334,795</u></u>	<u><u>664,669</u></u>	<u><u>272,735</u></u>	<u><u>506,402</u></u>

8. Commitments

Capital Expenditure Commitments

At the balance date, the Board has authorised, but not contracted capital expenditure commitments as follows:

	2008 Group \$	2007 Group \$
Rangitoto Kindergarten	78,525	-
Hibiscus Coast Kindergarten	83,748	-
Torbay Kindergarten	58,200	-
	<u>220,473</u>	<u>-</u>

Operating Lease Commitments

The outstanding commitments under non-cancellable leases, which are due as follows:

Within one year	13,250	13,250	15,900	15,900
More than one year	-	-	13,250	13,250
	<u>13,250</u>	<u>13,250</u>	<u>29,150</u>	<u>29,150</u>

NORTHERN AUCKLAND KINDERGARTEN ASSOCIATION INCORPORATED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2008

9. Related Parties

Payments to Board of Management

The members of the Board of Management received \$18,240 during the year (2007: \$14,750).

During the year, following transactions were entered by the Association and individual Kindergartens:

	2008	2007
	\$	\$
<i>Payments to Kindergartens</i>		
Distribution to Kindergartens	258,477	134,821
<i>Receipts from Kindergartens</i>		
Grants Received from Kindergartens	29,447	-
Recovery of Administration Costs	76,175	64,264

10. Provisionally Registered Teachers

In 2005, the Ministry of Education established a support grant for permanently appointed provisionally registered teachers. The rationale for this support grant was to assist provisionally registered teachers to obtain full registration with the New Zealand Teachers Council.

In 2008, a total of \$23,925 (2007: \$16,734) was received by the Association for five (2007: five) kindergartens. By the end of the financial year, these grants were used to provide;

- Resources.
- Attendance in other professional development opportunities i.e.: seminars, workshops.
- Salaries.

11. Contingent Liabilities

A personal grievance claim was registered against the Association on 1 April 2009 by a previous employee. The Association disclaim the claim and will defend the action. It is not practical to estimate the potential effect of this claim at this stage. The Board of Management believes that any liability that may arise in the unlikely event the claim is successful will not be significant.

12. Charitable Status for Taxation Purposes

The Charities Act 2005 ("the Act") was passed in April 2005, establishing the Charities Commission ("the Commission") which came into being on 1 July 2005.

Changes to the Income Tax Act 2004 and Estate and Gift Duties Act 1968 mean that only charities registered with the Commission will be eligible for tax exemptions. Under the Act, charities had until 1 July 2008 to register, before their tax exemptions were possibly affected.

The Association applied for registration prior to this deadline and has now received confirmation of registration as a Charity from the Commission.

Consistent with the current and previous financial years, the Association will continue to take advantage of the following :

- exemption from income tax for non-business income .
- exemption for business income derived by or in support of charities .
- exemption from gift duty for persons who make gifts to the Association.

13. Subsequent Events

There have been no events subsequent to balance date requiring adjustment to, or disclosure in, the financial statements.

Northern Auckland Kindergarten Incorporated
 Kindergartens Receipts and Payment Statements
 For the Year Ended 31 December 2008

	Albany	Glamorgan	Hibiscus Coast	Mahurangi	Oaktree	Rangitoto	River Valley	Silverdale	Stanmore Bay	Taiaroa	Torbay	Waimauku	Whangaparaoa	Total
Income :														
Parent Donations	20,505	14,122	17,110	15,498	20,139	20,857	10,237	17,175	11,551	20,538	20,634	18,788	14,045	221,199
Excursions	2,612	1,128	1,072	644	2,294	3,921	367	860	267	1,210	845	3,001	1,553	19,773
Fundraising	17,243	23,760	10,022	20,946	12,777	30,397	10,038	28,578	7,611	15,250	10,684	19,900	15,058	222,266
Grants Received	8,000	35,556	20,800	1,360	5,000	23,300	31,623		10,000		10,000	8,850	6,271	160,760
Interest received	716	683	1,094	727	590	799	391	928	1,004	864	595	862	418	9,671
Donations - Talking Points	608	582	737	1,898	784	811	575	974	885	1,637	309	703	1,983	12,486
Other Income	20,756	20,410	20,563	20,677	14,939	25,218	15,208	21,924	16,813	20,821	18,751	16,828	20,069	252,977
Total Income :	70,440	96,241	71,398	61,751	56,523	105,303	68,440	70,439	48,131	60,320	61,818	68,932	59,396	899,132
Expenses :														
Administration	60	355	115	1,214	572	93	109	87	42	424	68	211	314	3,665
Cleaning	7,020	8,876	5,092	3,986	8,412	7,210	400	7,642	10,124	7,941	5,973	11,504	9,936	94,116
Electricity	3,007	2,084	1,256	1,586	1,886	1,857	1,880	2,651	1,460	1,738	1,652	1,960	1,802	24,819
Excursions	2,175	1,464	409	653	3,643	4,520	1,351	2,387	412	1,339	1,097	3,792	1,468	24,710
Fundraising	8,146	9,302	2,429	8,173	9,970	14,136	5,130	10,872	1,870	5,565	5,413	8,099	3,506	92,611
Kindergarten Expenses	7,653	6,152	5,486	6,759	6,953	11,995	9,373	10,885	5,426	9,122	7,945	10,752	14,925	113,425
Professional Support		53	120	378	200				422					1,174
Rates	1,556	1,510		2,499	1,339	1,578	2,649	1,808	1,287	3,305	2,022		1,561	21,113
Resource Purchases	3,980	711	6,816	4,332	5,756	6,217	6,000	11,086	6,008	5,486	3,541	12,607	3,941	76,480
Repairs and Maintenance	1,927	1,676	1,141	4,182	2,128	869	2,076	2,223	2,858	4,358	1,901	3,259	11,267	39,866
Support Staff	3,839	416	3,514	6,907	9,060	10,252	3,889	1,215	1,574	7,371	3,897	5,183	3,575	60,693
Telephone	1,423	963	1,074	940	1,187	1,144	862	1,137	915	1,048	1,163	1,100	1,156	14,112
Sundry		2,115	364	771	682	1,817	1,890		251	32	449	1,322	25	9,718
Total Operating Expenses :	40,786	35,678	27,817	42,379	51,788	61,687	35,609	51,993	32,649	47,730	35,122	59,790	53,476	576,504
Capital Expenses	13,557	40,510	8,430	5,721	11,459	15,047	30,551	7,010	2,986	12,561	6,782	12,918	8,309	175,841
Total Expenses :	54,343	76,188	36,247	48,100	63,247	76,734	66,159	59,004	35,635	60,291	41,904	72,708	61,785	752,345

NORTHERN AUCKLAND KINDERGARTEN ASSOCIATION INCORPORATED

**LISTING OF KINDERGARTENS
AS AT 31 DECEMBER 2008**

KINDERGARTEN	PHYSICAL ADDRESS	LICENCE
Mahurangi Kindergarten	13 Albert Road, Warkworth	
Taiaroa Kindergarten	4 Woodlands Crescent, Browns Bay	
Oaktree Kindergarten	1 Palliser Lane, Browns Bay	
Hibiscus Coast Kindergarten	90 Riverside Drive, Orewa	
Torbay Kindergarten	141 Deep Creek Road, Torbay	
Glamorgan Kindergarten	37 Danbury Drive, Torbay	
Stanmore Bay Kindergarten	36 Waiora Road, Stanmore Bay	
Whangaparaoa Kindergarten	7 Motutapu Avenue, Whangaparaoa	
River Valley Kindergarten	8 Fordyce Road, Helensville	
Silverdale Kindergarten	2 Longmore Lane, Silverdale,	
Albany Kindergarten	4 Bass Road, Albany	
Waimauku Kindergarten	18 Freshfields Road, Waimauku	
Rangitoto Kindergarten	2a Hythe Terrace, Mairangi Bay	