



NEW ZEALAND PLAYCENTRE FEDERATION INC
PARENT ONLY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

NEW ZEALAND PLAYCENTRE FEDERATION INC
Parent Only

TABLE OF CONTENTS

	Page
Independent Auditors Report	1
Statement of comprehensive revenue and expense	3
Statement of changes in equity	4
Statement of financial position	5
Statement of cash flows	6
Notes to the financial statements	7



Tel: +64 9 430 0471
Fax: +64 9 430 0671
northland@bdo.co.nz
www.bdo.co.nz

BDO NORTHLAND
49 John Street
PO Box 448, Whangarei 0140
New Zealand

Kerikeri Office
Tel: +64 9 407 7250

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW ZEALAND PLAYCENTRE FEDERATION INC.- PARENT ONLY

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of New Zealand Playcentre Federation - Parent Only ("the Parent") on pages 3 to 15, which comprise the statement of financial position as at 31 August 2018, and the statement of comprehensive revenue and expense, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Parent as at 31 August 2018, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Parent in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* 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 Parent.

Trustees Responsibilities for the Financial Statements

The Trustees are responsible on behalf of the Parent for the preparation and fair presentation of the financial statements in accordance with PBE Standards RDR, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible on behalf of the Parent for assessing the Parent'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 Trustees either intend to liquidate the Parent or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) 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 these financial statements.

PARTNERS: Adelle Allbon Angela Edwards Scott Kennedy Robyn Terlesk

BDO New Zealand Ltd, a New Zealand limited liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO New Zealand is a national association of independent member firms which operate as separate legal entities.

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

- Identify and assess the risks of material misstatement of the financial statements, 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parent's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Parent'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 financial statements 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 Parent to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustees 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.

Who we Report to

This report is made solely to the Parent's members, as a body. Our audit work has been undertaken so that we might state those matters which 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 Parent and the Parent's members, as a body, for our audit work, for this report or for the opinions we have formed.



BDO Northland
Whangarei
New Zealand
30 January 2019

NEW ZEALAND PLAYCENTRE FEDERATION INC

Parent Only

Statement of Comprehensive Revenue and Expense

For the year ended 31 August 2018

	Notes	2018	2017
		\$	\$
Revenue			
Revenue from non-exchange transactions			
Education Income	3	1,058,897	1,030,343
Grants, Donations & Fundraising Income	3	74,471	77,952
Other non-exchange income		70,000	65,414
Revenue from exchange transactions			
Fees, Levies and Equity Income		7,158,800	3,518,297
Sale of Goods or Services		268,357	18,996
Interest Income		78,268	82,863
Other exchange income		35,465	33,118
Total Revenue		8,744,259	4,826,983
Expenses			
Administration Expenses		522,307	53,808
Education Expenses	4	382,025	944,613
Office Expenses		1,075,386	520,485
Depreciation Expense		16,773	2,616
Staff Costs	4	3,781,710	477,983
Audit Fees		62,500	59,750
Provision for bad debts		68,183	-
Regional Capital Works Expenses		440,824	1,028,205
Other Expenses		516,132	581,074
Total Expenses		6,865,839	3,668,534
Surplus/(Deficit) for the Year		1,878,419	1,158,449
Total Comprehensive Revenue and Expenses for the year		1,878,419	1,158,449

The above statement should be read in conjunction with the accompanying notes



NEW ZEALAND PLAYCENTRE FEDERATION INC
Parent Only

Statement of Changes in Equity

For the year ended 31 August 2018

	Notes	Special Purpose Reserve	Retained Earnings	Total Equity
		\$	\$	\$
Opening Balance at 1 September 2017		3,112,444	3,654,106	6,766,550
Total Comprehensive Revenue and Expenses for the year		(805,520)	2,683,939	1,878,419
Closing Balance 31 August 2018	9	2,306,924	6,338,045	8,644,969
Opening Balance at 1 September 2016		3,704,670	1,903,431	5,608,101
Total Comprehensive Revenue and Expenses for the year		(592,226)	1,750,675	1,158,449
Closing Balance 31 August 2017	9	3,112,444	3,654,106	6,766,550

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes



NEW ZEALAND PLAYCENTRE FEDERATION INC

Parent Only

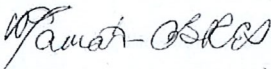
Statement of Financial

Position


As at 31 August 2018

	Notes	2018	2017
		\$	\$
Assets			
Current Assets			
Cash at Bank	10	5,799,539	3,629,042
Investments	10	5,123,756	4,701,831
Inventory		11,198	11,198
Accounts Receivable - from exchange transactions	10	1,116,630	1,547,498
Accrued Income		542,902	1,989,873
Prepayments		319,561	301,065
Total Current Assets		12,913,585	12,180,506
Non-Current Assets			
Property, Plant & Equipment	5	309,105	7,563
Total Non-Current Assets		309,105	7,563
Total Assets		13,222,691	12,188,069
Liabilities			
Current Liabilities			
Accounts payables - from exchange transactions	10	568,753	254,448
Accruals		157,864	104,232
Employee Entitlements		437,969	33,718
GST Payable		646,356	393,628
Income received in advance		1,316,738	-
Funds Held on Behalf	8	1,450,042	4,635,494
Total Current Liabilities		4,577,721	5,421,520
Total Liabilities		4,577,721	5,421,520
Total Assets less Total Liabilities (Net Assets)		8,644,969	6,766,550

Financial Statements were approved for issue by the Trustee Board of New Zealand Playcentre Federation Inc.



 Representative



 Representative

29/01/2019

Date:

The above statement should be read in conjunction with the accompanying notes



NEW ZEALAND PLAYCENTRE FEDERATION INC
Parent Only

STATEMENT OF CASH FLOWS

For the year ended 31 August 2018

	<u>2018</u>	<u>2017</u>
	\$	\$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Proceeds from:		
Fees, levies, grants and donations	9,111,110	1,262,061
Education income	1,058,897	1,030,343
Other operating receipts	1,622,377	117,529
<u>Payments to suppliers and employees</u>		
Education expenditure	(382,025)	(1,318,754)
Staff Costs	(3,377,458)	(477,983)
Other operating payments	(2,054,406)	(1,907,159)
Net cash inflow/(outflow) from operating activities	5,978,494	(1,293,963)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest received	78,268	85,024
Purchase and Sale of Financial Instruments	(421,924)	(3,070,658)
Purchase of Property plant and equipment	(278,889)	(4,435)
Net cash inflow/(outflow) from investing activities	(622,544)	(2,990,069)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Increase/(decrease) in Funds Held on Behalf	(3,185,452)	4,635,494
Net cash inflow/(outflow) from financing activities	(3,185,452)	4,635,494
Net increase/(decrease) in cash and cash equivalents	2,170,497	351,461
Cash and cash equivalents at beginning of year	3,629,042	3,277,581
Cash and cash equivalents at the end of year	5,799,539	3,629,042

The above statements should be read in conjunction with the notes to and forming part of the financial statements.



NEW ZEALAND PLAYCENTRE FEDERATION INC

Parent Only

Notes to and Forming Part of the Financial Statements

For the year ended 31 August 2018

Note 1 - Reporting Entity

New Zealand Playcentre Federation Inc. ("NZPF" or the "Federation") is incorporated under the Charitable Trusts Act 1957. These financial statements are for the parent only. Consolidated financial statements will be prepared and filed with Charities Services.

Note 2 – Summary of significant Accounting Policies

(a) Statement of compliance

The financial statements comply with the Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") as appropriate for Tier 2 not-for-profit public entities, and disclosure concessions have been applied.

The NZPF qualifies as a Tier 2 reporting entity as for the two most recent reporting periods it is not publically accountable and not large (operating expenditure has been between \$2m and \$30m in the current and prior year).

These financial statements were authorised for issue by the Trustee Board on 29 January 2019.

(b) Measurement Base

The financial statements have been prepared on the basis of historical or deemed cost.

(c) Functional and Presentation Currency

The financial statements are presented in New Zealand dollars (\$) which is the entity's functional and present currency, rounded to the nearest dollar.

There has been no change in the functional currency of the entity during the year.

(d) Use of Judgement and Estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(e) Income Recognition

Levies, Membership Fees, and Equity Funding

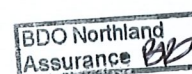
Levies to NZPF are recognised in the period they are earned. Equity funding is recognised in the period to which it was earned.

Grants and Donations

NZPF receives training grants from the Tertiary Education Commission ("TEC"). These grants are recognised in the period they are earned.

All other grants and donations are recognised when they are received.

The recognition of non-exchange revenue from *Grants and Donations* depends on the nature of any stipulations attached to the inflow of resources received, and whether this creates a liability (i.e. present obligation) rather than the recognition of revenue.



NEW ZEALAND PLAYCENTRE FEDERATION INC

Parent Only

Notes to and Forming Part of the Financial Statements

For the year ended 31 August 2018

Stipulations that are 'conditions' specifically require the entity to return the inflow of resources received if they are not utilised in the way stipulated, resulting in the recognition of a non-exchange liability that is subsequently recognised as non-exchange revenue as and when the 'conditions' are satisfied.

Stipulations that are 'restrictions' do not specifically require the entity to return the inflow of resources received if they are not utilised in the way stipulated, and therefore do not result in the recognition of a non-exchange liability, which results in the immediate recognition of non-exchange revenue.

Sale of Goods

Revenue from the sale of goods in the course of ordinary activities are measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

Insurance Proceeds

Income from insurance proceeds is recognised when the entity's right to receive payment is established, and the amount can be reliably measured.

Bulk funding

Bulk funding is not recorded as revenue in the parent, as there is an agency relationship with Centres. Conversely an adjustment has not been recognised to account for bulk funding accrued to balance date. Rather a net adjustment to recognise the levy portion to balance date is included. The Bulk Funding Advances represent amounts which do not belong to the Federation but are held on behalf of Centres, and are recorded as a liability on the Statement of Financial Position until paid to the Centres.

(f) Accounts Receivable

Accounts Receivable are stated at their estimated realisable value. Unrecoverable debts are written off when recognised.

(g) Investments

Deposits at registered banks with an original maturity greater than 3 months are classified as investments.

(h) Property, plant and equipment

Items of property plant and equipment are initially recorded at cost or, in the case of donated assets, are initially recorded at their fair value as their deemed cost at initial recognition. Initial cost includes the purchase cost, or fair value as the case may be, and those costs that directly relate to bringing the asset to the location where it will be used, and making sure it is in the appropriate condition necessary for its intended use. The minimum cost value for a purchase to be capitalised as Property, Plant and Equipment is \$1,000. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate assets (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in surplus or deficit. Ongoing repairs and maintenance is expensed as incurred.



NEW ZEALAND PLAYCENTRE FEDERATION INC

Parent Only

Notes to and Forming Part of the Financial Statements

For the year ended 31 August 2018

(i) Depreciation

Depreciation is calculated to allocate the fixed assets' costs less estimated residual value over their estimated useful lives of each component of an item of property, plant and equipment. Fixed assets are depreciated on a straight line basis. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the entity will obtain ownership by the end of the lease term. Assets under construction are not subject to depreciation.

Depreciation methods, useful lives, and residual values are reviewed at reporting date and adjusted if appropriate.

The straight line depreciation rates are:

Land	0%
Buildings	2%
Laptops and Computer Equipment	20-50%
Office Equipment	5-30%
Furniture and Fittings	10-50%

(j) Employee Entitlements

i. Short-term employee benefits

Short-term employee benefit liabilities are recognised when the entity has a legal or constructive obligation to remunerate employees for services provided up to reporting date for which settlement will occur within 12 months of reporting date, and are measured on an undiscounted basis and expensed in the period in which employment services are provided.

ii. Long-term employee benefits

Long-term employee benefit obligations are recognised when the entity has a legal or constructive obligation to remunerate employees for services provided up to reporting date for which settlement will be beyond 12 months of reporting date.

(k) Donated Services

The work of the NZPF is dependent on volunteer activity. Because of the difficulty of determining their value with reliability, donated services are not recognised in these Financial Statements. However, these donated services are acknowledged as a major contribution to the Federation's operations.

(l) Goods and Services Tax

All amounts are shown exclusive of Goods and Services Tax (GST) except for Accounts Receivable and Payable which are stated inclusive of GST. Any GST payable or refundable at balance date is shown in the Statement of Financial Position.

(m) Taxation

The Federation has been granted charitable status by the Inland Revenue Department and is considered to be exempt from taxation. No taxation has been provided for in the Financial Statements.

(n) Reserves or Tagged Funds

Reserves or Tagged Funds are reserves established by the Federation for special purposes. The Federation may alter these funds without reference to any other party. Income and expenditure relating to the Funds are accounted for in the Statement of Financial Performance.

Notes to and Forming Part of the Financial Statements

For the year ended 31 August 2018

(o) Stock on Hand

Stock on Hand is measured at the lower of cost and net realisable value. The cost of stock on hand is based on the first-in, first-out principle. Inventory is then subsequently measured at the lower of cost or net realisable value. The net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Where stock is not considered material to the financial statements it is not counted and valued annually.

(p) Leases

Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of the ownership of the leased items, are recognised as expenses in the period in which they are incurred.

(q) Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the statement of financial position.

(r) Financial Instruments

Financial Assets

The Federation's financial assets include cash and cash equivalents, trade and other receivables and term deposits. The Federation's financial assets are classified as loans and receivables, and recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

After initial measurement, financial assets are subsequently measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

Impairment of financial assets

The Federation assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') has an impact on the estimated future cash flows of the financial asset or the Group of financial assets that can be reliably estimated.

Collectability of trade receivables is reviewed on an ongoing basis at an operating unit level. An impairment provision is recognised when there is objective evidence that the Federation will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Individual trade receivable balances that are known to be uncollectible are written off when identified, along with associated allowances.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the statement of financial performance.

BDO Northland
Assurance *BDO*

NEW ZEALAND PLAYCENTRE FEDERATION INC

Parent Only

Notes to and Forming Part of the Financial Statements

For the year ended 31 August 2018

Financial liabilities

The Federation's financial liabilities comprise trade and other payables. Trade and other payables are recognised initially at fair value, net of directly attributable transaction costs. After initial recognition, trade and other payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

After initial recognition, trade and other payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Trade and other payables are unsecured and are usually paid within 30 days of recognition. Due to their short-term nature they are not discounted.

(s) Changes in Accounting Policies

All accounting policies have been applied consistently between periods with the exception of (e) Income Recognition - Bulk Funding. In 2018 bulk funding received in advance has been calculated net of levies with levies recognised in revenue in advance (2017: calculated gross of levies).



NEW ZEALAND PLAYCENTRE FEDERATION INC

Parent Only

Notes to and Forming Part of the Financial Statements

For the year ended 31 August 2018

Note 3 - Revenue

	2018	2017
	\$	\$
Education Income:		
MOE Fees Received	281,113	336,800
TEC Training Grant received	777,783	693,543
<i>Total Education Income</i>	<u>1,058,896</u>	<u>1,030,343</u>

Grants, Donations & Fundraising Income:

NZ Lotteries Grant	43,922	-
MOE Grant for Rawene Playcentre	25,000	-
Todd Foundation Grant	-	71,952
Donations from members and others	5,549	6,000
<i>Total Grants, Donations & Fundraising Income</i>	<u>74,471</u>	<u>77,952</u>

Note 4 - Expenses

Education Expenses

TEC Expenses	382,025	566,456
PLD Expenses - included in staff costs and other expenses	281,113	378,157
<i>Total Education Expenses</i>	<u>663,138</u>	<u>944,613</u>

Employment Benefits

Staff Costs	3,789,856	477,983
Wages and Salaries included in TEC Expenses above	363,805	286,595
<i>Total Employee Benefit Expenses</i>	<u>4,153,661</u>	<u>764,578</u>



NEW ZEALAND PLAYCENTRE FEDERATION INC

Parent Only

Notes to and Forming Part of the Financial Statements

For the year ended 31 August 2018

Note 5: Property, Plant and Equipment (Fixed Assets)

<u>Cost</u>	<u>Land Assets</u> \$	<u>Buildings Assets</u> \$	<u>Computer Equipment</u> \$	<u>Other Assets</u> \$	<u>Total PPE</u> \$
Balance at 1 September 2017	-	-	33,654	13,335	46,989
Additions	125,000	75,000	125,878	-	325,878
Disposals	-	-	33,654	13,335	46,989
Balance at 31 August 2018	125,000	75,000	125,878	-	325,878
Accumulated Depreciation					
Balance at 1 September 2017	-	-	27,673	11,754	39,426
Depreciation	-	1,000	15,773	-	16,773
Depreciation reversed on disposal	-	-	27,673	11,754	39,426
Balance at 31 August 2018	-	1,000	15,773	-	16,773
Net Book Value					
As at 31 August 2017	-	-	5,981	1,581	7,563
As at 31 August 2018	125,000	74,000	110,105	-	309,105

<u>Cost</u>	<u>Computer Equipment</u> \$	<u>Computer Equipment</u> \$	<u>Computer Equipment</u> \$	<u>Other Assets</u> \$	<u>Total PPE</u> \$
Balance at 1 September 2016	-	-	29,261	13,293	42,554
Additions	-	-	4,393	42	4,435
Disposals	-	-	-	-	-
Balance at 31 August 2017	-	-	33,654	13,335	46,989
Accumulated Depreciation					
Balance at 1 September 2016	-	-	25,321	11,489	36,810
Depreciation	-	-	2,352	265	2,616
Balance at 31 August 2017	-	-	27,673	11,754	39,426
Net Book Value					
As at 31 August 2016	-	-	3,941	1,804	5,744
As at 31 August 2017	-	-	5,981	1,581	7,563

Note 6 - Commitments and Contingencies

(a) Lease Commitments

(a) Lease Commitments

	2018	2017
	\$	\$
0-1 years	38,685	-
2-5 years	72,000	-
5 years +	-	-
	110,685	-

(b) Contingencies

There are no contingent liabilities at 31 August 2018 (2017: nil).



NEW ZEALAND PLAYCENTRE FEDERATION INC

Parent Only

Notes to and Forming Part of the Financial Statements

For the year ended 31 August 2018

Note 7 - Tertiary Education Training Fund

	2018	2017
	\$	\$
Income		
Student Achievement Component Funding - TEC (Note 3)	764,821	693,543
Interest	12,962	7,985
	777,783	701,528
Less Expenditure		
Training funds paid to Associations	5,690	468,087
Wages	363,805	78,907
National Compliance Expense	3,949	6,650
Use of Equipment	7,040	7,680
Administration Expense	2,313	5,132
	382,797	566,456
Balance at 1 September	404,808	269,736
Net Surplus/(Deficit)	394,986	135,072
Tertiary Education Reserve (Note 9)	799,794	404,808

Note 8 - Funds held on Behalf

	2018	2017
	\$	\$
MOE Advanced funding held on behalf of centres	1,450,042	4,557,300
Mid Northland funding	-	78,194
	1,450,042	4,635,494

Note 9 - Special Projects Funds

	2018	2017
	\$	\$
Asset Replacement Fund	-	59,999
Conference and Convention Fund	10,488	7,538
Federation Contingency Fund	19,066	21,035
Public Relations Initiatives Fund	801	2,491
Research Fund	56,780	56,780
Special Maori Education Fund	7,068	7,068
World Indigenous Peoples Conference Fund	5,210	5,210
Tertiary Education Reserve	799,794	404,808
Professional Development Contract Reserve	153,049	94,132
Regional Capital Works Reserves	1,196,500	2,395,215
Gwen Somerset Reserve	58,169	58,169
	2,306,924	3,112,444

Note 10 - Financial Assets and Financial Liabilities

	2017	2017
	\$	\$
Financial assets:		
Cash on hand	5,799,539	3,629,042
Trade and other receivables	1,116,630	1,547,498
Term Deposits	5,123,756	4,701,831
	12,039,925	9,878,371

Bank deposits are invested over a range of terms at and interest rate between 3.1% - 3.5% (2017: 2.5%-3.7%).

	2017	2017
	\$	\$
Financial liabilities:		
Accounts payable	568,753	254,448



NEW ZEALAND PLAYCENTRE FEDERATION INC

Parent Only

Notes to and Forming Part of the Financial Statements

For the year ended 31 August 2018

Note 11 - Related Party Transactions

A levy is charged to Playcentre Associations to meet Federation costs. NZPF also administer the distribution of training grants, travel pool and equity funding between associations. NZPF is also responsible for administering the MOE funding. This funding is administered on an Agency basis. Funds held on behalf of Centres are recorded as the liability "Funds Held on Behalf".

Note 12: Impact of Amalgamation Process

The New Zealand Playcentre Federation commenced proceedings seeking approval pursuant to the Charitable Trusts Act 1957 to amalgamate. The majority of the 31 Playcentre Associations have completed the process required to agree to the amalgamation. It is expected that the amalgamation process will be completed prior to the end of the 2018/2019 financial year. The process of amalgamating has resulted in increases to revenue and expenses in the current year and notably the significant increase in employment, wage costs and employee entitlements.

Note 13: Key Management Remuneration

The total remuneration of members of the Trustee Board being honoraria paid to the Presidents and Trustees were as follows:

	2018	2017
Total Remuneration	\$ 39,567	\$ 38,780
Number of Persons	6	6

The total Remuneration of the senior management group is as follows:

Total Remuneration	290,530	233,196
Number of Persons	4	5

Note 14: Events After the Balance Date

No significant events have taken place post 31 August 2018



