

Annual Report

1 March 2015-29 February 2016

Taranaki Free Kindergarten Association (Inc)



Kindergarten
Taranaki

Te Putahi Kura Pūhou o Taranaki

Presented at the

Annual General Meeting

held at The Rumpus Room, Gill Street, New Plymouth

Saturday, 15 October 2016 at 12 noon

Association Staff

Kindergarten House

Cherie Boyd
Chief Executive

Professional Team

Hilda Colgan
Professional Manager

Liz Clegg
Lois Kyle
Professional Leaders

Finance Team

Steve Smith
Finance Manager

John Sykes
Aira Cooper
Accounts Officers

Jo Shaw
Payroll Officer

Operations Team

Dawn Osman
Operations Manager

Dennis Wills
Property Officer

Bernadette Bruce
Administration Co-ordinator

Honorary Solicitor

Nic Marinovich
Nicholsons

Accountant

Ross Whitmore
Vanburwray

Auditor

Carolyn Jackson
StaplesRodway

Life Members

Christine Mori
Pam Jensen
John McDonald
Lyn Emanuel
Desiree Atkinson
Juliet Ormrod
Karen Pullein
Kevin Applegarth

Governing Board

Jamie Swan
Chairperson
Co-opted May 2013
Elected August 2013
Second term elected October 2014

Keryn Roderick
Elected August 2013
Second term elected October 2014
Resigned August 2015

Natalie Willetts (McKinnon)
Elected October 2014

Kate Murdoch
Elected October 2014

Antony Rhodes
Elected October 2014

Jan Forsythe
Elected Staff Board Member October 2014

Doug Peach
Elected September 2015

CHAIRPERSON'S REPORT

He aha te kai ō te rangatira? He Kōrero, he kōrero, he kōrero.

What is the food of the leader? It is knowledge. It is communication.

There are two ways the Governing Board view the past year for Kindergarten Taranaki. The first is as an organisation carrying a legacy of over 65 years of kindergarten education here in Taranaki. In this environment, Kindergarten Taranaki has had a challenging year, with equal measures of restraint and change – both of which, at some time, have put pressure on the Board, the Executive, the Staff and the many families who choose our service. Kindergarten is, and remains, a valuable service in our communities and we look forward to the time we celebrate 100 years of Kindergarten in Taranaki.

The other way the Governing Board views the past year is, as a very new organization, one that brought together two prior organisations, each with its own very rich history, and has forged a new identity, and a new culture.

It is under this second context, that Kindergarten Taranaki exists and operates, and that we present the 2015-16 Annual Report.

Challenges

2015-16 has been a very important period for our organisation, which as of this AGM, is merely two years old. The Governing Board faced big governing challenges from the start of the financial year, in terms of completing the unification of the former North Taranaki and South Taranaki Kindergarten Associations. This year we present a fully consolidated set of accounts; it was not without its challenges to do so, and the Governing Board is pleased that the challenge is now behind us. We thank our Chief Executive, Cherie Boyd, and our Finance Manager, Steve Smith, for the dedication shown towards achieving one set of accounts.

As with others in the early childhood education sector, our biggest challenge is, and remains funding that is only 80 per cent of our cost. We continue to believe in and deliver a quality standard of 100 per cent qualified teachers, while the government pays us to provide 80 per cent. We have seen the landscape change dramatically. Funding relies on occupancy levels and we thank our Head Teachers for showing commitment and courage to maintain and grow such high occupancy rates in each kindergarten. Without the efforts of our Head Teachers striving to maintain kindergarten rolls we would not be able to maximise the funding available.

And like your own households, we have seen our costs increase continually. A few major projects were implemented under Cherie's leadership and we are pleased to see their progress. We again thank Cherie for her vision and her courage to face the operational deficit and look for solutions that are sustainable. Our community is supportive of Kindergarten and we have continued to network within our region. Thanks to The Bishop's Action Foundation for providing avenues of assistance at low cost.

The 2015-16 financial year's operational deficit resulted in the Governing Board and Management focusing on much sharper solutions required to bring Kindergarten Taranaki back to a sustainable financial position. Many of those initiatives are taking place in our current financial year and are discussed in the Board newsletters.

Highlights

The Governing Board marks a busy and successful year. Despite the challenges, we have much to acknowledge and to celebrate. The Board remain connected with New Zealand Kindergartens Inc and its network of other Associations across the country. The Board was able to network in Whanganui for the mid-year meeting in May, and to attend the Governance Hui last September in Wellington. Travel costs were greatly reduced thanks to the close proximity of the Whanganui meeting and we were grateful for NZK consideration. Meetings hosted by NZK bring together the network of national Kindergarten Associations and provides the opportunity for the Governing Board to meet other Board members across the country. We enjoy the collaboration and take the opportunity to share and compare!

January saw the Board again hold its annual strategic planning day. Over the course of a Saturday, we participated in professional development that covered a number of topics. Thanks to Greg Kirk, of Goggles On, for his delivery of the Thinking Hats method and rapid decision making. Shona Glentworth, Implement Associates, facilitated a session on Risk Management. Cherie Boyd spoke to the Board about organisational culture. Thank you to all of our professionals who offer their expertise to us. With professional development that is specific to our Governing Board's needs, we can continue to think strategically and remain good stewards of Kindergarten Taranaki's future. Two of our board members, Natalie Willetts and Jan Forsythe were able to attend a course in Hawera, by Wheelhouse on an Introduction to Governance for Trustees. Wheelhouse offers fantastic courses for not-for-profit organisations such as ours.

We have again, this year, hit the road. Eight of our Board Meetings took place at Kindergartens around the province. The Board also attended nearly all of the Kindergarten AGMs, both of which were immensely rewarding and act as an amazing reminder of the importance of what we do.

Acknowledging further...

For their continued support and many hours of work, I offer my sincere thanks to Kindergarten Taranaki's Governing Board for the last year. The experience and perspectives they have brought to the table have been invaluable. This was our first term working together under sub-committees. This worked well for the Board and it was able to complete its calendar of work.

At our last Annual Meeting, Keryn Roderick resigned from the Governing Board after seeing the successful creation of Kindergarten Taranaki; she found it was time to depart. Keryn had served on the former North Taranaki Governing Board and was part of the journey through Vision Taranaki. During the term, we said farewell to Kate Murdoch who, importantly brought a voice from South Taranaki. The downturn in dairy affects many parts of the community and, for Kate, it was time to return to full-time work. The Board thanks them for their time, energy, and strategic thinking. Volunteer time can never be taken for granted. Many of the Board members began as members of their local kindergarten committee, and as their children reach school age, stepped forward to join the Board. Without the passion from whanau, Kindergarten would lack its local voices and sense of community.

I also thank Kindergarten Taranaki's Chief Executive, Cherie Boyd, who has well and truly settled into her role and this year successfully navigated the organisation through some tough decisions. I am looking forward to continuing to work with Cherie as we move through this period of integration and towards the growth phase of Kindergarten Taranaki's evolution.

The thanks of the Board is extended to Cherie's team at Kindergarten House, for the support they provide us in performing our duties, and to the teachers, support staff, and committee members who always contribute so much towards ensuring the benefits of kindergarten education remain available to tamariki.

We thank whanau in our communities who choose to send their children to one of our kindergartens. It is for our whanau that we do this. May we always remain.

2016-17

Looking to the year ahead, we anticipate that the world in which kindergarten education exists will continue to throw challenges to us, as well as opportunities to grow what we do. We are pleased the Changes for Sustainability Proposal was created to highlight some of the fiscal challenges we face. Our strategy now needs to take shape around a common Vision and Mission. You will find in your Annual General Meeting booklet the recently adopted Vision and Mission. Ensuring we stay true to our Vision, Mission and Values is an element of stewardship the Board will continue to abide by. Opportunities for collaboration continue and we are excited about the direction Kindergarten Taranaki is heading. Occupancy is high. Our reputation remains strong. We remain committed to 100% qualified teachers and we look forward to welcoming new families to kindergartens throughout our region, new faces to committee meetings, and new members to the Governing Board.

We will continue to support our talented staff as they welcome future generations of tamariki into our kindergartens, providing them with the highest quality and lowest cost early childhood education.

Mahia nga mahi o nga tamariki, hei apopo ka tu, hei rangitira
Fulfil the needs of the children and tomorrow will be strong

Jamie Swan
Chairperson



L-R: *Jan Forsythe, Doug Peach, Natalie Willetts,
Antony Rhodes, Jamie Swan (Chairperson)*
Absent: *Keryn Roderick, Kate Murdoch*

CHIEF EXECUTIVE'S REPORT

The theme of **abundance and appreciation** has been emphasised throughout this year. How fortunate we are as an organisation to have such large beautiful garden-like facilities available for so many delightful tamariki and whanau around the maunga. Over 1,000 children are enrolled across the 24 kindergartens in Kindergarten Taranaki (KT), educated by over 100 fantastic permanent qualified registered teachers plus relieving teachers and support staff, totalling near 200 on the payroll. In response to families with work or lifestyle commitments the offer of a longer six hour day is now standard. This and other changes have had significant impact on staff, in response to the demands of changing expectations from communities and to achieve a sustainable service.

A productive working relationship between governance and management has been maintained throughout the year, and the wide geographic distribution of Board members, all with tamariki currently attending kindergarten, has provided a strong representation of the members' voice.

Staffing has remained stable, with no significant volume of changes within teaching or support staff. As an organisation we are fortunate not to have suffered any major illness or pandemics, a low number of injuries and a culture of optimism and caring. We appreciate the dedication and commitment of all employees, especially in the establishment phase of KT which has been a time of change and uncertainty. Amidst these challenges teachers have continued to focus on the quality of their teaching, and with committee support, have continued to keep our kindergartens updated and improved by the huge efforts of raising funds.

Organisational Robustness

The formal appointment of the **KT Management Team** took place in June after the review of the capability and capacity to provide for an association of 24 kindergartens. Finance Manager, Steve Smith, Operations Manager, Dawn Osman, Professional Manager, Hilda Colgan, each have a team of full and part-time staff, with 11 Association personnel working out of Kindergarten House in New Plymouth.



Management Team: Cherie Boyd (*Chief Executive*), Hilda Colgan (*Professional Manager*), Dawn Osman (*Operations Manager*), Steve Smith (*Finance Manager*).

In October 2015, as a result of a decline in enrolment and so income from government funding, there was sufficient concern about the ongoing financial stability of the organisation to introduce the “[Changes for Sustainability](#)” project. This resulted in the standardisation of Kindergarten Administrator hours to 15, and a plan to increase teacher contact hours plus the resulting decrease in part-time teacher hours. Five utilities payments are to be brought into the Association office to increase efficiencies and, ideally enable greater leverage of costs utilising the economies of scale. KT is a medium sized organisation having 25 sites across the province.

The [IT project to improve the digital capability](#) of KT, by providing faster internet has resulted in the majority of kindergartens now having fibre or VDSL. This has been an extremely time consuming and frustrating process, mainly due to the lack of competition in internet providers in the province. The implementation of Office 365 and cloud based digital storage is underway, providing greater security, flexibility and efficiency in the digital world. Most kindergartens have a Facebook presence and the website platform has been refreshed.

Best Practice

The [appraisal process for teachers](#) has been redeveloped, to more strongly reflect the Education Council (previously the NZ Teachers’ Council) Practising Teacher Criteria, with accompanying professional learning provided to support the implementation during the July term break.

Professional Learning focused on the [learning and care curriculum for younger tamariki](#) was also provided, responding to the increase of children under three years being enrolled.

A staff performance development programme “[Inspired for Growth](#)” has been designed and is being introduced for non-teaching staff across the organisation.

Preparation for a new [online Health & Safety programme](#) is underway, with the Operations Manager, Dawn Osman, being on the New Zealand Kindergartens Inc working group to develop and implement the trial programme.

The [separation of accounting and audit services](#) has taken place, retaining Vanburwray as accountants, and engaging Staples Rodway as auditors.

Collaborative Relationships

All kindergartens continue to grow strong and responsive relationships with a large number of [schools](#) in their community, given that whanau choose from a variety of schools for their tamariki to move on to. A large number of [child and family support services](#) also work with each kindergarten, benefiting from the high level of professionalism provided by teachers, who are all qualified and registered.

Twelve Association and Board members together attended the [NZ Kindergarten Incorporated \(NZK\) national meeting](#) in Whanganui in May. The national meeting focused on key issues and opportunities for kindergarten, building on knowledge and expertise and sharing practice. Attendees found this stimulating, motivating and relevant.

[Joint meetings between Taranaki, Whanganui and Ruahine Kindergarten Associations’](#) management teams took place a number of times in Palmerston North, Whanganui and at national NZKI meetings. An ongoing professional relationship with Staples Rodway has developed, including IT, Audit and HR business support.

Joint delivery of a [special management “Incredible Years” training programme](#) for Early Childhood Management and Ministry of Education (MoE) Special Education staff was provided by KT

facilitators. This initiative was self-funded and provided non-teaching staff with the opportunity, alongside each other, to deepen their understanding of this highly respected programme.

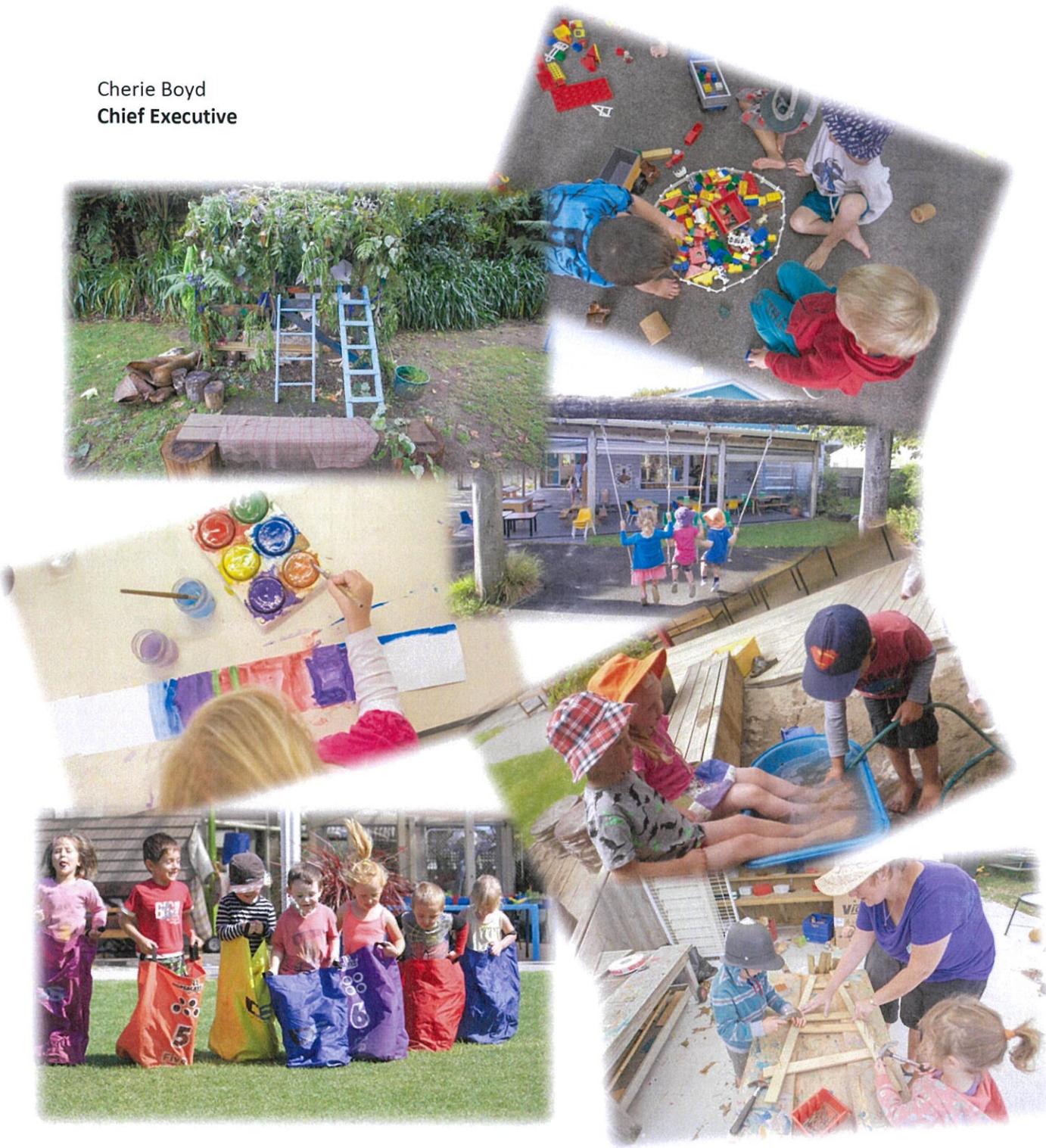
Growth and diversity

Occupancy for the year March 1st, 2015–February 29th, 2016 ended at just over 97%.

Professional Services were contracted out to an independent community owned service to assist with performance appraisal and team development.

A joint application by Taranaki, Whanganui and Ruahine Kindergarten Associations, to become a MoE SELO contract provider (Strengthening Early Learning Opportunities) was successful, requiring a contract company TWR Education Services to be established.

Cherie Boyd
Chief Executive



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TARANAKI FREE KINDERGARTEN ASSOCIATION INCORPORATED

Report on the Financial Statements

We have audited the accompanying financial statements of Taranaki Free Kindergarten Association Incorporated (the 'Association') on pages 4 to 12, which comprise the balance sheet of the Association as at 29 February 2016, the statement of profit or loss, statement of changes in equity of the Association for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Association'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 auditors' 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 Associations and the Association's members, as a body, for our audit work, for this report or for the opinions we have formed.

Board Members' Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Other than in our capacity as auditor we have no relationship with, or interests in, the Association apart from the provision of IT and HR services during the year.

Basis for Modified Opinion

Control over the net fundraising revenue and donations revenue prior to being recorded is limited and there are no practical audit procedures to determine the effect of this limited control. In these respects alone we have not obtained all the information and explanations that we have required.

Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Modified Opinion paragraph, the financial statements on pages 4 to 12 present fairly, in all material respects, the financial position of the Association as at 29 February 2016 and of its financial performance for the year then ended in accordance with generally accepted accounting practice in New Zealand.

Staples Rodway

STAPLES RODWAY TARANAKI
NEW PLYMOUTH

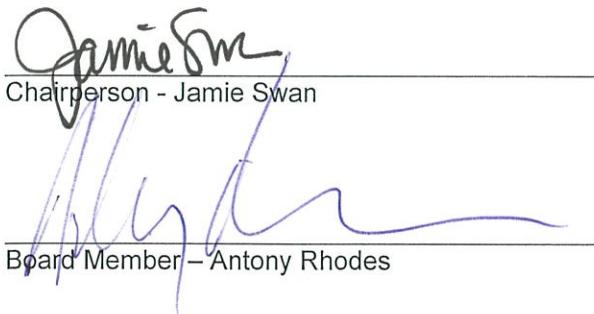
22 September 2016

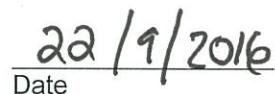
TARANAKI FREE KINDERGARTEN ASSOCIATION INCORPORATED

**STATEMENT OF FINANCIAL POSITION
AS AT 29 FEBRUARY 2016**

	<i>Note</i>	<i>This Year</i>	<i>Last Year</i>
EQUITY			
MOE Equity Funding Reserve		110,784	110,784
Retained Earnings		6,079,404	6,069,462
Revaluation Reserve		7,858,310	7,785,728
		<u>14,048,498</u>	<u>13,965,974</u>
CURRENT LIABILITIES			
Bank Overdraft		-	849
Accounts Payable		80,158	109,557
Accruals		272,279	232,358
Holiday Pay		43,388	34,500
		<u>395,825</u>	<u>377,264</u>
TOTAL FUNDS EMPLOYED		<u>\$14,444,323</u>	<u>\$14,343,238</u>
CURRENT ASSETS			
Cash at Bank		1,365,915	1,666,192
TSB Bank Ltd - Term Deposits		242,134	241,814
Prepayments		41,053	11,895
Sundry Debtors		41,595	42,850
GST Refund Due		2,503	12,872
Inventories		-	104
Work In Progress - Marfell Project		-	460,224
		<u>1,693,200</u>	<u>2,435,951</u>
NON CURRENT ASSETS			
<i>Property, Plant and Equipment</i>			
As per Schedule (at Book Value)	2	12,751,123	11,907,287
TOTAL ASSETS		<u>\$14,444,323</u>	<u>\$14,343,238</u>


Chairperson - Jamie Swan


Board Member - Antony Rhodes


Date


Date

The accompanying notes form part of these financial statements.

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 29 FEBRUARY 2016**

	<i>Note</i>	<i>This Year</i>	<i>Last Year</i>
REVENUE			
Grant Income		225,003	312,301
Education Fees		254,934	227,380
Investment and Other Income	9	321,334	304,384
Ministry of Education Income		7,958,466	7,854,497
		<u>8,759,737</u>	<u>8,698,562</u>
EXPENSES			
ACC Levy		54,615	29,362
Accountancy Fees		11,293	4,799
Advertising & Marketing		20,563	95,734
Appointment Costs		976	959
Art & Craft		34,717	40,345
Audit Fees		25,030	21,145
Board Expenses		8,075	8,593
Depreciation		21,293	19,470
Employee Expenses		7,256,693	7,018,107
General Expenses		119,336	102,507
ICT		6,573	7,446
Infocare		10,574	10,971
Leases		48,245	54,861
Levies - NZKI		16,300	16,300
Loss on Sale		14	2,606
MOE Equity Funding		209,504	185,950
Motor Vehicle Expenses		6,646	7,670
Postage & Stationary		92,729	87,425
Professional Services		68,347	34,198
Repairs & Maintenance		164,741	294,245
Resources		86,618	76,747
Security Costs		907	839
Travelling Expenses		29,439	33,379
Utilities		451,597	430,593
Valuation Fees		4,970	-
TOTAL EXPENSES		<u>8,749,795</u>	<u>8,584,251</u>
NET SURPLUS BEFORE AMALGAMATION ENTRIES		<u>\$9,942</u>	<u>\$114,311</u>
Equity from amalgamation with South Taranaki Kindergarten Association	8	-	4,262,646
NET SURPLUS FOR THE PERIOD		<u>\$9,942</u>	<u>\$4,376,957</u>

The accompanying notes form part of these financial statements.

Appendices

Professional Development, Property Development

PROFESSIONAL DEVELOPMENT

In collaboration with our Whanganui colleagues a decision has been made to have our combined teachers conference every second year. The following professional development was offered this year to all teachers:

July Term Break

Topic	Facilitator
Appraisal – What counts as evidence?	KT Professional team
What do we do with the Under 3's?	Shelly Clark
Te Reo Workshops	Gregg Parata
Growing and Strengthening Leadership	Jenny Varney

October Term Break

Nga Taonga Whakaako	Ngaroma Williams, Ako Aotearoa
Child Protection Training	Child Matters

Other

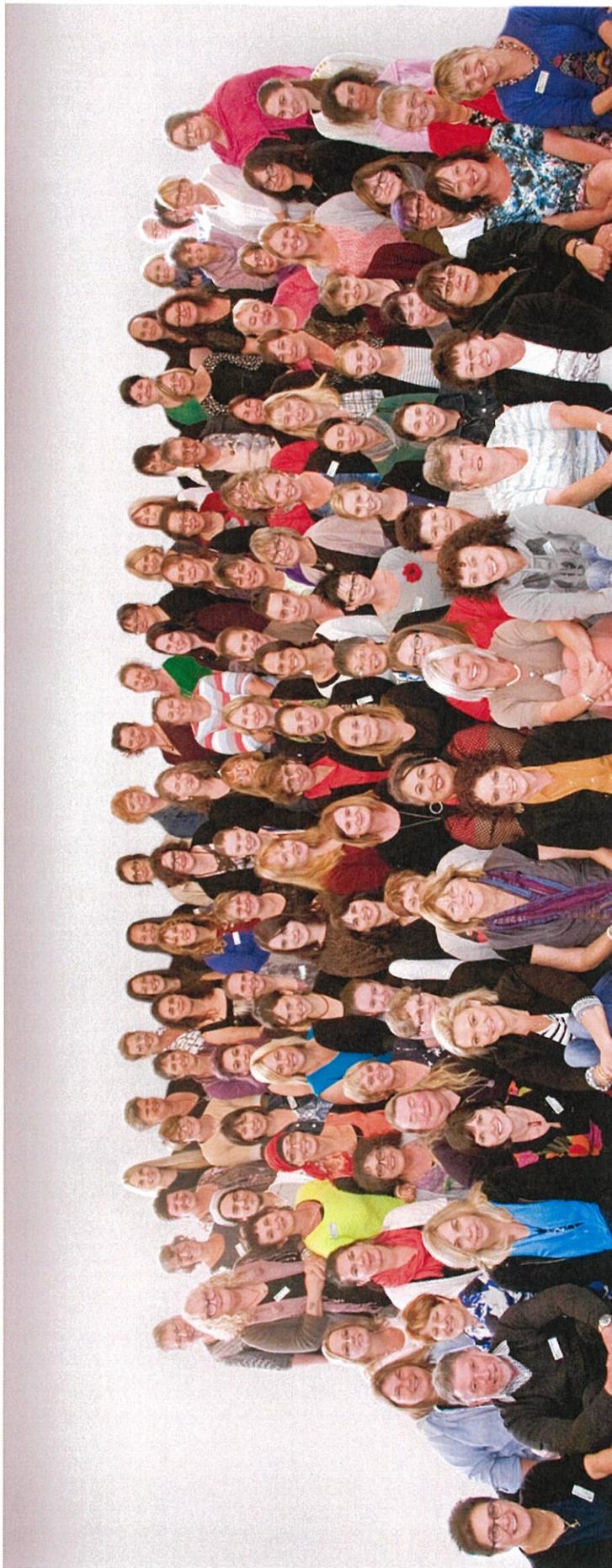
Enviroschools (Level 1)	Enviroschools – Raglan
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Other PLD accessed by teachers in 2015

Certificate in Infant and Toddler wellbeing & Learning	Te Rito Maioha, Wellington.
Incredible Years EC teacher Training	MoE and Kindergarten Taranaki
12000hour: Education and Poverty in NZ	N Z Educational Administration & Leadership Society (NZEALS)
Transition from EC to Primary/intermediate/secondary	NZEALS
Managing Challenging Behaviours in EC	Education Answers : Joseph Driessen
Building Essence of Learning Stories	Educational Leadership Project Ltd
Tinkering with Ideas, Passions, Values and dispositions	Educational Leadership Project Ltd
Teacher of Learners who have Low Vision	Blind and Low Vision Education Network N Z

PROPERTY DEVELOPMENT

Avon	New double access gate from carpark New sign-in desk Screen fence for rubbish bins Verandah cupboard installed
Central	Kindergarten Administrator office shift
Fitzroy	Dry River Bed development Installation of two heat pumps
Frankleigh Park	Install large sun umbrella
Inglewood	Planting plan for playground Security screen installation
Kahikatea	Entrance and Laundry renovation
Koromiko	Water pump memorial for sandpit Upgrade of sandpit deck
Koru	Playground reconstruction
Merrilands	Internal security gate installed
Ngamotu	Whare for children constructed Verandah concrete upgraded Sandpit cover completed and water tank installed
Orapa	Shade structure over slide area
Patea	Replaced two side doors with aluminium French doors.
Pukekura	Upgrade verandah screens
Puketapu	Replaced play equipment shed Replenish bark levels
Waitara Central	Upgrade existing verandah blinds Front garden development



KINDERGARTN TARANAKI STAFF – APRIL 2016