



**Early Childhood
Council**

Early Childhood Council Annual Report

for the period 1 April 2021 to 31 March 2022

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Annual General Meeting Minutes (draft)

Meeting held by Zoom on Wednesday 8th July 2021 at 6.00pm.

1. Present

The following financial members of the Early Childhood Council attended the meeting:

Annabel Sloss (Annabel's Educare, Christchurch)	Lonnie Parker (Bright Sparks, Auckland)
Dr Darius Singh (Chrysalis Group, Auckland & Tauranga)	Dianna Jenkinson, (FUNdamentals, Christchurch)
Sue Kurtovich (Life Member)	Michelle Tod-Bosch, (Lakeview Private Kindergarten, Auckland)
Fitu Ah-Young, (Pasifika Early Learning, Auckland)	Hamish Davidson, (Puddleducks Preschools, Nursery & Montessori, Feilding)
Betty Pulefolau, (Pasifika Early Learning, Auckland)	David Gibson, (Creators Trust, Hamilton)
Danielle Fisher, (The Stables Montessori, Christchurch)	Aimee Hawke (Frederick St Family Centre, Havelock North)
Lyn Eder, (Portobelo Preschools, Christchurch)	Sandra Paymani, (Glenview Kindy, Hamilton)
Katie Phillipps (Provincial Education Group, Auckland)	Sue Ah-Young (Pasifika Early Learning, Auckland)
Amanda Tiedemann, (Kai Kids, Kaitangata)	Amanda Huang, (Genius Kids, Auckland)
Amanda Pratt, (Devonport Methodist Childcare Centre, Auckland)	Sandra Croker, (Morrinsville Kids, Morrinsville)
Margie Lynch (Life Member & Patron and representing Kids Kampus, Auckland)	Allan Wendelborn (Life Member & Patron, and representing Kindercare Learning Centres, Auckland)

In attendance:

Peter Reynolds (ECC CEO)	Trisha Lealiifano-Mariota (Zoom administration, ECC)
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Proxy Votes

Pebbles Preschool	Glenview Park Kindergarten
Next Generation (Auckland)	Small Fries
Smart Start	St Mark's Preschool

Apologies

Apologies were presented from: Brian Elliott (Life Member & Patron), Ross Penman (Life Member), Lyn Godber (City Kids).

Resolved: That the apologies be accepted.

(Dianna Jenkinson / Allan Wendelborn)

Approved

2. Approval of the 2020 AGM Minutes

Resolved: That the minutes of the Annual General Meeting of the Early Childhood Council, dated Friday 19th August 2020 are accepted as a true and correct record.

(Annabel Sloss / Fitu Ah-Young)

Approved

There were no matters arising from the minutes.

3. 2021 Annual Report

President's Report

The President summarised that this 30th year for the ECC had been one of the most challenging on record for our sector, with COVID-19, regulatory changes, the ECE teacher shortage, pay parity issues, pay equity challenges and ongoing funding constraints. Compounding this is the increased compliance expectations of both the Ministry of Education and ERO. The President thanked members of the Executive for their significant and voluntary efforts throughout the year.

CEO's Report

The CEO reported continued growth in membership numbers during the period of significant challenge for many members. The effect of COVID-19 had led to the cancellation of the ECC conference event for 2020 and a decrease in the sales of support products and workshop registrations, although the focus on e-learning and webinars had increased over the period significantly.

The CEO expressed his thanks to the National Office staff for their efforts during the year supporting members, answering their queries and enabling them to operate successful childcare centres.

2021 Annual Accounts and Treasurer's Report

The ECC had a surplus of \$132,125 for FY21. While being \$90,412 less than the previous year (\$222,537), this is an exceptional result given the tumultuous year endured. Total Revenue increased from \$763,714 to \$807,066 being a 6% or \$43,351 increase. Two events – COVID-19 and Pay Equity Claim - notably increased membership over the year seeing net membership increasing from \$443,035 in 2020 to \$465,360 in FY21.

The National Office was fully staffed for the most part of FY21. This combined with an increase use of Richard Irvine (Communications) and Buddle Findlay (Legal) in relation to COVID-19, saw the total Employee related costs increase by \$166,883 to \$487,802.

Administrative savings were realised with the change to two Zoom and two In-person Exec meetings held during the year along with savings in Travel and Workshop expenses. These savings limited the increase of \$133,763 in Total Expenses to \$674,940 for FY21.

The Executive approved a revised FY21 Budget as recommended by the Finance Sub-Committee to the November 2020 Exec meeting with a revised surplus of \$98,155 after assessing the impact of COVID-19. At the same time the budget for FY22 was approved, delivering a surplus of \$202,274 (back in line with a "normal" year). This is likely to be revised downwards to take into account additional costs yet to be incurred on members' behalf in negotiating the Pay Equity claims.

The Finance sub-committee (Lonnie, Darius Singh and David Gibson) ensures appropriate financial scrutiny and stewardship is provided throughout the year on behalf of our members. The sub-committee receives monthly reports from the CEO, Peter Reynolds, and Go Figure, to provide this oversight. The accounts have not been reviewed or audited as agreed at last year's Annual General Meeting.

There were no questions for the Treasurer from the floor.

Resolved: That the 2021 Annual Report incorporating the Annual Accounts be accepted and forwarded to the Registrar of Incorporated Societies.

(Dianna Jenkinson / Allan Wendelborn)

Approved

4. Election of Officers

The President outlined that in accordance with Rule 9.2 of the ECC Constitution, nominations had been sought for:

- One nomination for Vice-President
- Up to two Executive Committee members

Only one nomination was received for Vice-President, from David Gibson. As a result, the President confirmed David Gibson's election to Vice-President unopposed.

Nominations for up to two Executive Committee members had been received as follows:

Fitu Ah-Young, Aimee Hawke, Sandra Paymani, Amanda Pratt, and Amanda Tiedemann.

Each candidate was invited to introduce themselves to the members outlining why they wanted to stand for the ECC Executive.

A poll vote was then undertaken by financial group members, followed by a separate poll vote of approved proxy vote holders. Life members had been invited to submit their votes prior to the AGM commencing. After tabulating the results, the successful candidates were announced by the President as Fitu Ah-Young and Aimee Hawke. The President invited all to congratulate the successful candidates and offered his thanks to the remaining candidates for their interest in taking up a governance role within the ECC.

The ECC Executive for 2021/2022 would be:

President: Dr Darius Singh	Vice-President: David Gibson
Secretary: Dianna Jenkinson	Treasurer: Lonnie Parker
Executive Members: Fitu Ah-Young, Hamish Davidson, Aimee Hawke, Michelle Tod-Bosch, and Annabel Sloss.	

The Life Members of the Association will be invited to nominate up to three Patrons from their number to join the Executive, in accordance with the Constitution.

The President expressed his thanks to all nominees and reminded members that all voting results would be destroyed following the meeting.

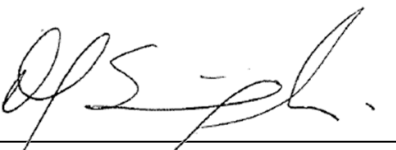
5. Other Business

The President advised the CEO, Peter /Reynolds, had an announcement to make. Peter went on to say he had tendered his resignation as CEO, effective 6th August 2021. The reason for his standing down was, that after over 11 years at the helm, it was time for some new blood, energy, and leadership to take the ECC forward to its next level. He thanked his staff for their commitment to the association, the Executive for their support and (most of all) the members for the great job they do every day.

The announcement came as a surprise to members, and many took the opportunity to express their sadness at the news and thanked Peter for his tireless service.

There being no further business, the President thanked members for their attendance and declared the meeting closed at 7:16pm.

Confirmed as a true and correct record.



President

16 September 2022
Date



President's Report

We are now well into the Early Childhood Council's 31st year since incorporation in 1991. 2021/22 was most challenging for our members. Ironically it saw ECC's membership surge to new record levels, driven by the COVID-19 pandemic which all centres had to contend with. A crisis may be great for ECC membership but you don't need to tell me, it's been dreadful for us members.

Much of ECC's focus – its services, information and advice it provided, had to be adapted with a specific focus on what members needed to help them to respond to the pandemic.

Our sector was faced by constantly changing rules and the economy was effectively shut down, the borders were closed. Our CEO, Peter Reynolds, resigned mid-way through the financial period, in August 2021, triggering swift, strategic and decisive actions by the management sub-committee of the ECC board.

ECC moved away from delivering face-to-face professional development and workshops, to a fully-online delivery model. This worked well during lockdowns when centre managers and teachers had more available time to use our services. I acknowledge the adaptability of our ECC staff in their response, rising to the challenge and meeting the needs of our members. It was appreciated.

A top priority for the Executive Committee became the recruitment of a new Chief Executive Officer. I acknowledge the service of Peter Reynolds in the role for over 11 years.

In the interim period between CEOs we were very well served by the return of Sue Kurtovich as Acting Chief Executive Officer. Our thanks to Sue for holding the role steady while we engaged in the search for a new CEO. In October 2021, our new Chief Executive, Simon Laube, took on the CEO role. Recruitment of a CEO is one of the most important jobs a governance entity is responsible for, and I can assure you that the Executive Committee approached the task as such. In choosing Simon for the role, we very deliberately sought to take ECC in a new direction. We saw leadership change as an opportunity and with Simon's selection, we hoped to build the organisation stronger and to take the relentless challenges from the government to a new level – as Simon's areas of expertise presented opportunities to take some different approaches to lingering problems we hadn't been able to resolve and the constant wash of new regulation from the Government.

The pay parity funding policy announced in Budget 2021 created further threats and disruptions to centres' financial viability. Now with Simon as CEO and supported by Sue, ECC worked to support centres to comply with the constantly evolving COVID rules, while raising concerns that the delivery of pay parity was going to be problematic and would lead to centre closures. January 2022 started with the first of ECC's webinars on pay parity. ECC was able to provide a lot of support to centres on this and did so in a timely and high-quality manner. Pay parity guidance was checked by both the Ministry of Education and NZEI. Again ECC, showed its intent to be a strong and positive leader in our sector.

Also in late 2021, ECC members faced an unprecedented loss of teachers directly due to the Government's vaccination mandate policy. ECC surveys showed in early November 2021 that 40% (165 centres; n=405) expected to lose teachers due to the vaccine mandate and a later survey in November indicated that 26% of centres would lose 1-2 teachers; 7% would lose 3-5 teachers and 2% would lose 6-10; 1.5% would lose more than ten teachers. The impact on losing staff during COVID-19 was significant for ECC members. ECC was outspoken in the media about this while others in the sector appeared to not have been affected or at least they did not say anything.

Rushed legislation then saw centres forced to pay four weeks redundancy no matter what was actually in the employment agreements. This was specifically directed to help those teachers impacted by the vaccination mandate. Loosening up of COVID regulations prompted by ECC – the removal of "bubbles", helped some centres start to rebuild their enrolment levels. No other early learning peak body commented on bubbles – ECC was a lone voice of reason. ECC went on to develop public health advice

for centres with the support of leading early learning medical experts and lobbied the government hard to do more to support better ventilation in centres.

Meanwhile the Government had created an impossible situation with the MSD childcare subsidy, appearing to protect that subsidy for centres during lockdowns only for that “protection” itself to lead to some centres feeling like they could no longer apply for the more generous assistance available through the Wage Subsidy. While officials might have acted with the intention of trying to protect centres’ viability in the first instance, they should have re-checked their response on MSD subsidy once the Wage Subsidy was made available (at 30% and then 40% increments). The Government’s pandemic response was characterised by being a “total response” and only very minor feedback from the sector was ever listened to.

The Pay Equity claim proceeded with a Multi-Employer Party Agreement signed. ECC representing just under 200 employers, with a position on the ECE Steering Group.

ECC attributed wins to itself – such as getting discounted CO2 monitors and a broadening of ventilation supports for centres (which had previously been restricted to schools-only); an extension to the timeline for network management – this was the result of a strong appearance in the Select Committee and success took some pressure off new providers that had been caught out or faced supply line delays during COVID; it also resulted in a significant softening of the Ministry’s proposed network management approach (from a heavy-handed control of the network, to more of a “holistic assessment” approach).

As the end of the financial year approached, the ECC had built a compelling Conference proposition for members (for later that calendar year) with strong sponsorship support and an impressive programme.

Finally, I want to thank my fellow board for their gift of time and energy into ECC and in the betterment of our sector. The role of governance of ECC is a voluntary one, and without the support and commitment from my board, we would not be in the strong position we are today.

Executive Committee

Individuals	Executive Committee Officer Role
Darius Singh	President
Michelle Bosch	Vice-President (<i>from 10 March 22</i>)
Dianna Jenkinson	Secretary
Lonnie Parker	Treasurer
Fitu Ah-Young	Member
Annabel Sloss	Member
Hamish Davidson	Member
Aimee Hawke	Member
Michelle Bosch	Member
Margie Blackwood	Patron
Brian Elliot	Patron
Allan Wendelborn	Patron
Notes	
<i>David Gibson</i>	<i>Vice-President elect, resigned on 20 December 2021</i>
<i>Emma Norrie</i>	<i>Co-opted Member on 9 June 2022</i>

The Executive Committee meetings since our last Annual Report have included: online meetings on 16 August 2021 (CEO interview), 9 December 2021, and 10 March; and face-to-face meetings on: 9 June in Auckland and 15 September in Napier.

Ahead of the Executive Committee meetings there have been regular sub-committee meetings. ECC has sub-committees focused on: Policy, Sector Leadership, Professional Development and Member

Value. Finance and Management Sub-Committees meet as required. Sub-Committee members have been busy in the last period and have also been directly involved in key ECC priorities, working alongside our CEO, online and in Wellington.



Dr Darius Singh
ECC President, September 2022

Chief Executive's Report



As incoming chief executive officer in October 2021, my initial focus was to quickly build up an awareness of the strategic environment ECC was in, seeking to support our ECC staff with responsive management, building trust and establishing strong working relationships with the Executive Committee members, setting business priorities with the Executive Committee, maintaining ECC operations despite the pandemic (professional development, continuing to deliver information and advice) and supporting members with the COVID-19 pandemic itself. I enjoyed getting to know people who work or lead ECC member centres and groups and I have been closely involved in some cases with both small problems but also those who have come to ECC wrestling with incredibly challenging problems.

Up until April 2022, I would assess that fifty percent of my total time was spent on the COVID-19 pandemic and related challenges. A crisis on that level was completely outside ECC's, and everyone's, comfort-zone but I consider that ECC constantly adapted how it responded both quickly and effectively.

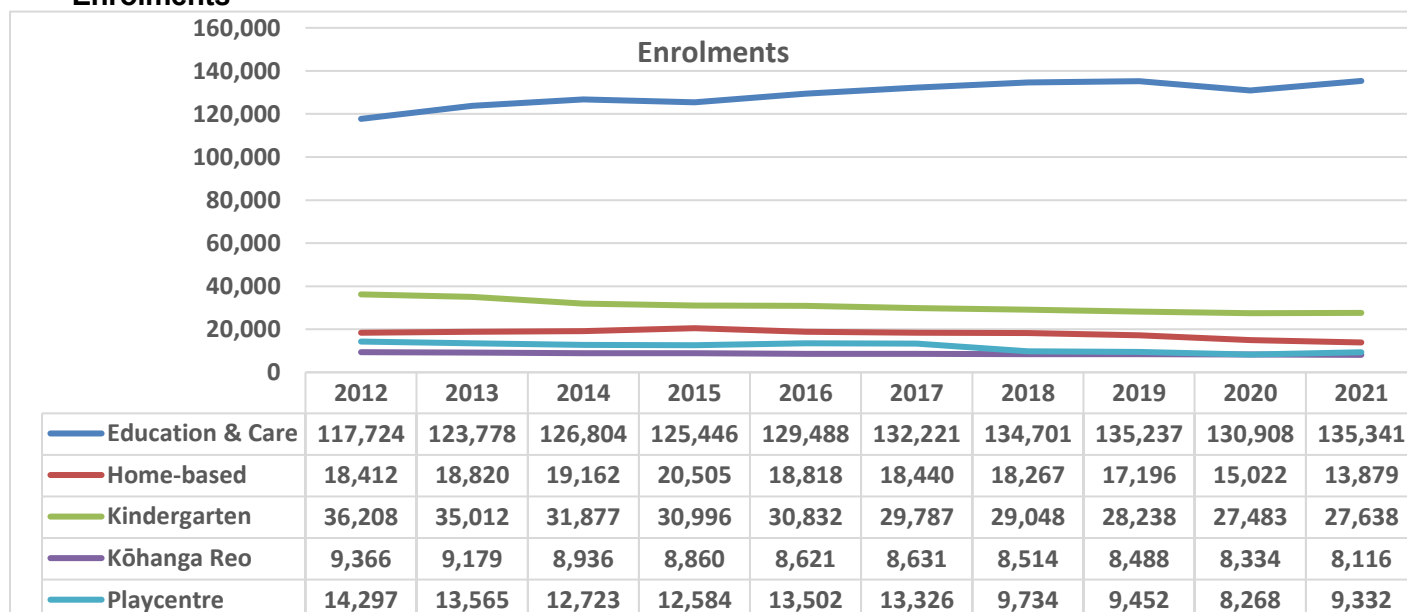
With the Executive Committee having set priorities in December 2021, my next strategic focus was to ensure the budget for 2022/23 would allow me to build the team required to get the work done. This was achieved and recruitment of new staff in 2022/23 was confirmed. The new direction starts with key projects being completed before any permanent changes are considered like expanding ECC's team. Professional development (including webinars) delivery and revenue was maintained, however, significant improvements are planned for the 2023 calendar year.

I brought with me into the role a deep understanding and array of networks with Ministry of Education officials from my 11 years in that organisation. This has enabled me to have excellent escalation channels on government education issues – pinpointing the right groups/teams, at the right time and asking or pressing for changes in a way that the Ministry is inherently more receptive to. When it has worked well, ECC has exerted significant influence on the direction or approach to education changes. This benefits centres. When it hasn't worked so well, ECC's concerns needed to be treated more seriously by the Ministry.

Membership

By year-end 31 March 2022, ECC had 861 financial members (legal entities) that owned 1,464 centres. Of these centres, 1,127 were categorised as "private" (77%) and 337 categorised as "community-based" (23%).

Enrolments

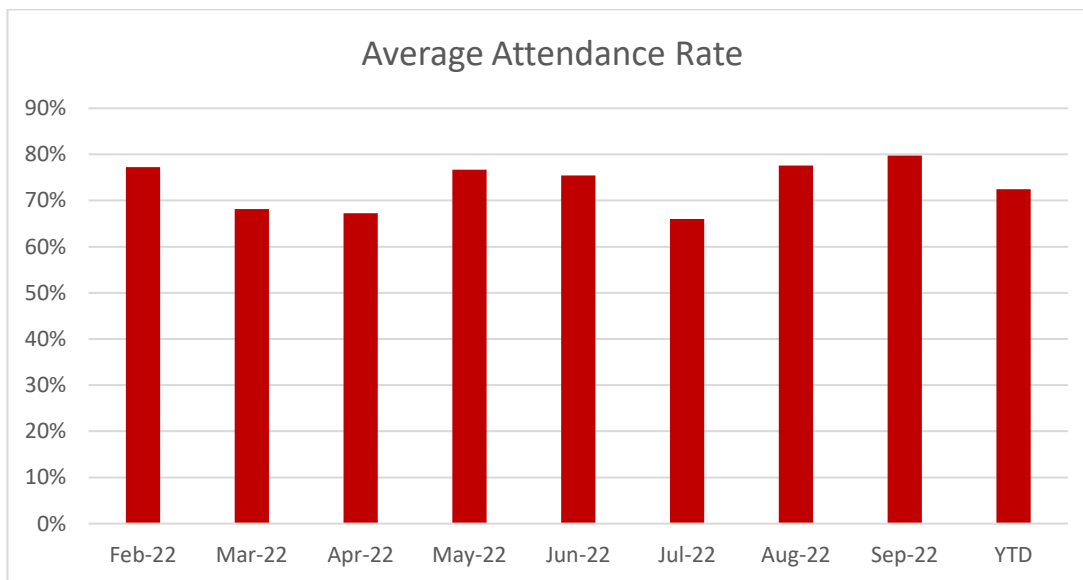


	May-18	Feb-19	May-19	Feb-20	May-20	Feb-21	May-21	Feb-22
Education & Care	131,152	138,293	137,663	136,553	134,326	129,599	128,946	134,341
Free Kindergarten	29,646	29,038	28,986	29,000	28,321	27,553	27,553	27,620
Homebased Network	18,001	18,255	17,915	17,175	16,395	14,390	14,063	13,149
Playcentre	13,269	9,690	9,683	9,680	9,446	8,240	8,240	9,314
Te Kohanga Reo	8,568	8,453	8,434	8,424	8,404	8,220	8,278	8,092
TOTAL	200,636	203,729	202,681	200,832	196,892	188,002	187,080	192,516

Enrolment trends in centres increased in the last reporting period while an overall downturn is occurring across the sector. Three out of the last four periods were positive for centre-based enrolments. This is encouraging.

- From May 18 to Feb 19, total enrolments increased by about 3k. Centres increased 7k.
- From May 19 to Feb 20, total enrolments decreased by about 2k. Centres decreased 1k.
- From May 20 to Feb 21, total enrolments increased by about 2k. Centres increased 5k.
- From May 21 to Feb 22, total enrolments increased by 5k. Centres increased 8k.

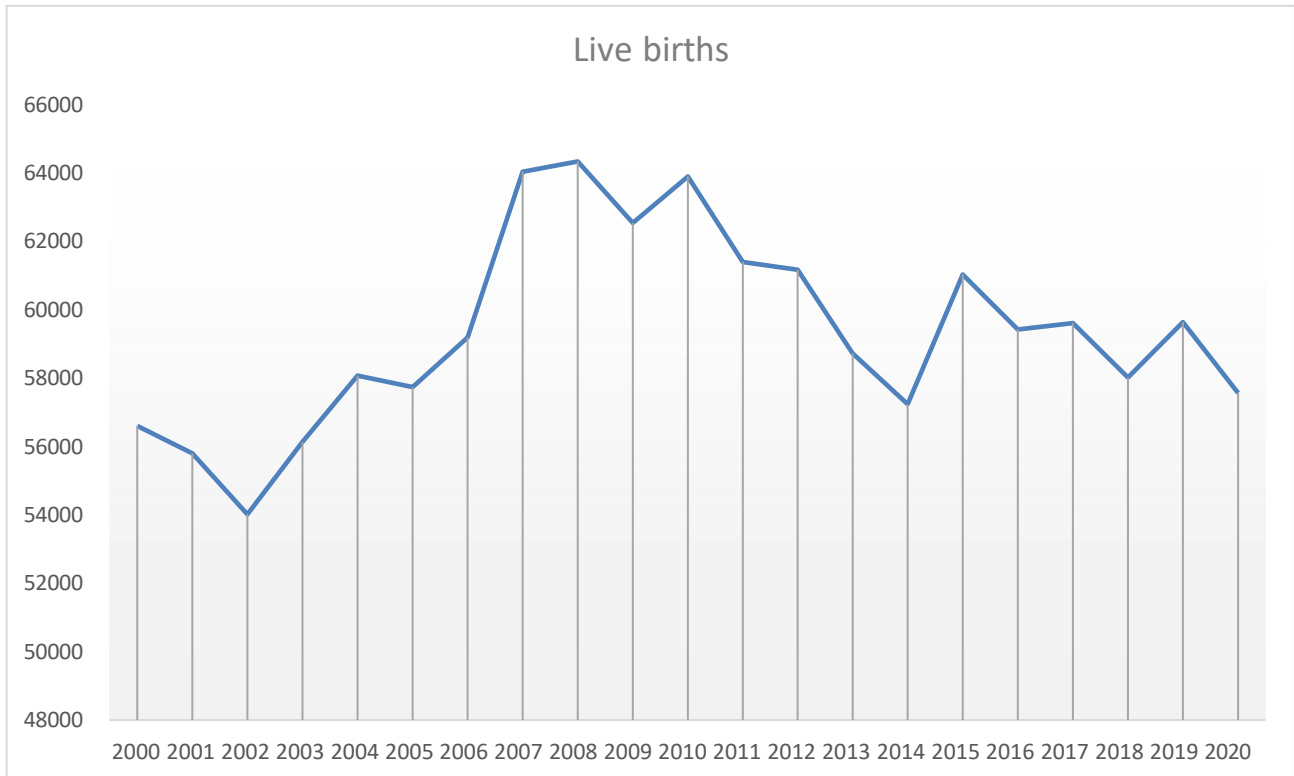
At this point we should exercise caution about the reporting during COVID-19 as that may have impacted the Ministry's data collections. However, using the data collected through ELI, we are able to see the impact on attendance:



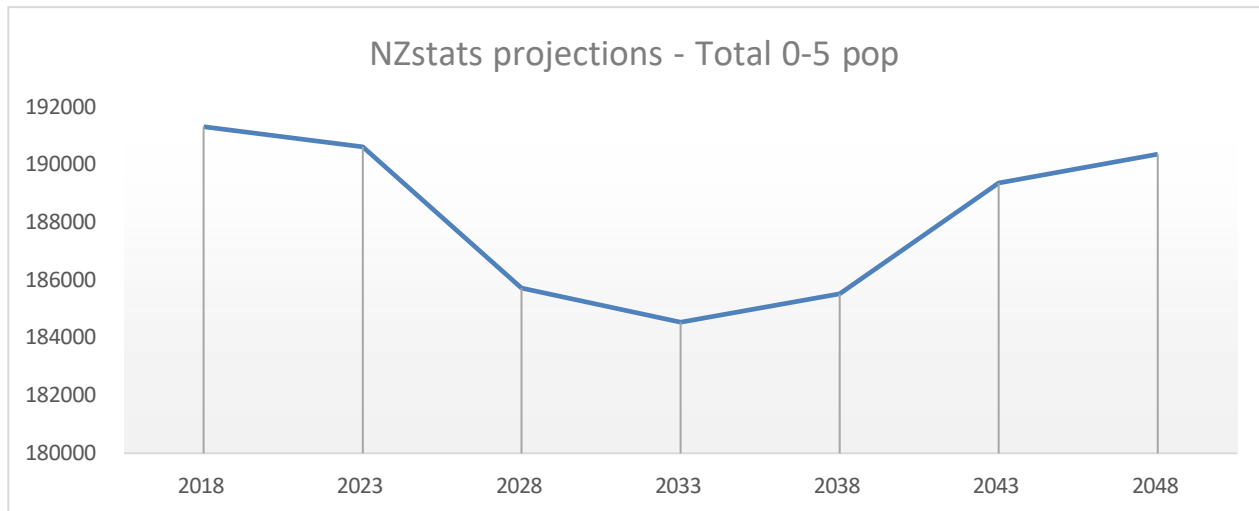
Births and population projections

Despite enrolments holding up in recent years, birth data and population projections by Statistics New Zealand indicate that centres should prepare for enrolment decline in the years ahead.

Between 2018 and 2033, the NZ Stats estimate indicates the total 0-5 population will reduce by about 4%. The projected decline appears most rapid between 2023 and 2028. The projection data will not have factored-in COVID-19.



The trend for total births was between 58k and 60k up till 21/22. Anecdotally, COVID-19 was initially thought to influence an increase in births, a decrease in labour market participation by women; on top of this there would be a COVID-19 reticence with early learning attendance, with the effect possibly cancelling out – so enrolments stayed steady.



The complex factors mean we will be better off waiting for fresh data later in 2022/23 and not making hasty conclusions based on data that could be disrupted by a range of new factors we have not seen in previous reporting periods

ECC office staffing update

As at 1 September 2022, the ECC office comprised the following positions or roles:

- Senior Policy Officer, Katina Beauchamp
- Finance & Administration Officer, Tracey Miles
- Marketing Coordinator, Rachel Luo
- Advisor, Sue Kurtovich (contracted)
- Communications Advisor, Richard Irvine (contracted)
- Swings & Roundabouts Publisher/Editor, Trudi Sutcliffe (contracted)

Recruitment for two full-time equivalent positions: Policy Advisor and Project Advisor is planned.

Simon Laube
Chief Executive Officer
September 2022

Treasurer's Report 2022

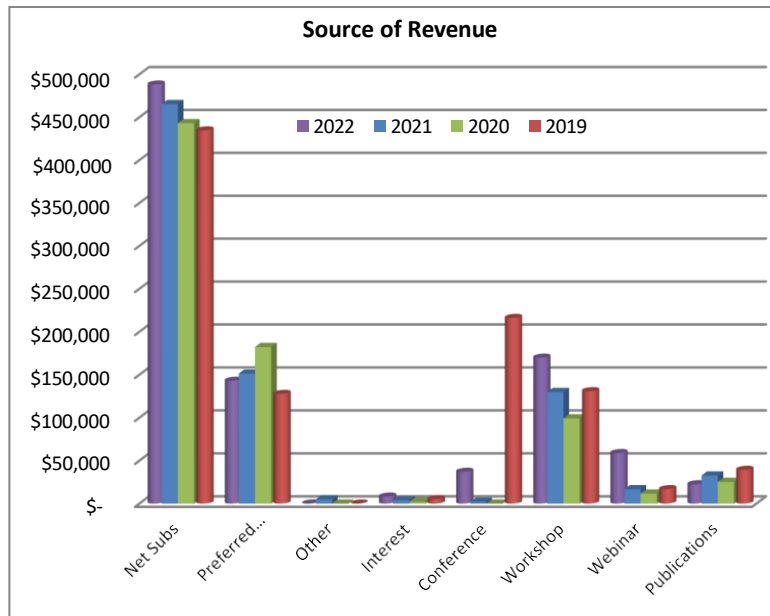


1. 2021/2022 Financial Result

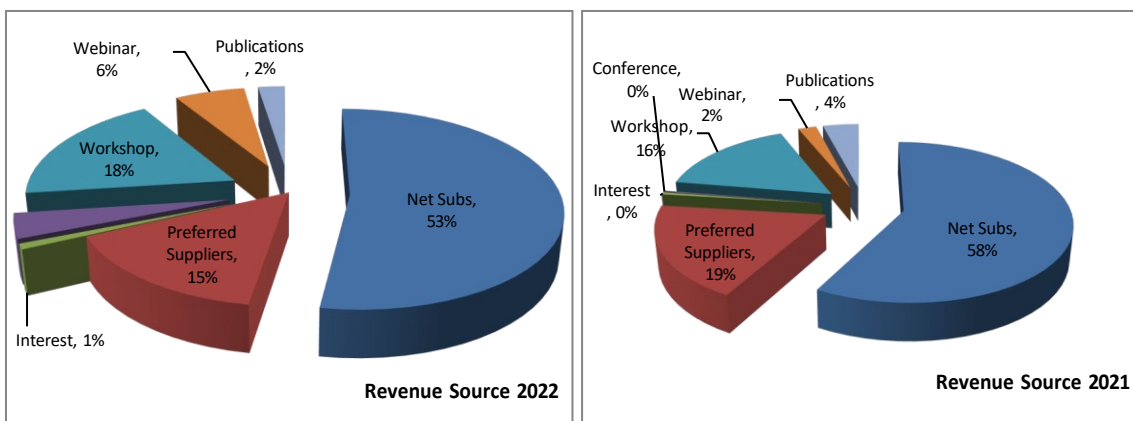
The ECC had a surplus of \$177,199 for FY22. While this was a 34% or \$45,074 improvement on the FY21 result, it was \$14,964 less than FY22 Budget, reflecting good progress in overcoming the on-going effects of COVID-19.

1.1. Revenues

Total Revenue increased again from \$807,066 to \$927,411, being a 15% or \$120,345 increase. Two issues facing the sector – Pay Parity and Regulatory Compliance – have seen a record level of new members joining the ECC during the year delivering the highest level of Subscription revenue ever achieved at \$488,071. The same issues underpin the record level of Workshop \$169,843 and Webinar \$58,805 Revenue achieved.



Publication \$22,478 and Preferred Supplier Commissions \$142,910 remain substantially below prior years as members continue to prioritise discretionary spending within tight budget parameters.



1.2. Expenses

Total expenses at \$750,213 appear to have increased by 11% on FY21 \$674,941 however they do include one-off and extra-ordinary costs such as moving offices and holding a conference (at a loss of \$4,614) and net expenditure of \$10,855 on Pay Equity after donations from non-members.

There was significant movement between Salary and Wages and Contractors and Sue Kurtovich assisted between CEOs, however Total Employee expenses remained the same. The additional travel to Wellington by the Management Committee increased Executive expenses over a low FY21 base. This was more than offset by savings from delivering workshops exclusively online due to COVID-19 gathering restrictions.

1.3. Capital Expenditure

A mobile phone was purchased for the new CEO, Simon Laube.

2. Financial Projections

An ambitious “return to normal” budget surplus of \$277,186 was set for FY23 including Membership revenue at \$578k and the return to holding a full Conference. Due to changes in Membership (loss of Evolve) and a continued challenging operating environment for our members, this is unlikely to be achieved.

We will however, finally commence the Member Database and Website Integration project. Once implemented we will propose a motion for the financial accounts to be audited.

3. Other Comments from the Treasurer

The Finance sub-committee (myself, Darius Singh and Dianna Jenkinson) ensures appropriate financial scrutiny and stewardship is provided throughout the year on behalf of our members. The sub-committee receives monthly reports from the CEO, Simon Laube, and Go Figure, to provide this oversight. The accounts have not been reviewed or audited as agreed at last year’s Annual General Meeting.



Lonnie Parker
Treasurer
September 2022

Performance Report

Early Childhood Council
For the year ended 31 March 2022

Prepared by Go Figure 2005 Limited

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Entity Information

Early Childhood Council For the year ended 31 March 2022

Legal Name of Entity

Early Childhood Council Incorporated

Type of Entity and Legal Basis

Incorporated Society

Purpose or Mission

The mission of the Early Childhood Council is to represent the interest of independent early childhood centres and to promote the provision of quality early childhood education services.

Structure

The organisation is governed by a board of nine people elected by Early Childhood Council members.

Main Sources of Entity's Cash and Resources

The Early Childhood Council receives annual subscription revenue from its members. The Early Childhood Council also receives revenue from workshops, publications and supplier rebates.

Physical Address

Level 1, Wakefield House

90 The Terrace

Wellington

New Zealand

Postal Address

P O Box 5649

Wellington

New Zealand 6140

Approval of Financial Report

Early Childhood Council
For the year ended 31 March 2022

The Executive are pleased to present the approved financial report including the historical financial statements of Early Childhood Council for year ended 31 March 2022.

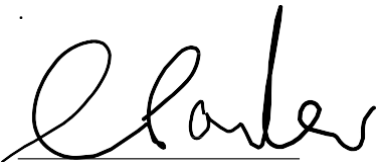
APPROVED



Dr Darius Singh

President

Date 09 Sep 2022



Lonnie Parker

Treasurer

Date 09 Sep 2022

Statement of Financial Performance

Early Childhood Council
For the year ended 31 March 2022

	NOTES	31 MARCH 2022	31 MARCH 2021
Revenue			
Revenue from providing goods or services	1	919,237	803,147
Interest, dividends and other investment revenue	1	8,174	3,919
Total Revenue		927,411	807,066
Expenses			
Volunteer and employee related costs	2	487,792	487,802
Costs related to providing goods or service	2	255,919	178,579
Other expenses	2	6,502	8,560
Total Expenses		750,212	674,940
Surplus/(Deficit) for the Year		177,199	132,125

Statement of Financial Position

Early Childhood Council

As at 31 March 2022

	NOTES	31 MAR 2022	31 MAR 2021
Assets			
Current Assets			
Bank accounts and cash		1,095,883	408,585
Accounts Receivable		50,055	55,197
Stock on Hand		908	5,300
Term Deposits		-	500,000
Prepayments		6,619	-
Provision for tax		1,862	-
Total Current Assets		1,155,328	969,082
Non-Current Assets			
Property, Plant and Equipment	6	1,265	1,429
Intangible Assets	7	7,558	12,479
Total Non-Current Assets		8,824	13,909
Total Assets		1,164,151	982,990
Liabilities			
Current Liabilities			
Accounts Payable		42,541	26,982
Goods and services tax		47,158	44,419
Subscriptions paid in advance		197,154	200,784
Conference income paid in advance		7,055	-
Workshop income paid in advance		3,271	3,355
Employee Liabilities		6,504	24,181
Total Current Liabilities		303,682	299,720
Total Liabilities		303,682	299,720
Total Assets less Total Liabilities (Net Assets)		860,469	683,271
Accumulated Funds			
Accumulated surpluses or (deficits)	5	860,469	683,271
Total Accumulated Funds		860,469	683,271

Statement of Cash Flows

Early Childhood Council For the year ended 31 March 2022

	2022	2021
Statement of Cash Flows		
Cash flows from operating activities	-	-
Cash was received from:		
Receipts from providing goods or services	923,493	802,076
Interest and dividends	8,174	3,919
Net GST	3,192	5,049
Cash was applied to:		
Payments to suppliers and employees	752,646	667,958
Net cash flows from operating activities	182,213	143,086
Cash flows from investing & financing activities	-	-
Cash was received from:		
Proceeds on sale of plant, property and equipment	5,085	-
Proceeds from maturity of term deposits	500,000	-
Cash was applied to:		
Payments to acquire property, plant and equipment	-	1,430
Payment to acquire term deposits	-	350,000
Increase in term deposits	-	-
Total Cash was applied to:	-	351,430
Net cash flows from investing & financing activities	505,085	(351,430)
Net increase/(decrease) in cash	687,298	(208,344)
Bank accounts and cash		
Opening bank accounts and cash	408,585	616,929
Total Bank accounts and cash	408,585	616,929
Closing bank accounts and cash	1,095,883	408,585

Statement of Accounting Policies

Early Childhood Council For the year ended 31 March 2022

Reporting Entity

The Early Childhood Council Incorporated is an incorporated society, incorporated on 19 April 1991 under the Incorporated Societies Act 1908. The financial statements have been prepared in accordance with the stated accounting policies.

Basis of Preparation

The entity has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis are applied in these financial statements.

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of financial performance and the financial position have been applied:

(a) Functional and Presentation Currency

These financial statements are presented in New Zealand dollars (\$). New Zealand dollars is the functional currency for its operations.

(b) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow through to the Council and revenue can be reliably measured. Revenue is measured at the fair value of consideration received, excluding sales taxes, rebates, and trade discounts.

Interest Revenue

Interest revenue is recorded as it is earned during the year.

(c) Bank Accounts and Cash

Bank accounts and cash comprise cash on hand, cheque and savings accounts held at call with banks and Term Deposits.

(d) Property, Plant and Equipment

The entity has the following classes of fixed assets;

Computer Equipment 20-40% SL

Office Equipment 10-20% SL

All property, plant and equipment are recorded at cost less accumulated depreciation.

Depreciation of the property, plant and equipment has been calculated using the expected useful life of the assets. The rates used are shown on the Schedule of Depreciation attached.

(e) Intangible Assets

The entity has the following classes of intangible assets;

Membership Database 20% SL

ecEmploy Job search App 20% SL

Blue Book Online Zesty 20% SL

All Intangible Assets are recorded at cost less accumulated amortisation/impairment. Such intangible assets are recognised separately if they meet the criteria for recognition, and amortised over their estimated useful economic lives unless these are indefinite in which case they are reviewed regularly for impairment.

(f) Payables and Accrued Expenses

Payables and accrued expenses are measured at the amount owed.

(g) Employee Costs Payable

A liability for employee costs payable is recognised when an employee has earned the entitlement.

These include salaries and wages accrued up to balance date and annual leave earned but not yet taken at balance date.

(h) Goods & Services Tax

These financial statements have been prepared on a GST exclusive basis. All amounts are stated exclusive of GST with the exception of accounts receivable and accounts payable which are stated GST inclusive. The entity is registered at the Inland Revenue Department for GST purposes.

(i) Income Tax

The Early Childhood Council is subject to income tax on net income which excludes subscription income. Tax is calculated on a taxes payable basis.

(j) Receivables

Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

k) Members' Subscriptions

Membership subscription income is recognised when earned. Members' subscriptions paid in advance are recognised in the Statement of Financial Position as a current liability. Unpaid subscriptions at the end of the financial year are not accrued as a debtor and are only recognised as income when received from the member, except for those members using the "spread payment" option.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Notes to the Performance Report

Early Childhood Council For the year ended 31 March 2022

	NOTES	31 MARCH 2022	31 MARCH 2021
1. Analysis of Revenue			
<u>Revenue from providing goods or services</u>			
Members Subscriptions		488,071	465,360
Commission from preferred suppliers		142,910	151,316
Conference Income	10	37,050	2,120
E-Learning Videos		3,383	11,176
Publication Income	11	19,095	21,523
Webinar Income		58,805	16,730
Workshop Income	12	169,843	129,908
Miscellaneous Income		79	5,013
Total Revenue from providing goods or services		919,237	803,147
<u>Interest, dividends and other investment revenue</u>			
Interest Income		8,174	3,919
Total Interest, dividends and other investment revenue		8,174	3,919
	NOTES	31 MARCH 2022	31 MARCH 2021
2. Analysis of Expenses			
<u>Volunteer and employee related costs</u>			
Contractors		166,436	99,346
Salary & Wages		321,356	388,456
Total Volunteer and employee related costs		487,792	487,802
<u>Costs related to providing goods or services</u>			
Conference Expenses	10	41,664	-
Publication Expenses	11	8,689	9,326
Workshop Expenses	12	8,913	29,896
Administration Expenses		89,444	47,902
Bank Fees		8,705	5,749
Executive		11,722	4,448
Employment advice line		24,000	23,242
Information Technology		20,030	19,181
Lease Payments Office		42,622	38,787
Research Expenses		130	49
Total Costs related to providing goods or services		255,919	178,579
<u>Other expenses</u>			
Depreciation		1,580	2,660
Amortisation/Impairment Charge		4,921	5,899
Total Other expenses		6,502	8,560

3. Capital & Operating Lease Commitments

There are no capital commitments.

Operating lease commitments:

2022	< 1 Year	1 - 5 Years	> 5 Years	Total
Commitments under non-cancellable lease	39,208	55,768	-	94,976

2021	< 1 Year	1 - 5 Years	> 5 Years	Total
Commitments under non-cancellable lease	3,156	-	-	3,156

4. Subsequent Events

There have been no subsequent events that may affect these financial statements. (2021: Nil).

NOTES 31 MARCH 2022 31 MARCH 2021

5. Accumulated Funds

Accumulated Funds

Opening Balance	683,271	551,145
Accumulated surpluses or (deficits)	177,199	132,125
Total Accumulated Funds	860,469	683,271
Total Accumulated Funds	860,469	683,271

6. Property, Plant and Equipment

2022	Cost	Accumulated Depreciation	Book Value
Computer Equipment	28,913	28,913	-
Office Equipment	11,227	9,961	1,266
	40,140	38,874	1,266

2021	Cost	Accumulated Depreciation	Book Value
Computer Equipment	28,913	27,834	1,079
Office Equipment	9,810	9,460	350
	38,723	37,294	1,429

All property, plant and equipment have been depreciated under the straight line method at the principal rates set out below and expensed in the following categories:

		2022	2021
		Depreciation	Depreciation
Computer Equipment	20% - 40%	1,079	1,078
Office Equipment	10% - 20%	501	351
		1,580	1,429

7. Intangible Assets

2022	Cost	Accumulated Amortisation/ Impairment	Book Value
ecEmploy Job search App	9,780	9,780	-
Blue Book Online Zesty	22,836	15,278	7,558
	32,616	25,058	7,558

2021	Cost	Accumulated Amortisation/ Impairment	Book Value
ecEmploy Job search App	9,780	8,802	978
Blue Book Online Zesty	22,836	11,335	11,501
	32,616	20,137	12,479

All intangible assets have been amortised under the straight line method at the principal rates set out below.

		2022	2021
		Amortisation/Impairment	Amortisation/Impairment
ecEmploy Job search App	20%	978	1,956
Blue Book Online Zesty	20%	3,943	3,943
		4,921	5,899

8. Contingent Liabilities

At balance date there was no contingent liabilities (2021: \$NIL)

9. Equity

Upon the winding up or dissolution of the Council any surplus funds must be given or transferred to some other charitable organisation or body having objectives similar to the objectives of the Council, or to some other charitable organisation within New Zealand. The funds are not available to be returned or distributed to members.

10. Conference

		2022	2021
		\$	\$
Income		37,050	2,120
Expenses		(41,664)	-
Surplus/(Deficit)		(4,614)	2,120

11. Sale of Publications

		2022	2021
		\$	\$
Income		19,095	21,523
Expenses		(8,689)	(9,326)
Surplus/(Deficit)		10,406	12,197

12. Workshops

		2022	2021
		\$	\$
Income		169,843	129,908
Expenses		(8,913)	(29,896)
Surplus/(Deficit)		160,930	100,012

13. Tax Calculation

	2022	2021
Income per P&L	177,199	(133,649)
Less non-assessable member activity	(181,716)	135,789
Timing Adjustments	(4,052)	(2,254)
NFP Exemption	-	-
	(8,569)	(114)
Tax losses brought forward	(209,444)	(209,330)
Tax losses to carry forward	(218,013)	(209,444)
	2022	2021
Tax Provision		-
RWT paid during the year	1,861.99	1523.97
Prior year's tax refund due/(payable)	-	-
Tax refund due at year end	1,861.99	1,523.97