

**Daisies Daycare Limited  
Special Purpose Financial Report  
31 March 2018**

**Daisies Daycare Ltd**  
**Income and Expenditure Disclosure**  
**1 April 2017 to 31 March 2018**

	<b>YE 31/3/2018</b>	<b>YE 31/3/2017</b>
	<b>\$</b>	<b>\$</b>
<b>Income from the Government - ECE</b>		
Govt ECE Subsidy Funding	126,414	158,900
Govt 20 hours ECE funding	233,090	202,781
<b>Total Income from the Government</b>	<b>359,504</b>	<b>361,681</b>
<b>Other Government Income</b>		
Student Grants	-	-
Teacher Grants	-	-
<b>Total Other Government Income</b>	<b>-</b>	<b>-</b>
<b>Total Government Income</b>	<b>359,504</b>	<b>361,681</b>
<b>Expenditure from Government Income</b>		
Salaries	599,580	609,304
Student teacher expenses	-	-
Teacher registration costs	-	-
Professional Development	2,749	4,647
<b>Total Expenditure from Government Income</b>	<b>602,329</b>	<b>613,951</b>

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*The accompanying notes and attached auditors report form part of this special purpose report*



**Daisies Daycare Ltd**  
**Statement of Accounting Policies**  
**For the year ended 31 March 2018**

**1 Statement of Accounting Policies:**

The reporting entity comprises Daisies Early Education & Care Centre described as Daisies Daycare Limited, which is a privately owned limited liability company.

The special purpose income and expenditure disclosure report has been prepared in accordance with the Special Purpose Financial Reporting Framework for For-Profit Entities (SPFR for FPEs) published by Chartered Accountants Australia and New Zealand (CAANZ).

The special purpose income and expenditure disclosure report has been prepared for the purpose of meeting the company's income ECE Funding requirements as required by the Ministry of Education and internal use only.

The special purpose income and expenditure disclosure report has been prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

The special purpose income and expenditure disclosure report is presented in New Zealand dollars.

The following specific accounting policies, which materially affect the measurement of the special purpose income and expenditure disclosure report, have been applied:

**1(a) Employee Entitlements:**

Employee entitlements to salaries and wages, annual leave, long service leave and other benefits are recognised when they accrue to employees.

**1(b) Goods and Services Tax:**

The statement of financial performance has been prepared so that all components are stated exclusive of GST.

**1(c) Revenue:**

Early Childhood Education (ECE) operational funding from the Government is recorded as income as received. A year end adjustment is made to recognise any subsidies received which are designated as relating to periods after year end as a liability.

**1(d) Changes In Accounting Policies:**

There have been no significant changes in accounting policies.

**2 Audit**

This special purpose income and expenditure disclosure report has been audited. Please refer to the attached Audit Report.

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# A Special Purpose Financial Reporting Framework for use by For-Profit Entities (SPFR for FPEs)

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*Designed for use in New Zealand by Small and Medium Sized Entities*

2018

## Recognition of revenue from government grants

- 9.29 A government grant is assistance by government in the form of a transfer of resources to an entity in return for past or future compliance with specified conditions relating to the operating activities of the entity.
- 9.30 Government grants exclude those forms of government assistance that cannot reasonably have a value placed upon them and transactions with government that cannot be distinguished from the normal trading transactions of the entity.
- 9.31 An entity shall recognise government grants as follows:
- (a) a grant that does not impose specified future performance obligations on the recipient is recognised as revenue when the grant proceeds are receivable;
  - (b) a grant that imposes specified future performance obligations on the recipient is recognised as revenue only when the performance obligations are met; and
  - (c) a grant received before the revenue recognition criteria are satisfied is recognised as a liability.

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## To the Director of Daisies Daycare Limited

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### **Report on the Audit of the Special Purpose Financial Report**

We have audited the Special Purpose Financial Report (SPFR) of Daisies Daycare Limited on pages 2 and 3, which comprise the Income and Expenditure Disclosure and the statement of accounting policies.

### **Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying Special Purpose Financial Report of Daisies Daycare Limited for the year ended 31 March 2018 are prepared, in all material respects in accordance with the statement of accounting policies.

### **Basis for Qualified Opinion**

The presentation of the Special Purpose Financial Report for Daisies Daycare Limited for the year ended 31 March 2018 does not comply with the full presentation requirements of the Special Purpose Reporting Framework for use by For-Profit Entities (2018) as issued by Chartered Accountants Australia and New Zealand.

The Special Purpose does not present the overall financial performance, nor financial position of Daisies Daycare Limited and may not be suitable for any other purpose, than to present the Government Funding Income and Related Expenditure for the year ended 31 March 2018.

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 Special Purpose Financial Report section of our report. We are independent of Daisies Daycare Limited 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, Daisies Daycare Limited.

### **The Director's Responsibility for the Special Purpose Financial Report**

The Director is responsible on behalf of the entity for determining that the Special Purpose Reporting framework adopted is acceptable in Daisies Daycare Limited's circumstances, the preparation of the Special Purpose Financial Report, and for such internal control as the Director determines is necessary to enable the preparation of SPFR that are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Financial Report, the Director is responsible on behalf of the entity for assessing the entity'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 Director either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the SPFR**

Our objectives are to obtain reasonable assurance about whether the Special Purpose Financial Report 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 Special Purpose Financial Report.

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 Special Purpose Financial Report, 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 Company's internal control.
- conclude on the appropriateness of the use of the going concern basis of accounting by the Director and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 Special Purpose Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. We communicate with the Director 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.

*Urlich Lander Limited*

**Urlich Lander Limited**  
**Wellington**  
**24 June 2019**