



Financial reporting requirements for licensed early childhood education services for the financial year ending in 2025

Early learning services that received Ministry income of more than \$92,000 (including GST), and that have completed a full financial year of operation, must send their audited financial statements to the Ministry of Education **by 30 June**.

We will contact you as soon as possible if you have not met the requirements or to follow up on missing information by either phone or email. You will receive a confirmation email once your financials have been processed.

Financial reporting requirements for early childhood education services

Introduction

As a condition of receiving government funding, early learning services are required to send the Ministry a copy of their audited financial statements each year.

See the financial reporting requirements outlined in Chapter 12 of the ECE FHB:

[Chapter 12: Financial reporting - Ministry of Education](#)

You may wish to show this information to your accountant and auditor to ensure that they understand the Ministry's financial reporting requirements.

Documents required for financial reporting

The following documents must be identified by service number and submitted together.

- completed and signed declaration form for each licensed service number
- audited financial statements
- independent auditor's report
- report on any Equity Funding received by each licensed service from the Ministry.

Ensure each document is marked with the relevant licensed service number. Do not send your documents separately



Audited financial statements required

All general purpose financial statements and special purpose financial reports submitted to us must be audited by an independent auditor that is a member of either Chartered Accountants Australia and New Zealand (CAANZ) or CPA Australia.

Some reporting areas can be consolidated for services that are grouped under an ECA (Early Childhood Association) for funding purposes. Refer to Chapter 12 of the ECE Funding Handbook or more information:

[Chapter 12: Financial reporting - Ministry of Education](#)

We will not accept consolidated reports unless the services are linked.

Community-based services

Community-based services are generally operated by an incorporated society, charitable trust, public benefit entity under XRB requirements or registered charity for the benefit of the community they serve. Kindergartens, playcentres and early learning services owned by public bodies (for example health boards or government departments) are considered community-based services for the purpose of this exercise.

Community-based services or, where applicable, their umbrella organisations must provide general purpose financial statements that comply with generally accepted accounting practice.

Where applicable, the financial statements should include specific reference to subsidies received from us, including (if received) the ECE Funding Subsidy, 20 Hours ECE, Equity Funding and ATIS (Annual Top-Up for Isolated Services). These matters may be disclosed either on the face of the financial statements or as a note to the accounts.

Privately-owned services

Privately-owned services are those that are not community-based. They may be owned by a private company, publicly listed company, private trust, partnership or an individual.

Privately-owned services can choose to provide either general purpose financial statements that comply with generally accepted accounting practice (requirements for general purpose financial statements are explained under the reporting requirements for community-based services) or a special purpose financial report.

The following information must be included in the special purpose financial report:

- a statement of accounting policies comprising a definition of the reporting entity, statement of general accounting policies, statement of particular accounting policies and a statement of changes in accounting policies
- details of the amount of funding received from the Ministry including (if received): the ECE Funding Subsidy, 20 Hours ECE, Equity Funding and
- information on how this funding was spent

Please note: Where a service meets both the definitions of community-based and privately-owned, general purpose financial reports are required.

Equity Funding reporting requirements for all services

Equity Funding is a subsidy that must be used for the specific purpose for which it has been paid. Services that received Equity Funding must report on the use of this funding. Equity Funding income and expenditure must be broken down by licensed service. Use the format shown on the back of the declaration form.

Auditor requirements

The required qualifications for auditors are defined in s36 of the Financial Reporting Act 2013:

[Financial Report Act 2013 – New Zealand Legislation](#)

The auditor must be a member of either Chartered Accountants Australia and New Zealand (CAANZ) or CPA Australia. See the below resources that may be of use in helping you to find an auditor:

[Home – Chartered Accountants Australia | New Zealand](#)

[Home – CPA Australia](#)

The auditor must be independent of your service's management group. The person or entity preparing the financial statements or special purpose financial report cannot also audit the statements or report.

Audit report requirements

A copy of the audit report must be included with the financial statements sent to the Ministry.

The basic elements of an audit report are specified in the relevant auditing or other assurance engagement standard issued by the [New Zealand XRB](#)

The Ministry will only accept reports that provide audit assurance. Limited assurance, which is provided under a review engagement, is not acceptable.

Financial reporting exemptions

- New services/owners that have not completed a full financial year of operation do not have to submit audited financial reports.

Please note: If you have sold your service in the middle of the financial year, submit your audited financial statements up to the point of sale.

- Services with a total Ministry income of \$92,000 (incl. GST) or less for the full financial year do not have to submit audited financial reports. The calculation of \$92,000 must include any targeted funding received.

Please note: exempt services must submit a signed and completed declaration form to the Ministry by the deadline, informing the Ministry they are exempt from financial reporting requirements.

Funding suspended for late or incomplete information

Funding may be suspended from services that do not:

- submit the required documents relating to financial reporting to the Ministry
- meet the reporting deadline (30 June 2026)
- comply with the Ministry's auditor and audit report requirements

Where to send your audited financial statements

resourcing@education.govt.nz