
The Northern Nursery School Limited

ABN 38 001 830 002

Financial Statements
For the Year Ended 31 December 2018

The Northern Nursery School Limited
Directors' Report
For the Financial Year Ended 31 December 2018

The directors of The Northern Nursery School Limited present herewith the financial report on the company for the financial year ended 31 December 2018.

Directors

The names of the directors in office at any time during the year or since the end of the year are:

Anna Cottrell (Chair)
Laura McNally (Vice Chair)
Sonya Pegram (Treasurer) – appointed 27 March 2018
Ben Lee (Vice Treasurer)
Shar Allen (Secretary)
Paula West (Managing Director)
Anna Cimarosti (Assistant Director) – appointed 27 March 2018
Sally Woodward – resigned 27 March 2018
Tom McCann – resigned 27 March 2018
Jason Griffin – resigned 27 March 2018
Mel Lanzarone – resigned 27 March 2018
Marcelle Moore
Jenny Gallardo
Andrew Frost – appointed 27 March 2018
Arturo Ruiz – appointed 27 March 2018
Nicola Veness – appointed 27 March 2018
Gavin Jennings – appointed 27 March 2018
Francesco Placanica – appointed 27 March 2018
Jacqui Willoughby (Mosman Council Representative) – appointed 27 March 2018

Principal Activities

The principal activities of the company during the financial year were:
Provision of pre-school instruction and education.

Significant Changes in State of Affairs

No significant changes in the nature of the principal activities during the financial year.

Review of Operations

The net profit of the company for the financial year amounted to \$13,493 (2017: \$29,198)
No significant changes in the company's state of affairs occurred during the financial year.

Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years.

The Northern Nursery School Limited
Directors' Report
For the Financial Year Ended 31 December 2018

Shares and Dividends

The company is a company limited by guarantee and in accordance with the Articles of Association, no shares or debentures have been issued and no dividends have been recommended or paid. No director has received or become entitled to receive during or since the financial year, a benefit because of a contract made by the company, controlled entity or a related body corporate with a director, a firm of which a director is a member, or an entity in which a director has a substantial financial interest.

This statement excludes a benefit included in the aggregate amount of employment received by directors shown in the company's accounts, or the fixed salary of a full time employee of the company, controlled entity or related body corporate.

Proceedings on behalf of the entity

No person has applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings. The entity was not party to any such proceedings during the year.

Indemnities given to, and insurance premiums paid for, auditors and officers

No indemnities have been given or insurance premiums paid during or since the end of the financial year for any person who is or has been an officer or auditor or a related body corporate of the entity.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 60-40 of *the Australian Charities and Not-for-profits Commission Act 2012* is set out on page 4.

Signed in accordance with a resolution of the Board of Directors:

Anna Cottrell
Chair
27 March 2019
Sydney, New South Wales

Sonya Pegram
Treasurer
27 March 2019
Sydney, New South Wales

The Northern Nursery School Limited**Auditor's Independence Declaration to the Board of Directors of The Northern Nursery School Limited****For the Financial Year Ended 31 December 2018**

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of The Northern Nursery School Limited for the year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- b) No contraventions of any applicable code of professional conduct in relation to the audit.

SDJA**Simon Joyce**

Director

27 March 2019

Sydney, New South Wales

The Northern Nursery School Limited
Statement of Profit or Loss and Other Comprehensive Income
For the Financial Year Ended 31 December 2018

	Notes	2018	2017
		\$	\$
Revenue	4	1,258,254	1,162,991
Other income	4	4,405	13,235
Total revenue		1,262,659	1,176,226
Expenses			
Depreciation		(15,651)	(47,212)
Employee benefits		(1,050,374)	(906,779)
Other expenses		(183,141)	(193,037)
Total expenses		(1,249,166)	(1,147,028)
Net profit for the year		13,493	29,198
Income tax expense		-	-
Profit after income tax		13,493	29,198
Other comprehensive income		-	-
Total comprehensive income		13,493	29,198

The accompanying notes form part of these financial statements.

The Northern Nursery School Limited
Statement of Financial Position
As at 31 December 2018

	Notes	2018	2017
		\$	\$
Assets			
Current			
Cash and cash equivalents	5	324,081	319,171
Receivables	6	30,977	15,398
Other assets	7	16,490	547
Current assets		371,548	335,116
Non-current			
Property, plant and equipment	8	83,514	90,497
Non-current assets		83,514	90,497
Total assets		455,062	425,613
Liabilities			
Current			
Trade and other payables	9	83,920	109,057
Employee provisions	10	37,694	22,508
Other liabilities	11	192,044	172,433
Current liabilities		313,658	303,998
Non-current			
Employee provisions	10	24,882	18,586
Non-current liabilities		24,882	18,586
Total liabilities		338,540	322,584
Net assets		116,522	103,029
Equity			
Retained earnings		116,522	103,029
Total equity		116,522	103,029

The accompanying notes form part of these financial statements.

The Northern Nursery School Limited
Statement of Changes in Equity
For the Financial Year Ended 31 December 2018

	Retained Earnings \$	Total Equity \$
Balance at 1 January 2017	73,831	73,831
Profit for the year	29,198	29,198
Other comprehensive income	-	-
Total comprehensive income	29,198	29,198
Balance at 31 December 2017	103,029	103,029
Balance at 1 January 2018	103,029	103,029
Profit for the year	13,493	13,493
Other comprehensive income	-	-
Total comprehensive income	13,493	13,493
Balance at 31 December 2018	116,522	116,522

The accompanying notes form part of these financial statements.

The Northern Nursery School Limited
Statement of Cash Flows
For the Financial Year Ended 31 December 2018

	Notes	2018	2017
		\$	\$
Cash flows from operating activities			
Receipts from grants		560,871	456,281
Receipts from donors		44,197	60,954
Receipts from customers		783,446	767,466
Payments to suppliers and employees		(1,379,341)	(1,224,383)
Interest received		4,405	2,321
Net cash used in operating activities		13,578	62,639
Cash flows from investing activities			
Purchase of property, plant and equipment		(8,668)	(28,298)
Net cash used in investing activities		(8,668)	(28,298)
Cash flows from financing activities			
Net cash provided by financing activities		-	-
Net increase in cash and cash equivalents		4,910	34,341
Cash and cash equivalents at beginning of financial year	5	319,171	284,830
Cash and cash equivalents at end of financial year	5	324,081	319,171

The accompanying notes form part of these financial statements.

The Northern Nursery School Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2018

1. General information

The financial statements cover The Northern Nursery School Limited, an entity incorporated in the Australia. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards and a registered charity under the *Australian Charities and Not-for-profits Commission Act 2012*.

Principal place of business is 41 Wyong Road, Mosman NSW 2088.

The financial report was authorised for issue by the Board of Directors on 27 March 2019.

2. Changes in accounting policies

New and revised standards that are effective for these financial statements

A number of new and revised standards became effective for the first time to annual periods beginning on or after 1 January 2017. The adoption of these amendments has not had a material impact on the entity.

Accounting Standards issued but not yet effective and not been adopted early by the entity

A number of new and revised standards have been issued but are not yet effective and have not been adopted early by the entity. The Board of Directors are currently assessing the impact such standard will have on the entity.

3. Summary of significant accounting policies

Financial reporting framework

The general purpose financial statements of the entity have been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Statement of compliance

The general purpose financial statements of the entity have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board.

Basis of preparation

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of this report are as follows:

Revenue

Revenue comprises revenue from government grants, donations, client contributions and interest income. Revenue from major services is shown in Note 4.

Revenue is measured by reference to the fair value of consideration received or receivable by the entity for goods supplied and services provided, excluding sales taxes, rebates, and trade discounts.

The Northern Nursery School Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2018

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the entity's different activities have been met. Details of the activity-specific recognition criteria are described below.

Government grants

A number of the entity's programs are supported by grants received from various government bodies.

If conditions are attached to a grant which must be satisfied before the entity is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied.

Where a grant is received on the condition that specified services are delivered to the grantor, this is considered a reciprocal transaction. Revenue is recognised as services are performed and at year end a liability is recognised until the service is delivered.

Revenue from a non-reciprocal grant that is not subject to conditions is recognised when the entity obtains control of the funds, economic benefits are probable and the amount can be measured reliably. Where a grant may be required to be repaid if certain conditions are not satisfied, a liability is recognised at year end to the extent that conditions remain unsatisfied.

Where the entity receives a non-reciprocal contribution of an asset from a government or other party for no or nominal consideration, the asset is recognised at fair value and a corresponding amount of revenue is recognised.

Donations

Donations collected, including cash and goods for resale, are recognised as revenue when the entity gains control, economic benefits are probable and the amount of the donation can be measured reliably.

Interest income

Interest income is recognised on an accrual basis using the effective interest method.

Foreign currency

Transactions in foreign currencies are translated to the functional currency at exchange rates at the date of transactions. Amounts outstanding are translated at year end. Foreign currency differences are recognised in the statement of profit or loss and other comprehensive income.

Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

Income tax

No provision for income tax has been raised as the entity is exempt from income tax as a registered charity under the *Australian Charities and Not-for-profits Commission Act 2012*.

The Northern Nursery School Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2018

Cash and cash equivalents

Cash on hand equivalents includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value, less, where applicable, accumulated depreciation and any impairment losses.

Buildings

Buildings and other equipment (comprising fittings and furniture) are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the entity.

Buildings and other equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and any impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount recognised either in profit or loss.

Plant and equipment that have been contributed at no cost, or for nominal cost, are recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets is depreciated over the asset's useful life to the entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation rate
Buildings on leasehold land	4%
Building extension	5%
Office equipment	33%
Furniture, fixtures and fittings	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The Northern Nursery School Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2018

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit or loss and other comprehensive income.

Impairment of assets

At the end of each reporting period the entity determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

Financial Instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the entity becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

The Northern Nursery School Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2018

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The entity's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the entity renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the entity does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the entity's Board of Directors to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Northern Nursery School Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2018

The entity's financial liabilities include borrowings, trade and other payables, which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the entity assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

Trade and other payables

These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. Due to the short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

The Northern Nursery School Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2018

Deferred income

The liability for deferred income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided, or the conditions usually fulfilled within 12 months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will only be satisfied more than 12 months after the reporting date, the liability is discounted and presented as non-current.

Employee benefits

Provision is made for entity's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Comparative figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Significant judgement in applying accounting policies

When preparing the financial statements, the Board of Director undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Useful lives of depreciable assets

The Board of Directors reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

The Northern Nursery School Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2018

Fair value of financial instruments

The entity has certain financial assets and liabilities which are measured at fair value. Where fair value has not able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

Impairment

In assessing impairment, the Board of Directors estimates the recoverable amount of each asset or cash-generating units, based on expected future cash flows and uses an interest rate to discount them.

Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Long service leave

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

The Northern Nursery School Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2018

	2018	2017
	\$	\$
4. Revenue		
DET/PDSP funding	93,863	48,233
DOCS funding	400,370	372,516
Donations	40,179	55,413
School fees	719,692	682,074
Waiting list administration fees	4,150	4,755
	1,258,254	1,162,991
Other income		
Interest revenue	4,405	2,321
Other income	-	10,914
	4,405	13,235
5. Cash and cash equivalents		
Cash on hand	-	148
Cash at bank	269,690	266,808
Short-term deposit	54,391	52,215
	324,081	319,171
6. Trade and other receivables		
Current		
Trade receivables	29,506	15,398
Net GST receivable	1,471	-
	30,977	15,398
7. Other assets		
Current		
Prepayments	16,490	547
	16,490	547
8. Property, plant and equipment		
Buildings on leasehold land at cost	76,514	76,514
Buildings on leasehold land accumulated depreciation	(76,514)	(75,041)
	-	1,473
Building extensions at cost	81,775	41,975
Building extensions accumulated depreciation	(14,386)	(9,735)
	67,389	32,240

The Northern Nursery School Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2018

	2018	2017
	\$	\$
Furniture and fittings at cost	21,628	21,628
Furniture and fittings accumulated depreciation	(8,310)	(3,985)
	<u>13,318</u>	<u>17,643</u>
Office equipment at cost	17,373	15,455
Office equipment accumulated depreciation	(14,566)	(9,364)
	<u>2,807</u>	<u>6,091</u>
Work in progress	-	33,050
Total property, plant and equipment	<u>83,514</u>	<u>90,497</u>

	Buildings on Leasehold Land	Building Extensions	Furniture and Fittings
	\$	\$	\$
Net carrying amount 1 January 2018	1,473	32,240	17,643
Additions	-	6,750	-
Disposals	-	-	-
Depreciation	(1,473)	(4,651)	(4,325)
Asset reclassification	-	33,050	-
Net carrying amount 31 December 2018	<u>-</u>	<u>67,389</u>	<u>13,318</u>

	Office Equipment	Work in Progress	Total
	\$	\$	\$
Net carrying amount 1 January 2018	6,091	33,050	90,497
Additions	1,918	-	8,668
Disposals	-	-	-
Depreciation	(5,202)	-	(15,651)
Asset reclassification	-	(33,050)	-
Net carrying amount 31 December 2018	<u>2,807</u>	<u>-</u>	<u>83,514</u>

The Northern Nursery School Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2018

	2018	2017
	\$	\$
9. Trade and other payables		
Current		
Trade payables	35,220	65,666
Accrued expenses	48,700	41,898
Net GST payable	-	1,493
	83,920	109,057
10. Employee provisions		
Current		
Long service leave	37,694	22,508
	37,694	22,508
Non-current		
Long service leave	24,882	18,586
	24,882	18,586
11. Other liabilities		
Subsidies in advance	113,314	97,664
Advanced school fees deposit as bond	75,702	74,769
Other fees in advance	3,028	-
	192,044	172,433

12. Related parties

The entity's related parties include its key management personnel and related entities. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

13. Commitments

The entity has no material future capital, lease nor expenditure commitments as at 31 December 2018 (2017: None).

14. Contingent liabilities

There are no contingent liabilities as at 31 December 2018 (2017: None).

15. Subsequent events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation of these accounts.

The Northern Nursery School Limited
Responsible Entities' Declaration
For the Financial Year Ended 31 December 2018

The Responsible Persons declare that in the Responsible Persons' opinion:

- a) the financial statements and notes are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - i) giving a true and fair view of the registered entity's financial position as at 31 December 2018 and of its performance for the year ended on that date; and
 - ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
- b) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Anna Cottrell
Chair
27 March 2019
Sydney, New South Wales

Sonya Pegram
Treasurer
27 March 2019
Sydney, New South Wales

The Northern Nursery School Limited
Independent Auditor's Report to the Members of The Northern Nursery School Limited
For the Financial Year Ended 31 December 2018

Opinion

We have audited the financial report of The Northern Nursery School Limited (the registered entity), which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the financial report of The Northern Nursery School Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act), including:

- (a) giving a true and fair view of the registered entity's financial position as at 31 December 2018 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The responsible entities are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The Northern Nursery School Limited

**Independent Auditor's Report to the Members of The Northern Nursery School Limited
For the Financial Year Ended 31 December 2018**

Responsibilities of Responsible Entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, responsible entities are responsible for assessing the registered 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 responsible entities either intends to liquidate the registered entity or to cease operations or has no realistic alternative but to do so.

The responsible entities are responsible for overseeing the registered entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 Australian Auditing Standards 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 economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

SDJA

Simon Joyce

Director

27 March 2019

Sydney, New South Wales