

# **Nadrasca**

## **Financial Statements**

**For the Year Ended 30 June 2009**

# Nadrasca

For the Year Ended 30 June 2009

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**LDB Audit Services Pty Ltd**

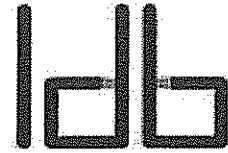
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[www.ldb.com.au](http://www.ldb.com.au)**AUDIT SERVICES**

## Nadrasca

### Independent Audit Report to the members of Nadrasca

#### Report on the Financial Report

We have audited the accompanying financial report of Nadrasca, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration. Nadrasca is a public company limited by guarantee with dispensation by ASIC not to use 'Limited' in the company name.

#### Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

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**AUDIT SERVICES**

## Nadrasca

### Independent Audit Report to the members of Nadrasca

#### Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Nadrasca on 17 September 2009, would be in the same terms if provided to the directors as at the date of this auditor's report.

#### Auditor's Opinion

In our opinion the financial report of Nadrasca is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

LDB Audit Services Pty Ltd

Suite 3

1-3 Albert Street

BLACKBURN VIC 3130

Craig Lutwyche  
DIRECTOR



Dated this.....13.....day of.....October..... 2009

**LDB Audit Services Pty Ltd**

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**AUDIT SERVICES**

## Nadrasca

### Auditors Independence Declaration under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2009 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

LDB Audit Services Pty Ltd

Suite 3

1-3 Albert Street

BLACKBURN VIC 3130

  
Craig Lutwyche  
DIRECTOR

Dated this.....17.....day of.....SEPTEMBER.....2009

# Nadrasca

## Directors' Report

30 June 2009

Your directors present their report on the company for the financial year ended 30 June 2009.

### 1. General information

#### a Directors

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

| <b>Names</b>              | <b>Appointed/Resigned</b> |
|---------------------------|---------------------------|
| Christopher Keith Tann    |                           |
| Christopher Patrick Pyke  |                           |
| Gus Koedijk               |                           |
| Brian George Hayes        | Retired on 7 October 2008 |
| Richard James Copeland    |                           |
| Alan Keith Kilner         |                           |
| Yvonne Lynette Mahony     |                           |
| Malcolm Thomas Poole      |                           |
| Jennifer Elizabeth Reid   |                           |
| Christopher Douglas James | Appointed on 8 July 2008  |

Directors have been in office since 1 July 2008 to the date of this report unless otherwise stated.

#### b Company Secretary

The following person held the position of company secretary at the end of the financial year:

Gus Koedijk

#### c Principal Activities

The principal activities of Nadrasca during the financial year were the provision of supported accommodation services, supported employment, lifestyle, and vocational support and other services to support people with a disability.

There have been no significant changes in the nature of Nadrasca's principal activities during the financial year.

# Nadrasca

## Directors' Report

30 June 2009

### 2. Business review

#### a Operating Results

The surplus of the company amounted to \$ 618,360.

Revenue from ordinary activities for the year was \$8,857,005. Major sources of income were: government grants \$6,093,562 and sale of goods and services \$1,886,453.

Operating expenses for the year were \$7,058,779. The one major expenditure item was employee costs \$5,126,377.

#### b Dividends Paid

The constitution does not allow the payment of any dividends.

### 3. Other items

#### a Significant Changes in State of Affairs

No significant changes in Nadrasca's state of affairs occurred during the financial year other than those referred to above.

#### b After balance day events

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

#### c Corporate Governance

The Board of Directors of Nadrasca is responsible for the corporate governance of the entity. The Board guides and monitors the business and affairs on behalf of the members, to whom they are accountable.

#### d Board Responsibilities

The Board acts on behalf of and is accountable to the members. The Board identifies the expectations of members and monitors changes in Government policy and community expectations.

# Nadrasca

## Directors' Report

30 June 2009

### 3. Other items continued

#### e Board Committees

To maximise its efficiency and effectiveness the Board has formed a number of sub-committees that consider specific areas of Nadrasca's activities and report back to the Board.

##### Audit Finance & Risk Committee

The primary role of the Committee is to monitor and review, on behalf of the Board, the effectiveness of the control environment in Nadrasca in the areas of operational and balance sheet risk, legal/regulatory compliance and financial reporting. The overriding objective of the Committee is to provide an independent and objective review of financial and other information prepared by management, in particular that to be provided to members and/or filed with regulators.

The Committee also reviews the adequacy and scope of the audit plans of the external auditors.

Members of the Committee are Alan Kilner, Richard Copeland, Gus Koedijk and Malcolm Poole.

#### f Auditors Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2009 has been received and can be found on page 3 of the financial report.

#### g Rounding of amounts

The company is an entity to which ASIC Class order 98/100 applies and, accordingly, amounts in the financial statements and directors' report have been rounded to the nearest dollar.

# Nadrasca

## Directors' Report

30 June 2009

### 4. Director Information

#### a Information on Directors

|                           |  |
|---------------------------|--|
| Christopher Keith Tann    | BBus   |
| Experience                | Board member/Committee of Management 2003/04, 2006/07                  |
| Christopher Patrick Pyke  |  |
| Experience                | Board member/Committee of Management since 1990                        |
| Gus Koedijk               |  |
| Experience                | Board member/Committee of Management 1992 - 2004                       |
| Special Responsibilities  | Executive Director, Secretary, Audit, Finance & Risk Committee         |
| Brian George Hayes        | ACA  |
| Experience                | Board member/Committee of Management since 1967                        |
| Special Responsibilities  | Chairman, Audit, Finance & Risk Committee                              |
| Richard James Copeland    | Dip ME, Dip Management   |
| Experience                | Board member/Committee of Management since 1975                        |
| Special Responsibilities  | Audit, Finance & Risk Committee  |
| Alan Keith Kilner         |  |
| Experience                | Board member/Committee of Management since 1967                        |
| Special Responsibilities  | Deputy Chairman, Audit, Finance & Risk Committee                       |
| Yvonne Lynette Mahony     |  |
| Experience                | Board member/Committee of Management since 1975                        |
| Malcolm Thomas Poole      |  |
| Experience                | Board member/Committee of Management since 2006                        |
| Special Responsibilities  | Chairman, Audit, Finance & Risk Committee                              |
| Jennifer Elizabeth Reid   |  |
| Experience                | Board member/Committee of Management since 1993                        |
| Christopher Douglas James |  |
| Qualifications            | B Economics (Hons) Graduate Certificate in Local Government Management |
| Experience                | Board member since 2008  |

# Nadrasca

## Directors' Report

30 June 2009

### b Meetings of Directors

During the financial year, 26 meetings of directors (including committees of directors) were held. Attendances by each director during the year as follows:

|                           | Directors' Meetings |                 | Audit Committee Meetings |                 | Other meetings     |                 |
|---------------------------|---------------------|-----------------|--------------------------|-----------------|--------------------|-----------------|
|                           | Eligible to attend  | Number attended | Eligible to attend       | Number attended | Eligible to attend | Number attended |
| Christopher Keith Tann    | 12                  | 12              | -                        | -               | 2                  | 2               |
| Christopher Patrick Pyke  | 12                  | 11              | -                        | -               | 2                  | 2               |
| Gus Koedijk               | 12                  | 12              | 12                       | 11              | 2                  | 2               |
| Brian George Hayes        | 4                   | 4               | 4                        | 3               | -                  | -               |
| Richard James Copeland    | 12                  | 11              | 12                       | 11              | 2                  | 2               |
| Alan Keith Kilner         | 12                  | 9               | 12                       | 12              | 2                  | 2               |
| Yvonne Lynette Mahony     | 12                  | 10              | -                        | -               | 2                  | 2               |
| Malcolm Thomas Poole      | 12                  | 9               | 9                        | 7               | 2                  | 2               |
| Jennifer Elizabeth Reid   | 12                  | 10              | -                        | -               | 2                  | 2               |
| Christopher Douglas James | 12                  | 10              | -                        | -               | 2                  | 2               |

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



Director: .....

Malcolm Thomas Poole



Director: .....

Alan Keith Kilner

Dated this .....9th..... day of ...October... 2009

# Nadrasca

## Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 10 to 30, are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 30 June 2009 and of the performance for the period ended on that date of the company.
2. The directors declared that:
  - (a) the financial records of the company for the financial period have been properly maintained in accordance with section 286 of the Corporations Act 2001;
  - (b) the financial statements and notes for the financial period comply with the Accounting Standards; and
  - (c) the financial statements and notes for the financial period give a true and fair view.
3. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Director.....  
Malcolm Thomas Poole



Director.....  
Alan Keith Kilner

Dated this.....9th.....day of .....October.....2009

# Nadrasca

## Income Statement

30 June 2009

|   | Note  | 2009<br>\$     | 2008<br>\$     |
|---|-------|----------------|----------------|
| Sales revenue                           | 11(a) | 1,886,453      | 1,821,716      |
| Cost of sales                           |       | (1,670,321)    | (1,539,713)    |
| <b>Gross profit</b>                     |       | <b>216,132</b> | <b>282,003</b> |
| Other income                            | 11(b) | 6,970,552      | 6,760,072      |
| Employee expenses                       |       | (5,126,377)    | (5,052,104)    |
| Marketing expenses                      |       | (15,880)       | (14,209)       |
| Administrative expenses                 |       | (1,257,516)    | (1,154,317)    |
| Depreciation and impairments            |       | (323,353)      | (326,940)      |
| Consulting and professional fees        |       | (71,295)       | (43,947)       |
| Repairs and maintenance                 |       | (264,358)      | (256,933)      |
| Gain and loss on disposal of<br>assets  |       | 490,455        | 18,132         |
| <b>Surplus/(deficit) for the period</b> |       | <b>618,360</b> | <b>211,757</b> |

# Nadrasca

## Balance Sheet

30 June 2009

|                                      | Note | 2009<br>\$        | 2008<br>\$       |
|--------------------------------------|------|-------------------|------------------|
| <b>ASSETS</b>                        |      |                   |                  |
| <b>Current assets</b>                |      |                   |                  |
| Cash and cash equivalents            | 2    | 1,841,308         | 1,481,399        |
| Trade and other receivables          | 3    | 893,812           | 369,059          |
| Inventories                          | 4    | 46,108            | 54,022           |
| Other current assets                 | 6    | 212,500           | 212,500          |
| <b>Total current assets</b>          |      | <b>2,993,728</b>  | <b>2,116,980</b> |
| <b>Non-current assets</b>            |      |                   |                  |
| Property, plant and equipment        | 5    | 7,516,486         | 7,805,739        |
| <b>Total non-current assets</b>      |      | <b>7,516,486</b>  | <b>7,805,739</b> |
| <b>TOTAL ASSETS</b>                  |      | <b>10,510,214</b> | <b>9,922,719</b> |
| <b>LIABILITIES</b>                   |      |                   |                  |
| <b>Current liabilities</b>           |      |                   |                  |
| Trade and other payables             | 7    | 307,802           | 735,979          |
| Financial liabilities                | 2(c) | -                 | 2,120            |
| Short-term provisions                | 8    | 1,069,201         | 1,030,456        |
| Other current liabilities            | 10   | 550,588           | 37,472           |
| <b>Total current liabilities</b>     |      | <b>1,927,591</b>  | <b>1,806,027</b> |
| <b>Non-current liabilities</b>       |      |                   |                  |
| Other long-term provisions           | 8    | 54,493            | 206,922          |
| <b>Total non-current liabilities</b> |      | <b>54,493</b>     | <b>206,922</b>   |
| <b>TOTAL LIABILITIES</b>             |      | <b>1,982,084</b>  | <b>2,012,949</b> |
| <b>NET ASSETS</b>                    |      | <b>8,528,130</b>  | <b>7,909,770</b> |
| <b>EQUITY</b>                        |      |                   |                  |
| Retained earnings                    |      | 8,528,130         | 7,909,770        |
| <b>TOTAL EQUITY</b>                  |      | <b>8,528,130</b>  | <b>7,909,770</b> |

# Nadrasca

## Statement of Changes in Equity

30 June 2009

| 2009                           | Retained         | Total            |
|--------------------------------|------------------|------------------|
|                                | Earnings         |                  |
|                                | \$               | \$               |
| Balance at 1 July 2008         | 7,909,770        | 7,909,770        |
| Surplus for the period         | 618,360          | 618,360          |
| Transfers to and from reserves |                  |                  |
| <b>Sub-total</b>               | <b>618,360</b>   | <b>618,360</b>   |
| <b>Balance at 30 June 2009</b> | <b>8,528,130</b> | <b>8,528,130</b> |

| 2008                           | Retained         | Total            |
|--------------------------------|------------------|------------------|
|                                | Earnings         |                  |
|                                | \$               | \$               |
| Balance at 1 July 2007         | 7,698,013        | 7,698,013        |
| Surplus for the period         | 211,757          | 211,757          |
| Transfers to and from reserves |                  |                  |
| <b>Sub-total</b>               | <b>211,757</b>   | <b>211,757</b>   |
| <b>Balance at 30 June 2008</b> | <b>7,909,770</b> | <b>7,909,770</b> |

# Nadrasca

## Cash Flow Statement

30 June 2009

|  | Note | 2009<br>\$       | 2008<br>\$       |
|--|------|------------------|------------------|
| <b>Cash from operating activities:</b>                     |      |                  |                  |
| Receipts from customers                                    |      | 9,604,933        | 9,320,303        |
| Payments to suppliers and employees                        |      | (9,200,609)      | (9,118,019)      |
| <b>Net cash provided by (used in) operating activities</b> | 13   | <b>404,324</b>   | <b>202,284</b>   |
| <b>Cash flows from investing activities:</b>               |      |                  |                  |
| Interest received  |      | 87,628           | 92,974           |
| Acquisition of property, plant and equipment               |      | (129,923)        | (252,109)        |
| <b>Net cash provided by (used in) investing activities</b> |      | <b>(42,295)</b>  | <b>(159,135)</b> |
| <b>Cash flows from financing activities:</b>               |      |                  |                  |
| <b>Net increase (decreases) in cash held</b>               |      | <b>362,029</b>   | <b>43,149</b>    |
| Cash and cash equivalents at beginning of year             |      | 1,479,279        | 1,436,130        |
| <b>Cash and cash equivalents at end of year</b>            | 2(c) | <b>1,841,308</b> | <b>1,479,279</b> |

# Nadrasca

## Notes to the Financial Statements

30 June 2009

### 1 Statement of Significant Accounting Policies

#### (a) General information

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers the company of Nadrasca. Nadrasca is a public company, incorporated and domiciled in Australia

The financial report of Nadrasca complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### (b) Basis of Preparation

##### Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

#### (c) Comparative Figures

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

#### (d) Property, Plant and Equipment

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

##### Property

It is the company's policy to carry land and buildings at cost less subsequent depreciation for buildings.

# Nadrasca

## Notes to the Financial Statements

30 June 2009

### 1 Statement of Significant Accounting Policies continued

#### (d) Property, Plant and Equipment continued

##### Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal.

##### Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, excluding freehold land, is depreciated on a straight-line basis over their useful lives to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease, or the estimated useful lives of the improvements.

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

##### Class of Fixed Asset

|                                  |          |
|----------------------------------|----------|
| Buildings                        | 2 - 20%  |
| Plant and Equipment              | 10 - 20% |
| Furniture, Fixtures and Fittings | 7 - 30%  |
| Motor Vehicles                   | 15 - 20% |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

#### (e) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

#### (f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

# Nadrasca

## Notes to the Financial Statements

30 June 2009

### 1 Statement of Significant Accounting Policies continued

#### (g) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits.

#### Defined superannuation schemes

In respect of defined benefit plans, the cost of providing the benefits is determined using the projected unit credit method. Actuarial valuations are conducted every three years, with interim valuations performed on an annual basis. Consideration is given to any event that could impact the funds up to balance sheet date where the interim valuation is performed at an earlier date.

The amount recognised in the balance sheet represents the present value of the defined benefit obligations adjusted for any unrecognised actuarial gains and losses and unrecognised past service costs less the fair value of the plan's assets. Any asset recognised is limited to unrecognised actuarial losses, plus the present value of available refunds and reductions in future contributions to the plan.

Actuarial gains and losses are amortised over the expected average remaining working lives of the participating employees in the scheme. Gains or losses on the curtailment or settlement of a defined benefit plan are recognised in the income statement when the group is demonstrably committed to the curtailment or settlement.

Past services costs are recognised when incurred to the extent that the benefits are vested, and are otherwise amortised on a straight-line basis over the vesting period.

#### (h) Provisions

Provisions are recognised when the company 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.

#### (i) Income Tax

The entity is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

# Nadrasca

## Notes to the Financial Statements

30 June 2009

### 1 Statement of Significant Accounting Policies continued

#### (j) Revenue

Revenue from the sale of goods and services is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from properties is recognised on an accruals basis or straight-line basis in accordance with lease agreements.

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

#### (k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

#### (l) Financial Instruments

##### **Recognition and Initial Measurement**

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to contractual provisions of the instruments. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention. Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below

##### **Financial assets at fair value through profit and loss**

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

# Nadrasca

## Notes to the Financial Statements

30 June 2009

### 1 Statement of Significant Accounting Policies continued

#### (i) Financial Instruments continued

##### **Loans and receivables**

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

##### **Held to maturity investments**

These investments have fixed maturities, and it is the company's intention to hold these investments to maturity. Any held to maturity investments held by the company are stated at amortised cost using the effective interest rate method.

##### **Financial liabilities**

Non derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

##### **Fair value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

##### **Impairment**

At each reporting date, the company assess whether there is objective evidence that a financial instrument has been impaired. In the case of available for sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

# Nadrasca

## Notes to the Financial Statements

30 June 2009

### 1 Statement of Significant Accounting Policies continued

#### (m) Rounding of Amounts

The company has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report and directors' report have been rounded off to the nearest dollar.

#### (n) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and within the company.

The directors have determined to change the probability of Long Services Leave taken as follows:

| Years of Service  | 2009 | 2008 |
|-------------------|------|------|
|                   | %    | %    |
| 1 Year            | 10   | 1    |
| 2 Years           | 20   | 1    |
| 3 Years           | 40   | 5    |
| 4 Years           | 80   | 5    |
| 5 Years           | 100  | 5    |
| 6 Years           | 100  | 5    |
| 7 Years           | 100  | 10   |
| 8 Years           | 100  | 20   |
| 9 Years           | 100  | 30   |
| 10 Years          | 100  | 40   |
| 11 Years          | 100  | 50   |
| 12 Years          | 100  | 60   |
| 13 Years          | 100  | 70   |
| 14 Years          | 100  | 80   |
| 15 Years and over | 100  | 100  |

# Nadrasca

## Notes to the Financial Statements

30 June 2009

### 2 Cash and Cash Equivalents

#### (a) Detailed table

|                          | 2009             | 2008             |
|--------------------------|------------------|------------------|
|                          | \$               | \$               |
| Cash on hand             | 21,000           | -                |
| Cash at bank             | 802,557          | 919,079          |
| Short-term bank deposits | 1,017,751        | 562,320          |
|                          | <u>1,841,308</u> | <u>1,481,399</u> |

#### (b) Effective Interest Rate

The effective interest rate on short-term bank deposits was 4.0%. These deposits have an average maturity of 12 months.

#### (c) Reconciliation of Cash

|   | 2009             | 2008             |
|---|------------------|------------------|
|   | \$               | \$               |
| Cash at the end of the period as shown in the cash flow statement is reconciled to items in the balance sheet as follows: |                  |                  |
| Cash and cash equivalents   | 1,841,308        | 1,481,399        |
| Bank overdraft  | -                | (2,120)          |
|   | <u>1,841,308</u> | <u>1,479,279</u> |

### 3 Trade and Other Receivables

|   | 2009           | 2008           |
|---|----------------|----------------|
|   | \$             | \$             |
| <b>CURRENT</b>                          |                |                |
| Trade receivables                       | 324,135        | 400,188        |
| Provision for impairment of receivables | (39,655)       | (40,000)       |
|   | <u>284,480</u> | <u>360,188</u> |
| Sundry Debtors                          | 609,332        | 8,871          |
|   | <u>893,812</u> | <u>369,059</u> |

# Nadrasca

## Notes to the Financial Statements

30 June 2009

### 4 Inventories

|                  | 2009          | 2008          |
|------------------|---------------|---------------|
|                  | \$            | \$            |
| CURRENT          |               |               |
| Raw materials    | 35,565        | 35,565        |
| Work in progress | 10,543        | 18,457        |
|                  | <u>46,108</u> | <u>54,022</u> |

### 5 Property Plant and Equipment

#### (a) Property Plant and Equipment - detailed table

|   | 2009             | 2008             |
|---|------------------|------------------|
|   | \$               | \$               |
| <b>LAND AND BUILDINGS</b>                     |                  |                  |
| Land & Buildings                              |                  |                  |
| At fair value                                 | 7,329,888        | 7,431,307        |
| Less accumulated depreciation                 | (540,993)        | (479,504)        |
| <b>Total land and buildings</b>               | <u>6,788,895</u> | <u>6,951,803</u> |
| <b>PLANT AND EQUIPMENT</b>                    |                  |                  |
| Capital works in progress                     |                  |                  |
| At cost                                       | -                | 508              |
| <b>Total capital works in progress</b>        | <u>-</u>         | <u>508</u>       |
| Plant and equipment                           |                  |                  |
| At cost                                       | 550,745          | 525,331          |
| Less accumulated depreciation                 | (371,438)        | (321,406)        |
| <b>Total plant and equipment</b>              | <u>179,307</u>   | <u>203,925</u>   |
| Furniture, fixtures and fittings              |                  |                  |
| At cost                                       | 631,185          | 579,917          |
| Less accumulated depreciation                 | (449,720)        | (384,702)        |
| <b>Total furniture, fixtures and fittings</b> | <u>181,465</u>   | <u>195,215</u>   |
| Motor vehicles                                |                  |                  |
| At cost                                       | 1,115,800        | 1,124,177        |
| Less accumulated depreciation                 | (748,981)        | (669,889)        |
| <b>Total motor vehicles</b>                   | <u>366,819</u>   | <u>454,288</u>   |
| <b>Total plant and equipment</b>              | <u>727,591</u>   | <u>853,936</u>   |
| <b>Total property, plant and equipment</b>    | <u>7,516,486</u> | <u>7,805,739</u> |

# Nadrasca

## Notes to the Financial Statements

30 June 2009

### 5 Property Plant and Equipment continued

#### (b) Movements in Carrying Amounts

|                                      | Capital Works<br>in Progress | Land and<br>Buildings | Plant and<br>Equipment | Furniture,<br>Fixtures and<br>Fittings | Motor<br>Vehicles | Total     |
|--------------------------------------|------------------------------|-----------------------|------------------------|--|-------------------|-----------|
|                                      | \$                           | \$                    | \$                     | \$                                     | \$                | \$        |
| Balance at the beginning of the year | 508                          | 6,951,803             | 203,925                | 195,215                                | 454,288           | 7,805,739 |
| Additions                            | -                            | 2,495                 | 25,420                 | 51,450                                 | 133,413           | 212,778   |
| Disposals                            | -                            | (95,315)              | -                      | -                                      | (82,855)          | (178,170) |
| Depreciation expense                 | -                            | (70,088)              | (50,038)               | (65,200)                               | (138,027)         | (323,353) |
| Other changes, movements             | (508)                        | -                     | -                      | -                                      | -                 | (508)     |
| Carrying amount at the end of year   | -                            | 6,788,895             | 179,307                | 181,465                                | 366,819           | 7,516,486 |

# Nadrasca

## Notes to the Financial Statements

30 June 2009

### 5 Property Plant and Equipment continued

#### (c) Charges against the properties

The following properties were held as security relating to the bank facility of \$ 1,140,000 provided by Australia and New Zealand Banking Group Ltd as at 30 June 2009:

| Properties                    | WDV as at<br>30 June 2009 |
|-------------------------------|---------------------------|
|                               | \$                        |
| 5-7 Wood Street, Nunawading * | 404,454                   |
| Witt Street, Mitcham *        | 826,920                   |
| 42 High Street, Nunawading *  | 75,174                    |
| 52-62 Rooks Road, Nunawading  | 4,092,000                 |
| <b>Total</b>                  | <b>5,398,548</b>          |

\* The charges on these properties has been removed on 24 August 2009

### 6 Other Assets

|             | 2009           | 2008           |
|-------------|----------------|----------------|
|             | \$             | \$             |
| CURRENT     |                |                |
| Investments | 212,500        | 212,500        |
|             | <b>212,500</b> | <b>212,500</b> |

Affordable housing association agency equity agreement with Housing Choices Australia for a shared supported accommodation residence at 27 Gardenia Street, Blackburn.

### 7 Trade and Other Payables

|                  | 2009           | 2008           |
|------------------|----------------|----------------|
|                  | \$             | \$             |
| CURRENT          |                |                |
| Trade payables   | 66,058         | 87,463         |
| Sundry creditors | 50,069         | 446,710        |
| GST Liabilities  | 191,675        | 201,806        |
|                  | <b>307,802</b> | <b>735,979</b> |

# Nadrasca

## Notes to the Financial Statements

30 June 2009

### 8 Provisions

|   | Employee<br>entitlements<br>\$ |
|---|--------------------------------|
| Opening balance at the beginning of the year  | 1,237,378                      |
| Additional provisions   | 428,398                        |
| Amounts used  | (535,166)                      |
| Change in discounted amount arising<br>because of time and the effect of any<br>change in the discount rate | (6,916)                        |
| <b>Balance at 30 June 2009</b>  | <b>1,123,694</b>               |

### Analysis of Total Provisions

|             | 2009<br>\$       | 2008<br>\$       |
|-------------|------------------|------------------|
| Current     | 1,069,201        | 1,030,456        |
| Non-current | 54,493           | 206,922          |
|             | <b>1,123,694</b> | <b>1,237,378</b> |

### 9 Retirement Benefit Obligations

The entity contributes at least 9% of the employees' wages and salary to various superannuation funds in accordance with the Superannuation Guarantee legislation.

Nadrasca and two of its employees contribute, through Health Super Pty Ltd, to a defined benefits scheme. Employees contribute 6% of salary and Nadrasca contributes 10% for the contributory component of the scheme and 9% for the basic benefit scheme. As at 30 June 2009 this fund reported a net surplus of \$8,666 in the defined benefit scheme (this amount is not recognised in the financial statements as at balance date as it is not refundable).

### 10 Other Liabilities

#### Current

|                 | 2009<br>\$     | 2008<br>\$    |
|-----------------|----------------|---------------|
| Other Creditors | 550,588        | 37,472        |
| <b>Total</b>    | <b>550,588</b> | <b>37,472</b> |

# Nadrasca

## Notes to the Financial Statements

30 June 2009

### 11 Revenue

(a) Operating activities

|                            | 2009             | 2008             |
|----------------------------|------------------|------------------|
|                            | \$               | \$               |
| sale of goods and services | 1,886,453        | 1,821,716        |
| <b>Total Revenue</b>       | <b>1,886,453</b> | <b>1,821,716</b> |

(b) Other income

|                           | 2009             | 2008             |
|---------------------------|------------------|------------------|
|                           | \$               | \$               |
| Fees                      | 457,280          | 443,046          |
| Rental income             | 242,942          | 193,343          |
| Subsidies                 | 6,093,562        | 5,995,265        |
| Interest revenue          | 87,628           | 92,974           |
| Donations                 | 44,859           | 31,196           |
| Sundry income             | 44,281           | 4,248            |
| <b>Total other income</b> | <b>6,970,552</b> | <b>6,760,072</b> |

(c) Interest revenue breakup

|                               | 2009          | 2008          |
|-------------------------------|---------------|---------------|
|                               | \$            | \$            |
| Interest revenue from:        |               |               |
| Bank                          | 87,628        | 92,974        |
| <b>Total interest revenue</b> | <b>87,628</b> | <b>92,974</b> |

### 12 Contingency

The Directors have observed evidence of malfeasance by a former employee. As a result of investigations, actions are underway to recover misappropriated funds. The malfeasance may also result in an increased obligation to the Australian Tax Office. It is the Directors expectation that all monies will be recovered, including money owed to the Australian Tax Office. The amounts owed are not yet fully quantified.

# Nadrasca

## Notes to the Financial Statements

30 June 2009

### 13 Cash Flow Information

#### Reconciliation of Cash Flow from Operations with Profit after Income Tax

|  | 2009           | 2008           |
|--|----------------|----------------|
|  | \$             | \$             |
| Net surplus/(deficit) for the period   | 618,360        | 211,757        |
| Cash flows excluded from profit attributable to operating activities                           |                |                |
| Non-cash flows in profit   |                |                |
| Depreciation   | 323,353        | 326,940        |
| Net gain on disposal of property, plant and equipment  | (490,455)      | (16,607)       |
| Interest   | (87,628)       | (92,974)       |
| Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries |                |                |
| (Increase)/decrease in trade and term receivables  | 40,467         | (89,721)       |
| (Increase)/decrease in prepayments   | -              | 130,816        |
| (Increase)/decrease in inventories   | 7,913          | (3,839)        |
| Increase/(decrease) in trade payables and accruals   | 50,071         | (260,925)      |
| Increase/(decrease) in taxation obligations  | 55,927         | (41,050)       |
| Increase/(decrease) in provisions  | (113,684)      | 37,887         |
| <b>Cash flow from operations</b>   | <b>404,324</b> | <b>202,284</b> |

### 14 Auditors' Remuneration

|   | 2009          | 2008          |
|---|---------------|---------------|
|   | \$            | \$            |
| - Auditing or reviewing the financial report                | 15,018        | 10,640        |
| - Other services including services provided to the company | 30,778        | 29,750        |
| <b>Total</b>  | <b>45,796</b> | <b>40,390</b> |

# Nadrasca

## Notes to the Financial Statements

30 June 2009

### 15 Guarantee of members

The company is limited by guarantee. At balance date the number of company members was 52. In the event of Nadrasca being wound up the members have each undertaken to contribute to the property of Nadrasca while a member or within one year after cessation to be a member, for payment of the debts and liabilities contracted before cessation of that membership and of the costs, charges and expenses of winding up and for adjustment of the rights of the contributories among themselves, to an amount not exceeding fifty dollars.

### 16 Key Management Personnel Compensation

#### (a) Remuneration policy for key management personnel

Executives and senior management are remunerated based on annually assessed competitive market rates. Remuneration includes salary, an opportunity to receive an incentive payment based on clearly defined performance indicators and salary packaging. Remuneration reviews take into account elements such as performance, position within the market range and relativity to peers.

#### (b) Key management personnel

Names and positions held of key management personnel in office at any time during the financial period are:

| <b>Key Management Personnel</b> | <b>Position</b>                              |
|---------------------------------|--|
| Christopher Keith Tann          | Director                                     |
| Christopher Patrick Pyke        | Director                                     |
| Gus Koedijk                     | Executive Director, Secretary                |
| Brian George Hayes              | Director, Chairman (Prior to 7 October 2008) |
| Richard James Copeland          | Director                                     |
| Alan Keith Kilner               | Director, Deputy Chairman                    |
| Margaret Aitcheson Robertson    | Director                                     |
| Yvonne Lynette Mahony           | Director                                     |
| Malcolm Thomas Poole            | Director, Chairman (After 7 October 2008)    |
| Jennifer Elizabeth Reid         | Director                                     |
| Peter John Ray                  | Manager Nadrasca Industry                    |
| Laura Antonella Ubavin          | Manager Quality & Risk Management            |
| John Molina                     | General Manager Corporate Services           |
| Raeoni Margaret Turner          | Manager Nadrasca Community Options           |
| Brian John Parr                 | Manager Nadrasca Community Services          |
| Christopher Douglas James       | Director                                     |

The key management personnel compensation is as follows:

|                              | <b>2009</b>    | <b>2008</b>    |
|------------------------------|----------------|----------------|
| Short-term employee benefits | 542,679        | 470,453        |
| Other long term benefits     | 103,427        | 147,760        |
| Post-employment benefits     | 85,467         | 60,800         |
| <b>Total</b>                 | <b>731,573</b> | <b>679,013</b> |

# Nadrasca

## Notes to the Financial Statements

30 June 2009

### 17 Financial Instruments

#### (a) Interest Rate Risk

The exposure to interest rate risk and the effective interest rates of financial assets and financial liability, both recognised and unrecognised, at balance date are as follows:

|  | Note | Floating<br>Interest<br>Rate<br>\$'000 | Fixed interest maturing in: |                           |                           | Non<br>Interest<br>Bearing<br>\$'000 | Total<br>\$'000  |
|--|------|--|-----------------------------|---------------------------|---------------------------|--------------------------------------|------------------|
|  |      |  | 1 Year or<br>less<br>\$'000 | 1 to 5<br>years<br>\$'000 | Over 5<br>years<br>\$'000 |                                      |                  |
| <b>As at 30 June 2009</b>                    |      |  |                             |                           |                           |                                      |                  |
| <b>FINANCIAL ASSETS</b>                      |      |  |                             |                           |                           |                                      |                  |
| Cash Assets                                  | 2    | 802,557                                | 1,017,751                   |                           |                           | 21,000                               | 1,841,308        |
| Trade and other<br>receivables               | 3    |  |                             |                           |                           | 933,467                              | 933,467          |
| Investment                                   | 6    |  |                             |                           |                           | 212,500                              | 212,500          |
| <b>TOTAL FINANCIAL<br/>ASSETS</b>            |      | <b>802,557</b>                         | <b>1,017,751</b>            |                           |                           | <b>1,166,967</b>                     | <b>2,987,275</b> |
| <b>FINANCIAL LIABILITIES</b>                 |      |  |                             |                           |                           |                                      |                  |
| Trade and other<br>payables                  | 7    |  |                             |                           |                           | 307,802                              | 307,802          |
| <b>TOTAL FINANCIAL<br/>LIABILITIES</b>       |      |  |                             |                           |                           | <b>307,802</b>                       | <b>307,802</b>   |
| <b>Net Financial<br/>assets(liabilities)</b> |      | <b>802,557</b>                         | <b>1,017,751</b>            |                           |                           | <b>859,165</b>                       | <b>2,679,473</b> |

#### (b) Net Fair Value

|                                    | Carrying Amount<br>2009<br>\$'000 | Net Fair Value<br>2009<br>\$'000 |
|------------------------------------|-----------------------------------|----------------------------------|
| <i>Financial Assets</i>            |                                   |                                  |
| Cash and cash equivalents          | 1,841,308                         | 1,841,308                        |
| Trade and other receivables        | 933,467                           | 933,467                          |
| Investments                        | 212,500                           | 212,500                          |
| <b>TOTAL FINANCIAL ASSETS</b>      | <b>2,987,275</b>                  | <b>2,987,275</b>                 |
| <i>Financial Liability</i>         |                                   |                                  |
| Trade and other payables           | 307,802                           | 307,802                          |
| <b>TOTAL FINANCIAL LIABILITIES</b> | <b>307,802</b>                    | <b>307,802</b>                   |

# Nadrasca

## Notes to the Financial Statements

30 June 2009

### 18 Change in Accounting Policy

The following Australian Accounting Standards issued or amended which are applicable to the to the company but are not yet effective and have not been adopted in preparation of the financial statements at reporting date.

| <b>AASB Amendment</b>                                     | <b>AASB Standard Affected</b>  | <b>Outline of Amendment</b>   | <b>Application Date of the Standard</b> | <b>Application Date for the Entity</b> |
|---|--|---|---|--|
| AASB 2007-3 Amendments to Australian Accounting Standards | AASB 5: Non-current Assets Held for Sale and Discontinued Operations | The disclosure requirements of AASB 114: Segment Reporting have been replaced due to the issuing AASB 8: Segment Reporting in February 2007. These amendments will involve changes to segment reporting disclosures. However it is anticipated there will be no direct impact on recognition and measurement criteria amounts included in the financial report as the company does not fall within the scope of AASB 8. | 1 January 2009                          | 1 July 2009                            |
|   | AASB 102: Inventories  |   |   |  |
|   | AASB 107: Cash Flow Statements                                       |   |   |  |
|   | AASB 119: Employee Benefits  |   |   |  |
|   | AASB 127: Consolidated and Separate Financial Statements             |   |   |  |
|   | AASB 134: Interim Financial Reporting                                |   |   |  |
|   | AASB: 136: Impairment of Assets                                      |   |   |  |
| AASB 1023: General Insurance Contracts                    |  |   |   |  |
| AASB 2007-6 Amendments to Australian Accounting Standards | AASB 1: First-time Adoption of AIFRS                                 | The revised AASB 123: Borrowing Costs issued in June 2007 has removed the option to expense all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. However, there will be no direct impact to the amounts included in the company as it already capitalises borrowing costs related to qualifying assets.  | 1 January 2009                          | 1 July 2009                            |
|   | AASB 101: Presentation of Financial Statements                       |   |   |  |
|   | AASB 107: Cash Flow Statements                                       |   |   |  |
|   | AASB 111: Construction Contracts                                     |   |   |  |
|   | AASB 116: Property, Plant and Equipment                              |   |   |  |
| AASB 138: Intangible Assets                               |  |   |   |  |

# Nadrasca

## Notes to the Financial Statements

30 June 2009

### 18 Change in Accounting Policy continued

| <b>AASB Amendment</b>                                     | <b>AASB Standard Affected</b>                  | <b>Outline of Amendment</b>  | <b>Application Date of the Standard</b> | <b>Application Date for the Entity</b> |
|---|--|--|---|--|
| AASB 2007-8 Amendments to Australian Accounting Standards | AASB 101: Presentation of Financial Statements | The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in recognised income and expenditure. | 1 January 2009                          | 1 July 2009                            |
| AASB 101  | AASB 101: Presentation of Financial Statements | As above   | 1 January 2009                          | 1 July 2009                            |

### 19 Company Details

#### Registered office

The registered office of the company is:

Nadrasca  
52-62 Rooks Road  
NUNAWADING  
Melbourne Victoria 3131