

**SAWARD / DAWSON**

chartered accountants

**Nadrasca**

ABN: 90 125 235 047

**Financial Statements**

For the Year Ended 30 June 2010

# Nadrasca

ABN: 90 125 235 047

For the Year Ended 30 June 2010

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# Nadrasca

ABN: 90 125 235 047

## Directors' Report

For the Year Ended 30 June 2010

Your directors present their report on the company for the financial year ended 30 June 2010.

### 1. General information

#### a Directors

The names of each person who has been a director during the year and to the date of this report are:

##### Names

Malcolm Thomas Poole  
Alan Keith Kilner  
Gus Koedyk  
Richard James Copeland  
Christopher Keith Tann  
Yvonne Lynette Mohony  
Christopher Patrick Pyke  
Jennifer Elizabeth Reid  
Christopher Douglas James

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

#### b Operating results

The surplus of Nadrasca amounted to \$ 639,925 (2009: \$ 618,360).

#### c Business review

Revenue from ordinary activities for the year was \$9,838,857. Major sources of income were government grants \$6,258,798 and sale of goods and services \$2,443,458.

Operating expenses for the year were \$9,198,932. A major expenditure was cost of employment \$6,706,918.

#### d Principal Activities and Significant Changes in Nature of 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 disability.

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

# Nadrasca

ABN: 90 125 235 047

## Directors' Report

For the Year Ended 30 June 2010

### 1. General information continued

#### e Events subsequent to balance date

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 future financial years.

#### f Likely developments

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in the financial statements as the inclusion of such information is likely to result in unreasonable prejudice to the company.

#### g Environmental regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory

#### h Dividends

The company is precluded from the declaration or payment of dividends by its Constitution. Any accumulated surplus remaining on winding up is to be distributed to like not for profit organisations.

#### i Options

The company is a company limited by guarantee and as such cannot issue options.

#### j Insurance paid

No indemnities have been given or insurance premium paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

#### k Proceedings

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

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

Director:  .....

Director:  .....

Dated 24.8.10

**Nadrasca**

ABN: 90 125 235 047

**Auditor's Independence Declaration**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2010 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.

**Saward Dawson Chartered Accountants**

Tim Flowers

Blackburn

24.8.2010



# Nadrasca

ABN: 90 125 235 047

## Statement of Comprehensive Income

For the Year Ended 30 June 2010

	Note	2010 \$	2009 \$
Revenue	2	9,838,857	9,348,656
Cost of sales		(524,744)	(425,625)
Employee benefits expenses		(6,706,918)	(6,372,826)
Marketing expenses		(20,905)	(15,880)
Motor vehicle and travel expenses		(201,792)	(183,144)
Depreciation and impairments		(340,483)	(323,353)
Consulting and professional fees		(21,871)	(71,295)
Repairs and maintenance		(225,764)	(264,358)
Rent and occupancy expenses		(238,484)	(238,488)
Cleaning and housekeeping expenses		(322,569)	(263,028)
Other expenses		(595,402)	(572,299)
<b>Surplus for the year</b>		<b>639,925</b>	<b>618,360</b>
<b>Total comprehensive income for the year</b>		<b>639,925</b>	<b>618,360</b>

The accompanying notes form part of the financial statements

# Nadrasca

ABN: 90 125 235 047

## Statement of Financial Position

As At 30 June 2010

	Note	2010 \$	2009 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	283,182	823,557
Trade and other receivables	5	359,540	893,646
Inventories	6	122,277	46,108
Financial assets	7	2,634,000	1,017,751
<b>Total current assets</b>		<b>3,398,999</b>	<b>2,781,062</b>
<b>Non-current assets</b>			
Other receivables	5	212,500	212,500
Property, plant and equipment	8	7,497,752	7,516,486
<b>Total non-current assets</b>		<b>7,710,252</b>	<b>7,728,986</b>
<b>TOTAL ASSETS</b>		<b>11,109,251</b>	<b>10,510,048</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	9	405,345	307,636
Other current liabilities		434,272	550,588
Short-term provisions	10	1,069,099	1,069,201
<b>Total current liabilities</b>		<b>1,908,716</b>	<b>1,927,425</b>
<b>Non-current liabilities</b>			
Other long-term provisions	10	32,480	54,493
<b>Total non-current liabilities</b>		<b>32,480</b>	<b>54,493</b>
<b>TOTAL LIABILITIES</b>		<b>1,941,196</b>	<b>1,981,918</b>
<b>NET ASSETS</b>		<b>9,168,055</b>	<b>8,528,130</b>
<b>EQUITY</b>			
Accumulated surpluses		9,168,055	8,528,130
<b>TOTAL EQUITY</b>		<b>9,168,055</b>	<b>8,528,130</b>

The accompanying notes form part of the financial statements

# Nadrasca

ABN: 90 125 235 047

## Statement of Changes in Equity

For the Year Ended 30 June 2010

### 2010

	<b>Accumulated surpluses</b>	<b>Total</b>
	\$	\$
Balance at 1 July 2009	<b>8,528,130</b>	<b>8,528,130</b>
Surplus for the year	<b>639,925</b>	<b>639,925</b>
<b>Balance at 30 June 2010</b>	<b>9,168,055</b>	<b>9,168,055</b>

### 2009

	<b>Accumulated surpluses</b>	<b>Total</b>
	\$	\$
Balance at 1 July 2008	7,909,770	7,909,770
Surplus for the year	618,360	618,360
<b>Balance at 30 June 2009</b>	<b>8,528,130</b>	<b>8,528,130</b>

The accompanying notes form part of the financial statements

# Nadrasca

ABN: 90 125 235 047

## Statement of Cash Flows

For the Year Ended 30 June 2010

	2010	2009
Note	\$	\$
<b>Cash from operating activities:</b>		
Receipts from customers	11,207,875	9,604,933
Payments to suppliers and employees	<u>(9,908,813)</u>	<u>(9,200,609)</u>
<b>Net cash provided by (used in) operating activities</b>	11 <u>1,299,062</u>	<u>404,324</u>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of plant and equipment	105,564	-
Interest received	98,566	87,628
Acquisition of property, plant and equipment	(427,318)	(129,923)
Placement of term deposit	<u>(1,616,249)</u>	<u>(1,017,751)</u>
<b>Net cash provided by (used in) investing activities</b>	<u>(1,839,437)</u>	<u>(1,060,046)</u>
<b>Net increase (decreases) in cash held</b>	<b>(540,375)</b>	<b>(655,722)</b>
Cash and cash equivalents at beginning of year	<u>823,557</u>	<u>1,479,279</u>
<b>Cash at end of financial year</b>	4 <u>283,182</u>	<u>823,557</u>

The accompanying notes form part of the financial statements

# Nadrasca

ABN: 90 125 235 047

## Notes to the Financial Statements

For the Year Ended 30 June 2010

### Note 1 Statement of Significant Accounting Policies

#### 1a General Information

Nadrasca has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements for the annual reporting period beginning 1 July 2009.

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards — Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Corporations Act 2001.

Nadrasca is a company limited by guarantee, incorporated and domiciled in Australia.

#### 1b Basis of Preparation

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, and financial assets and financial liabilities.

#### 1c Income Tax

No current or deferred income tax assets or liabilities have been raised by the company as it is exempt from income tax under Division 50 of the Income Tax Assessment Act.

#### 1d Property, Plant and Equipment

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

##### Land and buildings

Land and buildings are measured on the cost basis.

# Nadrasca

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## Notes to the Financial Statements

For the Year Ended 30 June 2010

### Note 1 Statement of Significant Accounting Policies continued

#### 1d 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 asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

#### Depreciation

The depreciable amount of all fixed assets including buildings, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the entity 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. Depreciation is recognised in the statement of comprehensive income.

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

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Buildings	2 - 15%
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 the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

#### 1e Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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ABN: 90 125 235 047

## Notes to the Financial Statements

For the Year Ended 30 June 2010

### Note 1 Statement of Significant Accounting Policies continued

#### 1e Leases continued

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

#### 1f Financial Instruments

##### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

##### Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (i) the amount at which the financial asset or financial liability is measured at initial recognition;
- (ii) less principal repayments;
- (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

# Nadrasca

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## Notes to the Financial Statements

For the Year Ended 30 June 2010

### Note 1 Statement of Significant Accounting Policies continued

#### 1f Financial Instruments continued

##### (i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

##### (ii) *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 subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

##### (iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period, the company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire category of held-to-maturity investments would be tainted and would be reclassified as available-for-sale.

##### (iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which will be classified as current assets.

##### (v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

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## Notes to the Financial Statements

For the Year Ended 30 June 2010

### Note 1 Statement of Significant Accounting Policies continued

#### 1f Financial Instruments continued Impairment

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

#### Financial guarantees

Where material, financial guarantees issued that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as financial liabilities at fair value on initial recognition. The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

The fair value of financial guarantee contracts has been assessed using a probability-weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting in a year's period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposed if the guaranteed party were to default.

#### Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

#### 1g 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 first in first out.

#### 1h Impairment of Assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use or where appropriate depreciated replacement cost, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

# Nadrasca

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## Notes to the Financial Statements

For the Year Ended 30 June 2010

### Note 1 Statement of Significant Accounting Policies continued

#### 1i Employee Benefits

Provision is made for the company'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 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 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 employees may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

#### 1j 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. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

#### 1k Cash and cash equivalents

Cash and cash 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

#### 1l Revenue and Other Income

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

Donation income is recognised when it is received.

Government grants are recognised as income as they are earned. Where grants relate to activities not yet undertaken, and there is an obligation to repay those funds if they are not spent for the approved purpose then such funds are recognised as an "income received in advance" liability until such time as the funded activities are undertaken.

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

#### 1m 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 Tax 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 statement of financial position are shown inclusive of GST.

# Nadrasca

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## Notes to the Financial Statements

For the Year Ended 30 June 2010

### Note 1 Statement of Significant Accounting Policies continued

#### 1m Goods and Services Tax (GST) continued

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

#### 1n Comparative Figures

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

#### 1o 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.

### Note 2 Revenue and Other Income

#### Revenue

	2010	2009
	\$	\$
Sales	2,443,458	1,886,453
Fees	521,905	457,280
Rental income	263,340	242,624
Government Funding	6,258,798	6,093,562
Interest revenue	98,566	87,628
Donations	10,547	44,859
Other income	242,243	536,250
	<b>9,838,857</b>	<b>9,348,656</b>

# Nadrasca

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## Notes to the Financial Statements

For the Year Ended 30 June 2010

	2010	2009
	\$	\$
<b>Note 3 Profit for the Year</b>		
<b>Expenses from Ordinary Activities</b>		
Depreciation and impairments	340,483	323,353
Remuneration of auditor		
Auditing or reviewing the financial statements	18,500	15,018
Other services	5,500	30,778
Rental expense on operating leases	91,064	86,994
<b>Note 4 Cash and Cash Equivalents</b>		
Cash on hand	14,000	21,000
Cash at bank	269,182	802,557
	<u>283,182</u>	<u>823,557</u>
<b>Note 5 Trade and other receivables</b>		
<b>CURRENT</b>		
Trade receivables	380,783	322,302
Provision for impairment of receivables	(37,210)	(39,655)
Other receivables	15,967	610,999
	<u>359,540</u>	<u>893,646</u>
<b>NON-CURRENT</b>		
Other receivables	(a) 212,500	212,500
	<u>212,500</u>	<u>212,500</u>

(a) Other non current receivables comprise a mortgage receivable from Supported Housing Limited as part of a shared equity arrangement.

# Nadrasca

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## Notes to the Financial Statements

For the Year Ended 30 June 2010

	2010	2009
	\$	\$
<b>Note 6 Inventories</b>		
Raw materials	44,947	35,565
Work in progress	8,144	10,543
Finished goods	69,186	-
	<u>122,277</u>	<u>46,108</u>
<b>Note 7 Financial Assets</b>		
Held to maturity	2,634,000	1,017,751
	<u>2,634,000</u>	<u>1,017,751</u>
<b>Note 8 Property, Plant and Equipment</b>		
<b>LAND AND BUILDINGS</b>		
At cost	7,326,696	7,329,888
Accumulated depreciation	(614,315)	(540,993)
Total land and buildings	<u>6,712,381</u>	<u>6,788,895</u>
<b>PLANT AND EQUIPMENT</b>		
<b>Plant and equipment</b>		
At cost	558,157	550,745
Accumulated depreciation	(372,811)	(371,438)
Total plant and equipment	<u>185,346</u>	<u>179,307</u>
<b>Furniture, fixtures and fittings</b>		
At cost	632,240	631,185
Accumulated depreciation	(447,745)	(449,720)
Total furniture, fixtures and fittings	<u>184,495</u>	<u>181,465</u>
<b>Motor vehicles</b>		
At cost	1,233,759	1,115,800
Accumulated depreciation	(818,229)	(748,981)
Total motor vehicles	<u>415,530</u>	<u>366,819</u>
Total property, plant and equipment	<u>7,497,752</u>	<u>7,516,486</u>

# Nadrasca

ABN: 90 125 235 047

## Notes to the Financial Statements

For the Year Ended 30 June 2010

### Note 8 Property, Plant and Equipment continued 8a Movements in Carrying Amounts

Movement in the carrying amount for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land and Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Total
	\$	\$	\$	\$	\$
Carrying amount at 1 July 2009	6,788,895	179,307	181,465	366,819	7,516,486
Additions	-	65,238	94,944	269,934	430,116
Disposals	(1,888)	(8,170)	(5,176)	(93,133)	(108,367)
Depreciation	(74,626)	(51,029)	(86,738)	(128,090)	(340,483)
<b>Carrying amount at 30 June 2010</b>	<b>6,712,381</b>	<b>185,346</b>	<b>184,495</b>	<b>415,530</b>	<b>7,497,752</b>
Carrying amount at 1 July 2008	6,951,803	203,925	195,215	454,288	7,805,231
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)
<b>Carrying amount at 30 June 2009</b>	<b>6,788,895</b>	<b>179,307</b>	<b>181,465</b>	<b>366,819</b>	<b>7,516,486</b>

### 8b Valuation of Land and Buildings

The directors have performed a directors' valuation and have determined the value of the land and buildings wholly owned by the company to be no less than \$26,000,000.

### 8c Shared equity - Alkira

The company has a 50/50 shared equity arrangement with Alkira Centre - Box Hill Inc for the property situated at volume 11025 of folio 969.

# Nadrasca

ABN: 90 125 235 047

## Notes to the Financial Statements

For the Year Ended 30 June 2010

	2010	2009
	\$	\$
<b>Note 9 Trade and other payables</b>		
<b>CURRENT</b>		
Unsecured liabilities		
Trade payables	125,761	66,058
Other payables	78,009	50,070
GST liabilities	201,575	191,508
	<u>405,345</u>	<u>307,636</u>

### Note 10 Provisions

	Employee entitlements	Total
	\$	\$
Opening balance at 1 July 2009	1,123,694	1,123,694
Additional provisions	594,705	594,705
Amounts used	(616,820)	(616,820)
Balance at 30 June 2010	<u>1,101,579</u>	<u>1,101,579</u>

### Analysis of Total Provisions

Current	1,069,099	1,069,201
Non-current	32,480	54,493
	<u>1,101,579</u>	<u>1,123,694</u>

# Nadrasca

ABN: 90 125 235 047

## Notes to the Financial Statements

For the Year Ended 30 June 2010

	2010	2009
	\$	\$
<b>Note 11 Cash Flow Information</b>		
<b>Reconciliation of cashflow from operations with surplus for the year</b>		
Net surplus / deficit for the year	639,925	618,360
Cash flows excluded from surplus attributable to operating activities:		
Non-cash flows in surplus		
Depreciation	340,488	323,353
Net gain on disposal of property, plant and equipment	-	(490,455)
Interest	(98,566)	(87,628)
Provision for doubtful debts	(2,445)	-
changes in assets and liabilities		
(Increase)/decrease in trade and term receivables	536,551	40,467
(Increase)/decrease in inventories	(76,168)	7,913
Increase/(decrease) in trade payables and accruals	97,708	50,071
Increase/(decrease) in other liabilities	(116,316)	-
Increase/(decrease) in deferred taxes payable	-	55,927
Increase/(decrease) in provisions	(22,115)	(113,684)
	<u>1,299,062</u>	<u>404,324</u>

# Nadrasca

ABN: 90 125 235 047

## Notes to the Financial Statements

For the Year Ended 30 June 2010

2010	2009
\$	\$

### Note 12 Guarantee of members

The company is limited by guarantee. At balance date the number of company members was 52 (2009: 53). 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 for 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.

### Note 13 Capital and Leasing Commitments

#### 13a Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

Payable - minimum lease payments:

- not later than 12 months

10,270	-
<u>10,270</u>	<u>-</u>

### Note 14 Recovery of Contingent Assets

The company's 2008/2009 financial statements reported malfeasance by a former employee. In the 2009/2010 year the company recovered \$80,261 including costs from the employee.

### Note 15 Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

#### Financial Assets

Cash and cash equivalents	283,182	823,557
Held-to-maturity investments		
- Fixed interest securities	2,634,000	1,017,751
Loans and receivables	572,040	1,106,146
	<u>3,489,222</u>	<u>2,947,454</u>

#### Financial Liabilities

Financial liabilities at amortised cost		
- Trade and other payables	405,345	307,636
	<u>405,345</u>	<u>307,636</u>

# Nadrasca

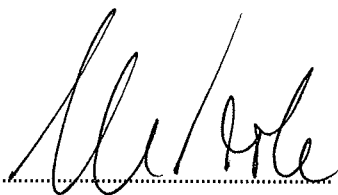
ABN: 90 125 235 047

## Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 4 to 20, are in accordance with the *Corporations Act 2001* and:
  - (a) comply with Accounting Standards; and
  - (b) give a true and fair view of the financial position as at 30 June 2010 and of the performance for the year ended on that date of the company.
2. 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 ..... 

Director ..... 

Dated 24.8.10

## Nadrasca

ABN: 90 125 235 047

### Independent Audit Report to the members of Nadrasca

#### Report on the financial statements

We have audited the accompanying financial report of Nadrasca (the company), which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

#### *Directors' responsibility for the financial statements*

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards' reduced disclosure requirements (including Australian Accounting Interpretations) and the Corporations Act 2001. The directors' responsibility also includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements 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. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with Australian Accounting Standards' reduced disclosure requirements ensures that the financial report, comprising the financial statements and notes, complies with Australian Accounting Standards' reduced disclosure requirements.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with the 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 are 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 entity'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.

#### *Independence*

In conducting our audit, 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 Nadrasca would be in the same terms if provided to the directors as at the date of this auditor's report.



## Nadrasca

ABN: 90 125 235 047

### Independent Audit Report to the members of Nadrasca

#### *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 2010 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards' reduced disclosure requirements (including Australian Accounting Interpretations) as described in Note 1 and the Corporations Regulations 2001.

#### **Saward Dawson Chartered Accountants**



Tim Flowers

Blackburn, VIC

24.8.2010