



Nadrasca

Dignity. Diversity. Community. Industry.



Annual Report 2009-2010

Nadrasca

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Board of Directors

Malcolm Thomas Poole (Chairman)
Alan Keith Kilner (Deputy Chairman)
Gus Koedyk (Company Secretary)
Richard James Copeland
Christopher Douglas James
Yvonne Lynette Mahony
Christopher Patrick Pyke
Jennifer Elizabeth Reid
Christopher Keith Tann



Report from the Chairman & Executive Director

2009-10 Highlights

Overview

In a year that has been extremely difficult for the sector, particularly for those who operate supported employment, Nadrasca has managed to maintain growth in its business and services, and remain financially viable and sustainable.

The issue of underfunding in the sector is of grave concern. During the year the Department of Human Services released a Price Review for Out of Home Disability Services which identified notional underfunding for shared supported accommodation and day services in excess of \$21 million per annum.

Nadrasca also participated in an independent review with a number of other agencies that identified the following:

- 3.5% — 7% implied underfunding in Shared Supported Accommodation
- 5.0% — 11% implied underfunding in Facility Based Respite
- 8.5% — 12.5% implied underfunding in Facility Based Day Services
- 49% implied underfunding in Therapy Services

In dollar terms, the adjustment to the disability services unit price to address the observed historical underfunding is estimated to be between \$43.3 million and \$62.2 million.

In the State Budget, it was announced that, following a review of the Shared Supported Accommodation Unit Price, the State Government would provide a funding increase in the 2010-11 Budget to address cost issues associated with the provision of Shared Supported Accommodation. Disability Services organisations would receive an additional \$22 million in funding over four years. The

first increment has resulted in a 2.49% increase which will go some way to addressing the deficit. While there has been a review of the unit price, there needs to be a review of the hours of service delivery as our own comparisons identify underfunded hours of services delivery and sleepover allowances.

Towards the end of the financial year, we were advised there would be no increase in case-based funding to support employees working in Supported Employment. There has been no funding increase since 2007, during the term of the Howard Commonwealth Government. Fortunately, through the intervention of National Disability Services, we were advised of a 2.4% increase. This was a package announced by Jenny Macklin and Bill Shorten that included a 3.5% increase less 1.1% which represented an offset in compliance costs by a trial suspension of assessments. The government has also agreed to undertake a transparent price review that would analyse the actual cost structure of providing supported employment.

Financial Results

Despite the economic crisis, Nadrasca has been able to achieve a surplus of \$639,925 for the year. Most of the surplus was driven by an excellent performance by Nadrasca Industry, and income generated by investment and rental income to the company. Total equity as at 30 June 2010 was \$9,168,055. The company operates 15 operational cost centres, of which 8 made a deficit and 7 a surplus for the year. The Board of Directors and Management would like to thank all staff for their contribution to this result, in a climate where some organisations are experiencing deficits, in some cases going into receivership or voluntary administration.

Nadrasca Industry

Five years ago our Supported Employment Service was struggling. Revenue was decreasing and the deficit for the year was in excess of \$150,000. Over the last five years turnover has increased by 80%, 31% of that in this financial year. We are pleased to report that, thanks to the hard work of our staff and employees, the surplus this year is in excess of \$250,000. This will allow us to continue to grow the business as the operation is at a point where it needs to expand and will require capital investment.

The key to this success is the change in our customer base from seasonal-based work to more broad-based work, month in and month out. We would like to thank those companies for their support.

During the year Nadrasca Industry was audited against the Disability Service Standards and was recertified for another three years. In addition we received certification to operate a Quality Management System which complies with the requirements of ISO 9001:2008. This covers all Head Office/Corporate Services, and operations within Nadrasca Industry, including the provision of contract packing and assembly, commercial printing, mailing, timber assembly work and the provision of supported employment services.

Nadrasca Industry also received the Inaugural Industry Leaders Award from the Supply Chain & Logistics Association of Australia.

During the year Sue Lees and Chris Chambers, two of our supported employees, received their 35 years of service certificate with Nadrasca, the first ever awarded. We now have 41 employees with over 25 years of service. Nadrasca Industry Production Manager, Jessie Ray, announced her retirement after almost 16 years of service. Nadrasca would like to thank



Jessie for her contribution to our success over the years.

The major issue for Nadrasca Industry is that growth is stretching capacity, and the increased volume of work is creating space constraints. Fortunately we have additional land on our property to expand in the short term.

Nadrasca Community

Following an organisational review, Raeoni Turner was appointed General Manager Nadrasca Community Options, effective from 1 July 2009. The position now oversees all activities that are currently funded by DHS to eliminate duplication and the possibility of demarcation. The position has overall responsibility for the effective operation, management and strategic development of:

- Accommodation Services (Shared Supported, Lead Tenancies and Independent Living)
- Seniors @ Nadrasca (including Jolimont Road)
- Community Options
- Community Services
- Outreach
- Leisure & Recreation

In July, thirteen people moved from our Witt Street facility to the Farm on a permanent basis. This group has become the caretakers of the property. This makes it possible for the farm to be used by other community organisations.

We were fortunate that eight people selected Nadrasca after the closure of the Harrison Community Services Uniting Care Genesis program. These clients will attend our Witt Street service and have integrated well.

Six staff across Day Services and a Supervisor from our Residential Services participated in a Positive Behaviour Support Project, with four other service providers in the eastern

region. This has prompted a change to the cultural approach in supporting people with Behaviours of Concern.

On 1 January all clients attending Nadrasca Community Options moved to Individual Support Packages. An Individual Support Package is an allocation of funding to a person with a disability to purchase services that will best meet their ongoing disability support needs, and achieve their goals and dreams.

We have now established several relationships with organisations that have expertise in the area of Recreation and Leisure, as this was a high priority identified by our whole of organisation 'Needs Analysis' survey. We look forward to an expansion of these arrangements.

In February 2010, eight people from the Day and Residential Services attended the VALID (The Victorian Advocacy League for Individuals with Disability Inc.) 'Having a Say' Conference in Geelong.

The City of Whitehorse Community Chest donated funds to purchase a water tank for the Seniors' Program which has enabled them to maintain their small and compact garden during the hotter months.

The Seniors@Nadrasca group conducted an exceptional Art Exhibition with the theme 'Capturing Time'. The clients work hard to produce such wonderful art work every two years. The artists from Witt Street also participated in the following Exhibitions:

- Art a Difference
- Royal Melbourne Show
- Box Hill Community Arts

The Nadrasca Parents and Friends Welfare and Residential Committee raised money so that each of our Shared Supported Accommodation Homes could have a digital camera.

The cameras enable residents to take photos and increase their communication skills. The Nadrasca Parents and Friends also visited the Farm and provided funds towards the purchase of gumboots for all the guys.

Robert Finch and the Nunawading Good Guys team donated a tractor to the farm which has helped us keep the weeds and grass under control, and assisted in the preparation of more garden beds.

The Rotary Club of Forest Hill, also a great supporter of Nadrasca, this year installed an irrigation and watering system on the Farm, a project for which they received the prestigious Rotary District 9810 Community Service Award for 2009/2010.

We were greatly saddened when Marika Sawatzky, one of Nadrasca Community clients and residents, passed away during the year. We offer our condolences to her family and friends.

Tribute to Nunawading Apex Club

Towards the end of the year, we were advised that the Nunawading Apex Club has closed. Its last meeting/function was held on 10 July 2010. A sub-committee of the Apex Club was responsible for the formation of Nadrasca 44 years ago. The Apex Club and many of its members have supported Nadrasca over many years and one member, Chris Pyke, is still a Director of Nadrasca and has been for 20 years. Nadrasca would like to acknowledge the Club and members for the generous support over the last 44 years.

Mike Poole
Chairman



Gus Koedyk
Executive Director



Statement of Comprehensive Income for the Year Ended 30 June 2010

	2010 \$	2009 \$
Revenue	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)
Surplus for the year	639,925	618,360
Total comprehensive income for the year	639,925	618,360

Statement of Financial Position as at 30 June 2010

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



Statement by Independent Auditor – Saward Dawson

We, Saward Dawson have been appointed auditor of the company for the year ended 30 June 2010. In our opinion, the information reported in the summarised Statement of Comprehensive Income and Statement of Financial Position for Nadrasca for the year ended 30 June 2010 is consistent with the annual statutory report from which it is derived and upon which we intend to express an unqualified opinion in our report to members. For a better understanding of the scope of our audit, this report should be read in conjunction with our audit report on the annual statutory financial report.

Statement on behalf of the Board

I, Gus Koedyk being the officer in charge of the preparation of this Special Purpose Annual Financial Report comprising the Statement of Financial Performance and Statement of Comprehensive Income of Nadrasca for the year ended 30 June 2010, state that the financial report has been extracted from the books and records of the Company and shows a true and fair view of the state of affairs of Nadrasca. A full set of audited accounts is available upon request, or can be viewed on the Company website – www.nadrasca.com.au

