



Nadrasca

ABN: 90 125 235 047

Financial Statements

For the Year Ended 30 June 2011

Nadrasca

ABN: 90 125 235 047

For the Year Ended 30 June 2011

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Directors' Report

For the Year Ended 30 June 2011

Your directors present their report on the company for the financial year ended 30 June 2011.

Directors

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

Names

Mr Malcolm Thomas Poole

Mr Alan Keith Kilner

Mr Gus Koedyk

Mr Richard James Copeland

Mr Christopher Douglas James

Mr Roderick Bruce Keuris

Appointed on 28th September 2010

Ms Yvonne Lynette Mohony

Mr Christopher Patrick Pyke

Mrs Jennifer Elizabeth Reid

Mr Christopher Keith Tann

Mr Christopher Norman Woodward

Appointed on 28th September 2010

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

Principal Activities

The principal activities of Nadrasca during the financial year was to establish and develop a range of services for people with a disability.

The company's short-term objectives are:

- To remain sustainable and viable in a changing commercial orientated environment
- To grow our Day Services (including the Farm)
- To grow our Outreach and Individual Support services
- To divest our Timber processing and assembly business
- To expand into 3rd Party Logistics and warehousing
- To continue to comply with the Disability Standards
- To form sub committees to address the issues of:
 - > Ageing
 - > Recreation & Leisure
 - > Compliance
 - > Marketing

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Directors' Report

For the Year Ended 30 June 2011

Principal Activities continued

The company's long-term objectives are to:

1. Achieve or exceed standards in Disability Services
2. Increase revenue & expand Nadrasca Industry Capacity
3. Expand Nadrasca Community
4. Optimise through mergers, acquisition & divestments
5. Maintain our ISO status
6. Meet the needs of our clients for Recreation & Leisure
7. Address the impact of Ageing on the individual/organisation/employees/clients
8. Maintain an ongoing, robust Risk Management Program
9. Devise and maintain an ongoing succession plan
10. Maximise our funding opportunities

To achieve these objectives, the company has adopted the following strategies:

1. Have processes in place to understand the standards and to ensure we meet the standards
2. Increase turnover, increase labour force and increase 3rd Party Logistics operations
3. Market the services in increasingly commercial environment
 - Understand the true cost of our service
 - Review of different models of Service Provision
 - Continued partnership with other service providers
 - Broadening of spectrum of clients
4. Being proactive in identifying good-fit opportunities (including partnerships) regardless of geographical location
5. Ensure we comply with our ISO requirements
6. Identify recreational and leisure options for Nadrasca clients
7. Research issue of Ageing
8. Ensure compliance and risk minimisation across Nadrasca
9. To ensure operational continuance
10. Create awareness of funding shortfalls

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Directors' Report

For the Year Ended 30 June 2011

Information on directors

Mr Malcolm Thomas Poole

Chair

Experience

Appointed Chair in 2008. Board member since May 2007.

Special Responsibilities

Chair of the Marketing Sub-Committee
Member of the Audit & Finance Sub-Committee

Mr Alan Keith Kilner

Deputy Chair

Experience

Appointed Deputy Chair in 2007. Board member since May 2007.

Special Responsibilities

Chair of the Audit & Finance Sub-Committee
Chair of the Ageing Sub-Committee

Mr Gus Koedyk

Company Secretary

Experience

Appointed Company Secretary in 2007.
Board member since May 2007

Special Responsibilities

Chair of the Risk & Compliance Sub-Committee
Member of the Audit & Finance Sub-Committee
Member of the Marketing Sub-Committee

Mr Richard James Copeland

Qualifications

Dip ME, Dip Management

Experience

Board member since May 2007.

Special Responsibilities

Chair of the Recreation & Leisure Sub-Committee
Member of the Audit & Finance Sub-Committee

Mr Christopher Douglas James

Qualifications

B Economics (Hons) – Monash University
Graduate Certificate in Local Government Management (Deakin University)

Experience

Board member since July 2008.

Special Responsibilities

Member of the Marketing Sub-Committee

Mr Roderick Bruce Keuris

Qualifications

Bachelor of Commerce
Bachelor of Laws
Graduate Diploma of Legal Practice

Experience

Board member since September 2010

Special Responsibilities

Member of the Marketing Sub-Committee

Mrs Yvonne Lynette Mahony

Experience

Board member since May 2007.

Special Responsibilities

Member of the Ageing Sub-Committee

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Directors' Report

For the Year Ended 30 June 2011

Information on directors continued

Mr Christopher Patrick Pyke

Experience

Board member since May 2007.

Special Responsibilities

Member of the Recreation & Leisure Sub-Committee

Mrs Jennifer Elizabeth Reid

Experience

Board member since May 2007.

Special Responsibilities

Member of the Ageing Sub-Committee

Mr Christopher Keith Tann

Qualifications

BBus (IS & HR Management) Swinburne University

Experience

Board member since May 2007.

Special Responsibilities

Member of the Marketing Sub-Committee

Mr Christopher Norman
Woodward

Qualifications

Certified Practising Risk Manager (CPRM) - Monash University
Graduate Diploma of Risk Management - Swinburne University
Diploma of General Insurance - Australian Institute of Insurance
Certificate of Technology in Building Construction - Moorabbin Institute of
Technology

Experience

Board member since September 2010

Special Responsibilities

Member of the Risk & Compliance Sub-Committee

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Directors' Report

For the Year Ended 30 June 2011

Meetings of directors

During the financial year, 14 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Mr Malcolm Thomas Poole	14	14
Mr Alan Keith Kilner	14	12
Mr Gus Koedyk	14	14
Mr Richard James Copeland	14	11
Mr Christopher Douglas James	14	8
Mr Roderick Bruce Keuris	10	7
Mrs Yvonne Lynette Mahony	14	11
Mr Christopher Patrick Pyke	14	14
Mrs Jennifer Elizabeth Reid	14	10
Mr Christopher Keith Tann	14	9
Mr Christopher Norman Woodward	10	10

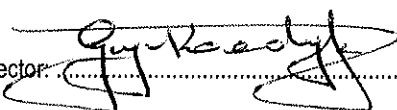
The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$50 each towards meeting any outstanding obligations of the entity. At 30 June 2011, the total amount that members of the company are liable to contribute if the company is wound up is \$2,650.

Auditor's independence declaration

The auditor's independence declaration for the year ended 30 June 2011 has been received and can be found on page 6 of the financial report.

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

Director: 

Director: 

Dated 31 August 2011

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Auditor's Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 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

31.8.11

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Statement of Comprehensive Income

For the Year Ended 30 June 2011

	Note	2011 \$	2010 \$
Revenue	2	9,919,639	9,838,910
Cost of sales		(517,409)	(524,744)
Employee benefits expenses		(6,805,845)	(6,706,971)
Marketing expenses		(20,235)	(20,905)
Depreciation and impairments		(312,711)	(340,483)
Consulting and professional fees		(40,801)	(21,871)
Repairs and maintenance		(332,600)	(225,764)
Rent and occupancy expenses		(200,330)	(238,484)
Motor vehicle and travel expenses		(218,128)	(201,792)
Cleaning and housekeeping expenses		(212,444)	(322,569)
Other expenses		(598,529)	(595,402)
Surplus for the year		660,607	639,925
Other comprehensive income			
Other comprehensive income		-	-
Total comprehensive income for the year		660,607	639,925

The accompanying notes form part of the financial statements

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Statement of Financial Position

As at 30 June 2011

	Note	2011 \$	2010 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	766,355	283,182
Trade and other receivables	5	506,360	359,540
Inventories	6	137,985	122,277
Financial assets	7	2,613,483	2,634,000
Other current assets		11,565	-
Total current assets		4,035,748	3,398,999
Non-current assets			
Other receivables	5	212,500	212,500
Property, plant and equipment	8	7,640,721	7,497,752
Total non-current assets		7,853,221	7,710,252
TOTAL ASSETS		11,888,969	11,109,251
LIABILITIES			
Current liabilities			
Trade and other payables	9	530,171	493,862
Borrowings		11,782	-
Other current liabilities		343,573	345,755
Short-term provisions	10	1,121,719	1,069,099
Total current liabilities		2,007,245	1,908,716
Non-current liabilities			
Other long-term provisions	10	53,062	32,480
Total non-current liabilities		53,062	32,480
TOTAL LIABILITIES		2,060,307	1,941,196
NET ASSETS		9,828,662	9,168,055
EQUITY			
Reserves	11	55,557	-
Accumulated surpluses		9,773,105	9,168,055
TOTAL EQUITY		9,828,662	9,168,055

The accompanying notes form part of the financial statements

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Statement of Changes in Equity

For the Year Ended 30 June 2011

2011

	Accumulated surpluses \$	General Reserves \$	Total \$
Balance at 1 July 2010	9,168,055	-	9,168,055
Surplus for the year	660,607	-	660,607
Transfers to			
- general reserve	(55,557)	55,557	-
Balance at 30 June 2011	9,773,105	55,557	9,828,662

2010

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

The accompanying notes form part of the financial statements

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Statement of Cash Flows

For the Year Ended 30 June 2011

	2011	2010
Note	\$	\$
Cash from operating activities:		
Receipts from customers	10,567,896	11,207,875
Payments to suppliers and employees	(9,853,910)	(9,908,813)
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	12 713,986	1,299,062
	<hr/>	<hr/>
Cash flows from investing activities:		
Proceeds from sale of plant and equipment	106,019	105,564
Interest received	173,121	98,566
Acquisition of property, plant and equipment	(542,252)	(427,318)
Placement of term deposit	20,517	(1,616,249)
	<hr/>	<hr/>
Net cash provided by (used in) investing activities	(242,595)	(1,839,437)
	<hr/>	<hr/>
Net increase (decreases) in cash held	471,391	(540,375)
Cash and cash equivalents at beginning of year	283,182	823,557
	<hr/>	<hr/>
Cash at end of financial year	4 754,573	283,182
	<hr/>	<hr/>

The accompanying notes form part of the financial statements

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Notes to the Financial Statements

For the Year Ended 30 June 2011

Note 1 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 2010.

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.

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Notes to the Financial Statements

For the Year Ended 30 June 2011

Note 1 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:

Class of Fixed Asset	Depreciation Rate
Buildings	2 - 15%
Plant and equipment	10 - 20%
Furniture, Fixtures and Fittings	7 - 33%
Motor Vehicles	10% - 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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Notes to the Financial Statements

For the Year Ended 30 June 2011

Note 1 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.

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Notes to the Financial Statements

For the Year Ended 30 June 2011

Note 1 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 2011

Note 1 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.

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.

At the end of each reporting period, 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, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised immediately in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon on the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of a class of asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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Notes to the Financial Statements

For the Year Ended 30 June 2011

Note 1 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.

Grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

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

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

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

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Notes to the Financial Statements

For the Year Ended 30 June 2011

Note 1 Significant Accounting Policies continued

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.

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

	2011	2010
	\$	\$
Sales	2,722,712	2,443,458
Fees	344,892	521,905
Rental income	228,529	263,340
Government Funding	6,300,020	6,447,643
Interest revenue	205,810	98,566
Donations	53,361	10,547
Other income	40,207	53,450
Bad Debts Recovery	24,108	-
	9,919,639	9,838,910

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Notes to the Financial Statements

For the Year Ended 30 June 2011

	2011	2010
	\$	\$
Note 3 Profit for the Year		
Expenses from Ordinary Activities		
Depreciation and impairments	312,711	340,483
Rental expense on operating lease	71,676	91,064
Note 4 Cash and Cash Equivalents		
Cash on hand	12,000	14,000
Cash at bank	754,355	269,182
	<u>766,355</u>	<u>283,182</u>
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	766,355	283,182
Bank overdraft	(11,782)	-
Balance as per statement of cash flows	<u>754,573</u>	<u>283,182</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2011

	2011	2010
	\$	\$
Note 5 Trade and other receivables		
CURRENT		
Trade receivables	481,947	380,783
Provision for impairment of receivables	(9,638)	(37,210)
Other receivables	34,051	15,967
	<u>506,360</u>	<u>359,540</u>
NON-CURRENT		
Other receivables	(a) 212,500	212,500
	<u>212,500</u>	<u>212,500</u>
<p>(a) Other non current receivables comprise a mortgage receivable from Supported Housing Limited as part of a shared equity arrangement.</p>		
Note 6 Inventories		
Raw materials	54,698	44,947
Work in progress	8,917	8,144
Finished goods	74,370	69,186
	<u>137,985</u>	<u>122,277</u>
Note 7 Financial Assets		
Held to maturity	2,613,483	2,634,000
	<u>2,613,483</u>	<u>2,634,000</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2011

	2011	2010
	\$	\$
Note 8 Property, Plant and Equipment		
LAND AND BUILDINGS		
At cost	7,301,381	7,326,696
Accumulated depreciation	(653,869)	(614,315)
Total land and buildings	<u>6,647,512</u>	<u>6,712,381</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	739,834	558,157
Accumulated depreciation	(477,735)	(372,811)
Total plant and equipment	<u>262,099</u>	<u>185,346</u>
Furniture, fixtures and fittings		
At cost	706,838	632,240
Accumulated depreciation	(502,080)	(447,745)
Total furniture, fixtures and fittings	<u>204,758</u>	<u>184,495</u>
Motor vehicles		
At cost	1,340,898	1,233,759
Accumulated depreciation	(814,546)	(818,229)
Total motor vehicles	<u>526,352</u>	<u>415,530</u>
Total property, plant and equipment	<u><u>7,640,721</u></u>	<u><u>7,497,752</u></u>

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Notes to the Financial Statements

For the Year Ended 30 June 2011

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 2010	6,712,381	185,346	184,495	415,530	7,497,752
Additions	78,672	54,376	97,910	311,294	542,252
Disposals	-	-	-	(86,572)	(86,572)
Transfers	(77,225)	89,184	(11,959)	-	-
Depreciation	(66,314)	(66,808)	(65,689)	(113,900)	(312,711)
Carrying amount at 30 June 2011	6,647,514	262,098	204,757	526,352	7,640,721
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 expense	(74,626)	(51,029)	(86,738)	(128,090)	(340,483)
Carrying amount at 30 June 2010	6,712,381	185,346	184,495	415,530	7,497,752

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 \$27,000,000.

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.

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Notes to the Financial Statements

For the Year Ended 30 June 2011

	2011	2010
	\$	\$
Note 9 Trade and other payables		
CURRENT		
Unsecured liabilities		
Trade payables	122,697	125,761
Other payables	242,204	218,921
GST liabilities	165,270	149,180
	<u>530,171</u>	<u>493,862</u>

Note 10 Provisions

	Employee entitlements	Total
	\$	\$
Opening balance at 1 July 2010	1,101,579	1,101,579
Additional provisions	724,684	724,684
Amounts used	(651,482)	(651,482)
Balance at 30 June 2011	<u>1,174,781</u>	<u>1,174,781</u>

Analysis of Total Provisions

Current	1,121,719	1,069,099
Non-current	53,062	32,480
	<u>1,174,781</u>	<u>1,101,579</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2011

	2011	2010
	\$	\$
Note 11 Reserves		
General reserve		
The general reserve records funds set aside for future expansion of Nadrasca.		
Note 12 Cash Flow Information		
Reconciliation of cashflow from operations with surplus for the year		
Net surplus / deficit for the year	660,607	639,925
Cash flows excluded from surplus attributable to operating activities:		
Interest received from investing activities	(173,121)	(98,566)
Non-cash flows in surplus		
Depreciation	312,709	340,488
Net gain on disposal of property, plant and equipment	(19,445)	-
Provision for doubtful debts	(27,572)	(2,445)
changes in assets and liabilities		
(Increase)/decrease in trade and term receivables	(130,813)	536,551
(Increase)/decrease in inventories	(15,708)	(76,168)
Increase/(decrease) in trade payables and accruals	36,309	97,708
Increase/(decrease) in other liabilities	(2,182)	(116,316)
Increase/(decrease) in provisions	73,202	(22,115)
	<u>713,986</u>	<u>1,299,062</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2011

2011	2010
\$	\$

Note 13 Guarantee of members

The company is limited by guarantee. At balance date the number of company members was 53 (2010: 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 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 14 Capital and Leasing Commitments

14a 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

9,900	10,270
<u>9,900</u>	<u>10,270</u>

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	754,573	283,182
Held-to-maturity investments		
- Fixed interest securities	2,613,483	2,634,000
Loans and receivables	718,860	572,040
	<u>4,086,916</u>	<u>3,489,222</u>

Financial Liabilities

Financial liabilities at amortised cost		
- Trade and other payables	530,171	493,862
	<u>530,171</u>	<u>493,862</u>

Nadrasca


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Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 7 to 24, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2011 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 31 AUGUST 2011

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 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, 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 that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determined is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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 the Australian Auditing Standards. Those 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 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 of 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 2011 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) and the Corporations Regulations 2001.

Saward Dawson Chartered Accountants



Tim Flowers

Blackburn, VIC

31.8.11