



chartered accountants

# **Nadrasca**

ABN: 90 125 235 047

Financial Statements

For the Year Ended 30 June 2012

# Nadrasca

ABN: 90 125 235 047

For the Year Ended 30 June 2012

## CONTENTS

	<u>Page</u>
<b>Financial Statements</b>	
Directors' Report	1
Auditor's Independence Declaration	7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12
Directors' Declaration	26
Independent Audit Report	27

# Nadrasca

ABN: 90 125 235 047

## Directors' Report

For the Year Ended 30 June 2012

Your directors present their report on the company for the financial year ended 30 June 2012.

### 1. General information

#### Directors

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

Names	Appointed/Resigned
Mike Poole	
Keith Kilner	
Gus Koedyk	
Richard James Copeland	Retired on 27 September 2011
Christopher Keith Tann	Resigned on 25 October 2011
Yvonne Lynette Mahony	Retired on 27 September 2011
Christopher Patrick Pyke	
Jennifer Elizabeth Reid	Resigned on 27 September 2011
Christopher Douglas James	
Roderick Bruce Keuris	
Christopher Norman Woodward	
Douglas John Mitchell	Appointed on 12 December 2011

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

#### Business review

Revenue from ordinary activities for the year was \$10,192,934. Major sources of income were government grants \$6,744,880 and sale of goods and services \$2,516,625.

Operating expenses for the year were \$8,374,112. A major expenditure was cost of employment \$7,187,859.

# Nadrasca

ABN: 90 125 235 047

## Directors' Report

For the Year Ended 30 June 2012

### 1. General information continued Short term objectives

The company's short term objectives are to:

1. Remain sustainable and viable in a changing commercial orientated environment
2. Expand our Day Services (including the Farm) and our Outreach and Individual Support Services
3. Expand into warehousing and supply chain management
4. Continue to comply with the Disability Standards and ISO 9001-2008
5. Continue with sub committees to address the issues of:
  - Audit & Finance
  - Ageing
  - Risk and Compliance
  - Research and Marketing

### Long term objectives

The company's long term objectives are to:

1. Achieve or exceed standards in Disability Services including ISO
2. Increase revenue & expand Nadrasca Industry capacity
3. Expand Nadrasca Community
4. Address the impact of Ageing on the individual/organisation/employees/clients
5. Maintain an ongoing, robust Risk Management and Compliance Programme
6. Devise and maintain an ongoing succession plan
7. Maximise our funding opportunities

# Nadrasca

ABN: 90 125 235 047

## Directors' Report

For the Year Ended 30 June 2012

### 1. General information continued Strategy for achieving the objectives

To achieve these objectives, the company has adopted the following action plans:

1. Have processes including the Quality Management Review Committee in place to understand the standards and to ensure we meet the standards.
2. Increase turnover  
Increase labour force  
Expand Warehouse and Supply Chain management operations
3. Research the local and surrounding target market for our services  
Market the services in an increasingly commercial environment  
Understand the true cost of our service  
Review of different models of Service Provision  
Continue partnership with other service providers  
Broaden the spectrum of clients
4. Continue to monitor the issue of Ageing
5. Ensure compliance and risk minimisation across Nadrasca
6. To ensure operational continuance
7. Create awareness of funding shortfalls

# Nadrasca

ABN: 90 125 235 047

## Directors' Report

For the Year Ended 30 June 2012

### Information on directors

Mike 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
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
Gus Koedyk	Company Secretary
Qualifications	Diploma of General Insurance – Australian Insurance Institute
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
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
Christopher Keith Tann	
Qualifications	BBus (IS & HR Management) Swinburne University
Experience	Board member since May 2007
Special Responsibilities	Member of the Marketing Sub-Committee Member of the Risk & Compliance Sub-Committee
Yvonne Lynette Mahony	
Experience	Board member since May 2007
Special Responsibilities	Member of the Ageing Sub-Committee
Christopher Patrick Pyke	
Experience	Board member since May 2007.
Special Responsibilities	Member of the Recreation & Leisure Sub-Committee Member of the Risk & Compliance Sub-Committee

# Nadrasca

ABN: 90 125 235 047

## Directors' Report

For the Year Ended 30 June 2012

### Information on directors continued

Jennifer Elizabeth Reid

Experience Board member since May 2007  
Special Responsibilities Member of the Ageing Sub-Committee

Christopher Douglas James

Qualifications B Economics (Hons) – Monash University  
Graduate Certificate in Local Government Management (Deakin)  
Experience Board member since July 2008.  
Special Responsibilities Member of the Marketing Sub-Committee

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

Christopher Norman Woodward

Qualifications Certified Practicing 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

Douglas John Mitchell

Qualifications Chartered Accountant  
Experience Board member since 12 December 2011  
Special Responsibilities Member of the Audit & Finance Sub Committee

# Nadrasca

ABN: 90 125 235 047

## Directors' Report

For the Year Ended 30 June 2012

### Meetings of directors

During the financial year, 13 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Mike Poole	13	11
Keith Kilner	13	13
Gus Koedyk	13	12
Richard James Copeland	3	3
Christopher Keith Tann	3	3
Yvonne Lynette Mahony	3	1
Christopher Patrick Pyke	13	10
Jennifer Elizabeth Reid	3	2
Christopher Douglas James	13	10
Roderick Bruce Keuris	13	8
Christopher Norman Woodward	13	11
Douglas John Mitchell	8	8

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 2012, the total amount that members of the company are liable to contribute if the company is wound up is \$2,800.

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

Director: .....

MIKE POOLE

Dated this ..... day of ..... 2012



## **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 2012 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

# Nadrasca

ABN: 90 125 235 047

## Statement of Comprehensive Income

For the Year Ended 30 June 2012

	Note	2012 \$	2011 \$
Revenue	2	10,192,934	9,919,639
Cost of sales		(470,622)	(517,409)
Employee benefits expenses		(7,187,859)	(6,805,845)
Marketing expenses		(14,860)	(20,235)
Depreciation and impairments	3	(303,200)	(312,711)
Consulting and professional fees		(38,419)	(40,801)
Repairs and maintenance		(354,147)	(332,600)
Rent and occupancy expenses		(226,006)	(200,330)
Motor vehicle and travel expenses		(249,620)	(218,128)
Cleaning and housekeeping expenses		(194,692)	(212,444)
Other expenses		(558,839)	(598,529)
<b>Surplus for the year</b>		<b>594,670</b>	<b>660,607</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>594,670</b>	<b>660,607</b>

The accompanying notes form part of the financial statements

# Nadrasca

ABN: 90 125 235 047

## Statement of Financial Position

As at 30 June 2012

	Note	2012 \$	2011 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	367,208	766,355
Trade and other receivables	5	434,053	506,360
Inventories	6	56,620	137,985
Financial assets	7	3,710,247	2,613,483
Other current assets		159	11,565
<b>Total current assets</b>		<b>4,568,287</b>	<b>4,035,748</b>
<b>Non-current assets</b>			
Other receivables	5	212,500	212,500
Property, plant and equipment	8	7,721,088	7,640,721
<b>Total non-current assets</b>		<b>7,933,588</b>	<b>7,853,221</b>
<b>TOTAL ASSETS</b>		<b>12,501,875</b>	<b>11,888,969</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	9	458,067	530,171
Borrowings		36,190	11,782
Other current liabilities		323,508	343,573
Short-term provisions	10	1,142,922	1,121,719
<b>Total current liabilities</b>		<b>1,960,687</b>	<b>2,007,245</b>
<b>Non-current liabilities</b>			
Other long-term provisions	10	117,856	53,062
<b>Total non-current liabilities</b>		<b>117,856</b>	<b>53,062</b>
<b>TOTAL LIABILITIES</b>		<b>2,078,543</b>	<b>2,060,307</b>
<b>NET ASSETS</b>		<b>10,423,332</b>	<b>9,828,662</b>
<b>EQUITY</b>			
Reserves	11	96,331	55,557
Accumulated surpluses		10,327,001	9,773,105
<b>TOTAL EQUITY</b>		<b>10,423,332</b>	<b>9,828,662</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 2012

### 2012

	<b>Accumulated surpluses</b>	<b>General Reserves</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July 2011	9,773,105	55,557	9,828,662
Surplus for the year	594,670	-	594,670
<b>Transfers to</b>			
General reserve	(40,774)	40,774	-
<b>Balance at 30 June 2012</b>	<b>10,327,001</b>	<b>96,331</b>	<b>10,423,332</b>

### 2011

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

# Nadrasca

ABN: 90 125 235 047

## Statement of Cash Flows

For the Year Ended 30 June 2012

	Note	2012 \$	2011 \$
<b>Cash from operating activities:</b>			
Receipts from customers		10,940,697	10,567,896
Payments to suppliers and employees		(10,130,664)	(9,853,910)
		<hr/>	<hr/>
<b>Net cash provided by (used in) operating activities</b>	12	<b>810,033</b>	713,986
		<hr/>	<hr/>
<b>Cash flows from investing activities:</b>			
Proceeds from sale of plant and equipment		66,129	106,019
Interest received		228,532	173,121
Acquisition of property, plant and equipment		(431,485)	(542,252)
Placement of term deposit		(1,096,764)	20,517
		<hr/>	<hr/>
<b>Net cash used by investing activities</b>		<b>(1,233,588)</b>	(242,595)
		<hr/>	<hr/>
<b>Net cash increase (decreases) in cash and cash equivalents</b>		<b>(423,555)</b>	471,391
Cash and cash equivalents at beginning of year		754,573	283,182
		<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b>	4	<b>331,018</b>	754,573
		<hr/>	<hr/>

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 2012

### 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.

# Nadrasca

ABN: 90 125 235 047

## Notes to the Financial Statements

For the Year Ended 30 June 2012

### Note 1 Significant Accounting Policies continued

#### 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.

##### 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 - 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.

# Nadrasca

ABN: 90 125 235 047

## Notes to the Financial Statements

For the Year Ended 30 June 2012

### Note 1 Significant Accounting Policies continued

#### 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.

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

ABN: 90 125 235 047

## Notes to the Financial Statements

For the Year Ended 30 June 2012

### 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. Such assets are subsequently measured at fair value.

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.

# Nadrasca

ABN: 90 125 235 047

## Notes to the Financial Statements

For the Year Ended 30 June 2012

### Note 1 Significant Accounting Policies continued

#### 1f Financial Instruments continued

##### Fair Value

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

##### 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 the end of 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.

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.

# Nadrasca

ABN: 90 125 235 047

## Notes to the Financial Statements

For the Year Ended 30 June 2012

### 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.

Contributions are made by the entity to an employee superannuation fund and are charged as expense when incurred.

#### 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.

# Nadrasca

ABN: 90 125 235 047

## Notes to the Financial Statements

For the Year Ended 30 June 2012

### Note 1 Significant Accounting Policies continued

#### 1l Revenue and Other Income continued

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

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO. The GST component of financing and investing activities which is recoverable from, or payable to, the ATO is classified as a part of operating cash flows. Accordingly, investing and financing cash flows are presented in the statement of cash flows net of the GST that is recoverable from, or payable to, the ATO.

#### 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.

# Nadrasca

ABN: 90 125 235 047

## Notes to the Financial Statements

For the Year Ended 30 June 2012

	2012	2011
	\$	\$
<b>Note 2 Revenue and Other Income</b>		
Sales	2,516,625	2,693,379
Fees	367,778	374,226
Rental income	227,816	228,529
Government Funding	6,744,880	6,300,020
Interest revenue	228,532	205,810
Donations	22,961	53,361
Other income	84,342	40,207
Bad Debts Recovery	-	24,108
	<u>10,192,934</u>	<u>9,919,640</u>
<b>Note 3 Profit for the Year</b>		
<b>Expenses from Ordinary Activities</b>		
Depreciation and impairments	303,200	312,711
Rental expense on operating leases	68,285	71,676
<b>Note 4 Cash and Cash Equivalents</b>		
Cash on hand	16,000	12,000
Cash at bank	351,208	754,355
	<u>367,208</u>	<u>766,355</u>
<b>Reconciliation of cash</b>		
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	367,208	766,355
Bank overdraft	(36,190)	(11,782)
	<u>331,018</u>	<u>754,573</u>

# Nadrasca

ABN: 90 125 235 047

## Notes to the Financial Statements

For the Year Ended 30 June 2012

	2012	2011
	\$	\$
<b>Note 5 Trade and other receivables</b>		
<b>CURRENT</b>		
Trade receivables	400,177	481,947
Provision for impairment of receivables	(9,638)	(9,638)
Other receivables	43,514	34,051
	<u>434,053</u>	<u>506,360</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.

### Note 6 Inventories

Raw materials	26,404	54,698
Work in progress	-	8,917
Finished goods	30,216	74,370
	<u>56,620</u>	<u>137,985</u>

### Note 7 Financial Assets

Held to maturity	3,710,247	2,613,483
	<u>3,710,247</u>	<u>2,613,483</u>

# Nadrasca

ABN: 90 125 235 047

## Notes to the Financial Statements

For the Year Ended 30 June 2012

	2012	2011
	\$	\$
<b>Note 8 Property, Plant and Equipment</b>		
<b>LAND AND BUILDINGS</b>		
At cost	7,495,598	7,301,381
Accumulated depreciation	<u>(724,946)</u>	<u>(653,869)</u>
Total land and buildings	<u>6,770,652</u>	<u>6,647,512</u>
<b>PLANT AND EQUIPMENT</b>		
<b>Plant and equipment</b>		
At cost	8d 801,377	739,834
Accumulated depreciation	<u>(453,726)</u>	<u>(477,735)</u>
Total plant and equipment	<u>347,651</u>	<u>262,099</u>
<b>Furniture, fixtures and fittings</b>		
At cost	733,372	706,838
Accumulated depreciation	<u>(564,675)</u>	<u>(502,080)</u>
Total furniture, fixtures and fittings	<u>168,697</u>	<u>204,758</u>
<b>Motor vehicles</b>		
At cost	1,281,407	1,340,898
Accumulated depreciation	<u>(847,319)</u>	<u>(814,546)</u>
Total motor vehicles	<u>434,088</u>	<u>526,352</u>
Total property, plant and equipment	<u>7,721,088</u>	<u>7,640,721</u>

# Nadrasca

ABN: 90 125 235 047

## Notes to the Financial Statements

For the Year Ended 30 June 2012

### 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 2011	6,647,514	262,098	204,757	526,352	7,640,721
Additions	194,216	156,088	29,480	51,696	431,480
Disposals	-	(6,504)	-	(35,476)	(41,980)
Depreciation	(71,076)	(64,030)	(65,541)	(108,486)	(309,133)
<b>Carrying amount at 30 June 2012</b>	<b>6,770,654</b>	<b>347,652</b>	<b>168,696</b>	<b>434,086</b>	<b>7,721,088</b>
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 expense	(66,314)	(66,808)	(65,689)	(113,900)	(312,711)
<b>Carrying amount at 30 June 2011</b>	<b>6,647,514</b>	<b>262,098</b>	<b>204,757</b>	<b>526,352</b>	<b>7,640,721</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 \$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.

#### 8d Plant and Equipment Work in Progress

Plant and Equipment includes \$74,000 of Work in Progress which is not depreciated in the current year.



# Nadrasca

ABN: 90 125 235 047

## Notes to the Financial Statements

For the Year Ended 30 June 2012

	2012	2011
	\$	\$
<b>Note 9 Trade and other payables</b>		
<b>CURRENT</b>		
Unsecured liabilities		
Trade payables	114,857	122,697
Other payables	132,601	191,372
GST and PAYG liabilities	210,609	216,102
	<u>458,067</u>	<u>530,171</u>
<b>Note 10 Provisions</b>		
<b>Provision for employee entitlements</b>		
Current	1,142,922	1,121,719
Non-current	117,856	53,062
	<u>1,260,778</u>	<u>1,174,781</u>

### Note 11 Reserves

#### General reserve

The general reserve records funds set aside for future expansion of Nadrasca.

# Nadrasca

ABN: 90 125 235 047

## Notes to the Financial Statements

For the Year Ended 30 June 2012

2012	2011
\$	\$

### Note 12 Cash Flow Information

#### Reconciliation of cashflow from operations with surplus for the year

Net surplus / deficit for the year	594,670	660,607
Cash flows excluded from surplus attributable to operating activities:		
Interest received from investing activities	(228,532)	(173,121)
Non-cash flows in surplus		
Depreciation	309,137	312,709
Net gain on disposal of property, plant and equipment	(24,148)	(19,445)
Provision for doubtful debts	-	(27,572)
changes in assets and liabilities		
(Increase)/decrease in trade and term receivables	72,307	(130,813)
(Increase)/decrease in prepayments	11,406	-
(Increase)/decrease in inventories	81,365	(15,708)
Increase/(decrease) in trade payables and accruals	(72,104)	36,309
Increase/(decrease) in other liabilities	(20,065)	(2,182)
Increase/(decrease) in provisions	85,997	73,202
	<u>810,033</u>	<u>713,986</u>

### Note 13 Guarantee of members

The company is limited by guarantee. At balance date the number of company members was 56 (2011: 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.

# Nadrasca

ABN: 90 125 235 047

## Notes to the Financial Statements

For the Year Ended 30 June 2012

2012	2011
\$	\$

### 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

10,950	9,900
<u>10,950</u>	<u>9,900</u>

#### 14b Capital expenditure commitments

Capital expenditure commitments  
contracted for:

Warehouse Information system  
improvement

74,000	-
--------	---

### 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	331,018	754,573
Held-to-maturity investments		
- Fixed interest securities	3,710,247	2,613,483
Loans and receivables	646,553	718,860
	<u>4,687,818</u>	<u>4,086,916</u>

#### Financial Liabilities

Financial liabilities at amortised cost

- Trade and other payables

458,067	530,171
<u>458,067</u>	<u>530,171</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 8 to 25, 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 2012 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

# 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 2012, 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 2012 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