

SAWARD / DAWSON

chartered accountants

Nadrasca Ltd

ABN: 90 125 235 047

Financial Statements
For the Year Ended
30 June 2016

Nadrasca Ltd

ABN: 90 125 235 047

For the Year Ended 30 June 2016

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Nadrasca Ltd

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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 2016 there have been no contraventions of:

- (a) the auditor independence requirements as set out in the Australian Charities and Not-for-Profits Commission Act 2012 in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

Saward Dawson Chartered Accountants



Tim Flowers
Partner
Dated 25.8.16
Blackburn

Nadrasca Ltd

ABN: 90 125 235 047

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2016

		Consolidated		Parent	
	Note	2016	2015	2016	2015
		\$	\$	\$	\$
Revenue	2	11,722,295	11,877,497	11,722,295	11,877,497
Cost of sales		(536,750)	(515,019)	(536,750)	(515,019)
Employee benefits expenses		(9,136,250)	(8,386,064)	(9,136,250)	(8,386,064)
Marketing expenses		(9,420)	(25,615)	(9,420)	(25,615)
Depreciation and impairments	3	(326,188)	(387,020)	(326,188)	(387,020)
Consulting and professional fees		(84,430)	(100,276)	(84,430)	(100,276)
Repairs and maintenance		(1,419,215)	(284,426)	(1,419,215)	(284,426)
Gain and loss on disposal of assets		-	(59,185)	-	(59,185)
Rent and occupancy expenses		(179,760)	(177,352)	(179,760)	(177,352)
Motor vehicle and travel expenses		(302,671)	(250,109)	(302,671)	(250,109)
Cleaning and housekeeping expenses		(185,506)	(166,704)	(185,506)	(166,704)
Doubtful debts expense		(361)	(1,032)	(361)	(1,032)
Other expenses		(774,573)	(690,693)	(764,629)	(688,343)
Surplus/(deficit) for the year		(1,232,829)	834,002	(1,222,885)	836,352
Other comprehensive income					
Items that will not be reclassified subsequently to surplus or deficit		-	-	-	-
Items that will be reclassified subsequently to surplus or deficit when specific conditions are met		-	-	-	-
Total comprehensive income for the year		(1,232,829)	834,002	(1,222,885)	836,352

The accompanying notes form part of these financial statements.

Nadrasca Ltd

ABN: 90 125 235 047

Consolidated Statement of Financial Position

As at 30 June 2016

		Consolidated		Parent	
	Note	2016	2015	2016	2015
		\$	\$	\$	\$
ASSETS					
Current assets					
Cash and cash equivalents	4	565,397	1,039,680	563,413	1,037,718
Trade and other receivables	5	381,680	412,707	380,958	402,019
Inventories	6	489,436	452,192	489,436	452,192
Financial assets	7	5,275,233	5,252,123	5,275,233	5,252,123
Other current assets	8	49,244	167,715	49,244	167,715
Total current assets		6,760,990	7,324,417	6,758,284	7,311,767
Non-current assets					
Other receivables	5	212,500	212,500	212,500	212,500
Financial assets	7	-	-	15,000	15,000
Property, plant and equipment	9	7,710,571	7,813,859	7,710,571	7,813,859
Total non-current assets		7,923,071	8,026,359	7,938,071	8,041,359
TOTAL ASSETS		14,684,061	15,350,776	14,696,355	15,353,126
LIABILITIES					
Current liabilities					
Trade and other payables	10	1,057,608	758,204	1,057,608	758,204
Other current liabilities	11	210,575	136,272	210,575	136,272
Short term provisions	12	1,678,296	1,407,627	1,678,296	1,407,627
Total current liabilities		2,946,479	2,302,103	2,946,479	2,302,103
Non-current liabilities					
Long term provisions	12	217,769	296,031	217,769	296,031
Total non-current liabilities		217,769	296,031	217,769	296,031
TOTAL LIABILITIES		3,164,248	2,598,134	3,164,248	2,598,134
NET ASSETS		11,519,813	12,752,642	11,532,107	12,754,992
EQUITY					
Reserves	13	199,123	175,751	199,123	175,751
Accumulated surpluses		11,320,690	12,576,891	11,332,984	12,579,241
TOTAL EQUITY		11,519,813	12,752,642	11,532,107	12,754,992

The accompanying notes form part of these financial statements.

Nadrasca Ltd

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Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2016

2016

	Parent		
	Accumulated Surpluses	General Reserves	Total
	\$	\$	\$
Balance at 1 July 2015	12,579,241	175,751	12,754,992
Surplus/(deficit) for the year	(1,222,885)	-	(1,222,885)
Transfers to and from reserves			
General reserve	(23,372)	23,372	-
Balance at 30 June 2016	11,332,984	199,123	11,532,107

2015

	Parent		
	Accumulated Surpluses	General Reserves	Total
	\$	\$	\$
Balance at 1 July 2014	1,170,414	148,226	1,318,640
Surplus/(deficit) for the year	836,352	-	836,352
Transfers to and from reserves			
General reserve	(27,525)	27,525	-
Balance at 30 June 2015	1,979,241	175,751	2,154,992

The accompanying notes form part of these financial statements.

Nadrasca Ltd

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Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2016

2016

	Consolidated		
	Accumulated Surpluses	General Reserves	Total
	\$	\$	\$
Balance at 1 July 2015	12,576,891	175,751	12,752,642
Surplus/(deficit) for the year	(1,232,829)	-	(1,232,829)
Transfers to and from reserves			
General reserve	(23,372)	23,372	-
Balance at 30 June 2016	11,320,690	199,123	11,519,813

2015

	Consolidated		
	Accumulated Surpluses	General Reserves	Total
	\$	\$	\$
Balance at 1 July 2014	11,770,414	148,226	11,918,640
Surplus/(deficit) for the year	834,002	-	834,002
Transfers to and from reserves			
General reserve	(27,525)	27,525	-
Balance at 30 June 2015	12,576,891	175,751	12,752,642

The accompanying notes form part of these financial statements.

Nadrasca Ltd

ABN: 90 125 235 047

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2016

	Note	Consolidated		Parent	
		2016	2015	2016	2015
		\$	\$	\$	\$
Cash from operating activities:					
Receipts from government agencies, clients and customers		12,821,739	12,739,480	12,811,773	12,739,480
Payments to suppliers and employees		(13,092,875)	(11,901,759)	(13,082,931)	(11,888,722)
Net cash provided by operating activities		(271,136)	837,721	(271,158)	850,758
Cash flows from investing activities:					
Interest received		153,610	241,851	153,610	241,851
Payment for acquisition of subsidiary		-	(65,000)	-	(80,000)
Acquisition of property, plant and equipment		(333,647)	(287,397)	(333,647)	(287,397)
Placement of term deposit		(23,110)	(527,787)	(23,110)	(527,786)
Net cash used by investing activities		(203,147)	(638,333)	(203,147)	(653,332)
Net cash increase in cash and cash equivalents		(474,283)	199,388	(474,305)	197,426
Cash and cash equivalents at beginning of year		1,039,680	840,292	1,037,718	840,292
Cash and cash equivalents at end of year	4	565,397	1,039,680	563,413	1,037,718

The accompanying notes form part of these financial statements.

Nadrasca Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Significant Accounting Policies

(a) General Information

The financial report includes the consolidated financial statements and notes of Nadrasca Ltd and Controlled Entities ('Group')

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*. The Group is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Nadrasca Ltd is a not-for-profit entity for the purpose of preparing the financial statements.

The consolidated financial statements for the year ended 30 June 2016 were approved and authorised for issue by the Board of Responsible Entities.

(b) Basis of Preparation

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

The financial statements, except for the cash flow information, 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.

(c) Principles of Consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Intra-group assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

During the 2015 financial year, Nadrasca Ltd acquired 100% of the shares in The Leadership College Pty Ltd. The Leadership College Pty Ltd is a controlled entity of Nadrasca Ltd.

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Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Significant Accounting Policies continued

(d) Income Tax

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

(e) 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 responsible entities 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 profit or loss 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 profit or loss.

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%

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Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Significant Accounting Policies continued

(e) Property, Plant and Equipment continued

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 profit or loss.

(f) 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.

(g) 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 Group 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.

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Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Significant Accounting Policies continued

(g) Financial Instruments continued

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.

(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. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

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 Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

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 Group 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.

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Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Significant Accounting Policies continued

(g) Financial Instruments continued

(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.

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 Group 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 profit or loss.

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.

(h) **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.

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Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Significant Accounting Policies continued

(i) Impairment of Assets

At the end of each reporting date, the Group 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 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.

(j) Employee Benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The Group classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the group's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The group's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

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Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Significant Accounting Policies continued

(j) Employee Benefits continued

Retirement benefit obligations

All employees of the group receive defined contribution superannuation entitlements, for which the group pays the fixed superannuation guarantee contribution to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The group's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the group's statement of financial position.

(k) Provisions

Provisions are recognised when the group 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.

(l) 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.

(m) 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 profit or loss 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 Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Significant Accounting Policies continued

(m) Revenue and Other Income continued

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

(n) 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 consolidated 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.

(o) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The directors have decided against early adoption of these Standards, but does not expect the adoption of these standards to have any impact on the reported position or performance of the Group.

(p) Comparative Figures

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

(q) Critical Accounting Estimates and Judgments

The responsible entities 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 Group.

Nadrasca Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2016

	Consolidated		Parent	
	2016	2015	2016	2015
	\$	\$	\$	\$
2 Revenue and Other Income				
Revenue				
Sales	2,181,791	2,320,060	2,181,791	2,320,060
Fees	434,744	376,551	434,744	376,551
Rental income	191,358	170,958	191,358	170,958
Government Funding	8,671,195	8,720,582	8,671,195	8,720,582
Interest revenue	177,772	211,293	177,772	211,293
Donations	21,231	36,310	21,231	36,310
Other income	44,204	41,743	44,204	41,743
	11,722,295	11,877,497	11,722,295	11,877,497
3 Surplus for the Year				
Expenses from Ordinary Activities				
Depreciation and impairments	326,188	387,020	326,188	387,020
Remuneration of auditor				
Auditing the financial statements	14,600	13,950	14,000	13,950
Other services	4,700	5,550	4,700	4,700
4 Cash and Cash Equivalents				
Cash on hand	8,500	8,500	8,500	8,500
Cash at bank	556,897	1,031,180	554,913	1,029,218
	565,397	1,039,680	563,413	1,037,718

Nadrasca Ltd

ABN: 90 125 235 047

Notes to the Financial Statements

For the Year Ended 30 June 2016

	Consolidated		Parent	
	2016	2015	2016	2015
	\$	\$	\$	\$
5 Trade and other receivables				
CURRENT				
Trade receivables	324,939	377,285	324,939	377,285
Provision for impairment of receivables	(33,000)	(33,000)	(33,000)	(33,000)
Other receivables	89,741	68,422	89,019	57,734
	<u>381,680</u>	<u>412,707</u>	<u>380,958</u>	<u>402,019</u>
NON-CURRENT				
Other receivables (a)	212,500	212,500	212,500	212,500
	<u>212,500</u>	<u>212,500</u>	<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>				
6 Inventories				
CURRENT				
Raw materials	470,534	374,246	470,534	374,246
Finished goods	18,902	77,946	18,902	77,946
	<u>489,436</u>	<u>452,192</u>	<u>489,436</u>	<u>452,192</u>
7 Financial assets				
CURRENT				
Held-to-maturity financial assets	5,275,233	5,252,123	5,275,233	5,252,123
NON-CURRENT				
Investment in The Leadership College Pty Ltd	-	-	15,000	15,000
8 Other assets				
CURRENT				
Prepayments	49,244	167,715	49,244	167,715

Nadrasca Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2016

	Consolidated		Parent	
	2016	2015	2016	2015
	\$	\$	\$	\$
9 Property, Plant and Equipment				
LAND AND BUILDINGS				
At cost	7,607,900	7,580,779	7,607,900	7,580,779
Accumulated depreciation	(1,001,161)	(921,133)	(1,001,161)	(921,133)
Total land and buildings	<u>6,606,739</u>	<u>6,659,646</u>	<u>6,606,739</u>	<u>6,659,646</u>
PLANT AND EQUIPMENT				
Plant and equipment				
At cost	1,103,537	1,069,917	1,103,537	1,069,917
Accumulated depreciation	(745,526)	(675,395)	(745,526)	(675,395)
Total plant and equipment	<u>358,011</u>	<u>394,522</u>	<u>358,011</u>	<u>394,522</u>
Furniture, fixtures and fittings				
At cost	881,423	826,510	881,423	826,510
Accumulated depreciation	(597,577)	(519,755)	(597,577)	(519,755)
Total furniture, fixtures and fittings	<u>283,846</u>	<u>306,755</u>	<u>283,846</u>	<u>306,755</u>
Motor vehicles				
At cost	1,403,401	1,425,056	1,403,401	1,425,056
Accumulated depreciation	(941,425)	(972,120)	(941,425)	(972,120)
Total motor vehicles	<u>461,976</u>	<u>452,936</u>	<u>461,976</u>	<u>452,936</u>
Total property, plant and equipment	<u>7,710,572</u>	<u>7,813,859</u>	<u>7,710,572</u>	<u>7,813,859</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2016

9 Property, Plant and Equipment continued

(a) 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:

Consolidated and Parent

	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Total
	\$	\$	\$	\$	\$
Balance at 30 June 2016					
Balance at the beginning of year	6,659,646	394,522	306,755	452,936	7,813,859
Additions	27,156	52,179	55,163	199,149	333,647
Disposals	-	(4,906)	(362)	(105,478)	(110,746)
Depreciation expense	(80,063)	(83,784)	(77,710)	(84,631)	(326,188)
Carrying amount at the end of 30 June 2016	<u>6,606,739</u>	<u>358,011</u>	<u>283,846</u>	<u>461,976</u>	<u>7,710,572</u>
Balance at 30 June 2015					
Balance at the beginning of year	6,777,586	420,735	274,896	499,450	7,972,667
Additions	34,114	74,462	102,006	76,815	287,397
Disposals	(59,145)	-	(40)	-	(59,185)
Depreciation expense	(92,909)	(100,675)	(70,107)	(123,329)	(387,020)
Carrying amount at the end of 30 June 2015	<u>6,659,646</u>	<u>394,522</u>	<u>306,755</u>	<u>452,936</u>	<u>7,813,859</u>

(b) Valuation of Land and Buildings

The responsible entities have performed a valuation on 1 July 2011 and have determined the value of the land and buildings wholly owned by the group to be no less than \$27,000,000.

(c) Shared equity - Alkira

Nadrasca Ltd 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 2016

	Consolidated		Parent	
	2016	2015	2016	2015
	\$	\$	\$	\$
10 Trade and other payables				
CURRENT				
Unsecured liabilities				
Trade payables	355,641	201,097	355,641	201,097
Other payables	417,596	284,446	417,596	284,446
GST and PAYG liabilities	284,371	272,661	284,371	272,661
	<u>1,057,608</u>	<u>758,204</u>	<u>1,057,608</u>	<u>758,204</u>
11 Other liabilities				
CURRENT				
Unearned income	210,575	136,272	210,575	136,272
	<u>210,575</u>	<u>136,272</u>	<u>210,575</u>	<u>136,272</u>
12 Provisions				
Provision for employee entitlements				
Current	1,678,296	1,407,627	1,678,296	1,407,627
Non-current	217,769	296,031	217,769	296,031
	<u>1,896,065</u>	<u>1,703,658</u>	<u>1,896,065</u>	<u>1,703,658</u>

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

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Notes to the Financial Statements

For the Year Ended 30 June 2016

	Consolidated		Parent	
	2016	2015	2016	2015
	\$	\$	\$	\$

13 General Reserves

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

14 Capital and Leasing Commitments

(a) 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

	13,764	13,464	13,764	13,464
	13,764	13,464	13,764	13,464

15 Financial Risk Management

The group'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	565,397	1,039,680	563,413	1,037,718
Held-to-maturity investments				
- Fixed interest securities	5,275,233	5,323,102	5,273,533	5,252,123
Loans and receivables	594,180	625,207	593,458	614,519
	6,434,810	6,987,989	6,430,404	6,904,360

Financial Liabilities

Financial liabilities at amortised cost

- Trade and other payables	1,057,608	758,204	1,057,608	758,204
	1,057,608	758,204	1,057,608	758,204

16 Contingencies

There are no contingent liabilities that have been incurred by the Group as at 30 June 2016 (30 June 2015:None).

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Notes to the Financial Statements

For the Year Ended 30 June 2016

17 Related Parties

Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

18 Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the company and the Group is \$ 1,036,151 (2015: \$ 861,610).

19 Events Occurring After the Reporting Date

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

20 Members' Guarantee

Nadrasca Ltd 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 outstandings and obligations of the company. At 30 June 2016 the total amount that members of the company are liable to contribute if company wound up is \$2,900 (2015: \$2,900).

Nadrasca Ltd

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Responsible Entities' Declaration

The Responsible Entities of the Group declare that:

1. The consolidated financial statements and notes, as set out on pages 2, are in accordance with the *Australian Charities and Not-for-Profit Commission Act 2012* and:
 - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
 - (b) give a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date.
2. There are reasonable grounds to believe that the Group 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 Responsible Entities.

Board Member:



Board Member:



Dated

23/8/2016

Nadrasca Ltd

ABN: 90 125 235 047

Independent Audit Report to the members of Nadrasca Ltd

Report on the financial statements

We have audited the accompanying financial report of Nadrasca Ltd and controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the responsible entities' declaration.

Responsible Entities' responsibility for the financial statements

The responsible entities of the Group 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 *Australian Charities and Not-for-Profit Commission Act 2012* and for such internal control as the responsible entities 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 responsible entities, 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.

Nadrasca Ltd

ABN: 90 125 235 047

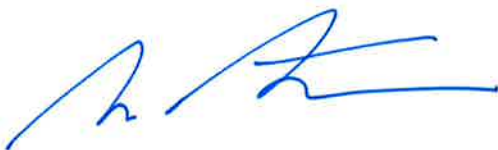
Independent Audit Report to the members of Nadrasca Ltd

Auditor's opinion

In our opinion the financial report of Nadrasca Ltd and controlled entities is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2016 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 *Australian Charities and Not-for-profits Commission Regulation 2013*.

Saward Dawson Chartered Accountants



Tim Flowers

Partner

Dated: 25.8.16

Blackburn, VIC