SAWARD DAWSON
chartered accountants

Nadrasca Ltd

ABN: 90 125 235 047

Financial Statements
For the Year Ended
30 June 2017

Nadrasca Ltd

ABN: 90 125 235 047

For the Year Ended 30 June 2017

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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 2017 there have been no contraventions of:

(a) the auditor independence requirements as set out in Section 60-40 of 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

Saward Dawson

Jeffrey Tulk

Jeffrey Tulk
Partner

Blackburn, VIC
Dated: 22 August 2017

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Nadrasca Ltd

ABN: 90 125 235 047

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2017

	Note	2017 $	2016 $
Revenue	2	**12,271,091**	11,792,580
Cost of sales		**(459,097)**	(536,750)
Employee benefits expenses		**(9,028,346)**	(9,136,250)
Marketing expenses		**(8,773)**	(12,217)
Depreciation and impairments		**(357,310)**	(326,188)
Consulting and professional fees		**(234,142)**	(221,747)
Repairs and maintenance		**(191,292)**	(1,419,215)
Rental and occupancy expenses		**(242,433)**	(250,045)
Motor vehicle and travel expenses		**(304,819)**	(311,083)
Cleaning and housekeeping expenses		**(180,774)**	(185,506)
Other expenses		**(622,132)**	(626,410)
Surplus/(deficit) for the year		**641,973**	(1,232,831)
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		**641,973**	(1,232,831)

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 2017

	Note	2017 $	2016 $
ASSETS			
Current assets			
Cash and cash equivalents	3	**991,109**	565,397
Trade and other receivables	4	**757,275**	381,680
Inventories	5	**360,325**	489,436
Financial assets	6	**5,298,617**	5,275,233
Other current assets	7	**14,914**	49,244
Total current assets		**7,422,240**	6,760,990
Non-current assets			
Other receivables	4	**212,500**	212,500
Property, plant and equipment	8	**7,530,242**	7,710,571
Total non-current assets		**7,742,742**	7,923,071
TOTAL ASSETS		**15,164,982**	14,684,061
LIABILITIES			
Current liabilities			
Trade and other payables	9	**966,094**	1,057,608
Other current liabilities	10	**233,268**	210,575
Short term provisions	11	**1,685,978**	1,678,296
Total current liabilities		**2,885,340**	2,946,479
Non-current liabilities			
Long term provisions	11	**117,856**	217,769
Total non-current liabilities		**117,856**	217,769
TOTAL LIABILITIES		**3,003,196**	3,164,248
NET ASSETS		**12,161,786**	11,519,813
EQUITY			
Reserves	12	**222,507**	199,123
Accumulated surpluses		**11,939,279**	11,320,690
TOTAL EQUITY		**12,161,786**	11,519,813

The accompanying notes form part of these financial statements.

Nadrasca Ltd

ABN: 90 125 235 047

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2017

2017

	Accumulated Surpluses $	General Reserves $	Total $
Balance at 1 July 2016	**11,320,690**	**199,123**	**11,519,813**
Surplus/(deficit) for the year	**641,973**	**-**	**641,973**
Transfers to and from reserves			
General reserve	**(23,385)**	**23,385**	**-**
Balance at 30 June 2016	**11,939,278**	**222,508**	**12,161,786**

2016

	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

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 2017

	Note	2017 $	2016 $
Cash from operating activities:			
Receipts from government agencies, clients and customers		**12,792,534**	12,821,739
Payments to suppliers and employees		**(12,334,273)**	(13,092,875)
Interest received		**167,075**	153,610
Net cash provided by operating activities	17	**625,336**	(117,526)
Cash flows from investing activities:			
Acquisition of property, plant and equipment		**(176,240)**	(333,647)
Placement of term deposit		**(23,384)**	(23,110)
Net cash used by investing activities		**(199,624)**	**(356,757)**
Net cash increase in cash and cash equivalents		**425,712**	(474,283)
Cash and cash equivalents at beginning of year		**565,397**	1,039,680
Cash and cash equivalents at end of year	3	**991,109**	565,397

The accompanying notes form part of these financial statements.

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 2017 were approved and authorised for issue by the Board of Directors.

(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 cash flows 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 Nadrasca College Pty Ltd. Nadrasca College Pty Ltd is a controlled entity of Nadrasca Ltd.

1 Significant Accounting Policies

(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 the directors to ensure it is not in excess of the recoverable amount from these assets.

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%

1 Significant Accounting Policies

(e) Property, Plant and Equipment

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.

1 Significant Accounting Policies

(g) Financial Instruments

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.

1 Significant Accounting Policies

(g) Financial Instruments

(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.

1 Significant Accounting Policies

(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.

1 Significant Accounting Policies

(j) Employee Benefits

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.

1 Significant Accounting Policies

(m) Revenue and Other Income

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 a material 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 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 Group.

		2017	2016
		$	$

2 Revenue and Other Income

	2017 $	2016 $
Revenue		
Sales	**1,889,919**	2,181,791
Fees	**422,594**	434,745
Rental income	**283,918**	261,643
Government Funding	**9,464,898**	8,671,195
Interest revenue	**164,849**	177,772
Donations	**13,902**	21,232
Other income	**31,011**	44,204
	12,271,091	11,792,582

3 Cash and Cash Equivalents

	2017 $	2016 $
Cash on hand	**8,500**	8,500
Cash at bank	**982,609**	556,897
	991,109	565,397

4 Trade and other receivables

		2017 $	2016 $
CURRENT			
Trade receivables		**375,689**	324,939
Provision for impairment of receivables		**(33,000)**	(33,000)
Other receivables		**414,586**	89,741
		757,275	381,680
NON-CURRENT			
Other receivables	(a)	**212,500**	212,500

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

	2017	2016
	$	$

5 Inventories

CURRENT		
Raw materials	**351,065**	470,534
Finished goods	**9,260**	18,902
	360,325	489,436

6 Financial assets

CURRENT		
Held-to-maturity financial assets	**5,298,617**	5,275,233

Held-to-maturity financial assets consist of 4 term deposits held with Bank of Melbourne, Westpac, and Bendigo Bank.

7 Other assets

CURRENT		
Prepayments	**14,914**	49,244

	2017 $	2016 $
8 Property, Plant and Equipment		
LAND AND BUILDINGS		
At cost	**7,607,900**	7,607,900
Accumulated depreciation	**(1,079,672)**	(1,001,162)
Total land and buildings	**6,528,228**	6,606,738
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	**1,122,678**	1,103,537
Accumulated depreciation	**(829,500)**	(745,526)
Total plant and equipment	**293,178**	358,011
Furniture, fixtures and fittings		
At cost	**946,326**	881,423
Accumulated depreciation	**(674,736)**	(597,577)
Total furniture, fixtures and fittings	**271,590**	283,846
Motor vehicles		
At cost	**1,406,162**	1,403,401
Accumulated depreciation	**(968,916)**	(941,425)
Total motor vehicles	**437,246**	461,976
Total property, plant and equipment	**7,530,242**	7,710,571

8 Property, Plant and Equipment

(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:

	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Total
	$	$	$	$	$
Balance at the beginning of year	6,606,738	358,011	283,846	461,976	7,710,571
Additions	-	19,141	64,903	92,196	176,240
Disposals	-	-	1,341	(600)	741
Depreciation expense	(78,510)	(83,974)	(78,500)	(116,326)	(357,310)
Balance at the end of the year	6,528,228	293,178	271,590	437,246	7,530,242

(b) Valuation of Land and Buildings

The value of Nadrasca's properties is no less than the amount shown in the statement of financial position at cost.

9 Trade and other payables

	2017	2016
	$	$
CURRENT		
Unsecured liabilities		
Trade payables	**203,995**	355,641
Other payables	**438,298**	417,596
GST and PAYG liabilities	**323,801**	284,371
	966,094	1,057,608

10 Other liabilities

	2017	2016
	$	$
CURRENT		
Unearned income	**233,268**	210,575
	233,268	210,575

11 Provisions

	2017	2016
Provision for employee entitlements		
Current	**1,685,978**	1,678,296
Non-current	**117,856**	217,769
	1,803,834	1,896,065

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.

12 General Reserves

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

13 Capital and Leasing Commitments

(a) Operating Lease Commitments

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

	2017	2016
Payable - minimum lease payments:		
- not later than 12 months	**14,124**	13,764
	14,124	13,764

14 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:

	2017 $	2016 $
Financial Assets		
Cash and cash equivalents	**991,109**	565,397
Held-to-maturity investments		
- Fixed interest securities	**5,298,617**	5,275,233
Loans and receivables	**969,775**	594,180
	7,259,501	6,434,810
Financial Liabilities		
Financial liabilities at amortised cost		
- Trade and other payables	**966,094**	1,057,608
	966,094	1,057,608

15 Contingencies

There are no contingent liabilities that have been incurred by the Group as at 30 June 2017 (30 June 2016: None).

16 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.

17 Cash Flow Information

(a) Reconciliation of result for the year to cash flows from operating activities

Reconciliation of cash flow from operating activities:

	2017 $	2016 $
Surplus/ (Deficit) for the year	**641,973**	(1,232,829)
Non-cash flows in surplus:		
- depreciation	**357,310**	326,188
- net (gain)/ loss on disposal of property, plant and equipment	**(741)**	110,747
Changes in net assets and liabilities:		
- (increase)/decrease in trade and other receivables	**(375,595)**	31,027
- (increase)/decrease in other assets	**34,330**	118,471
- (increase)/decrease in inventories	**129,111**	(37,244)
- increase/(decrease) in trade and other payables	**(91,514)**	299,404
- increase/(decrease) in provisions	**(92,231)**	192,407
- increase/(decrease) in other liabilities	**22,693**	74,303
Cash flows from operations	**625,336**	(117,526)

18 Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the company and the Group is $ 912,437 (2016: $ 1,019,770).

Key management personnel consists of the Executive Director, Chief Operating Officer, GM Corporate Services, GM Nadrasca Community, GM Australian Disability Enterprises, and Manager Quality & Risk Services.

Directors are not remunerated.

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 2017 the total amount that members of the company are liable to contribute if company wound up is $2,250 (2016: $2,900).

Nadrasca Ltd

ABN: 90 125 235 047

Directors' Declaration

The Directors 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-profits 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 2017 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 Board of Directors.

Board Member: ....

Board Member: ....

Dated 22/08/2017

Nadrasca Ltd

ABN: 90 125 235 047

Independent Audit Report to the members of Nadrasca Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Nadrasca Ltd and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year ended; and
(ii) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the registered entity's financial reporting process.

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Directors: Cathy Braun CA, Jeff Davey FCA, Marie Ickeringill SSA, Matthew Stokes CA, Murray Nicholls CA, Vicki Adams CA CPA CFP®

Nadrasca Ltd

ABN: 90 125 235 047

Independent Audit Report to the members of Nadrasca Ltd

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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Marie Ickeringill SSA Matthew Stokes CA
Murray Nicholls CA Vicki Adams CA CPA CFP®

Nadrasca Ltd

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Independent Audit Report to the members of Nadrasca Ltd

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Saward Dawson

Saward Dawson

Jeffrey Tulk

Jeffrey Tulk
Partner

Blackburn, VIC
Dated: 22 August 2017

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