



# **BERRY STREET VICTORIA INC**

**ABN 24 719 196 762**

## **FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2009**

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**INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2009**

	Notes	2009 \$	2008 \$
<b>Revenue from operating activities</b>			
Government and other grants		38,745,501	33,619,748
Other revenue		3,725,985	2,774,858
<b>Total revenue</b>	2	<b>42,471,486</b>	<b>36,394,606</b>
<b>Expenses from operating activities</b>			
Employee benefits expense	3 (a)	(30,362,272)	(26,194,439)
Depreciation and amortisation	3 (a)	(2,374,016)	(1,811,870)
Finance costs	3 (a)	(360,251)	(315,719)
Bad debts	3(a)	(21,597)	-
Doubtful debts	3 (a)	(14,678)	(10,103)
Repairs, maintenance and vehicle running expense		(2,169,513)	(1,870,461)
Clients' expense		(1,583,027)	(1,560,574)
Fuel, light and power expense		(248,575)	(201,142)
Rental expense		(1,850,875)	(1,093,129)
Training expense		(739,729)	(696,584)
Audit, legal and consultancy expense		(304,012)	(560,800)
Administration expense		(1,176,279)	(990,019)
Other expenses		(2,018,192)	(1,563,653)
<b>Total expenses</b>		<b>(43,223,016)</b>	<b>(36,868,493)</b>
<b>Operating deficit</b>		<b>(751,530)</b>	<b>(473,887)</b>
<b>Revenue from non operating activities</b>			
Charitable and fundraising revenue	2	1,042,960	1,039,299
Income from investments	2	1,164,101	1,266,220
Proceeds from bequests	2	477,724	558,541
Capital grants	2	428,976	85,800
Rental rebate	2	538,650	-
<b>Total non operating revenue</b>	2	<b>3,652,411</b>	<b>2,949,860</b>
<b>Expenses from non operating activities</b>			
Loss on sale of non current assets	3 (c)	(162,623)	140,646
Loss on sale of investments	3 (c)	(722,160)	102,668
Unrealised capital loss on investments		(156,095)	(2,131,190)
Realisation Long Term Investments		(297,656)	-
Impairment Long Term Investments	1 (j)	(281,120)	-
Property transaction costs		(290,605)	(878)
Fundraising expense		(306,090)	(292,007)
<b>Total non operating expenditure</b>		<b>(2,216,349)</b>	<b>(2,180,761)</b>
<b>Non-operating surplus</b>		<b>1,436,062</b>	<b>769,099</b>
<b>Profit before income tax</b>		<b>684,532</b>	<b>295,212</b>
Income tax expense		-	-
<b>Profit after income tax</b>		<b>684,532</b>	<b>295,212</b>

The accompanying notes form part of these financial statements.

**BALANCE SHEET  
AS AT 30 JUNE 2009**

	Notes	2009 \$	2008 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	1,003,001	1,133,235
Trade and other receivables	5	2,345,150	1,353,492
Financial assets	6	13,483,978	14,169,593
Other current assets	7	358,957	427,850
<b>TOTAL CURRENT ASSETS</b>		<b>17,191,086</b>	<b>17,084,170</b>
<b>NON - CURRENT ASSETS</b>			
Available for sale financial assets	8	6,219,931	4,685,812
Property, plant and equipment	9	16,339,688	16,968,341
Intangible asset	10	70,151	90,178
<b>TOTAL NON-CURRENT ASSETS</b>		<b>22,629,770</b>	<b>21,744,331</b>
<b>TOTAL ASSETS</b>		<b>39,820,856</b>	<b>38,828,501</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	4,274,798	4,404,229
Borrowings	12	3,267,632	2,855,820
Provisions	14	986,257	945,247
<b>TOTAL CURRENT LIABILITIES</b>		<b>8,528,687</b>	<b>8,205,296</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	12	1,523,732	1,291,689
Provisions	14	748,640	513,594
<b>TOTAL NON - CURRENT LIABILITIES</b>		<b>2,272,372</b>	<b>1,805,283</b>
<b>TOTAL LIABILITIES</b>		<b>10,801,059</b>	<b>10,010,579</b>
<b>NET ASSETS</b>		<b>29,019,797</b>	<b>28,817,922</b>
<b>EQUITY</b>			
Retained Earnings		22,508,276	22,012,478
Land and Buildings Revaluation Reserve	15	3,630,098	4,008,625
Financial Assets Revaluation Reserve	15	(796,845)	(314,188)
Unexpended Grants Reserve	15	3,678,268	3,111,007
<b>TOTAL EQUITY</b>		<b>29,019,797</b>	<b>28,817,922</b>

The accompanying notes form part of these financial statements.

**STATEMENT OF RECOGNISED INCOME AND EXPENDITURE  
FOR THE YEAR ENDED 30 JUNE 2009**

	Retained Earnings	Land and Buildings Revaluation Reserve	Financial Assets Revaluation Reserve	Unexpended Grants Reserve	Total
<b>Balance at 1 July 2007</b>	<b>22,032,721</b>	<b>1,465,442</b>	-	<b>2,795,552</b>	<b>26,293,715</b>
Profit attributable to the entity	295,212	-	-	-	295,212
Transfer from Unexpended Grants Reserve	(315,455)	-	-	315,455	-
Revaluation Increment – Land and Buildings	-	2,543,183	-	-	2,543,183
Revaluation Decrement – Financial Assets	-	-	(314,188)	-	(314,188)
<b>Balance at 30 June 2008</b>	<b>22,012,478</b>	<b>4,008,625</b>	<b>(314,188)</b>	<b>3,111,007</b>	<b>28,817,922</b>
Profit attributable to the entity	684,532	-	-	-	684,532
Realisation of reserve on sale of property	378,527	(378,527)	-	-	-
Transfer to Unexpended Grants Reserve	(567,261)	-	-	567,261	-
Revaluation Increment – Land and Buildings	-	-	-	-	-
Revaluation Decrement – Financial Assets	-	-	(1,061,433)	-	(1,061,433)
Realisation of Long Term Investments	-	-	297,656	-	297,656
Impairment of Long Term Investments	-	-	281,120	-	281,120
<b>Balance at 30 June 2009</b>	<b>22,508,276</b>	<b>3,630,098</b>	<b>(796,845)</b>	<b>3,678,268</b>	<b>29,019,797</b>

The accompanying notes form part of these financial statements.

**CASHFLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2009**

	Notes	2009 \$	2008 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from operating activities		48,676,639	41,270,170
Interest received		489,985	597,350
Dividends received		674,116	668,870
Payments to suppliers and employees		(45,494,918)	(37,541,726)
Finance costs		(360,251)	(315,719)
<b>Net cash generated from operating activities</b>	17 (b)	<b>3,985,571</b>	<b>4,678,945</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		4,777,310	1,111,035
Payment for property, plant and equipment		(6,665,268)	(3,155,480)
Proceeds from sale of investments		5,729,580	3,505,136
Payment for investments		(4,615,794)	(8,986,371)
<b>Net cash used in investing activities</b>		<b>(774,172)</b>	<b>(7,525,680)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Net increase in motor vehicle lease commitments		643,854	139,848
<b>Net cash generated from financing activities</b>		<b>643,854</b>	<b>139,848</b>
<b>Net increase (decrease) in cash held</b>		<b>3,855,253</b>	<b>(2,706,887)</b>
Cash at the beginning of the financial year		7,308,340	10,015,227
<b>Cash at the end of the financial year</b>	17 (a)	<b>11,163,593</b>	<b>7,308,340</b>

The accompanying notes form part of these financial statements.

**AUDITORS INDEPENDENCE DECLARATION**

**Still to be provided**

**BERRY STREET VICTORIA INC.**  
ABN 24 719 196 762  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

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**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Act of Victoria 1981.

The financial report is for Berry Street Victoria Inc. as an individual entity. Berry Street Victoria Inc. is an association incorporated in Victoria under the Associations Incorporation Act 1981 and domiciled in Australia. The financial report of Berry Street Victoria Inc. as an individual entity complies with all Australian Equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

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 to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

**Reporting basis and conventions**

The financial report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The presentation currency used in these financial statements is Australian dollars.

**(a) Property**

Each class of property and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

**Property**

Where the association has a right to the economic benefit flowing from the asset, freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

It is the policy of the association to have an independent valuation every three years. An independent valuation of land and buildings was performed by Goulburn Valley Property Services, Burnham Corporation and CJA Lee & Associates in 2007-2008, whereby assets were revalued to market value. Properties are revalued every three years and this will occur during 2010-2011.

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 association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the Income Statement.

**BERRY STREET VICTORIA INC.**  
ABN 24 719 196 762  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

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**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(a) Property (Continued)**

**Depreciation**

The depreciable amounts of all fixed assets are depreciated over the useful lives of the assets to the association commencing from the time the asset was held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

<b>Class of fixed asset</b>	<b>Depreciation rates</b>	<b>Depreciation basis</b>
Buildings	3.3%	Reducing Balance
Building Improvements	10.0%	Straight Line
Motor Vehicles	15.0% - 33.3%	Straight Line
Furniture and Fittings	15.0% - 25.0%	Straight Line
Computer Equipment	33.3%	Straight Line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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 Income Statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**(b) Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset but not the legal ownership, are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the association will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

**(c) Employee Benefits**

Provision is made for the association's liability for employee benefits arising from services rendered by employees to Balance Sheet date. Employee benefits expected to be settled within one year together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the net present value using the government bond rate that corresponds to the estimated future cash outflows to be made for those benefits.

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

**BERRY STREET VICTORIA INC.**  
ABN 24 719 196 762  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

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**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**(d) Cash and cash equivalents**

For the purposes of the Cashflow Statement, cash and cash equivalents include cash on hand, at banks and on deposit including investments in bank bills. These have original maturities of three months or less.

Cash flows are presented in the Cashflow Statement on a gross basis, except for the GST component of investing and financing activities, which is disclosed as operating cash flow.

**(e) Revenue**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue received from government agencies, fundraising and other grant income sources is recognised on an accruals basis when the right to receive has been established.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the dividend has been received.

Revenue from the rendering of a service is recognised upon the delivery of the service.

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

**(f) 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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

**(g) Unexpended Grants**

The association receives grant monies to fund projects either for contracted periods of time or for specific projects irrespective of the period of time required to complete those projects. It is the policy of the association to treat grants monies as unexpended grants in the Balance Sheet where the association does not gain control over the grant monies and there exists a possibility that such monies will need to be repaid in a subsequent financial period.

**(h) Income Tax**

No provision for income tax has been raised as the association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

**(i) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in income in the period in which they are incurred.

**BERRY STREET VICTORIA INC.**  
ABN 24 719 196 762  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

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**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**(j) Financial Instruments**

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Finance instruments are subsequently measured at either fair value or 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;
- (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.

**Financial assets at fair value through the Income Statement**

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the Income Statement in the period in which they arise.

**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 stated at amortised cost using the effective interest rate method.

**Held-to-maturity investments**

These investments have fixed maturities and it is the association's intention to hold these investments to maturity. All held-to-maturity investments held by the association are stated at amortised cost using the effective interest rate method.

**Available-for-sale financial assets**

Available-for-sale financial assets include all financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

**Financial liabilities**

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

**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.

**BERRY STREET VICTORIA INC.**  
ABN 24 719 196 762  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

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**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(j) Financial Instruments (continued)**

**Impairment**

At each reporting date, the association assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses for held-for-trading are recognized in the Income Statement. The impairment has been assessed and the impairment is due to the significant decline in the value of an investment of 19%.

**Derecognition**

Financial assets are derecognised where the contractual right to receipt of cash flows expires 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.

**(k) Impairment of Assets**

At each reporting date, the association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement. Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**(l) Intangibles**

**Software**

The accounting policy relating to software is to write off custom developed software to the income statement as an expense in the year that the cost is incurred and to carry at cost less the accumulated amortisation over its finite life software acquired from third parties. Third party software is also assessed annually for impairment.

**(m) Provisions**

Provisions are recognised when the association 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.

**(n) Comparative Figures**

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

**(o) Key Estimates and Judgements**

**(i) Impairment**

The association assesses impairment at each reporting date by evaluating conditions specific to the association that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. Refer to the key estimates and assumptions as described in Note 9 for Property, Plant and Equipment.

**(ii) Provision for impairment of receivables**

This provision relates to potential bad debts as at 30 June 2009.

**BERRY STREET VICTORIA INC.**  
 ABN 24 719 196 762  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**(p) Economic Dependence**

The association is dependent on the Department of Human Services for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe the Department will not continue to support the association.

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 2: REVENUE</b>		
<b>Operating activities</b>		
- State government grants	34,406,747	30,157,360
- Other government grants	915,472	421,605
- Other organisations	3,423,282	3,040,783
- Rental income	324,425	239,871
- Other (miscellaneous programmatical income)	3,401,560	2,534,987
	42,471,486	36,394,606
<b>Non operating activities</b>		
Charitable income and fundraising	1,042,960	1,039,299
Interest received from corporations	489,985	597,350
Dividends received from corporations	501,292	507,732
Franking credits received	172,824	161,138
Bequests received	477,724	558,541
Capital grants	428,976	85,800
Rental Rebate	538,650	-
	3,652,411	2,949,860
<b>Total Revenue</b>	<b>46,123,897</b>	<b>39,344,466</b>

**BERRY STREET VICTORIA INC.**  
 ABN 24 719 196 762  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 3: PROFIT</b>		
Profit has been determined after:		
<b>(a) Expenses</b>		
Employee benefits expense		
- Salaries and wages	27,522,753	23,529,333
- Superannuation	2,236,461	1,973,151
- Workcover	603,058	691,955
Total employee benefits expense	<u>30,362,272</u>	<u>26,194,439</u>
Number of employees at year end	<u>775</u>	<u>617</u>
Depreciation and amortisation		
- Buildings	413,115	275,265
- Motor vehicles	1,387,856	1,197,186
- Furniture and equipment	553,019	329,460
- Software	20,026	9,959
Total depreciation and amortisation	<u>2,374,016</u>	<u>1,811,870</u>
Finance costs	<u>360,251</u>	<u>315,719</u>
Bad debts expense	<u>21,597</u>	<u>-</u>
Doubtful debts expense	<u>14,678</u>	<u>10,103</u>
<b>(b) Significant Other Expenses</b>		
Auditor remuneration		
- Audit services	30,000	28,150
- Other services	30,694	22,800
Total audit remuneration	<u>60,694</u>	<u>50,950</u>
<b>(c) Net Loss on disposal of Non Current Assets</b>		
Property, plant and equipment		
Proceeds on disposal	4,777,310	1,111,035
Disposals at cost	4,939,933	(970,389)
Net loss on disposals	<u>(162,623)</u>	<u>140,646</u>
Investments		
Proceeds on disposal	5,729,580	3,505,136
Disposals at cost	(6,451,740)	(3,402,468)
Net loss on disposals	<u>(722,160)</u>	<u>102,668</u>

**BERRY STREET VICTORIA INC.**  
 ABN 24 719 196 762  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

	<b>2009</b>	<b>2008</b>
	\$	\$
<b>NOTE 4: CASH AND CASH EQUIVALENTS</b>		
Cash at bank	971,001	1,106,335
Cash on hand	32,000	26,900
	1,003,001	1,133,235

**NOTE 5: TRADE AND OTHER RECEIVABLES**

**CURRENT**

Trade receivables	884,968	825,767
Other receivables	1,591,942	644,807
Provision for impairment of receivables	(131,760)	(117,082)
	2,345,150	1,353,492

**(a) Provision For Impairment of Receivables**

Current trade and term receivables are non-interest bearing loans and generally on 30 day terms. A provision for impairment is recognised when there is evidence that an individual trade or term receivable is impaired. These amounts have been included in the doubtful debts expense item.

Movement in the provision for impairment of receivables is as follows:

	Opening Balance 01-Jul-07	Charge for The Year	Amounts Written Off	Closing Balance 30-Jun-08
2008	\$	\$	\$	\$
Provision for impairment of receivables	106,979	10,103	-	117,082
	Opening Balance 01-Jul-08	Charge for The Year	Amounts Written Off	Closing Balance 30-Jun-09
2009	\$	\$	\$	\$
Provision for impairment of receivables	117,082	36,275	(21,597)	131,760

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**NOTE 5: TRADE AND OTHER RECEIVABLES (continued)**

**Credit Risk**

The entity has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned. The main source of credit risk to the entity is considered to relate to the class of assets described as trade receivables.

**Aged Receivables at 30 June 2009**

	Total	Not Due	30 Days	Past due but not impaired (days overdue)	
				60 Days	90 Days +
	\$	\$	\$	\$	\$
Balance	884,968	677,230	72,007	3,971	131,760

**Aged Receivables at 30 June 2008**

	Total	Not Due	30 Days	Past due but not impaired (days overdue)	
				60 Days	90 Days +
	\$	\$	\$	\$	\$
Balance	825,767	714,173	23,494	28,994	59,106

	2009	2008
	\$	\$

**NOTE 6: FINANCIAL ASSETS**

Market value of financial assets

Financial assets held to maturity

- Bank bills	10,160,593	6,175,105
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Financial assets that are held for trading and fair valued through the income statement

- Securities in listed corporations	3,323,385	7,994,488
	13,483,978	14,169,593

Securities in listed corporations are held for trading purposes to generate income through the receipt of dividends and capital gains.

**NOTE 7: OTHER CURRENT ASSETS**

Accrued Income	146,615	244,004
Prepayments	212,342	183,846
	358,957	427,850

**NOTE 8: AVAILABLE FOR SALE FINANCIAL ASSETS**

Market value of financial assets

Available for sale financial assets

- Managed investment funds	6,219,931	4,685,812
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No assets have been pledged as collateral / security.

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	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 9: PROPERTY, PLANT AND EQUIPMENT</b>		
<b>LAND AND BUILDINGS</b>		
Freehold land at:		
At fair value	3,935,000	5,285,000
Total land	<u>3,935,000</u>	<u>5,285,000</u>
Buildings:		
At fair value	5,416,379	6,153,198
Less accumulated depreciation	<u>(513,416)</u>	<u>(170,682)</u>
Total buildings	<u>4,902,963</u>	<u>5,982,516</u>
Total land and buildings	<u>8,837,963</u>	<u>11,267,516</u>
<b>FURNITURE, FITTINGS AND MOTOR VEHICLES</b>		
At cost	11,014,190	8,669,228
Less accumulated depreciation	<u>(3,512,465)</u>	<u>(2,968,403)</u>
Total furniture, equipment & motor vehicles	<u>7,501,725</u>	<u>5,700,825</u>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<u>16,339,688</u>	<u>16,968,341</u>

**Movements in Carrying Amounts**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	<b>Land and Buildings</b>	<b>Motor Vehicles</b>	<b>Furniture and Equipment</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2009</b>				
Balance at the beginning of the year	11,267,516	4,912,579	788,246	16,968,341
Additions	1,087,035	4,563,660	1,014,573	6,665,268
Disposals	(3,103,473)	(1,792,553)	(43,906)	(4,939,932)
Revaluation Increment	-	-	-	-
Depreciation expense	<u>(413,115)</u>	<u>(1,387,856)</u>	<u>(553,018)</u>	<u>(2,353,989)</u>
Carrying amount at end of year	<u>8,837,963</u>	<u>6,295,830</u>	<u>1,205,895</u>	<u>16,339,688</u>
<b>2008</b>				
Balance at the beginning of the year	8,484,113	4,823,656	744,169	14,051,938
Additions	515,485	2,248,522	381,513	3,145,520
Disposals	-	(962,413)	(7,976)	(970,389)
Revaluation Increment	2,543,183	-	-	2,543,183
Depreciation expense	<u>(275,265)</u>	<u>(1,197,186)</u>	<u>(329,460)</u>	<u>(1,801,911)</u>
Carrying amount at end of year	<u>11,267,516</u>	<u>4,912,579</u>	<u>788,246</u>	<u>16,968,341</u>

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**NOTE 9: PROPERTY, PLANT AND EQUIPMENT** (Continued)

It is the policy of the association to revalue land and buildings every three years and this will next occur during the 2010-2011 financial year. Valuers were instructed to determine fair market values for the properties and these were based on the direct comparison approach, using recent sales of properties in the neighbourhood, making adjustments for quality and condition of improvements, aspects of the land as well as redevelopment potential.

	<b>2009</b>	<b>2008</b>
	\$	\$
<b>NOTE 10: INTANGIBLE ASSET</b>		
Cost	100,137	100,137
Accumulated amortisation	<u>(29,986)</u>	<u>(9,959)</u>
Net carrying value	<u><u>70,151</u></u>	<u><u>90,178</u></u>

Payroll software was purchased in 2008 and is a finite life intangible asset carried at cost less any accumulated amortisation. It has an estimated useful life of five years. It will be assessed annually for impairment.

**NOTE 11: TRADE AND OTHER PAYABLES**

**CURRENT**

Trade payables	438,267	651,292
Client funds	534,740	477,744
Other current payables	1,586,623	1,785,134
Accrued annual leave	<u>1,715,168</u>	<u>1,490,059</u>
Total trade and other payables	<u><u>4,274,798</u></u>	<u><u>4,404,229</u></u>

Trade payables are due in 30 days from date of receipt of invoice.

**NOTE 12: BORROWINGS**

**CURRENT**

Lease liabilities	<u>3,267,632</u>	<u>2,855,820</u>
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**NON - CURRENT**

Lease liabilities	<u>1,523,732</u>	<u>1,291,689</u>
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	<b>2009</b>	<b>2008</b>
	\$	\$
<b>NOTE 13: LEASE COMMITMENTS</b>		
<b>a. Finance Lease Commitments</b>		
Finance lease commitments are for motor vehicle leases.		
Payable		
— not later than 1 year	2,968,556	2,598,121
— later than 1 year but not later than 5 years	2,191,879	1,898,362
Minimum lease payments	5,160,435	4,496,483
Less future finance charges	(369,071)	(348,974)
Total lease liability	<u>4,791,364</u>	<u>4,147,509</u>

**b. Operating Lease Commitments**

The property lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements with a five year term. No capital commitments exist in regards to the operating lease commitments at year end. Increase in lease commitments may occur in line with CPI.

Payable		
— not later than 1 year	2,044,541	1,791,709
— later than 1 year but not later than 5 years	5,198,796	6,055,632
	<u>7,243,337</u>	<u>7,847,341</u>

**NOTE 14: PROVISIONS**

	<b>Employee Benefits</b>	<b>Total</b>
	\$	\$
Opening balance at 1 July 2008	1,458,841	1,458,841
Additional provisions raised during year	342,216	342,216
Amounts utilised	(66,160)	(66,160)
Closing balance at 30 June 2009	<u>1,734,897</u>	<u>1,734,897</u>

**Analysis of Total Provisions**

	<b>2009</b>	<b>2008</b>
	\$	\$
Current	986,257	945,247
Non-current	748,640	513,594
Total Provisions	<u>1,734,897</u>	<u>1,458,841</u>

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**NOTE 14: PROVISIONS** (Continued)

**Provision for Employee Benefits**

A provision has been recognised for employee benefits relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits has been included in Note 1.

**NOTE 15: RESERVES**

**Asset Revaluation Reserve**

The asset revaluation reserve records the revaluation of land and buildings to fair value.

**Investments Reserve**

The asset revaluation reserve records the revaluation of available for sale financial assets to fair value.

**Unexpended Grants Reserve**

The unexpended grants reserve records funds that have been received by the association but the related expenditure has not yet occurred.

**NOTE 16: FINANCIAL RISK MANAGEMENT**

**Financial Risk Management Policies**

The association's financial instruments consist mainly of deposits with banks, local money market instruments, equity investments, accounts receivable and payable, bills and leases.

The main purpose of non-derivative financial instruments is to raise finance for the association's operations.

The association does not have any derivative instruments at 30 June 2009.

The association's overall risk management strategy seeks to assist the association in meeting its financial targets, whilst minimising potential adverse effects on financial performance. The committee of management meets on a regular basis to review its strategy for investments and related risks.

**Financial Risk Exposures and Management**

The main risks the association is exposed to through its financial instruments are liquidity risk, credit risk, price risk and interest rate risk. The association is not exposed to foreign currency risk.

**(a) Liquidity Risk**

Liquidity risk arises from the possibility that the association might encounter difficulty in settling debts or otherwise meeting its obligations related to borrowings.

The association manages liquidity risk by monitoring forecast cash flows and ensuring adequate cash reserves are maintained to meet current commitments. Certainty of cash flow is assured as approximately 85% of all revenue is provided through State and Federal Government contracts, which are paid either monthly or quarterly and usually run for three year periods.

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**NOTE 16: FINANCIAL RISK MANAGEMENT** (Continued)

**(b) Credit Risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the association.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for impairment of receivables, as disclosed in the balance sheet and notes to the financial statements.

The association does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the association.

**(c) Price Risk**

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices largely due to demand and supply factors for commodities.

The association's exposure to price risk, which is the risk that an instrument's value will fluctuate as a result of changes in a security's price on classes of financial assets, is as follows:

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
Financial Assets		
Held-for-trading financial assets	3,323,385	7,994,488
Available-for-sale financial assets	6,219,931	4,685,812
Net Exposure	<u>9,543,316</u>	<u>12,680,300</u>

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**NOTE 16: FINANCIAL RISK MANAGEMENT (Continued)**

**(d) Interest Rate Risk**

The association's exposure to interest rate risk which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average		Floating Interest		Fixed Interest Rate		Non Interest Bearing		Total	
	Effective Interest Rate		2009	2008	2009	2008	2009	2008	2009	2008
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
<b>Financial assets</b>	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Cash	2.9	7.1	971,001	1,106,335	-	-	-	-	971,001	1,106,335
Petty cash			-	-			32,000	26,900	32,000	26,900
Trade, other receivables and other current assets			-	-	-	-	2,704,107	1,781,342	2,704,107	1,781,342
Securities			-	-	-	-	3,323,385	7,994,488	3,323,385	7,994,488
Long Term Investments			-	-	-	-	6,219,931	4,685,812	6,219,931	4,685,812
Other financial assets	4.0	7.7	-	-	10,160,593	6,175,105	-	-	10,160,593	6,175,105
<b>Total financial assets</b>			<b>971,001</b>	<b>1,106,335</b>	<b>10,160,593</b>	<b>6,175,105</b>	<b>12,279,423</b>	<b>14,488,542</b>	<b>23,411,017</b>	<b>21,769,982</b>
<b>Financial liabilities</b>										
Trade and sundry payables			-	-	-	-	438,267	651,292	438,267	651,292
Lease liability	8.75	9.8	-	-	4,791,364	4,147,509	-	-	4,791,364	4,147,509
<b>Total financial liabilities</b>			<b>-</b>	<b>-</b>	<b>4,791,364</b>	<b>4,147,509</b>	<b>438,267</b>	<b>651,292</b>	<b>5,229,631</b>	<b>4,798,801</b>

All investments (except long term where noted) have been classified as maturing within twelve months. For the maturity periods in regard to lease liability refer to Note 13.

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**NOTE 16: FINANCIAL RISK MANAGEMENT** (Continued)

**(e) Net Fair Values**

Methods and assumptions used in determining net fair value:

The net fair values of listed investments are the quoted market bid price at balance sheet date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying values. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

	<b>2009</b>		<b>2008</b>	
	Carrying Amount \$	Net Fair Value \$	Carrying Amount \$	Net Fair Value \$
<b>Financial assets</b>				
Cash	1,003,001	1,003,001	1,133,235	1,133,235
Held for trading financial assets at fair value	10,160,593	10,160,593	6,175,105	6,175,105
Trade and other receivables	2,345,150	2,345,150	1,353,492	1,353,492
	<u>13,508,744</u>	<u>13,508,744</u>	<u>8,661,832</u>	<u>8,661,832</u>
<b>Financial liabilities</b>				
Trade and other payables	4,274,798	4,274,798	4,404,229	4,404,229
Lease liabilities	4,791,364	4,791,364	4,147,509	4,147,509
	<u>9,066,162</u>	<u>9,066,162</u>	<u>8,551,738</u>	<u>8,551,738</u>

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**NOTE 16: FINANCIAL RISK MANAGEMENT** (Continued)

**(f) Sensitivity Analysis**

**Interest Rate Risk**

The association has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from changes in these risks.

***Interest Rate Sensitivity Analysis:***

At 30 June 2009, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	<b>2009</b>	<b>2008</b>
	\$	\$
Change in profit		
- Increase in interest rate by 2%	126,805	62,679
- Decrease in interest rate by 2%	(126,805)	(62,679)
Change in Equity		
- Increase in interest rate by 2%	126,805	62,679
- Decrease in interest rate by 2%	(126,805)	(62,679)

**Price Risk**

Held-for-trading financial assets are actively managed on a short term basis and are fair valued through the income statement. Any movement in the portfolio price will be realised in the income statement. The association has estimated the sensitivity to be 12% (2008 – 12%).

Available-for-sale financial assets are passively managed on a longer term basis and are fair valued through the equity reserves, with no effect on the income statement unless sold. The association has estimated the sensitivity to be 10% (2008 – 10%).

***Price Risk Sensitivity Analysis***

At 30 June 2009, the effect on profit and equity as a result in the price risk would be as follows:

**Held-for-trading financial assets**

	<b>2009</b>	<b>2008</b>
	\$	\$
Change in profit		
- Increase in portfolio prices by 12% (2008 – 12%)	399,000	959,000
- Decrease in portfolio prices by 12% (2008 – 12%)	(399,000)	(959,000)
Change in Equity		
- Increase in portfolio prices by 12% (2008 – 12%)	399,000	959,000
- Decrease in portfolio prices by 12% (2008 – 12%)	(399,000)	(959,000)

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**NOTE 16: FINANCIAL RISK MANAGEMENT** (Continued)

**Available-for-sale financial assets**

	<b>2009</b>	<b>2008</b>
	\$	\$
Change in profit		
- Increase in portfolio prices by 10%	-	-
- Decrease in portfolio prices by 10%	-	-
 Change in Equity		
- Increase in portfolio prices by 10%	622,000	469,000
- Decrease in portfolio prices by 10%	(622,000)	(469,000)

The above interest rate and price sensitivity analyses have been performed on the assumption that all variables remain unchanged. The association has no exposure to fluctuations in foreign currency.

**(g) Financial Instrument Composition**

The association's financial instruments comprise trade accounts, financial assets and lease finance for its motor vehicle fleet and are as follows:

	<b>2009</b>	<b>2008</b>
	\$	\$
<b>Financial Assets</b>		
- Cash	1,003,001	1,133,235
- Held to maturity	10,160,593	6,175,105
- Held for trading and fair valued through the income statement	3,323,385	7,994,488
- Available for sale	6,219,931	4,685,812
- Loans and receivables	2,345,150	1,353,492
Other current assets	358,957	427,850
 <b>Financial Liabilities</b>		
At amortised cost		
- Trade and other payables	4,274,798	4,404,229
- Borrowings	4,791,364	4,147,509
	9,066,162	8,551,738

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The table below reflects the undiscounted contractual maturity analysis for financial liabilities. Cash flows realised from financial assets reflects management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle finance leases reflects the earliest contractual settlement dates.

**Financial liability and financial assets maturity analysis.**

	Within 1 year		1-5 years		Over 5 years		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>								
Trade and other payables	4,274,798	4,404,229	-	-	-	-	4,274,798	4,404,229
Finance lease liabilities	3,267,632	2,855,820	1,523,732	1,291,689	-	-	4,791,364	4,147,509
<b>Total contractual outflows</b>	<b>7,542,430</b>	<b>7,260,049</b>	<b>1,523,732</b>	<b>1,291,689</b>	<b>-</b>	<b>-</b>	<b>9,066,162</b>	<b>8,551,738</b>
<b>Total expected outflows</b>	<b>7,542,430</b>	<b>7,260,049</b>	<b>1,523,732</b>	<b>1,291,689</b>	<b>-</b>	<b>-</b>	<b>9,066,162</b>	<b>8,551,738</b>
<b>Financial assets- cash flows realisable</b>								
Cash and cash equivalents	1,003,001	1,133,235	-	-	-	-	1,003,001	1,133,235
Trade and other receivables	2,345,150	1,353,492	-	-	-	-	2,345,150	1,353,492
Available-for-sale investments	10,160,593	6,175,705	-	-	-	-	10,160,593	6,175,705
<b>Total anticipated inflows</b>	<b>13,508,744</b>	<b>8,662,432</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,508,744</b>	<b>8,662,432</b>
<b>Net inflow/(outflow) on financial instruments</b>	<b>5,966,314</b>	<b>1,402,383</b>	<b>(1,523,732)</b>	<b>(1,291,689)</b>	<b>-</b>	<b>-</b>	<b>4,442,582</b>	<b>110,694</b>

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	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 17: CASH FLOW INFORMATION</b>		
<b>(a) Reconciliation of cash</b>		
Cash at bank	971,001	1,106,335
Other cash	32,000	26,900
	1,003,001	1,133,235
Investment in bank bills (90 days or less)	10,160,592	6,175,105
	11,163,593	7,308,340
<b>(b) Reconciliation of cash flow from operations with profit after income tax</b>		
Profit after income tax	684,532	295,212
Non-cash flows		
Depreciation and amortisation	2,374,016	1,811,870
Loss on sale of assets	162,623	(140,646)
Unrealised loss on investments	156,095	2,131,190
Loss on sale of investments	722,160	(102,668)
Realisation Long Term Investments	297,656	-
Impairment Long Term Investments	281,120	-
Changes to provisions	276,056	169,263
Changes in assets and liabilities (Increase)/Decrease in receivables and other assets	(839,256)	100,905
(Decrease)/Increase in trade and other payables	(129,431)	413,819
	3,985,571	4,678,945

**(c) Non-cash financing and investment activities**

No non-cash financing activities occurred as at 30 June 2009.

**(d) Credit stand-by arrangement and loan facilities**

There were no credit stand-by arrangements or loan facilities at 30 June 2009.

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**NOTE 18: KEY MANAGEMENT PERSONNEL COMPENSATION**

	Short-term benefits		Long-term benefits	
	Salary and fees \$	Superannuation contribution \$	Long service leave \$	Total \$
<b>2009</b>				
Total compensation	503,794	49,615	154,665	708,074
<b>2008</b>				
Total compensation	467,602	46,038	132,717	646,357

**NOTE 19: CONTINGENT LIABILITY**

Included in Land and Buildings are three residential properties which were purchased in prior years with grants from the Department of Human Services, totaling 50% of the original purchase prices. A liability exists to pay the Department 50% of the net proceeds of sale when realised. Based on the current valuations of those properties, it is estimated that a contingent liability exists for \$937,500, in the event of sale.

**NOTE 20: RELATED PARTY TRANSACTIONS**

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

- (a) Board member Dr Neil Coventry is a Director of Austin CAMHS. Austin CAMHS has provided consultancy services to the value of \$36,000.
- (b) Berry Street Victoria is in partnership with the Austin CAMHS, Mindful and LaTrobe University to deliver the statewide Take Two Program.
- (c) Board member Kate Jenkins is a partner of Freehills which from time to time provides pro-bono work to Berry Street Victoria.

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**NOTE 20: RELATED PARTY TRANSACTIONS** (Continued)

Information on Directors:

<b>Laurinda Gardner</b> Qualifications -	President Deputy Secretary, Corporate Strategy & Services, Department of Treasury and Finance
<b>Dr. Neil Coventry</b> Qualifications -	Vice President Director, Austin Child and Adolescent Mental Health Service Dr Coventry is a member of the Quality & Safety Committee
<b>Janine Kirk, AM</b> (Resigned August 2009) Qualifications -	Vice President Lead Partner - Victorian Government, Ernst & Young Ms Kirk was a member of the Marketing Committee
<b>Lyn Allison</b> (Commenced March 2009) Qualifications -	Board Member Former teacher and Democrats Senator for Victoria Ms Allison is a member of the Environmental Sustainability Task Group
<b>Mary Clark</b> Qualifications -	Board Member Public Relations & Media Consultant, Mary Clark & Associates Ms Clark is Chair of the Marketing Committee
<b>Mithran Doraisamy</b> Qualifications -	Board Member Partner, Business Advisory Services, Ernst & Young Mr Doraisamy is a member of the Investment & Finance Committee
<b>Michelle Evans</b> Qualifications -	Board Member Head of The Wilin Centre, VCA – The Wilin Centre for Indigenous Arts and Cultural Development.
<b>David Green</b> Qualifications -	Board Member Associate Professor, School of Social Work, La Trobe University Mr Green is Chair of the Quality & Safety Committee
<b>Steve Harris</b> (Commenced August 2008) Qualifications	Board Member Communications and Sports Strategist
<b>Kate Jenkins</b> Qualifications -	Board Member Partner, Employee Relations, Freehills
<b>Peter Koren</b> Qualifications -	Board Member Managing Director, Hayes Berry Tehan (HBT) Mr Koren is a member of the Marketing Committee
<b>Paul Wappett</b> Qualifications -	Board Member Executive Director, International Development, CPA Australia Ltd.
<b>Brian Watson</b> Qualifications -	Board Member Member of the Board of Guardians of Future Fund Mr Watson is Chair of the Investment & Finance Committee

Other than disclosed no other benefit has been received by any member of the Board from Berry Street Victoria Inc. as at 30 June 2009.

**BERRY STREET VICTORIA INC.**  
 ABN 24 719 196 762  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

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**NOTE 21: EQUITY MANAGEMENT**

Management controls the retained earnings of the association in order to ensure that the association can fund its operations and continue as a going concern.

	Note	2009 \$	2008 \$
Total borrowings	12	4,791,364	4,147,509
Less cash and cash equivalents	4	(1,003,001)	(1,133,235)
Net Debt		3,788,363	3,014,274
Total equity (reserves + retained earnings)		29,019,797	28,817,922
Total Equity		32,808,160	31,832,196
Gearing Ratio		11%	9%

**NOTE 22: SUBSEQUENT EVENTS**

Since the end of the financial year the association is not aware of any events that may have a bearing on the presentation and disclosure of the financial statements as at 30 June 2009.

The financial report was authorised for issue by the Board of Directors on 6 October 2009.

**BERRY STREET VICTORIA INC.**  
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**Note 23: NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS**

The AASB has issued new, revised and amended Standards and Interpretations that have mandatory application dates for future reporting periods and which the association has decided not to early adopt. A discussion of those future requirements and their impact on the association is as follows:

**AASB 3: Business Combinations, AASB 127: Consolidated and Separate Financial Statements, AASB 2008-3:**

Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASB Standards 1, 2, 4, 5, 7, 101, 107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 and 139 and Interpretations 9 and 107] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2008-7: Amendments to Australian Accounting Standards — Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [AASB 1, AASB 118, AASB 121, AASB 127 and AASB 136] (applicable for annual reporting periods commencing from 1 January 2009).

These Standards are applicable prospectively and so will only affect relevant transactions and consolidations occurring from the date of application. Neither of these Standards are currently applicable to the association.

**AASB 8: Operating Segments and AASB 2007-3:**

Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 and AASB 1038] (applicable for annual reporting periods commencing from 1 January 2009).

This Standard replaces AASB 114 and requires identification of operating segments on the basis of internal reports that are regularly reviewed by the group's board for the purposes of decision making. Whilst the impact of this Standard cannot be assessed at this stage, there is the potential for more segments to be identified. Given the lower economic level at which segments may be defined, and the fact that cash generating units cannot be bigger than operating segments, impairment calculations may be affected. Management presently do not believe impairment will result however.

**AASB 101: Presentation of Financial Statements, AASB 2007-8:**

Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009).

The revised AASB 101 and amendments supersede the previous AASB 101 and redefine the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the association. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.

**AASB 123: Borrowing Costs and AASB 2007-6:**

Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 and AASB 138 and Interpretations 1 and 12] (applicable for annual reporting periods commencing from 1 January 2009).

The revised AASB 123 has removed the option to expense all borrowing costs and will therefore require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Management has determined that there will be no effect on the association as a policy of capitalising qualifying borrowing costs has been maintained by the association.

**BERRY STREET VICTORIA INC.**  
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**Note 23: NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS (Continued)**

**AASB 2008-1:**

Amendments to Australian Accounting Standard — Share-based Payments: Vesting Conditions and Cancellations [AASB 2] (applicable for annual reporting periods commencing from 1 January 2009).

This amendment to AASB 2 clarifies that vesting conditions consist of service and performance conditions only. Other elements of a share-based payment transaction should therefore be considered for the purposes of determining fair value. Cancellations are also required to be treated in the same manner whether cancelled by the entity or by another party. This Standard is not currently applicable to the association.

**AASB 2008-2:**

Amendments to Australian Accounting Standards — Puttable Financial Instruments and Obligations arising on Liquidation [AASB 7, AASB 101, AASB 132 and AASB 139 and Interpretation 2] (applicable for annual reporting periods commencing from 1 January 2009).

These amendments introduce an exception to the definition of a financial liability, to classify as equity instruments certain puttable financial instruments and certain other financial instruments that impose an obligation to deliver a pro rata share of net assets only upon liquidation.

**AASB 2008-5:**

Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) and AASB 2008-6:

Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the association.

**AASB 2008-8:**

Amendments to Australian Accounting Standards — Eligible Hedged Items [AASB 139] (applicable for annual reporting periods commencing from 1 July 2009).

This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation as a hedged item should be applied in particular situations and is not expected to materially affect the association.

**AASB 2008-13:**

Amendments to Australian Accounting Standards arising from AASB Interpretation 17 — Distributions of Non-cash Assets to Owners [AASB 5 and AASB 110] (applicable for annual reporting periods commencing from 1 July 2009).

This amendment requires that non-current assets held for distribution to owners be measured at the lower of carrying value and fair value, less costs to distribute.

**AASB Interpretation 15:**

Agreements for the Construction of Real Estate (applicable for annual reporting periods commencing from 1 January 2009).

Under the Interpretation, agreements for the construction of real estate shall be accounted for in accordance with AASB 111 where the agreement meets the definition of 'construction contract' per AASB 111 and when the significant risks and rewards of ownership of the work in progress transfer to the buyer continuously as construction progresses. Where the recognition requirements in relation to construction are satisfied but the agreement does not meet the definition of 'construction contract', revenue is to be accounted for in accordance with AASB 118. This policy is not currently applicable to the association.

**BERRY STREET VICTORIA INC.**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

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**Note 23: NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS (Continued)**

**AASB Interpretation 16:**

Hedges of a Net Investment in a Foreign Operation (applicable for annual reporting periods commencing from 1 October 2008).

Interpretation 16 applies to entities that hedge foreign currency risk arising from net investments in foreign operations and that want to adopt hedge accounting. The Interpretation provides clarifying guidance on several issues in accounting for the hedge of a net investment in a foreign operation and is not expected to impact the association.

**AASB Interpretation 17:**

Distributions of Non-cash Assets to Owners (applicable for annual reporting periods commencing from 1 July 2009).

This guidance applies prospectively only and clarifies that non-cash dividends payable should be measured at the fair value of the net assets to be distributed, where the difference between the fair value and carrying value of the assets is recognised in profit or loss.

**NOTE 24: ASSOCIATION DETAILS**

The registered office and principal place of business of the entity is:

Berry Street Victoria Inc.  
1 Salisbury Street  
RICHMOND  
VIC 3121

**NOTE 25: SEGMENT REPORTING**

The entity operates predominantly in one business and geographical segment, being in the provision of services in the child welfare sector in Victoria.

**BERRY STREET VICTORIA INC**  
ABN 24 719 196 762

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**DIRECTORS' DECLARATION**

In the opinion of the Board of Directors the financial report as set out on pages 1 to 31:

1. Presents a true and fair view of the financial position of Berry Street Victoria Inc. as at 30 June 2009 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that Berry Street Victoria Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Board of Directors by:



Laurinda Gardner  
**President**



Brian Watson  
**Chair of the Investment and Finance Committee**

Dated this 6<sup>th</sup> day of October 2009.

**INDEPENDENT AUDIT REPORT  
TO THE MEMBERS OF  
BERRY STREET VICTORIA INC.**

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**Scope**

We have audited the financial report of Berry Street Victoria Inc. for the financial year ended 30 June 2009 being the Income Statement, Balance Sheet, Cashflow Statement, notes to the Financial Statements and the Director's Declaration... The Directors of the entity are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, the Association Incorporation Act of Victoria, and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with our understanding of the association's financial position and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

**Audit Opinion**

In our opinion, the financial report of Berry Street Victoria Inc. presents a true and fair view in accordance with applicable Accounting Standards, the Association Incorporation Act of Victoria and other mandatory professional reporting requirements in Australia, the financial position of Berry Street Victoria Inc. as at 30 June 2009 and the results of its operations and its cash flows for the financial year then ended.

MOORE STEPHENS  
Chartered Accountants



G Sincock  
Partner



Melbourne

2009