TELOCA HOUSE

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2010

"To provide the highest standard of Residential Care in a safe, home-like environment, whilst maintaining the individuality of each resident."

Narrandera
Shire Council

TELOCA HOUSE

General Purpose Financial Statements
for the financial year ended 30 June 2010

Contents

Overview

(i) These financial statements are General Purpose Financial Statements and cover the operations for TELOCA HOUSE.

(ii) TELOCA HOUSE is of functional unit of Narrandera Shire Council a body corporate of NSW, Australia - being constituted as a Local Government area by proclamation and is duly empowered by the Local Government Act (LGA) 1993 of NSW.

Council's Statutory Charter is specified in Section 8 of the LGA and includes;

- carrying out activities and providing goods, services & facilities appropriate to the current & future needs of the Local community and of the wider public
- responsibility for administering regulatory requirements under the LGA and other applicable legislation, &
- a role in the management, improvement and development of the resources of the local government area.

(iii) All figures presented in these financial statements are presented in Australian Currency.

(iv) These financial statements were authorised for issue by the Council on dd/mm/yy.
Council has the power to amend and reissue the financial statements.

TELOCA HOUSE

General Purpose Financial Statements
for the financial year ended 30 June 2010

Statement by Councillors and Management
made pursuant to Section 413(2)(c) of the Local Government Act 1993 (as amended)

The attached General Purpose Financial Statements have been prepared in accordance with:

- The Local Government Act 1993 (as amended) and the Regulations made thereunder,
- The Australian Accounting Standards and professional pronouncements.

To the best of our knowledge and belief, these Financial Statements:

- present fairly the Teloca House's operating result and financial position for the year, and
- accords with Council's accounting and other records.

We are not aware of any matter that would render the Reports false or misleading in any way.

Signed in accordance with a resolution of Council made on dd/mm/yy.

Cr G Eipper **MAYOR**	Cr K Morris **COUNCILLOR**
Mr M S Amirtharajah **GENERAL MANAGER**	Mr M P Hiscox **RESPONSIBLE ACCOUNTING OFFICER**

TELOCA HOUSE

Income Statement
for the financial year ended 30 June 2010

Budget [1] 2010	$ '000	Notes	Actual 2010	Actual 2009
	Income from Continuing Operations			
	Revenue:			
615	User Charges & Fees	3b	607	554
104	Interest & Investment Revenue	3c	132	183
7	Other Revenues	3d	20	32
1,319	Grants & Contributions provided for Operating Purposes	3e,f	1,461	1,195
	Grants & Contributions provided for Capital Purposes	3e,f	-	-
	Other Income:			
	Net gains from the disposal of assets	5	-	-
2,045	Total Income from Continuing Operations		2,220	1,964
	Expenses from Continuing Operations			
1,368	Employee Benefits & On-Costs	4a	1,558	1,433
	Borrowing Costs	4b	-	-
147	Materials & Contracts	4c	142	106
231	Depreciation & Amortisation	4d	230	228
	Impairment	4d	-	-
327	Other Expenses	4e	409	416
	Interest & Investment Losses	3c	-	-
	Net Losses from the Disposal of Assets	5	1	2
2,073	Total Expenses from Continuing Operations		2,340	2,185
(28)	Operating Result from Continuing Operations		**(120)**	**(221)**
	Discontinued Operations			
	Net Profit/(Loss) from Discontinued Operations	24	-	-
(28)	Net Operating Result for the Year		(120)	(221)
(28)	**Net Operating Result attributable to Teloca House**		(120)	(221)
(28)	**Net Operating Result for the year before Grants and Contributions provided for Capital Purposes**		(120)	(221)

(1) Original Budget as approved by Council - refer Note 16

TELOCA HOUSE

Statement of Comprehensive Income
for the financial year ended 30 June 2010

$ '000	Notes	Actual 2010	Actual 2009
Net Operating Result for the year (as per Income statement)		**(120)**	**(221)**
Other Comprehensive Income			
Gain (loss) on revaluation & impairment of I,PP&E	20b (ii)	-	-
Gain (loss) on revaluation of available-for-sale investments	20b (ii)	-	-
Gain (loss) on revaluation of other reserves	20b (ii)	-	-
Realised (gain) loss on available-for-sale investments recognised in P&L	20b (ii)	-	-
Realised (gain) loss from other reserves recognised in P&L	20b (ii)	-	-
Other Movements in Reserves (enter details here)	20b (ii)	-	-
De-recognition of land under roads			-
Adjustment to correct prior period depreciation errors			-
Total Other Comprehensive Income for the year		**-**	**-**
Total Comprehensive Income for the Year		(120)	(221)
Total Comprehensive Income attributable to Teloca House		(120)	(221)
Total Comprehensive Income attributable to Minority Interests			-

TELOCA HOUSE

Balance Sheet
as at 30 June 2010

$ '000	Notes	Actual 2010	Actual 2009
ASSETS			
Current Assets			
Cash & Cash Equivalents	6a	3,450	1,685
Investments	6b	-	1,003
Receivables	7	36	48
Inventories	8	-	-
Other	8	-	-
Total Current Assets		**3,486**	**2,736**
Non-Current Assets			
Investments	6b	-	-
Receivables	7	-	-
Inventories	8	-	-
Infrastructure, Property, Plant & Equipment	9	4,291	4,510
Other	8	-	-
Total Non-Current Assets		**4,291**	**4,510**
TOTAL ASSETS		7,777	7,246
LIABILITIES			
Current Liabilities			
Payables	10	2,000	1,340
Borrowings	10	-	16
Provisions	10	131	153
Total Current Liabilities		**2,131**	**1,509**
Non-Current Liabilities			
Payables	10	-	-
Borrowings	10	-	-
Provisions	10	50	21
Total Non-Current Liabilities		**50**	**21**
TOTAL LIABILITIES		2,181	1,530
Net Assets		5,596	5,716
EQUITY			
Retained Earnings	20	3,746	3,866
Revaluation Reserves	20	1,850	1,850
Teloca House Equity Interest		5,596	5,716
Minority Equity Interest		-	-
Total Equity		5,596	5,716

TELOCA HOUSE

Statement of Changes in Equity
for the financial year ended 30 June 2010

$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Equity Interest	Minority Interest	Total Equity
2010						
Opening Balance (as per Last Year's Audited Accounts)		3,987	1,850	**5,837**	-	**5,837**
a. Correction of Prior Period Errors	20 (c)	(121)		**(121)**		**(121)**
b. Changes in Accounting Policies (prior year effects)	20 (d)	-		**-**		**-**
Revised Opening Balance (as at 1/7/09)		**3,866**	**1,850**	**5,716**	**-**	**5,716**
c. Net Operating Result for the Year		**(120)**		(120)	**-**	(120)
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Reserve	20b (ii)		-	**-**		**-**
- Revaluations: Other Reserves	20b (ii)		-	**-**		**-**
- Transfers to Income Statement	20b (ii)		-	**-**		**-**
- Other Movements (enter details here)	20b (ii)		-	**-**		**-**
Other Comprehensive Income		**-**	**-**	**-**	**-**	**-**
Total Comprehensive Income (c&d)		**(120)**	**-**	**(120)**	**-**	**(120)**
e. Distributions to/(Contributions from) Minority Interests				**-**	-	**-**
f. Transfers between Equity		-	-	**-**		**-**
Equity - Balance at end of the reporting period		**3,746**	**1,850**	**5,596**	**-**	**5,596**

$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Equity Interest	Minority Interest	Total Equity
2009						
Opening Balance (as per Last Year's Audited Accounts)		4,208	1,850	**6,058**	-	**6,058**
a. Correction of Prior Period Errors	20 (c)	(121)	-	**(121)**	-	**(121)**
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	**-**	-	**-**
Revised Opening Balance (as at 1/7/08)		**4,087**	**1,850**	**5,937**	**-**	**5,937**
c. Net Operating Result for the Year		(221)	-	**(221)**	-	**(221)**
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	-	**-**	-	**-**
- Revaluations: Other Reserves	20b (ii)	-	-	**-**	-	**-**
- Transfers to Income Statement	20b (ii)	-	-	**-**	-	**-**
- Other Movements (enter details here)	20b (ii)	-	-	**-**	-	**-**
Other Comprehensive Income		**-**	**-**	**-**	**-**	**-**
Total Comprehensive Income (c&d)		**(221)**	**-**	**(221)**	**-**	**(221)**
e. Distributions to/(Contributions from) Minority Interests		-	-	**-**	-	**-**
f. Transfers between Equity		-	-	**-**	-	**-**
Equity - Balance at end of the reporting period		**3,866**	**1,850**	**5,716**	**-**	**5,716**

This Statement should be read in conjunction with the accompanying Notes.

TELOCA HOUSE

Statement of Cash Flows
for the financial year ended 30 June 2010

Budget 2010	$ '000	Notes	Actual 2010	Actual 2009
	Cash Flows from Operating Activities			
	Receipts:			
	User Charges & Fees		605	550
	Investment & Interest Revenue Received		124	193
	Grants & Contributions		1,483	1,173
	Other		20	96
	Payments:			
	Employee Benefits & On-Costs		(1,551)	(1,433)
	Materials & Contracts		(229)	(112)
	Borrowing Costs		-	-
	Other		(413)	(451)
-	**Net Cash provided (or used in) Operating Activities**	11b	39	16
	Cash Flows from Investing Activities			
	Receipts:			
	Sale of Investment Securities		1,003	-
	Sale of Infrastructure, Property, Plant & Equipment		29	28
	Payments:			
	Purchase of Investment Securities		-	(97)
	Purchase of Infrastructure, Property, Plant & Equipment		(41)	(225)
-	**Net Cash provided (or used in) Investing Activities**		991	(294)
	Cash Flows from Financing Activities			
	Receipts:			
	Proceeds from Borrowings & Advances		751	-
	Other Financing Activity Receipts		-	-
	Payments:			
	Nil			
-	**Net Cash Flow provided (used in) Financing Activities**		751	-
-	**Net Increase/(Decrease) in Cash & Cash Equivalents**		1,781	(278)
	plus: **Cash & Cash Equivalents - beginning of year**	11a	1,669	1,947
-	**Cash & Cash Equivalents - end of the year**	11a	3,450	1,669
	Additional Information:			
	plus: **Investments on hand - end of year**	6b	-	1,003
	Total Cash, Cash Equivalents & Investments		3,450	2,672

Please refer to Note 11 for information on the following:
- Non Cash Financing & Investing Activities.
- Financing Arrangements.
- Net cash flow disclosures relating to any Discontinued Operations

TELOCA HOUSE

Notes to the Financial Statements
for the financial year ended 30 June 2010

Contents of the Notes accompanying the Financial Statements

Additional Disclosures

n/a - not applicable

Teloca House

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Teloca House in the preparation of these financial statements are set out below in order to assist in its general understanding.

Under Australian Accounting Standards, accounting policies are defined as those specific principles, bases, conventions, rules and practices applied by a reporting entity (in this case Teloca House) in preparing and presenting it's financial statements.

(a) Basis of preparation

(i) Background

These financial statements are general purpose financial statements which have been prepared in accordance with;

- Australian Accounting Standards,
- Urgent Issues Group Interpretations,

(ii) Compliance with International Financial Reporting Standards (IFRSs)

Because Australian Accounting Standards (AASB's) are sector neutral, some standards either:

(a) have local Australian content and prescription that is specific to the Not-For-Profit sector which are not in compliance with IFRS's, or

(b) specifically exclude application by Not for Profit entities.

Examples include;

- excluding Not for Profit from applying AASB 120 (IAS 20) for Grant Accounting and AASB 118 (IAS 18) for Segment Reporting, &
- different requirements on (a) Impairment of Assets relating to Not-For-Profit AASB 136 (IAS 36) and (b) AASB 116 (IAS 16) regarding accounting for the Revaluation of Assets.

Accordingly in preparing these financial statements and accompanying notes, Teloca House has been unable to comply fully with International Accounting Standards, but it has complied fully with Australian Accounting Standards.

(iii) Basis of Accounting

These financial statements have been prepared under the **historical cost convention** except for **(i)** financial assets and liabilities at fair value through profit or loss, available-for-sale financial assets and investment properties which are all valued at fair value, **(ii)** the write down of any Asset on the basis of Impairment (if warranted) and **(iii)** certain classes of Infrastructure, property, plant & equipment that are accounted for at fair valuation.

The accrual basis of accounting has also been applied in their preparation.

(iv) Changes in Accounting Policies

Teloca House's accounting policies have been consistently applied to all the years presented, unless otherwise stated.

Unless otherwise stated, there have also been no changes in accounting policies when compared with previous financial statements.

(v) Critical Accounting Estimates

The preparation of these financial statements requires the use of certain critical accounting estimates (in conformity with AASB's).

It also requires management to exercise their judgement in the process of applying Teloca House's accounting policies.

(vi) Financial Statements Presentation

Teloca House has applied the revised **AASB 101, Presentation of Financial Statements** which became effective on 1 January 2009.

The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity.

All non-owner changes in equity must now be presented in the statement of comprehensive income.

As a consequence, Teloca House had to change the presentation of its financial statements.

Comparative information has been re-presented so that it is also in conformity with the revised standard.

Teloca House

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is measured on major income categories as follows:

Grants and Contributions

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and is valued at their fair value at the date of transfer.

Income from Contributions is recognised when Teloca House either obtains control of the contribution or the right to receive it, **(i)** it is probable that the economic benefits comprising the contribution will flow to Teloca House and **(ii)** the amount of the contribution can be measured reliably.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 3(d).

Note 3(d) also discloses the amount of unused grant or contribution from prior years that was expended on Teloca House's operations during the current year.

User Charges, Fees and Other Income

User charges, fees and other income are recognised as revenue when the service has been provided or payment is received,whichever first occurs.

A provision for the impairment of these receivables is recognised when collection in full is no longer probable.
A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided as at balance date.

Sale of Infrastructure, Property, Plant and Equipment

The profit or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer.

Interest and Rents

Rents are recognised as revenue on a proportional basis when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

(c) Cash and Cash Equivalents

Cash and cash equivalents includes;

- cash **on hand**,
- deposits held **at call** with financial institutions,
- other short-term, highly liquid investments **with original maturities of three months or less** that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and
- bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities on the balance sheet but are incorporated into Cash & Cash Equivalents for presentation of the Cash Flow Statement.

(d) Investments and Other Financial Assets

Teloca House (in accordance with AASB 139) classifies each of its investments into one of the following categories for measurement purposes:

- **financial assets at fair value through profit or loss**,
- **loans and receivables**,
- **held-to-maturity investments**, and
- **available-for-sale financial assets**.

Each classification depends on the purpose/intention for which the investment was acquired & at the time it was acquired.

Teloca House

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

Management determines each Investment classification at the time of initial recognition and re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets that are "held for trading".

A financial asset is classified in the "held for trading" category if it is acquired principally for the purpose of selling in the short term.

Derivatives are classified as held for trading unless they are designated as hedges.

Assets in this category are primarily classified as current assets as they are primarily held for trading &/or are expected to be realised within 12 months of the balance sheet date.

(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.

They arise when Teloca House provides money, goods or services directly to a debtor with no intention (or in some cases ability) of selling the resulting receivable.

They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Teloca House management has the positive intention and ability to hold to maturity.

In contrast to the "Loans & Receivables" classification, these investments are generally quoted in an active market.

Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

Investments must be designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Accordingly, this classification principally comprises marketable equity securities, but can include all types of financial assets that could otherwise be classified in one of the other investment categories.

They are generally included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date or the term to maturity from the reporting date is less than 12 months.

Financial Assets – Reclassification

Teloca House may choose to reclassify a non-derivative trading financial asset out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near term.

Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term.

Teloca House may also choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if it has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made.

Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date.

Teloca House

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

Further increases in estimates of cash flows adjust effective interest rates prospectively.

General Accounting & Measurement of Financial Instruments:

(i) Initial Recognition

Investments are initially recognised (and measured) at fair value, plus in the case of investments not at “fair value through profit or loss”, directly attributable transactions costs

Purchases and sales of investments are recognised on trade-date - the date on which Teloca House commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Teloca House has transferred substantially all the risks and rewards of ownership.

(ii) Subsequent Measurement

Available-for-sale financial assets and **financial assets at fair value through profit and loss** are subsequently carried at fair value.

Loans and receivables and **held-to-maturity** investments are carried at amortised cost using the effective interest method.

Realised and unrealised gains and losses arising from changes in the fair value of the financial assets classified as **“fair value through profit or loss”** category are included in the income statement in the period in which they arise.

Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as **"available-for-sale"** are recognised in equity in the available-for-sale investments revaluation reserve.

When securities classified as **"available-for-sale"** are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

Impairment

Teloca House assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

(iii) Types of Investments

Teloca House has an approved Investment Policy in order to undertake its investment of money in accordance with (and to comply with) Section 625 of the Local Government Act and S212 of the LG (General) Regulation 2005.

Investments are placed and managed in accordance with the Policy and having particular regard to authorised investments prescribed under the Local Government Investment Order.

Teloca House maintains its investment Policy in compliance with the Act and ensures that it or its representatives exercise care, diligence and skill that a prudent person would exercise in investing Council funds.

(e) Receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost, less any provision for impairment.

Receivables are generally due for settlement no more than 30 days from the date of recognition.

The collectibility of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

(f) Property, Plant and Equipment (PP&E)

Acquisition of assets

Teloca House’s non current assets are revalued to fair value.

At balance date, the following classes of PP&E were stated at their Fair Value;

- **Operational Land** (External Valuation)
- **Buildings – Specialised** (External Valuation)
- **Plant and Equipment** (as approximated by depreciated historical cost)

Teloca House

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

Initial Recognition

On initial recognition, an assets cost is measured at its fair value, plus all expenditure that is directly attributable to the acquisition.

Subsequent costs

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 Teloca House 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.

Asset Revaluations

In accounting for Asset Revaluations relating to Property, Plant & Equipment:

- Increases in the carrying amounts arising on revaluation are credited to the asset revaluation reserve.
- To the extent that the increase reverses a decrease previously recognised via the profit or loss, then increase is first recognised in profit or loss.
- Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset, with all other decreases charged to the Income statement.

Capitalisation Thresholds

Items of infrastructure, property, plant and equipment are not capitalised unless their cost of acquisition exceeds the following;

Land	
- land	100% Capitalised
Plant & Equipment	
Office Furniture	> $1,000
Office Equipment	> $1,000
Buildings	
Building	
- construction/extensions	100% Capitalised

Depreciation

Depreciation on Teloca House's property, plant and equipment assets is calculated using the straight line method in order to allocate an assets cost (net of residual values) over its estimated useful life.

Land is not depreciated.

Estimated useful lives for Teloca House's PP&E include:

Plant & Equipment	
- Office Equipment	3 to 8 years
- Office furniture	3to 8 years
- Computer Equipment	4 years
- Vehicles	3 to 5 years
Other Equipment	
- Benches, seats etc	10 to 20 years
Buildings	
- Buildings :	20 to 70 years

Disposal and De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Teloca House's Income Statement in the year the asset is derecognised.

Teloca House

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

(g) Crown Reserves

Crown Reserves under Teloca House care and control are recognised as assets of Teloca House.

While ownership of the reserves remains with the Crown, Teloca House retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated.

Improvements on Crown Reserves are also recorded as assets, while maintenance costs incurred by Teloca House and revenues relating the reserves are recognised within Teloca House's Income Statement.

(h) Payables

These amounts represent liabilities and include goods and services provided to Teloca House prior to the end of financial year which are unpaid.

The amounts for goods and services are unsecured and are usually paid within 30 days of recognition.

(i) Borrowings

Resident Loans.

Teloca House receives non interest bearing loans from residents that meet the necessary financial criteria. These loans are measured at their face value (that is principal amount) less accrued retention amounts payable to Teloca House due to:

- Repayment on demand nature.
- The aspect that the revenue in advance component is not required to be discounted.

(j) Employee benefits

(i) Wages & salaries, annual leave and sick leave

Liabilities for wages and salaries (including non-monetary benefits), and annual leave are recognised in the provision for employee benefits in respect of employees' services up to the reporting date.

These provisions are measured at the amounts expected to be paid when the liabilities are settled.

Calculations therefore incorporate (where the leave is expected to be paid more than 12 months after the reporting date) the use of discounted cash flows.

Liabilities for non vesting sick leave are recognised at the time when the leave is taken and measured at the rates paid or payable, and accordingly no Liability has been recognised in these reports.

Wages & salaries, and annual leave are all classified as Current Liabilities.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits in respect of services provided by employees up to the reporting date.

Long Service Leave is measured at the present value of the expected future payments to be made using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows.

Due to the nature of when and how Long Service Leave can be taken, all Long Service Leave for employees with 4 or more years of service has been classified as Current, as it has been deemed that Teloca House does not have the unconditional right to defer settlement beyond 12 months – even though it is not anticipated that all employees with more than 4 years service (as at reporting date) will apply for and take their leave entitlements in the next 12 months.

(iii) Retirement benefit obligations

All employees of Teloca House are entitled to benefits on retirement, disability or death.

Teloca House contributes to various accumulation superannuation providers on behalf of its employees.

Teloca House

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

(iv) Employee Benefit On-Costs

Teloca House has recognised at year end the aggregate on-cost liabilities arising from employee benefits, and in particular those on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

These amounts include Superannuation and Workers Compensation expenses which will be payable upon the future payment of certain Leave Liabilities accrued as at 30/6/10.

(k) Self insurance

Teloca House has determined not to self insure.

(l) Allocation between current and non-current assets & liabilities

In the determination of whether an asset or liability is classified as current or non-current, consideration is given to the time when each asset or liability is expected to be settled.

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being Teloca House's operational cycle.

Exceptions

In the case of liabilities where Teloca House does not have the unconditional right to defer settlement beyond 12 months (such as vested long service leave), the liability is classified as current even if not expected to be settled within the next 12 months.

In the case of inventories that are "held for trading", these are also classified as current even if not expected to be realised in the next 12 months.

(m) Taxes

Teloca House is exempt from both Commonwealth Income Tax and Capital Gains Tax.

Teloca House does however have to comply with Fringe Benefits Tax, Goods and Services Tax (GST) & Payroll Tax.

Goods & Services Tax (GST)

Income, expenses and assets are all recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the revenue / expense.

Receivables and payables within the Balance Sheet are stated inclusive of any applicable GST.

The net amount of GST recoverable from or payable to the ATO is included as a current asset or current liability in the Balance Sheet.
Operating cash flows within the Cash Flow Statement are on a gross basis, ie. they are inclusive of GST where applicable.

Investing and Financing cash flows are treated on a net basis (where recoverable form the ATO), ie. they are exclusive of GST..

Commitments and contingencies are disclosed net of the amount of GST recoverable from (or payable to) the ATO.

(n) New accounting standards and UIG interpretations

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2010.

Teloca House has not adopted any of these standards early.

Teloca House's assessment of the impact of these new standards and interpretations is set out below.

AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 (effective from 1 January 2013)

AASB 9 Financial Instruments addresses the classification and measurement of financial assets

Teloca House

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

and is likely to affect Teloca House's accounting for its financial assets.

The standard is not applicable until 1 January 2013 but is available for early adoption.

Teloca House is yet to assess its full impact.

Applicable to Local Government but no implications for Teloca House;

AASB 2009-8 Amendments to Australian Accounting Standards – Group Cash-Settled Share-based Payment Transactions [AASB 2] (effective from 1 January 2010)

The amendments made by the AASB to AASB 2 confirm that an entity receiving goods or services in a group share-based payment arrangement must recognise an expense for those goods or services regardless of which entity in the group settles the transaction or whether the transaction is settled in shares or cash.

They also clarify how the group share-based payment arrangement should be measured, that is, whether it is measured as an equity- or a cash-settled transaction.

AASB 2009-10 Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB 132] (effective from 1 February 2010)

In October 2009 the AASB issued an amendment to AASB 132 Financial Instruments: Presentation which addresses the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer.

Provided certain conditions are met, such rights issues are now classified as equity regardless of the currency in which the exercise price is denominated. Previously, these issues had to be accounted for as derivative liabilities.

The amendment must be applied retrospectively in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement (effective from 1 January 2011)

In December 2009, the AASB made an amendment to Interpretation 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.

The amendment removes an unintended consequence of the interpretation related to voluntary prepayments when there is a minimum funding requirement in regard to the entity's defined benefit scheme.

It permits entities to recognise an asset for a prepayment of contributions made to cover minimum funding requirements.

Teloca House does not make any such prepayments. The amendment is therefore not expected to have any impact on Teloca House.

AASB Interpretation 19 Extinguishing financial liabilities with equity instruments and AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19 (effective from 1 July 2010)

AASB Interpretation 19 clarifies the accounting when an entity renegotiates the terms of its debt with the result that the liability is extinguished by the debtor issuing its own equity instruments to the creditor (debt for equity swap).

It requires a gain or loss to be recognised in profit or loss which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Applicable to Local Government but not relevant to Teloca House at this stage;

None

Not applicable to Local Government per se;

Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards (effective from 1 January 2011)

In December 2009 the AASB issued a revised AASB 124 Related Party Disclosures. It is effective for

Teloca House

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

accounting periods beginning on or after 1 January 2011 and must be applied retrospectively.

The amendment removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies and simplifies the definition of a related party.

(o) Rounding of amounts

Unless otherwise indicated, amounts in the financial statements have been rounded off to the nearest thousand dollars.

(p) Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

(q) Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

TELOCA HOUSE

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 3. Income from Continuing Operations

(a). User Charges & Fees

Resident Rents	593	536
Respite Rents	14	18
TOTAL USER CHARGES & FEES	607	554

(b). Interest & Investment Revenue (incl. losses)

- Interest earned on Investments (interest & coupon payment income)	132	183
TOTAL INTEREST & INVESTMENT REVENUE	132	183

(c). Other Revenues

Meals	9	14
Other	11	18
TOTAL OTHER REVENUE	20	32

(d). Grants

$ '000	2010 Operating	2009 Operating	2010 Capital	2009 Capital
Skillsshare Grant	8	26	-	-
Personal Care Subsidy	1,018	763	-	-
Pensioner Supplement	72	215	-	-
Respite Care Subsidy	34	49	-	-
Concessional Rent	70	95	-	-
DEEWR Grants	2	-	-	-
Accommodation Supplement	58	-	-	-
Payroll Tax Subsidy	20	-	-	-
Ex Hostel Subsidy	1	-	-	-
Trans. Accomm. Supplement	20	-	-	-
Trans Supplement	14	-	-	-
Conditional Adj. Payment	91	-	-	-
Other	-	-	-	-
Total Grants	1,408	1,148	-	-
Grant Revenue is attributable to:				
- Commonwealth Funding	1,408	1,148		-
- State Funding		-		-
- Other Funding	-	-	-	-
	1,408	**1,148**	**-**	**-**

(e). Contributions

Entry Contributions	53	47	-	-
Total Contributions	53	47	-	-
TOTAL GRANTS & CONTRIBUTIONS	1,461	1,195	-	-

TELOCA HOUSE

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 4. Expenses from Continuing Operations

$ '000	Notes	Actual 2010	Actual 2009
(a) Employee Benefits & On-Costs			
Salaries and Wages		1,122	1,053
Employee Leave Entitlements (ELE)		162	155
Superannuation		107	100
Workers' Compensation Insurance		98	96
Fringe Benefit Tax (FBT)		6	-
Payroll Tax		36	
Training Costs (other than Salaries & Wages)		27	29
Total Employee Costs		**1,558**	**1,433**
less: Capitalised Costs		-	-
TOTAL EMPLOYEE COSTS EXPENSED		1,558	1,433
Number of "Equivalent Full Time" Employees at year end		**25**	**22**
(b) Borrowing Costs			
(i) Interest Bearing Liability Costs			
Nil			
(ii) Other Borrowing Costs			
Nil			
TOTAL BORROWING COSTS EXPENSED		-	-
(c) Materials & Contracts			
Raw Materials & Consumables		67	52
Contractor & Consultancy Costs		-	-
- Narrandera Shire Council		26	33
- Essence Consultancy		40	16
- Contractor & Consultancy Costs (specify separately when material)		5	-
Auditors Remuneration			
i. Audit Services - Council's Auditor		4	5
Total Materials & Contracts		**142**	**106**
less: Capitalised Costs		-	-
TOTAL MATERIALS & CONTRACTS		142	106

TELOCA HOUSE

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 4. Expenses from Continuing Operations (continued)

$ '000	Notes	Impairment Costs Actual 2010	Impairment Costs Actual 2009	Depreciation/Amortisation Actual 2010	Depreciation/Amortisation Actual 2009
(d) Depreciation, Amortisation & Impairment					
Plant and Equipment		-	-	10	10
Office Equipment		-	-	8	8
Furniture & Fittings		-	-	17	15
Buildings - Specialised		-	-	188	189
Other Structures		-	-	7	6
Total Depreciation & Impairment Costs		**-**	**-**	**230**	**228**
less: Capitalised Costs		-	-	-	-
TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED		-	-	230	228

(e) Other Expenses

Other Expenses for the year include the following:	Actual 2010	Actual 2009
Building Maintenance	63	38
Catering Supplies & Kitchen Expenses	145	140
Cleaning Materials	11	9
Electricity & Heating	88	77
Furniture & Fittings Maintenance	1	5
Grounds Maintenance	6	4
Insurance	23	21
Laundry Contract	20	21
Office Expenses (including computer expenses)	-	8
Pharmacy	16	29
Plant & Equipment Maintenance	12	40
Printing & Stationery	6	4
Telephone & Communications	7	5
Computer Software Charges	3	-
Other	8	15
Total Other Expenses	**409**	**416**
less: Capitalised Costs	-	-
TOTAL OTHER EXPENSES	409	416

TELOCA HOUSE

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 5. Gains or Losses from the Disposal of Assets

$ '000	Notes	Actual 2010	Actual 2009
Property (excl. Investment Property)			
Proceeds from Disposal		-	-
less: Carrying Amount of Property Assets Sold		-	-
Net Gain/(Loss) on Disposal		**-**	**-**
Plant & Equipment			
Proceeds from Disposal		29	28
less: Carrying Amount of P&E Assets Sold		(30)	(30)
Net Gain/(Loss) on Disposal		**(1)**	**(2)**
Infrastructure			
Proceeds from Disposal		-	-
less: Carrying Amount of Infrastructure Assets Sold		-	-
Net Gain/(Loss) on Disposal		**-**	**-**
Real Estate Assets Held For Sale			
Proceeds from Disposal		-	-
less: Carrying Amount of Real Estate Assets Sold		-	-
Net Gain/(Loss) on Disposal		**-**	**-**
Investment Properties			
Proceeds from Disposal		-	-
less: Carrying Amount of Investment Properties Sold		-	-
Net Gain/(Loss) on Disposal		**-**	**-**
Financial Assets*			
Net Gain/(Loss) on Disposal		**-**	**-**
Non Current Assets Classified as "Held for Sale"			
Proceeds from Disposal		-	-
less: Carrying Amount of "Held for Sale" Assets Sold		-	-
Net Gain/(Loss) on Disposal		**-**	**-**
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		(1)	(2)

TELOCA HOUSE

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 6a. - Cash Assets and Note 6b. - Investment Securities

$ '000	Notes	2010 Actual Current	2010 Actual Non Current	2009 Actual Current	2009 Actual Non Current
Cash & Cash Equivalents (Note 6a)					
Cash on Hand and at Bank		-	-	-	-
Cash-Equivalent Assets[1]					
- Deposits at Call		444	-	253	-
- Short Term Deposits		3,006	-	1,432	-
- Other Financial Assets		-	-	-	-
Total Cash & Cash Equivalents		**3,450**	**-**	**1,685**	**-**
Investment Securities (Note 6b)					
Nil					
- Long Term Deposits		-	-	1,003	-
- Other Long Term Maturity Financial Instruments		-	-	-	-
Total Investment Securities		**-**	**-**	**1,003**	**-**
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS		3,450	-	2,688	-

[1] Those Investments where time to maturity (from date of purchase) is < 3 mths.

Cash, Cash Equivalents & Investments were classified at year end in accordance with AASB 139 as follows:

	Notes	2010 Actual Current	2010 Actual Non Current	2009 Actual Current	2009 Actual Non Current
Cash & Cash Equivalents					
a. "At Fair Value through the Profit & Loss"		**3,450**	**-**	**1,685**	**-**
Investments					
Nil					
a. "At Fair Value through the Profit & Loss"					
- "Held for Trading"	6(b-i)			-	-
- "Designated at Fair Value on Initial Recognition"	6(b-i)			-	-
b. "Held to Maturity"	6(b-ii)	-	-	1,003	-
c. "Loans & Receivables"	6(b-iii)			-	-
d. "Available for Sale"	6(b-iv)			-	-
Investments		**-**	**-**	**1,003**	**-**

TELOCA HOUSE

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 6b. Investments (continued)

$ '000	2010 Actual Current	2010 Actual Non Current	2009 Actual Current	2009 Actual Non Current
Note 6(b-i)				
Reconciliation of Investments classified as "At Fair Value through the Profit & Loss"				
Nil				
Note 6(b-ii)				
Reconciliation of Investments classified as "Held to Maturity"				
Nil				
Balance at the Beginning of the Year	1,003	-	906	-
Adjustment on adoption of AASB 132/139			-	-
Amortisation of Premiums & Discounts	-		-	-
Additions	-	-	1,003	-
Impairment (loss)/prior loss reversal (via P&L)			-	-
Disposals (sales & redemptions)	(1,003)		(906)	-
Transfers between Current/Non Current			-	-
Transfers/Reclassifications from/(to) "At Fair Value"			-	-
Transfers/Reclassifications from/(to) "Available for Sale"			-	-
Balance at End of Year	**-**	**-**	**1,003**	**-**
Comprising:				
- Other Long Term Maturity Financial Assets	-	-	1,003	-
Total	**-**	**-**	**1,003**	**-**
Note 6(b-iii)				
Reconciliation of Investments classified as "Loans & Receivables"				
Nil				
Note 6(b-iv)				
Reconciliation of Investments classified as "Available for Sale"				
Nil				

TELOCA HOUSE

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 6c. Restricted Cash, Cash Equivalents & Investments

$ '000	2010 Actual Current	2010 Actual Non Current	2009 Actual Current	2009 Actual Non Current
Total Cash, Cash Equivalents and Investment Securities	3,450	-	2,688	-
attributable to:				
External Restrictions (refer below)	1,943	-	1,192	-
Internal Restrictions (refer below)	801	-	794	-
Unrestricted	706	-	702	-
	3,450	**-**	**2,688**	**-**

2010 $ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
Details of Restrictions				
External Restrictions - Included in Liabilities				
Resident Entry Bonds	1,192	812	(61)	1,943
External Restrictions - Included in Liabilities	1,192	812	(61)	1,943
External Restrictions - Other				
Nil				
External Restrictions - Other	-	-	-	-
Total External Restrictions	**1,192**	**812**	**(61)**	**1,943**
Internal Restrictions				
Employees Leave Entitlement	174	7		181
Construction of Buildings	620			620
Total Internal Restrictions	**794**	**7**	**-**	**801**
TOTAL RESTRICTIONS	1,986	819	(61)	2,744

TELOCA HOUSE

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 7. Receivables

$ '000	Notes	2010 Current	2010 Non Current	2009 Current	2009 Non Current
Purpose					
User Charges & Fees		17	-	15	-
Accrued Revenues					
- Interest on Investments		19	-	11	-
Government Grants & Subsidies		-	-	22	-
Other Debtors		-	-	-	-
Total		**36**	**-**	**48**	**-**
less: Provision for Impairment					
Nil					
TOTAL NET RECEIVABLES		36	-	48	-
Externally Restricted Receivables					
Nil					
Internally Restricted Receivables					
Nil					
Unrestricted Receivables		**36**	**-**	**48**	**-**
TOTAL NET RECEIVABLES		36	-	48	-

TELOCA HOUSE

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 8. Inventories & Other Assets

		2010		2009	
$ '000	Notes	**Current**	**Non Current**	**Current**	**Non Current**
Inventories					
Other		-	-	-	-
Total Inventories		**-**	**-**	**-**	**-**
Other Assets					
Other		-	-	-	-
Total Other Assets		**-**	**-**	**-**	**-**
TOTAL INVENTORIES & OTHER ASSETS		-	-	-	-

TELOCA HOUSE

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 9a. Infrastructure, Property, Plant & Equipment

	as at 30/6/2009					Asset Movements during the Reporting Period					as at 30/6/2010				
	At	At	Accumulated		Carrying	Asset Additions	WDV of Asset Disposals	Depreciation Expense	Impairment Loss (recognised in P/L)	Revaluation Increments to Equity (ARR)	At	At	Accumulated		Carrying
$ '000	**Cost**	**Fair Value**	**Deprec.**	**Impairment**	**Value**						**Cost**	**Fair Value**	**Dep'n**	**Impairment**	**Value**
Capital Work in Progress	-	-	-	-	-						-	-	-	-	-
Plant & Equipment	-	107	31	-	76	37	(30)	(10)	-		-	112	39	-	73
Office Equipment	-	46	22	-	24			(8)	-		-	46	30	-	16
Furniture & Fittings	-	115	28	-	87	4		(17)	-		-	119	45	-	74
Land:															
- Operational Land	-	376	-	-	376						-	376	-	-	376
Buildings - Specialised	-	5,280	1,413	-	3,867			(188)	-		-	5,280	1,601	-	3,679
Other Structures	-	139	59	-	80			(7)	-		-	139	66	-	73
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIP.	**-**	**6,063**	**1,553**	**-**	**4,510**	**41**	**(30)**	**(230)**	**-**	**-**	**-**	**6,072**	**1,781**	**-**	**4,291**

TELOCA HOUSE

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 10a. Payables, Borrowings & Provisions

$ '000	Notes	2010 Current	2010 Non Current	2009 Current	2009 Non Current
Payables					
Goods & Services - operating expenditure		57	-	144	-
Goods & Services - capital expenditure		-	-	-	-
Payments Received In Advance		-	-	-	-
Accrued Expenses:					
- Other Expenditure Accruals		-	-	-	-
Advances - Teloca Aged Care Hostel		-	-	-	-
Security Bonds, Deposits & Retentions		1,943	-	1,196	-
Other		-	-	-	-
Total Payables		**2,000**	**-**	**1,340**	**-**
Borrowings					
Bank Overdraft		-	-	16	-
Total Borrowings		**-**	**-**	**16**	**-**
Provisions					
Employee Benefits;					
Annual Leave		111	-	110	-
Long Service Leave		20	50	43	21
Sub Total - Aggregate Employee Benefits		131	50	153	21
Other		-	-	-	-
Total Provisions		**131**	**50**	**153**	**21**
Total Payables, Borrowings & Provisions		2,131	50	1,509	21

(i) Liabilities relating to Restricted Assets

	2010 Current	2010 Non Current	2009 Current	2009 Non Current
Externally Restricted Assets				
Security Bonds, Deposits & Retentions	1,943		1,192	-
Liabilities relating to externally restricted assets	1,943	-	1,192	-
Internally Restricted Assets				
Nil				
Liabilities relating to internally restricted assets	-	-	-	-
Total Liabilities relating to restricted assets	**1,943**	**-**	**1,192**	**-**

Disclosures on Liability Interest Rate Risk Exposures, Fair Value Disclosures & Security can be found in Note 15.

TELOCA HOUSE

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 10a. Payables, Borrowings & Provisions (continued)

$ '000	2010	2009

(ii) Current Liabilities not anticipated to be settled within the next 12 months

The following Liabilities, even though classified as current, are not expected to be settled in the next 12 months.

Provisions - Employees Benefits	46	43
	46	**43**

Note 10b. Description of and movements in Provisions

	2009	2010				
Class of Provision	**Opening Balance as at 1/7/09**	**Additional Provisions**	**Decrease due to Payments**	**Remeasurement effects due to Discounting**	**Unused amounts reversed**	**Closing Balance as at 30/6/10**
Annual Leave	110	85	(83)	(1)		**111**
Long Service Leave	64	9	(3)			**70**
Other	-	-				**-**
TOTAL	**174**	**94**	**(86)**	**(1)**	**-**	**181**

TELOCA HOUSE

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 11. Statement of Cash Flows - Additional Information

$ '000	Notes	Actual 2010	Actual 2009
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6a	3,450	1,685
Less Bank Overdraft	10	-	(16)
BALANCE as per the STATEMENT of CASH FLOWS		**3,450**	**1,669**

(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities

Net Operating Result from Income Statement		**(120)**	**(221)**
Adjust for non cash items:			
Depreciation & Amortisation		230	228
Net Losses/(Gains) on Disposal of Assets		1	2
Non Cash Capital Grants and Contributions		-	-
Impairment Losses Recognition - I,PP&E		-	-
Impairment (Reversal of previous losses) - I,PP&E		-	-
Impairment Losses / (Prior Period Reversals) - Financial Investments		-	-
Investment Income relating to "Available for Sale" Investments sold		-	-
Reversal of prior period I,PP&E revaluation decrements costed DIRECT to the P&L		-	-
Losses/(Gains) recognised on Fair Value Re-measurements through the P&L:			
- Investments classified as "@ Fair Value" or "Held for Trading"		-	-
- Favourable Financial Liabilities (ie. Loans with no Interest Payable)		-	-
- Interest Free Advances made by Council (Deferred Debtors)		-	-
- Write Offs relating to the Fair Valuation of I,PP&E		-	-
Amortisation of Premiums, Discounts & Prior Period Fair Valuations			
- "Held to Maturity" Financial Assets		-	-
- Interest on all fair value adjusted Interest Free Advances made by Council		-	-
- Interest Exp. on Interest Free Loans received by Council (previously Fair Value		-	-
Share of Net (Profits) or Losses of Associates/Joint Ventures		-	-
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		12	(13)
Increase/(Decrease) in Provision for Doubtful Debts		-	-
Decrease/(Increase) in Inventories		-	-
Decrease/(Increase) in Other Current Assets		-	-
Increase/(Decrease) in Payables		(87)	3
Increase/(Decrease) in accrued Interest Payable		-	-
Increase/(Decrease) in other accrued Expenses Payable		-	-
Increase/(Decrease) in Other Current Liabilities		(4)	8
Increase/(Decrease) in Employee Leave Entitlements		7	9
Increase/(Decrease) in Other Provisions		-	-
NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS		**39**	**16**

TELOCA HOUSE

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 11. Statement of Cash Flows - Additional Information (continued)

$ '000	Notes	Actual 2010	Actual 2009
(c) Non-Cash Investing & Financing Activities			
Nil			
Total Non-Cash Investing & Financing Activities		**-**	**-**
(d) Financing Arrangements			
(i) Unrestricted access was available at balance date to the following lines of credit:			
Bank Overdraft Facilities (1)		300	-
Credit Cards / Purchase Cards		3	-
Other			-
Total Financing Arrangements		**303**	**-**
Amounts utilised as at Balance Date:			
- Bank Overdraft Facilities		-	-
- Credit Cards / Purchase Cards		-	-
- Other			-
Total Financing Arrangements Utilised		**-**	**-**

1. The Bank overdraft facility may be drawn at any time and may be terminated by the bank without notice. Interest rates on overdrafts are Interest Rates on Loans & Other Payables are disclosed in Note 15.

(e) Net Cash Flows Attributable to Discontinued Operations

Please refer to Note 24 for details of Cash Flows that relate to Discontinued Operations

TELOCA HOUSE

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 12. Commitments for Expenditure

$ '000	Notes	Actual 2010	Actual 2009

(a) Capital Commitments (exclusive of GST)
Nil

(b) Other Expenditure Commitments (exclusive of GST)
Nil

(c) Finance Lease Commitments
Nil

(d) Operating Lease Commitments (Non Cancellable)
Nil

(e) Investment Property Commitments
Nil

(f) Remuneration Commitments
Nil

(g) Investment in Associates / Joint Ventures - Commitments

For Capital Commitments and Other Commitments relating to
Investments in Associates & Joint Ventures, refer to Note 19 (b)

TELOCA HOUSE

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 13. Statement of Performance Measurement - Indicators

$ '000	Amounts 2010	Indicator 2010	Prior Periods 2009	Prior Periods 2008
1. Unrestricted Current Ratio				
Current Assets less all External Restrictions (1)	1,543	10.87 : 1	10.09:1	12.21
Current Liabilities less Specific Purpose Liabilities (2,3)	142			
2. Debt Service Ratio				
Debt Service Cost	-	0.00%	0.00%	0.00%
Revenue from Continuing Operations excluding Capital Items & Specific Purpose Grants/Contributions	759			

Notes

(1) Refer Notes 6-8 inclusive.

(2) Refer to Note 10(a).

(3) Refer to Note 10(c) - excludes all payables & provisions not expected to be paid in the next 12 months (incl. ELE).

Note 14. Investment Properties

$ '000	Notes	Actual 2010	Actual 2009

Teloca House has not classified any Land or Buildings as "Investment Properties"

TELOCA HOUSE

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 15. Financial Risk Management

$ '000

Risk Management

Teloca's activities expose it to a variety of financial risks including **(1)** price risk, **(2)** credit risk, **(3)** liquidity risk and **(4)** interest rate risk.

Teloca's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the facility.

Teloca does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by Council's Finance Section under policies approved by the Council.

A comparison by category of the carrying amounts and fair values of Teloca's Financial Assets & Financial Liabilities recognised in the financial statements is presented below.

	Carrying Value		Fair Value	
	2010	2009	2010	2009
Financial Assets				
Cash and Cash Equivalents	3,450	1,685	3,450	1,685
Investments				
- "Held for Trading"	-	-		-
- "Designated At Fair Value on Initial Recognition"	-	-		-
- "Held to Maturity"	-	1,003		1,003
- "Loans & Receivables"	-	-		-
- "Available for Sale"	-	-		-
Receivables	36	48	36	48
Other Financial Assets	-	-		-
Total Financial Assets	**3,486**	2,736	**3,486**	2,736
Financial Liabilities				
Bank Overdraft	-	16		16
Payables	2,000	1,340	2,000	1,340
Loans / Advances	-	-		-
Lease Liabilities	-	-		-
Other Financial Liabilities		-		-
Total Financial Liabilities	**2,000**	1,356	**2,000**	1,356

Fair Value is determined as follows:

- **Cash & Cash Equivalents**, **Receivables**, **Payables** - are estimated to be the carrying value which approximates mkt value.
- **Borrowings** & **Held to Maturity** Investments - are based upon estimated future cash flows discounted by the current market interest rates applicable to assets & liabilities with similar risk profiles, unless quoted market prices are available.
- Financial Assets classified (i) **"at far value through profit & loss"** or (ii) **Available for Sale** - are based upon quoted market prices (in active markets for identical investments) at the reporting date or independent valuation.

TELOCA HOUSE

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 15. Financial Risk Management (continued)

$ '000

(a) Cash & Cash Equivalents, Financial assets "at fair value through the profit & Loss", "Available-for-sale" financial assets & "Held-to-maturity" Investments

Teloca's objective is to maximise its return on cash & investments whilst maintaining an adequate level of liquidity and preserving capital.
Cash & Investments are subject to interest rate risk - the risk that movements in interest rates could affect returns and income.

A further risk associated with Cash & Investments is credit risk - the risk that the counterparty (to an investment) will not complete their obligations particular to a financial instrument, resulting in a financial loss to Teloca - be it of a capital or income nature.

Teloca manages these risks (amongst other measures) by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

TELOCA HOUSE

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 15. Financial Risk Management (continued)

$ '000

(b) Receivables

The major risk associated with these receivables is credit risk - the risk that debts due and payable to Teloca may not be repaid in full.
There are no material receivables that have been subjected to a re-negotiation of repayment terms.
A profile of Teloca's receivables credit risk at balance date follows:

(i) Ageing of Receivables	**2010**	**2010 Receivables**	**2009**	**2009 Receivables**
Current (not yet overdue)	-	36	-	48
	-	**36**	**-**	**48**

(c) Payables & Borrowings

Payables & Borrowings are both subject to liquidity risk - the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due.
Teloca manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.
As well, payment terms can (in extenuating circumstances) be extended & overdraft facilities can be drawn down.
The contractual undiscounted cash outflows (ie. principal and interest) of Teloca's Payables & Borrowings are set out in the Liquidity Table below:

$ '000	**Subject to no maturity**	**payable in: ≤ 1 Year**	**1-2 Yrs**	**2-3 Yrs**	**3-4 Yrs**	**4-5 Yrs**	**> 5 Yrs**	**Total Cash Outflows**	**Actual Carrying Values**
2010									
Bank Overdraft	-							-	**-**
Trade/Other Payables	1,943	57						2,000	**2,000**
Loans & Advances								-	**-**
Lease Liabilities								-	**-**
Total Financial Liabilities	**1,943**	**57**	**-**	**-**	**-**	**-**	**-**	**2,000**	**2,000**
2009									
Bank Overdraft	16	-	-	-	-	-	-	16	**16**
Trade/Other Payables	1,196	148	-	-	-	-	-	1,344	**1,340**
Loans & Advances	-	-	-	-	-	-	-	-	**-**
Lease Liabilities	-	-	-	-	-	-	-	-	**-**
Total Financial Liabilities	**1,212**	**148**	**-**	**-**	**-**	**-**	**-**	**1,360**	**1,356**

The following interest rates were applicable to Council's Borrowings at balance date:	**2010 Carrying Value**	**2010 Average Interest Rate**	**2009 Carrying Value**	**2009 Average Interest Rate**
Bank Overdraft	-		16	17.1%
Trade/Other Payables	2,000	0.0%	1,340	0.0%
	2,000		1,356	

TELOCA HOUSE

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 20. Equity - Retained Earnings and Revaluation Reserves

$ '000	Notes	Actual 2010	Actual 2009
a. Retained Earnings			
Movements in Retained Earnings were as follows:			
Balance at beginning of Year (from previous years audited accounts)		3,987	4,208
a. Correction of Prior Period Errors	20 (c)	(121)	(121)
b. Changes in Accounting Policies (Prior Period Effects)	20 (d)	-	-
c. Other Comprehensive Income (excl. direct to Reserves transactions)		-	-
d. Net Operating Result for the Year		(120)	(221)
Balance at End of the Reporting Period		3,746	3,866
b. Reserves			
(i) Reserves are represented by:			
- Infrastructure, Property, Plant & Equipment Revaluation Reserve		1,850	1,850
Total		**1,850**	**1,850**
(ii). Reconciliation of movements in Reserves:			
Infrastructure, Property, Plant & Equipment Revaluation Reserve			
- Opening Balance		1,850	1,850
- Revaluations for the year	9(a)	-	-
- Impairment of revalued assets (incl. impairment reversals)	9(a)	-	-
- Transfer to Retained Earnings for Asset disposals			-
- Balance at End of Year		**1,850**	**1,850**
TOTAL VALUE OF RESERVES		**1,850**	**1,850**

(iii). Nature & Purpose of Reserves

Infrastructure, Property, Plant & Equipment Revaluation Reserve

- The Infrastructure, Property, Plant & Equipment Revaluation Reserve is used to record increments/decrements of Non

c. Correction of Error/s relating to a Previous Reporting Period

		Actual 2010	Actual 2009
Recognise payroll tax expense for prior years		(121)	-

In accordance with AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors, the above Prior Period Errors have been recognised retrospectively.

These amounted to the following Equity Adjustments:

		Actual 2010	Actual 2009
- Adjustments to Opening Equity - 1/7/08 (relating to adjustments for the 30/6/08 reporting year end and prior periods)		(121)	-
- Adjustments to Closing Equity - 30/6/09 (relating to adjustments for the 30/6/09 year end)			-
Total Prior Period Adjustments - Prior Period Errors		**(121)**	**-**

d. Voluntary Changes in Accounting Policies

Council made no voluntary changes in any accounting policies during the year.

TELOCA HOUSE

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 22. "Held for Sale" Non Current Assets & Disposal Groups

Teloca did not classify any Non Current Assets or
Disposal Groups as "Held for Sale".

Note 23. Events occurring after Balance Sheet Date

Events that occur after the reporting date of 30 June 2010, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Teloca House has adopted the date of receipt of the Auditors' Report as the appropriate "authorised for issue" da relating to these General Purpose Financial Statements.

Accordingly, the "authorised for issue" date is 25/10/10.

Events that occur after the Reporting Date represent one of two types:

(i) Events that have provided evidence of conditions that existed at the Reporting Date

These financial statements (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2010.

(ii) Events that have provided evidence of conditions that arose after the Reporting Date

These financial statements (and figures therein) do not incorporate any "non adjusting events" that have occurrec after 30 June 2010 and which are only indicative of conditions that arose after 30 June 2010.

Teloca House is unaware of any material or significant "non adjusting events" that should be disclosed.

Note 24. Discontinued Operations

Teloca House has not classified any of its Operations as "Discontinued".

Note 25. Intangible Assets

Intangible Assets represent identifiable non-monetary asset without physical substance.
Teloca House is unaware of any control over Intangible Assets that warrant recognition in the Financial Statemen

TELOCA HOUSE

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 28. Additional Council Disclosures - Council Information

Principal Place of Business:
120 Audley St
Narrandera N.S.W. 2700

Contact Details
Mailing Address:
PO Box 68
Narrandera NSW 2700

Telephone: 02 6959 1049
Facsimile: 02 6959 2862

Opening Hours
Office Hours
Monday - Friday
8:30am - 4-30pm

Internet:
Email: mail@teloca.nsw.gov.au

Officers
GENERAL MANAGER
M S Amirtharajah

RESPONSIBLE ACCOUNTING OFFICER
M P Hiscox

PUBLIC OFFICER
M P Hiscox

AUDITORS
Auswild & Co
4 Dugan St
Deakin ACT 2600

Elected Members
MAYOR
Cr G Eipper

COUNCILLORS
Cr J Clarke
Cr W Hall
Cr P Gunn
Cr T Lee
Cr B Manning
Cr K Morris
Cr M Kilgower
Cr J Lee

Auswild & Co
CHARTERED ACCOUNTANTS
ABN: 29 725 771 792

TELOCA HOUSE

GENERAL PURPOSE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying general purpose financial report of the Teloca House, which comprises the Statement by Members and Management, Balance Sheet as at 30th June, 2010, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes.

Teloca House's Responsibility for the Financial Report

The Teloca House Committee is responsible for the preparation and presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that it is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Teloca House, as well as evaluating the overall presentation of the financial report.

Our audit responsibility does not include an analysis of the prudence of business decisions made by the Teloca House Committee or management.

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

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DEAKIN ACT 2600

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F: 02 6281 2590

E: mail@auswildca.com.au

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion the financial report presents fairly, in all material respects the financial position of Teloca House as at 30th June 2010, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations).

AUSWILD & CO.

G.J. BRADLEY
Principal
Registered Auditor No: 1249

CANBERRA
21st October, 2010