



# **Tulgeen Group**

**ABN: 23 001 616 100**

## **Financial Statements**

**For the Year Ended 30 June 2018**

# Tulgeen Group

ABN: 23 001 616 100

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For the Year Ended 30 June 2018

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## Tulgeen Group

ABN: 23 001 616 100

## Directors' Report

30 June 2018

The directors present their report on Tulgeen Group for the financial year ended 30 June 2018.

### Information on directors

The directors at any time during the financial year were:

<b>Grattan Smith</b>	Director
Qualifications	Graduate of the Company Directors Course (AICD), Bachelor of Business (WSU), General Manager Program (AGSM)
Experience	Board member since 29 July 2014
Special Responsibilities	Chair, Board; Member, Audit & Finance Committee
<b>Gae Rheinberger</b>	Director (Resigned 9 November 2017)
Qualifications	RN, BA (AdEd) Dip Teach, Training, Management, Governance, WHS and Lead Auditor
Experience	Board member since 4 October 2000
Special Responsibilities	Member, Community Engagement and Fundraising Committee
<b>Christine Van Den Berg</b>	Director
Qualifications	BN, PG Dip HSM
Experience	Board member since 15 January 2015
Special Responsibilities	Chair, Compliance, Risk and Professional Development Committee
<b>Peter Hughes</b>	Director and Secretary
Experience	Board member since 15 March 2016, Board member of Sapphire Coast Community Care
Special Responsibilities	Member, Community Engagement and Fundraising Committee
<b>John Stylianou</b>	Director
Qualifications	B.Bus, CPA
Experience	Board member since 30 March 2017
Special Responsibilities	Chair, Audit and Finance Committee
<b>Liam O'Duibhir</b>	Director
Qualifications	B.Sc, PG Dip (Computing)
Experience	Board member since 16 March 2017
Special Responsibilities	Chair, Community Engagement and Fundraising Committee
<b>Dallys Baker</b>	Director (appointed 16 October 2017)
Qualifications	BA (Economics & Law), PG Dip Ed (Secondary), Dip Training and Assessment Systems, Cert IV Quality Management
Experience	Board Member since 16 October 2017
Special Responsibilities	Member, Compliance, Risk and Professional Development Committee

### Operating results and review of operations for the year

The surplus of the Company for the year amounted to \$266,166 (2017: surplus of \$676,730). The previous year included a number of positive one-off events which were not anticipated to reoccur, and the reduced surplus for the year ended 30 June 2018 reflects this. The current year surplus is comparable to the preceding year ended 30 June 2016.

The result for the current year has benefited from a gain on disposal of a property which was surplus to requirements, and a donation of \$100,000 raised through a charity event.

## **Tulgeen Group**

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## **Directors' Report**

**30 June 2018**

### **Principal activities and significant changes in nature of activities**

The principal activity of Tulgeen Group during the financial year was as a not-for-profit community-based organisation providing dedicated, quality support and care for people with disability, their families and carers.

There were no significant changes in the nature of Tulgeen Group's principal activities during the financial year.

### **Short term objectives**

The Company's short term objectives are to:

- Improve the delivery of specialist disability support services to the community it serves;
- Improve trading performance and opportunities for its Australian Disability Enterprises.
- Broaden the scope for engagement of clients within the community with the development of work and life skills through training, education and work opportunities.

### **Long term objectives**

The Company's long term objectives are to:

- Build a sustainable organisation that provides high quality services for its clients and diverse opportunities for its clients and staff;
- Develop awareness of and support for the organisation so it is recognised and welcomed as an integral part of the local community.

### **Core purpose**

The Company's core purpose is to create opportunity and choice for people with disability to participate in communities, realise their potential and lead full abundant lives.

## **Tulgeen Group**

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# **Directors' Report**

## **30 June 2018**

### **Strategic directions**

In meeting its core purpose and delivering services, by 2021, the Company has the following strategic directions:

#### **Leadership Outcomes:**

The Company's services are acknowledged as best practice. We are relevant, creative and competitive in delivery of core services across our geographic spread.

#### **Customer & Community Outcome:**

The Company works with customers to achieve their National Disability Insurance Scheme (NDIS) goals. We have service agreements with at least 100 customers across all age groups. The Company also supports the community through its thriving social enterprises.

#### **Tulgeen People Outcome:**

The Company respects, values and recognises its people through engagement, development and alignment of its needs with expectations. People are secure in their employment, look to the past with pride and the future with confidence; they are committed to teamwork and portray a can-do and professional attitude.

#### **Performance and Sustainability:**

The Company is a financially sustainable, contemporary and commercially focused not-for-profit organisation. Revenue will be diversified and grow to exceed \$10m per annum. We measure and communicate our performance to demonstrate effectiveness and sustainability, while delivering the full potential of Person Centred Approaches (PCA) through the NDIS.

### **Key performance measures**

The Company measures its performance through the use of qualitative and quantitative benchmarks, both Lead and Lag. The benchmarks are used by management and the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

### **Members' guarantee**

Tulgeen Group is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person who ceased to be a member in the year prior to the winding up, is limited to \$50, subject to the provisions of the company's constitution.

At 30 June 2018 the collective liability of members was \$1,450 (2017: \$1,250).

### **Core services**

The Company's core services are supported and open employment, skill development, accommodation support, respite care, independent living support, recreation and transport, as well as brokerage, advocacy and disability advisory services.

### **Service catchment and clients**

Tulgeen supports people with disability, including their families and carers; as well as organisations and individuals receiving services from the Company. It operates in the Bega Valley and neighbouring Local Government Areas (which includes Eurobodalla and the Snowy Monaro).

**Tulgeen Group**

ABN: 23 001 616 100

**Directors' Report**

**30 June 2018**

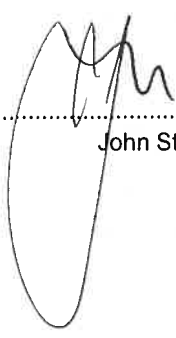
**Meetings of directors**

During the financial year, 20 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Audit & Finance Committee		Compliance, Risk and Professional Development Committee		Community Engagement and Fundraising Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Grattan Smith	8	8	4	4	-	-	-	-
Gae Rheinberger	2	1	-	-	-	-	2	2
John Stylianou	8	8	4	4	-	-	-	-
Liam O'Duibhir	8	8	-	-	-	-	4	4
Christine van den Berg	8	6	-	-	4	3	-	-
Peter Hughes	8	8	-	-	2	1	2	1
Dallys Baker	6	6	-	-	2	2	-	-

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

Director   
 Grattan Smith  
 BEGA

Director:   
 John Stylianou

Dated 27 September 2018

## Tulgeen Group

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### Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2018

	Note	2018 \$	2017 \$
Revenue and Other Income	4	6,673,601	6,946,576
Gain on disposal of assets		154,108	-
Employee benefits expense		(5,391,946)	(4,886,756)
Administrative and overhead expenses		(555,986)	(503,678)
Bad debts (received) / provided for		61,304	(77,014)
Cost of sales		(208,091)	(204,412)
Depreciation and amortisation expense		(110,678)	(196,693)
Finance costs		(6,593)	(14,768)
Property expenses		(153,679)	(172,675)
Motor vehicle and travel expenses		(195,874)	(213,850)
<b>Surplus before income tax</b>		<b>266,166</b>	<b>676,730</b>
Income tax expense	2(a)	-	-
<b>Surplus for the year</b>		<b>266,166</b>	<b>676,730</b>
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Revaluation changes for property, plant and equipment		541,240	-
<b>Other comprehensive income for the year, net of tax</b>		<b>541,240</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>807,406</b>	<b>676,730</b>

The accompanying notes form part of these financial statements.

## Tulgeen Group

ABN: 23 001 616 100

### Statement of Financial Position

As At 30 June 2018

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	6	939,325	430,115
Trade and other receivables	7	482,454	578,509
Inventories	8	100,259	80,856
TOTAL CURRENT ASSETS		<u>1,522,038</u>	<u>1,089,480</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	3,193,450	2,839,488
Intangible assets	10	46,741	26,173
TOTAL NON-CURRENT ASSETS		<u>3,240,191</u>	<u>2,865,661</u>
TOTAL ASSETS		<u>4,762,229</u>	<u>3,955,141</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	11	372,884	346,075
Borrowings	12	16,663	14,377
Employee benefits	13	460,275	359,282
TOTAL CURRENT LIABILITIES		<u>849,822</u>	<u>719,734</u>
NON-CURRENT LIABILITIES			
Borrowings	12	42,001	180,769
Employee benefits	13	26,159	17,797
TOTAL NON-CURRENT LIABILITIES		<u>68,160</u>	<u>198,566</u>
TOTAL LIABILITIES		<u>917,982</u>	<u>918,300</u>
NET ASSETS		<u>3,844,247</u>	<u>3,036,841</u>
<b>EQUITY</b>			
Reserves	14	2,580,001	1,565,400
Retained earnings		1,264,246	1,471,441
TOTAL EQUITY		<u>3,844,247</u>	<u>3,036,841</u>

The accompanying notes form part of these financial statements.



**Tulgeen Group**

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**Statement of Changes in Equity  
For the Year Ended 30 June 2018**

2018

	Retained Earnings	Public Benevolent Fund	Asset Revaluation Reserve	Building Fund Reserve	Maple Court Upgrade	Building Purchases	Consolidation of Administration Area	Client Management IT System Upgrade	PC Upgrade	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	1,471,441	110,434	521,966	500,000	50,000	63,000	200,000	80,000	40,000	3,036,841
Transfers to Reserves	(473,361)	86,360	(179,999)	1,000,000	(50,000)	(63,000)	(200,000)	(80,000)	(40,000)	-
Result for the year	266,166	-	-	-	-	-	-	-	-	266,166
Revaluation increment (decrement)	-	-	541,240	-	-	-	-	-	-	541,240
<b>Balance at 30 June 2018</b>	<b>1,264,246</b>	<b>196,794</b>	<b>883,207</b>	<b>1,500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,844,247</b>

2017

	Retained Earnings	Public Benevolent Fund	Asset Revaluation Reserve	Building Fund Reserve	Maple Court Upgrade	Building Purchases	Consolidation of Administration Area	Client Management IT System Upgrade	PC Upgrade	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	1,730,413	107,732	521,966	-	-	-	-	-	-	2,360,111
Transfers to Reserves	(935,702)	2,702	-	500,000	50,000	63,000	200,000	80,000	40,000	-
Result for the year	676,730	-	-	-	-	-	-	-	-	676,730
<b>Balance at 30 June 2017</b>	<b>1,471,441</b>	<b>110,434</b>	<b>521,966</b>	<b>500,000</b>	<b>50,000</b>	<b>63,000</b>	<b>200,000</b>	<b>80,000</b>	<b>40,000</b>	<b>3,036,841</b>

The accompanying notes form part of these financial statements.

## Tulgeen Group

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### Statement of Cash Flows For the Year Ended 30 June 2018

	2018	2017
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	6,143,597	3,111,527
Grants received	799,105	3,864,634
Payments to suppliers and employees	(6,509,768)	(6,567,667)
Interest received	9,211	5,698
Interest paid	(6,593)	(14,768)
Net cash provided by/(used in) operating activities	<u>435,552</u>	<u>399,424</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(153,712)	(80,680)
Proceeds from sale of property, plant and equipment	391,894	-
Purchase of intangibles	(28,042)	(20,118)
Net cash provided by/(used in) investing activities	<u>210,140</u>	<u>(100,798)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of borrowings	(136,482)	(14,599)
Net cash provided by/(used in) financing activities	<u>(136,482)</u>	<u>(14,599)</u>
Net increase/(decrease) in cash and cash equivalents held	509,210	284,027
Cash and cash equivalents at beginning of year	<u>430,115</u>	<u>146,088</u>
Cash and cash equivalents at end of financial year	6 <u>939,325</u>	<u>430,115</u>

The accompanying notes form part of these financial statements.

## Tulgeen Group

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# Notes to the Financial Statements

For the Year Ended 30 June 2018

The financial report covers Tulgeen Group as an individual entity. Tulgeen Group is a not-for-profit Company, registered and domiciled in Australia. The company was incorporated on 20 February 1979 (ACN: 001 616 100). It is registered with the Australian Business Register (Australian Business Number 23 001 616 100) and is registered for Goods & Services Tax purposes. The company is registered as an income tax exempt charitable entity with the Australian Charities and Not-for-profits Commission. Additionally the company is registered as a deductible gift recipient under subdivision 30B of the Income Tax Assessment Act, 1997. The company holds an authority to fundraise for charitable purposes under the Charitable Fundraising Act 1991 (#CFN12164). This authority remains in force until 2 August 2019.

The functional and presentation currency of Tulgeen Group is Australian dollars.

The financial report was authorised for issue by the Directors on 27 September 2018.

Comparatives are consistent with prior years, unless otherwise stated.

### 1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*.

### 2 Summary of Significant Accounting Policies

#### (a) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

#### (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 that are transferred to the Company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

#### (c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

#### Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2018**

#### **2 Summary of Significant Accounting Policies**

##### **(c) Revenue and other income**

###### **Grant revenue**

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

###### **Donations**

Donations and bequests are recognised as revenue when received.

###### **Rendering of services**

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

###### **Residential accommodation and service fees**

Revenue from a contract to provide residential accommodation and services is recognised by reference to the stage of completion of the contract.

###### **Gain on disposal of non-current assets**

When a non-current asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

###### **Other income**

Other income is recognised on an accruals basis when the Company is entitled to it.

##### **(d) Goods and services tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payable are stated inclusive of GST. Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2018**

#### **2 Summary of Significant Accounting Policies**

##### **(e) Inventories**

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received.

##### **(f) Property, plant and equipment**

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

##### **Land and buildings**

Land and buildings are measured using the revaluation model.

##### **Plant and equipment**

Plant and equipment are measured using the cost model.

##### **Depreciation**

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The estimated useful lives used for each class of depreciable asset are shown below:

<b>Fixed asset class</b>	<b>Useful life</b>
Buildings	40 years
Plant and Equipment	2 to 20 years
Motor Vehicles	8 to 10 years
Leasehold improvements	5 to 40 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

##### **(g) Financial instruments**

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2018**

#### **2 Summary of Significant Accounting Policies**

##### **(g) Financial instruments**

###### *Financial Assets*

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

###### *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 principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and other receivables fall into this category of financial instruments.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

###### *Financial liabilities*

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. Although the Company uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The Company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

###### *Impairment of financial assets*

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

##### **(h) Intangibles**

###### **Software**

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between two and ten years.

##### **(i) Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2018**

#### **2 Summary of Significant Accounting Policies**

##### **(j) Employee benefits**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

##### **(k) Economic dependence**

Tulgeen Group is dependent on government grants and the National Disability Insurance Scheme (NDIS) for the majority of its revenue. Grant revenue has now been largely replaced by funding from the NDIS, which is linked directly to the level of services provided. As at the date of this report the directors have no reason to believe there will be any underlying change in the level of funding for services provided under the NDIS.

##### **(l) Adoption of new and revised accounting standards**

During the current year, the following standards became mandatory and have been adopted retrospectively by the Company:

- *AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107, and*
- *AASB 2017-2 Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle*

The adoption of these new Standards and Interpretations has not resulted in any changes to the Company's accounting policies that have affected the amounts reported for the current or prior year.

## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 3 Critical Accounting Estimates and Judgments

The Directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

#### Key estimates - impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

The Company carries its land and buildings at fair value with changes in the fair value recognised in the asset revaluation reserve. Independent valuations are obtained at least triennially and at the end of each reporting period, the directors update their assessment of the fair value of each property, taking into account the most recent valuations and movements in the market. Land and Buildings were revalued in June 2018 and a resultant increase in value of \$541,240 has been recognised in the financial statements.

#### Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

### 4 Revenue and Other Income

#### Revenue from continuing operations

	2018	2017
	\$	\$
Revenue		
- Grants received	726,459	3,513,303
- National Disability Insurance Scheme	4,934,237	2,435,145
- Residential accommodation and service fees	185,097	252,053
- Sale of goods	618,587	666,197
- Other revenue from rendering of services	47,383	60,510
	<u>6,511,763</u>	<u>6,927,208</u>
Finance income		
- Interest received on bank deposits	9,211	5,698
Other revenue		
- Member subscriptions	155	155
- Donations	103,632	4,574
- Workers compensation recoveries	48,126	8,551
- Sundry revenue	714	390
	<u>152,627</u>	<u>13,670</u>
<b>Total Revenue</b>	<u><u>6,673,601</u></u>	<u><u>6,946,576</u></u>



## Tulgeen Group

ABN: 23 001 616 100

### Notes to the Financial Statements For the Year Ended 30 June 2018

#### 5 Result for the Year

The result for the year was derived after charging / (crediting) the following items:

	2018	2017
	\$	\$
Finance Costs		
Financial liabilities measured at amortised cost:		
- Interest on borrowings	<u>6,593</u>	<u>14,768</u>

The result for the year includes the following specific expenses:

Impairment of receivables:		
- Bad debts provision net movement	(61,304)	77,014
Individually significant revenues included in result:		
Non-recurrent grant - Department of Family and Community Services - Housing NSW	-	20,000
Donations - Bega Cheese Corporate Event Charity Auction	100,000	-

#### 6 Cash and Cash Equivalents

Cash at bank and in hand	<u>939,325</u>	<u>430,115</u>
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The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows.

#### 7 Trade and Other Receivables

CURRENT		
Trade receivables	448,104	606,137
Provision for impairment	(13,095)	(77,502)
	<u>435,009</u>	<u>528,635</u>
Prepayments	47,445	42,943
GST receivable	-	6,931
<b>Total current trade and other receivables</b>	<u><b>482,454</b></u>	<u><b>578,509</b></u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

#### 8 Inventories

CURRENT		
At cost:		
Raw materials and stores	<u>100,259</u>	<u>80,856</u>

## Tulgeen Group

ABN: 23 001 616 100

### Notes to the Financial Statements For the Year Ended 30 June 2018

#### 9 Property, plant and equipment

	2018	2017
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At fair value	725,000	603,990
Buildings		
At fair value	2,195,000	2,107,413
Accumulated depreciation	-	(199,733)
Total buildings	2,195,000	1,907,680
Total land and buildings	2,920,000	2,511,670
Capital works in progress		
At cost	43,311	6,855
Plant and equipment		
At cost	1,256,643	1,233,108
Accumulated depreciation	(1,126,956)	(1,105,754)
Total plant and equipment	129,687	127,354
Motor vehicles		
At cost	95,339	95,339
Accumulated depreciation	(82,385)	(78,235)
Total motor vehicles	12,954	17,104
Leasehold improvements		
At cost	99,112	260,920
Accumulated amortisation	(11,614)	(84,415)
Total leasehold improvements	87,498	176,505
<b>Total property, plant and equipment</b>	<b>3,193,450</b>	<b>2,839,488</b>

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2018**

**9 Property, plant and equipment**

**(a) 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:

	Work in Progress	Land	Buildings	Plant and Equipment	Motor Vehicles	Leasehold improvements	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Year ended 30 June 2018</b>							
Balance at the beginning of year	6,855	603,990	1,907,680	127,354	17,104	176,505	2,839,488
Additions	36,456	66,786	-	50,470	-	-	153,712
Disposals	-	(75,000)	(147,446)	(15,340)	-	-	(237,786)
Depreciation expense	-	-	(47,089)	(32,797)	(4,150)	(19,168)	(103,204)
Revaluation increase	-	129,224	481,855	-	-	(69,839)	541,240
<b>Balance at the end of the year</b>	<b>43,311</b>	<b>725,000</b>	<b>2,195,000</b>	<b>129,687</b>	<b>12,954</b>	<b>87,498</b>	<b>3,193,450</b>

**(b) Land and building valuation**

Independent valuers revalued the Company's land and buildings at 30 June 2018. Valuations were made on the basis of open market value in an arm's length transaction based on similar properties. The revaluation surplus was credited to an asset revaluation reserve in equity in 2018.

## Tulgeen Group

ABN: 23 001 616 100

### Notes to the Financial Statements For the Year Ended 30 June 2018

#### 10 Intangible Assets

	2018	2017
	\$	\$
Computer software		
Cost	42,540	42,540
Accumulated amortisation and impairment	(23,841)	(16,367)
<b>Net carrying value</b>	<b>18,699</b>	<b>26,173</b>
Intangible assets work in progress		
Cost	28,042	-
<b>Total Intangibles</b>	<b>46,741</b>	<b>26,173</b>

#### (a) Movements in carrying amounts of intangible assets

	Computer software	Intangible assets work in progress	Total
	\$	\$	\$
<b>Year ended 30 June 2018</b>			
Balance at the beginning of the year	26,173	-	26,173
Additions	-	28,042	28,042
Amortisation	(7,474)	-	(7,474)
<b>Closing value at 30 June 2018</b>	<b>18,699</b>	<b>28,042</b>	<b>46,741</b>

#### 11 Trade and Other Payables

Current		
Trade payables	94,231	198,026
Income received in advance	31,374	6,151
Other creditors	247,279	141,898
	<b>372,884</b>	<b>346,075</b>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2018**

**12 Borrowings**

	2018	2017
	\$	\$
CURRENT		
Secured liabilities:		
Lease liability secured	1,333	9,330
Bank loan - IMB Spindler St Loan	1,532	5,047
Other loan - Bega Valley Shire Council	13,798	-
<b>Total current borrowings</b>	<b>16,663</b>	<b>14,377</b>
NON-CURRENT		
Secured liabilities:		
Bank loan - IMB Spindler St Loan	606	180,769
Other loans - Bega Valley Shire Council	41,395	-
<b>Total non-current borrowings</b>	<b>42,001</b>	<b>180,769</b>
<b>Total borrowings</b>	<b>58,664</b>	<b>195,146</b>

**(a) Leased Liabilities**

Leased liabilities are secured by the underlying leased assets.

**(b) Bank and other loans**

The bank loan with the IMB is secured by a registered first mortgage over certain freehold properties owned by the Company. The Company has access to a draw down facility on this bank debt.

The loan from the Bega Valley Shire Council is secured by land at Taronga Crescent, Bega.

**(c) Defaults and breaches**

During the current and prior year, there were no defaults or breaches on any of the loans.

## Tulgeen Group

ABN: 23 001 616 100

### Notes to the Financial Statements For the Year Ended 30 June 2018

#### 13 Employee Benefits

	2018	2017
	\$	\$
Current liabilities		
Provision for employee benefits: long service leave	239,404	223,008
Provision for employee benefits: annual leave	220,871	136,274
	<u>460,275</u>	<u>359,282</u>
Non-current liabilities		
Provision for employee benefits: long service leave	26,159	17,797
	<u>26,159</u>	<u>17,797</u>
Total	<u>486,434</u>	<u>377,079</u>

#### (a) Provision for employee benefits

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

#### 14 Reserves

The Company hold a number of reserve accounts to reflect money committed to future development and charitable purposes. The asset revaluation reserve records unrealised gains on revaluation of property, plant and equipment recorded at fair value. The following accounts form the Company's reserves:

#### RESERVES

Public Benevolent Fund	196,794	110,434
Building Fund Reserve	1,500,000	500,000
<b>Reserves - Other:</b>		
Asset Revaluation Reserve	883,207	521,966
Maple Court Upgrade	-	50,000
Land Purchases	-	63,000
Consolidation of Administration Area	-	200,000
Client Management IT System Upgrade	-	80,000
PC Upgrades	-	40,000
Total	<u>2,580,001</u>	<u>1,565,400</u>

## Tulgeen Group

ABN: 23 001 616 100

### Notes to the Financial Statements For the Year Ended 30 June 2018

#### 15 Leasing Commitments

##### (a) Finance leases

	2018	2017
	\$	\$
Minimum lease payments:		
- not later than one year	1,333	7,997
- between one year and five years	-	1,333
Minimum lease payments	<u>1,333</u>	<u>9,330</u>

Finance leases are in place for equipment and have a term of 4 years.

##### (b) Operating leases

Minimum lease payments under non-cancellable operating leases:

- not later than one year	67,156	120,693
- between one year and five years	17,353	92,842
	<u>84,509</u>	<u>213,535</u>

The company has eight motor vehicles under a fleet leasing arrangement with lease end dates ranging from 9 August 2018 to 13 February 2021.

#### 16 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$50 each towards meeting any outstandings and obligations of the Company. At 30 June 2018 the number of members was 29 (2017: 25).

#### 17 Contingencies

Under the terms of the funding agreement with the state government body, any unspent funding may be required to be refunded. Further, a proportion of any funds advanced for the purpose of purchasing assets may be required to be refunded on disposal of the assets. The financial effect of this possible liability is unable to be determined at the time of this report.

#### 18 Fair Value Measurement

The Company measures the following assets and liabilities at fair value on a recurring basis:

- Property, plant and equipment
  - Land
  - Buildings

**Notes to the Financial Statements  
For the Year Ended 30 June 2018****19 Financial Risk Management****Objectives, policies and processes**

The company's activities do not expose it to many financial risks, with only liquidity risk being needed to be actively managed.

**Liquidity risk**

The Company's principal financial instruments comprise cash at bank and on deposit, receivables, accounts payable and borrowings. These financial instruments arise from the operations of the Company. The company manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities. The carrying amounts for each category of financial instruments are detailed in the accounting policies to these financial statements and are as follows:

	2018	2017
	\$	\$
Cash and cash equivalents	939,325	430,115
Receivables	435,009	535,566
Trade and other payables	(341,510)	(339,924)
Borrowings	(58,664)	(195,146)
	<u>974,160</u>	<u>430,611</u>

**20 Related Parties****(a) The Company's main related parties are as follows:**

The names of each person holding the position of director of Tulgeen Group during the financial year are:

Grattan Smith  
Gae Rheinberger  
Peter Hughes  
Christine Van Den Berg  
John Stylianou  
Liam O'Duibhir  
Dallys Baker

The position of a director is on a voluntary basis, there is no remuneration.

Key management personnel - refer to Note 21.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

**(b) Transactions with related parties**

No transactions occurred during the year either with directors of the Company, or with entities that directors of the Company hold positions with that result in them having control or significant influence over the financial and/or operating policies of these entities.

In general, the terms and conditions of any transactions with directors and their director related entities are no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.



## **Tulgeen Group**

ABN: 23 001 616 100

### **Notes to the Financial Statements For the Year Ended 30 June 2018**

#### **21 Key Management Personnel Remuneration**

The key management personnel are all of the directors of the company. All major business decisions are made by the Board. The day to day business of the Company is run by the employees who are managed by the Chief Executive Officer of the Company. As all major business decisions are made by the Board, no key management personnel disclosures are deemed appropriate.

#### **22 Events after the end of the Reporting Period**

The financial report was authorised for issue on 27 September 2018 by the Directors.

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

#### **23 Statutory Information**

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

Tulgeen Group  
26 Eden Street  
BEGA NSW 2550

## Tulgeen Group

ABN: 23 001 616 100

### Directors' Declaration

The directors declare that in the directors' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Director .....

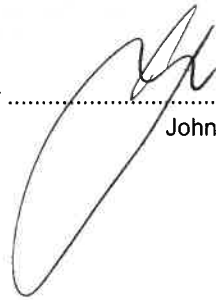


Grattan Smith

BEGA

Dated 27 September 2018

Director .....



John Stylianou

# Tulgeen Group

ABN: 23 001 616 100

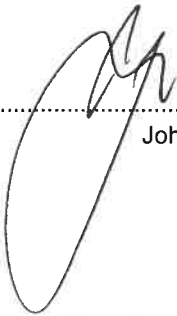
## Fundraising Declaration

In the opinion of the Board:

- the financial reports give a true and fair view of all income and expenditure of the Company with respect to fundraising appeals, and
- the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeals conducted by the Company, and
- the provisions of the Act (*Charitable Fundraising Act, 1991 (NSW)*), the regulations under the Act and the conditions attached to the authority have been complied with by the Company, and
- the internal controls exercised by the Company are appropriate and effective in accounting for all income received and applied by the Company from any of its fundraising appeals.

This declaration is made in accordance with a resolution of the Board.

Director:  .....  
Grattan Smith

Director:  .....  
John Stylianou

BEGA

Dated 27 September 2018



## Auditor's Independence Declaration to the Directors of Tulgeen Group

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

**KOTHES**  
Chartered Accountants

S N Byrne  
Partner  
Registered Company Auditor (#153624)  
Bega, 27 September 2018



CHARTERED ACCOUNTANTS  
AUSTRALIA • NEW ZEALAND

Liability limited by a scheme  
approved under Professional  
Standards Legislation

#### DIRECTORS

Simon Byrne  
Fiona Dunham  
Peter Mann  
Gary Pearce  
Kevin Philistin  
Gary Skelton

BECA  
MERIMBULA  
EDEN  
BOMBALA  
BERMAGUI  
COOMA  
JINDABYNE

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77 Main St, Merimbula NSW 2548  
PO Box 285 Merimbula NSW 2548  
www.kothes.com.au  
Kothes Chartered Accountants  
ABN 36 472 755 795

## Independent Audit Report to the members of Tulgeen Group

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Tulgeen Group, which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

We also report that:

- the financial statements show a true and fair view of the financial result of fundraising appeals conducted during the year;
- the accounting and associated records have been properly kept during the year in accordance with the *Charitable Fundraising Act 1991* (NSW) and regulations (as amended);
- money received as a result of fundraising appeals conducted during the year has been properly accounted for and applied in accordance with the *Charitable Fundraising Act 1991* (NSW), and regulations (as amended); and
- at the date of this report, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

#### Basis for Opinion

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

#### Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in the annual report, (but does not include the financial report and our auditor's report thereon). Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Directors for the Financial Report

The responsible entities of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the responsible entities are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

## Independent Audit Report to the members of Tulgeen Group

### Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

### **KOTHES**

#### **Chartered Accountants**

S N Byrne  
Partner  
Registered Company Auditor (#153624)  
Bega, 27 September 2018



## Supplementary Information

### For the Year Ended 30 June 2018

The additional financial data presented on the following pages is in accordance with the books and records of the Company which have been subjected to the auditing procedures applied in our statutory audit of the Company for the year ended 30 June 2018. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Tulgeen Group) in respect of such data, including any errors or omissions therein however caused.

#### **KOTHES** Chartered Accountants

S N Byrne  
Partner  
Registered Company Auditor (#153624)  
Bega, 27 September 2018



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## Tulgeen Group

ABN: 23 001 616 100

For the Year Ended 30 June 2018

### Detailed Income Statement

	2018	2017
	\$	\$
<b>Trading Profit</b>	<b>410,495</b>	461,785
<b>Income</b>		
Department of Ageing, Disability and Home Care	(62,948)	2,570,667
Department of Health	597,156	343,498
Department of Social Services	183,378	579,139
National Disability Insurance Scheme	4,934,237	2,435,145
Other grants	8,874	20,000
Interest received	9,211	5,698
Residential accommodation and service fees	185,097	252,053
Other revenue from rendering of services	47,383	60,510
Member subscriptions	155	155
Donations	103,632	4,574
Workers compensation recoveries	48,126	8,551
Sundry revenue	714	390
<b>Total income and trading profit</b>	<b>6,465,510</b>	6,742,165
<b>Expenses</b>		
Finance costs	6,593	14,768
<b>Employment Expenses</b>		
Provision for annual and long service leave movement	399,295	256,280
Staff and client amenities	19,169	19,367
Staff training	31,381	40,121
Superannuation contributions	445,801	405,075
Workers compensation	135,174	140,206
Wages	4,361,127	4,025,708
	<b>5,391,947</b>	4,886,757
<b>Motor vehicle and travel Expenses</b>		
Motor vehicle expenses	193,885	209,061
Travel, fares etc.	1,989	4,789
	<b>195,874</b>	213,850
<b>Depreciation and amortisation expense</b>	<b>110,678</b>	196,693
<b>Property Expenses</b>		
Power	39,045	38,089
Rates	25,777	23,785
Rent	18,026	24,219
Repairs and maintenance	70,831	86,581
	<b>153,679</b>	172,674
<b>Administration &amp; Overhead Expenses</b>		
Advertising and promotions	44,540	36,216
Bad debts (received) / provided for	(61,304)	77,014
Bank charges	3,859	3,491
Computer expenses	143,893	146,563
Donations	3,250	200



## Tulgeen Group

ABN: 23 001 616 100

For the Year Ended 30 June 2018

### Detailed Income Statement

	2018	2017
	\$	\$
Equipment purchases under \$2,000	25,652	12,733
Fees:		
Audit and accounting fees	86,210	85,520
Legal fees	25	600
Consulting fees	13,253	24,862
Freight	2,069	1,567
General expenses	6,461	26,584
Insurance	43,889	63,177
Occupational health and safety	8,273	6,744
Phone	15,991	21,659
Printing, postage and stationery	25,528	22,011
Programme expenses	110,434	23,362
Recruitment expenses	7,297	9,657
Security expenses	5,996	4,275
Subscriptions/Licences	9,365	14,458
	<u>494,681</u>	<u>580,693</u>
	<u>6,353,452</u>	<u>6,065,435</u>
<b>Result before other income</b>	<u>112,058</u>	<u>676,730</u>
<b>Other income:</b>		
Gain on disposal of assets	154,108	-
	<u>266,166</u>	<u>676,730</u>

### Trading account

<b>Sales revenue</b>		
Sales	618,587	666,197
	<u>618,587</u>	<u>666,197</u>
<b>Cost of sales</b>		
Opening stock	80,857	90,453
Purchases	227,494	194,816
Closing stock	(100,259)	(80,857)
	<u>208,092</u>	<u>204,412</u>
<b>Cost of goods sold</b>	<u>208,092</u>	<u>204,412</u>
<b>Gross profit</b>	<u>410,495</u>	<u>461,785</u>

