TULGEEN
Group
enabling a good life

Tulgeen Group

A.B.N. 23 001 616 100

Annual Financial Report

For the Year Ended 30 June 2017

Page

Directors' Report
30 June 2017

The directors present their report together with the financial report of Tulgeen Group (the Company) for the financial year ended 30 June 2017 and the auditors' report thereon.

1. General information

Information on directors

The directors at any time during the financial year are:

Grattan Smith	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; Chair, Audit & Finance Committee
Gae Rheinberger	Director and Company Secretary
Qualifications	RN, BA (AdEd) Dip Teach, Training, Management, Governance, WHS and Lead Auditor
Experience	Board member since 4 October 2000
Special responsibilities	Chair, Community Engagement and Fundraising Committee
John Stylianou	Director
Qualifications	B.Bus, CPA
Experience	Board member since 30 March 2017
Special responsibilities	Chair, Audit and Finance Committee
Campbell Stewart	Director (resigned 2 February 2017)
Qualifications	BA Dip Ed, Cert IV Workplace assessment and Training, Cert IV TESOL
Experience	Board member since 12 December 2012
Special responsibilities	Chair, Community Engagement and Fundraising Committee
Liam O'Duibhir	Director
Qualifications	B.Sc, PG Dip (Computing)
Experience	Board member since 16 March 2017
Special responsibilities	Member, Community Engagement and Fundraising Committee
Christine Van Den Berg	Director
Qualifications	BN, PG Dip HSM
Experience	Board member since 15 January 2015
Special responsibilities	Chair, Compliance, Risk and Professional Development Committee
Peter Hughes	Director
Experience	Board member since 15 March 2016, former board member of Sapphire Coast Community Care
Special responsibilities	Member, Compliance, Risk and Professional Development Committee

Principal activities

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

No significant changes in the nature of the Company's activity occurred during the financial year.

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.

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 may include Eurobodalla and the Snowy Monaro).

Short-term and Long-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.

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.

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 members and any person or association who ceased to be a member in the year prior to the winding up, is limited to $50 for members that are subject to the provisions of the Company's constitution.

At 30 June 2017 the collective liability of members was $1,250 (2016: $1,900).

Operating results and review of operations for the year

The surplus of the Company for the year amounted to $676,730 (2016: Profit of $196,042). The Company has had a significant increase in profit this financial year as a result of transitioning to the National Disability Insurance Scheme (NDIS) during the middle of the financial year. This has resulted from good resource management and the Company receiving grant funding under the old system of $3,513,303, as well as invoicing for client services under the new NDIS system of $2,435,145, totalling $5,948,448. These are a number of positive one off events and not anticipated to occur again.

Meetings of directors

During the financial year, 21 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	6	6	5	5	-		-	
Gae Rheinberger	6	6	-		-		5	4
Campbell Stewart	4	3	-		-		3	3
John Stylianou	2	2	2	2	-		-	
Liam O'Duibhir	2	2	-		5	4	-	
Chris van den Berg	6	5	-		5	4	-	
Peter Hughes	6	5	-		5	3	-	

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

Director: ....
Grattan Smith

Director: ....
John Stylianou

Dated: 3 November 2017

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TULGEEN GROUP

Opinion

We have audited the financial report of Tulgeen Group ('the Company'), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2017, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with 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 2017 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the financial reporting requirements of the *Australian Charities and Not-for-profits Regulation 2013.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with 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.

Directors' Responsibility for the Financial Report

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

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

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Independent Auditor's Report (continued)

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 the 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at The *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our auditor's report.

Selina Stanford
Audit Director
sstanford@synergygroup.net.au
0438 664 110

Dated at Canberra this 3rd day of November 2017

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 9 to 26, are in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and:

    a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and

    b. give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the Company.

2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director: ....
Grattan Smith

Director: ....
John Stylianou

Dated: 3 November 2017

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2017

	Note	2017 $	2016 $
Revenue	2	6,866,698	6,493,367
Other revenue	2	79,488	162,346
Other income	2	390	1,342
		6,946,576	6,657,055
Employee benefits expense		(4,886,756)	(5,194,025)
Administrative and overhead expenses		(580,692)	(576,999)
Finance costs	3(b)	(14,768)	(12,263)
Depreciation expenses	3(b)	(196,693)	(114,268)
Cost of Sales		(204,412)	(178,766)
Travel expenses		(213,850)	(195,595)
Property expenses		(172,675)	(189,097)
		(6,269,846)	(6,461,013)
Surplus for the year		676,730	196,042
Other comprehensive income for the year		--	-
Total comprehensive income for the year		676,730	196,042

The accompanying notes form part of the financial statements.

Tulgeen Group
A.B.N.23 001 616 100

Statement of Financial Position

As at 30 June 2017

	Note	2017 $	2016 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	**430,115**	146,088
Trade and other receivables	5	**535,566**	138,640
Prepayments		**42,943**	55,717
Inventories	6	**80,856**	90,453
TOTAL CURRENT ASSETS		**1,089,480**	430,898
NON-CURRENT ASSETS			
Property, plant and equipment	7	**2,839,488**	2,946,553
Intangibles	8	**26,172**	15,002
TOTAL NON-CURRENT ASSETS		**2,865,660**	2,961,555
TOTAL ASSETS		**3,955,140**	3,392,453
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	**339,924**	401,560
Borrowings	10	**14,376**	37,758
Employee Benefits	11	**359,282**	314,994
Deferred revenue		**6,151**	6,128
TOTAL CURRENT LIABILITIES		**719,733**	760,440
NON-CURRENT LIABILITIES			
Borrowings	10	**180,769**	171,986
Employee Benefits	11	**17,797**	99,916
TOTAL NON-CURRENT LIABILITIES		**198,566**	271,902
TOTAL LIABILITIES		**918,299**	1,032,342
NET ASSETS		**3,036,841**	2,360,111
EQUITY			
Public Benevolent Fund	12	**110,434**	107,732
Building Fund Reserve	12	**500,000**	--
Reserves, other	12	**954,966**	521,966
Retained Earnings		**1,471,441**	1,730,413
TOTAL EQUITY		**3,036,841**	2,360,111

The accompanying notes form part of the financial statements.

Tulgeen Group

A.B.N.23 001 616 100

Statement of Changes in Equity

For the Year Ended 30 June 2017

2017

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

2016

	Retained Earnings	Public Benevolent Fund	Asset Revaluation Reserve	Total
	$	$	$	$
Balance at 1 July 2015	1,534,371	107,732	521,966	2,164,069
Surplus for the year	196,042	--	--	196,042
Balance at 30 June 2016	**1,730,413**	**107,732**	**521,966**	**2,360,111**

The accompanying notes form part of the financial statements.

Tulgeen Group
A.B.N.23 001 616 100

Statement of Cash Flows

For the Year Ended 30 June 2017

	Note	2017 $	2016 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Total Receipts from customers		3,111,527	1,240,756
Grants received		3,864,634	5,967,079
Payments to suppliers and employees		(6,567,667)	(7,025,348)
Interest received		5,698	9,785
Interest paid		(14,768)	(12,263)
Net Cash from operating activities		399,424	180,009
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(80,680)	(42,303)
Purchase of intangibles		(20,118)	-
Net cash from investing activities		(100,798)	(42,303)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of borrowings		(14,599)	(419,721)
Net cash from financing activities		(14,599)	(419,721)
Net increase/(decrease) in cash and cash equivalents held		284,027	(282,015)
Cash and cash equivalents at beginning of financial year		146,088	428,103
Cash and cash equivalents at end of financial year	4	430,115	146,088

The accompanying notes form part of the financial statements.

1 Summary of Significant Accounting Policies continued

The financial report covers Tulgeen Group as an individual entity. Tulgeen Group is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The financial statements were authorised for issue on 3 November 2017 by the directors of the Company. The directors have the power to amend and reissue the financial report.

The functional and presentation currency of the Company is Australian dollars.

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

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

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

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of land and buildings.

Going concern basis of accounting

The financial report has been prepared on the going concern basis. The Company has made a profit for the year of $676,730 (2016: profit of $196,042). At year end, the Company has Retained Earnings of $1,471,441 (2016: $1,730,413) with Reserves totally $1,565,400 (2016: $629,698). The balance of cash and cash equivalents at 30 June 2017 is $430,115 (2016: $146,088), however the Company has access to a draw down facility on the IMB Spindler St Loan. The Company has prepared cash flow forecasts for the next twelve months that show that the Company will be able to meet its debts as and when they fall due. These cash flow forecasts are based on a number of assumptions in particular about the Company's revenues from government sources, and likely expenditure on staffing, which forms the largest part of the group's expenditure.

The directors are of the opinion that there are reasonable grounds to believe that the company will meet projected revenues, retain operating expenses at budget levels and receive the government grant funding for which commitments have already been received. The directors are continuing to monitor cash flows on a regular basis and tightly managing discretionary expenditure. On this basis and together with the current cash reserves the directors believe the adoption of the going concern basis of accounting is justified.

(b) 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 plant and equipment

The Company assesses impairment at the end of the reporting year 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.

1 Summary of Significant Accounting Policies continued

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.

Key estimates - provision for impairment of receivables

The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history.

Key estimates – provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes.

(c) Economic dependence

The Company is largely dependent on government subsidies and the National Disability Insurance Scheme (NDIS). While current funding agreements were renewed for three years from 30 June 2015, there has been a transition to the NDIS during the year ended 30 June 2017, whereby fees are invoiced for services provided to clients. As a result of the change from grant funding to fee for service arrangements under the NDIS, the company has seen an isolated increase in revenue for the year ended 30 June 2017, which is not expected to occur again in future years. At the date of this report the directors have no reason to believe that the government will not continue to support the Company nor the continuation of the NDIS.

(d) 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 entity 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, rebates and taxes paid.

Grant revenue

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

Residential board and service fees

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

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.

1 Summary of Significant Accounting Policies continued

Interest revenue

Interest is recognised using the effective interest method.

Other income/revenue

Income or revenue from other sources is recognised when the fee in respect of other products or services provided is receivable.

Donations and bequests are recognised as revenue when received.

(e) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which it incurs them.

(f) 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.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Operating Cash flows included in the statement of cash flows are included on a gross basis. Investing and Financing Cash flows included in the statement of cash flows are included on a net basis. 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 and included in payments to suppliers and employees.

(g) Income Tax

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

(h) 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.

(i) 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 are net of any rebates and discounts received.

(j) Property, Plant and Equipment and Intangibles

Property, plant and equipment are carried at either cost or fair value. All assets excluding freehold land, are depreciated over their useful lives to the Company.

1 Summary of Significant Accounting Policies continued

Cost Model

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of costs of dismantling and restoring the asset, where applicable.

Revaluation Model

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Depreciation

The depreciable amount of all property, plant and equipment, except for land, is depreciated on a straight-line method from the date that management determine that the asset is available for use.

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

Buildings	10 to 40 years
Plant and Equipment	2 to 20 years
Motor Vehicles	4 to 10 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.

When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to the statement of profit and loss and comprehensive income.

Intangible assets

Intangible assets acquired separately are initially recognised at cost. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the de-recognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

The useful lives used for intangibles are shown below:

Intangibles	2 to 10 years

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit.

(k) 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.

1 Summary of Significant Accounting Policies continued

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

Financial Assets

Financial assets are divided into the following categories, which are described in detail below:

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

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in the statement of profit and loss and in other comprehensive income.

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.

The Company only has financial assets classified as Loans and Receivables.

(I) 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 the statement of profit and loss.

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

Discounting is omitted where the effect of discounting is considered immaterial.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default. The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For trade receivables, impairment provisions are recorded in a separate allowance account with the loss being recognised in profit or loss. When confirmation has been received that the amount is not collectable, the gross carrying value of the asset is written off against the associated impairment provision.

Subsequent recoveries of amounts previously written off are credited against other expenses in in the statement of profit and loss.

Financial liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual agreements of the

Notes to the Financial Statements

For the Year Ended 30 June 2017

1 Summary of Significant Accounting Policies continued

instrument. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included in the income statement line items "borrowing costs" or "interest income".

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.

The Company's financial liabilities include borrowings, trade and other payables, 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.

(m) Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

Impairment on loans and receivables is reduced through the use of allowance accounts; all other impairment losses on financial assets at amortised cost are taken directly to the asset.

(n) Impairment of non-financial assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit and loss, unless the asset is carried at a revalued amount in accordance with another Standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where the future economic benefits of the asset are not primarily dependent on the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of the asset. Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

Notes to the Financial Statements

For the Year Ended 30 June 2017

1 Summary of Significant Accounting Policies continued

(o) 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. Cash flows are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Changes in the measurement of the liability are recognised in profit or loss.

(p) Restatement

Where required, comparatives have been restated to align with account classifications in the current year.

Tulgeen Group
A.B.N.23 001 616 100

Notes to the Financial Statements
For the Year Ended 30 June 2017

2 Revenue and Other Income

	2017 $	2016 $
Revenue		
Grants received	**3,513,303**	5,505,644
National Disability Insurance Scheme	**2,435,145**	-
Residential board and service fees	**252,053**	353,266
Sale of goods	**666,197**	634,457
	6,866,698	6,493,367
Other revenue		
Interest revenue - other parties	**5,698**	9,785
Other revenue from rendering of services	**73,790**	152,561
	79,488	162,346
Other income		
Other income	**390**	1,342
	390	1,342

3 Surplus for the year

(a) Individually significant revenues included in profit:

	2017 $	2016 $
Non-recurrent capital grants:		
Department of Family and Community Services - Housing NSW	**20,000**	-
Cassandra Grant Foundation	**-**	(295)
	20,000	(295)

(b) Surplus includes the following specific expenses:

	2017 $	2016 $
Depreciation of property, plant and equipment	**196,693**	114,268
Net movements in provision for:		
- Employee benefits	**(37,831)**	(31,990)
Defined contribution superannuation expense	**405,075**	436,104
Interest and finance changes paid/payable on loan	**14,768**	12,263

Notes to the Financial Statements

For the Year Ended 30 June 2017

	2017 $	2016 $
4 Cash and cash equivalents		
Cash on hand	**3,201**	2,660
Cash at bank	**426,914**	143,428
	430,115	146,088

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows.

	2017 $	2016 $
5 Trade and other receivables		
CURRENT		
Trade receivables	**606,137**	139,240
Provision for impairment	**(77,502)**	(600)
	528,635	138,640
Other debtors	**6,931**	-
	535,566	138,640
6 Inventories		
Raw materials and stores - at cost	**80,856**	90,453
7 Property, plant and equipment		
Freehold land - at fair value	**603,990**	603,990
	603,990	603,990
Buildings - at fair value	**2,107,413**	2,107,413
Less: accumulated depreciation	**(199,733)**	(148,512)
	1,907,680	1,958,901
Total land and buildings	**2,511,670**	2,562,891
Plant & equipment - at cost	**1,233,108**	1,206,376
Less: accumulated depreciation	**(1,105,754)**	(997,648)
	127,354	208,728
Motor vehicles - at cost	**95,339**	95,339
Less: accumulated depreciation	**(78,235)**	(75,929)
	17,104	19,410
Improvements - at cost	**267,775**	213,827
Less: accumulated depreciation	**(84,415)**	(58,303)
	183,360	155,524
Total property, plant and equipment	**2,839,488**	2,946,553

Movements in carrying amounts of property, plant and equipment

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

Parent	Land $	Buildings $	Plant and Equipment $	Motor Vehicles $	Improvements $	Total $
Year ended 30 June 2017						
Balance at the beginning of year	603,990	1,958,901	208,728	19,410	155,524	2,946,553
Additions	-	-	26,732	-	53,948	80,680
Disposals	-	-	-	-	-	-
Depreciation expense	-	(51,221)	(108,106)	(2,306)	(26,112)	(187,745)
Balance at the end of the year	603,990	1,907,680	127,354	17,104	183,360	2,839,488

Land and building valuation

Independent valuers revalued the Company's land and buildings at 30 June 2013. 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 2013. No further adjustment to these valuations has been made in 2017.

	2017 $	2016 $
8 Intangibles		
Intangibles - at fair value	**42,540**	22,422
Less: Accumulated Depreciation intangibles	**(16,368)**	(7,420)
	26,172	15,002

Movements in carrying amounts of intangibles

	Intangibles $	Total $
Year ended 30 June 2017		
Balance at beginning of year	**15,002**	**15,002**
Additions	**20,118**	**20,118**
Amortisation expense	**(8,948)**	**(8,948)**
Balance at the end of the year	**26,172**	**26,172**

	2017 $	2016 $
9 Trade and other payables		
CURRENT		
Trade payables	**182,056**	122,288
GST payable	**15,970**	151,499
Other creditors	**141,898**	127,773
	339,924	401,560

Notes to the Financial Statements
For the Year Ended 30 June 2017

10 Borrowings

	2017 $	2016 $
CURRENT		
IMB Spindler St Loan	**5,046**	18,432
CORENA Community Solar Loan	**-**	2,000
Hire Purchase	**9,330**	17,326
	14,376	37,758
NON-CURRENT		
IMB Spindler St Loan	**180,769**	**171,986**
	180,769	**171,986**
Total Borrowings	**195,145**	**209,744**

The bank debt 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.

11 Employee provisions

	2017 $	2016 $
CURRENT		
Provision for employee benefits: annual leave	**136,274**	173,667
Provision for employee benefits: long service leave	**223,008**	141,327
	359,282	314,994
NON-CURRENT		
Provision for employee benefits: long service leaves	**17,797**	99,916
	377,079	414,910

(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.

12 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;

	2017 $	2016 $
RESERVES		
Public Benevolent Fund	**110,434**	107,732
Building Fund Reserve	**500,000**	-
Reserves, other:		
Asset Revaluation Reserve	**521,966**	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**	-
	1,565,400	629,966

13 Related Party Disclosures

Directors

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

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

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

Key management personnel compensation

Key management personnel compensation for the year is set out below. The key management personnel are all of the directors of the company and the executives with the greatest authority for the strategic direction and management of the company, including the Chief Executive Officer, General Manager Corporate Operations, Client Services General Manager and Chief Financial Officer.

The total remuneration paid to key management personnel of the company is $376,460 (2016: $422,750).

Directors transactions with the Company

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.

14 Capital and Lease Commitments

Capital Commitments
The company has no capital commitments.

Lease Commitments
Committed at the reporting date but not recognised as liabilities, payable (net of GST):

	2017 $	2016 $
Within one year	**120,693**	**126,068**
One to five years	**92,842**	**154,859**
	213,535	**280,927**

The company has seventeen motor vehicles under a fleet leasing or service arrangement with lease end dates ranging from 16 October 2016 to 27 July 2019.

Operating lease payments for accommodation provided to clients are recognised as expenses as incurred. These leases are cancellable at short notice, and no commitment is recognised at year end.

15 Contingent Liabilities

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 maybe 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.

16 Contingent Assets

As at balance date, no contingent assets have been identified.

17 Events Occurring After the Reporting Date

The Company has sold the Sattler Street property subsequent to the end of the financial year. The property was no longer suitable for the needs of clients. These funds have been allocated to the building fund reserve.

No other 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.

18 Future Commitments

The Company has entered into a finance arrangement with the Bega Valley Shire Council to purchase land at the Riverside Nursery site. The anticipated costs associated with the purchase and site development is approximately $63,000.

19 Company Details

The registered office of the company is:
Tulgeen Group
26 Eden Street
BEGA NSW 2550

20 Financial Risk Management

Financial risk management objectives

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

Market risk

Foreign currency risk
The company is not exposed to any significant foreign currency risk.

Price risk
The company is not exposed to any significant price risk.

Interest rate risk
The company is not exposed to any significant interest rate risk.

Credit risk
The company is not exposed to any significant credit risk.

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, measured in accordance with AASB 139 are detailed in the accounting policies to these financial statements and are as follows:

	2017 $	2016 $
FINANCIAL ASSETS		
Cash and cash equivalents	**430,115**	146,088
Receivables	**535,566**	138,640
	965,681	284,728
FINANCIAL LIABILITIES		
Financial liabilities at amortised cost		
Trade and other payables	**339,924**	401,560
Borrowings	**195,145**	209,743
	535,069	611,303

Independent Review Report
For the Year Ended 30 June 2017

INDEPENDENT REVIEW REPORT

TO THE MEMBERS OF TULGEEN GROUP

Scope of Review

We have reviewed the detailed income statement of Tulgeen Group ("the Company") for the year ended 30 June 2017. The directors of the Company are responsible for the preparation and presentation of the detailed income statement and the information contained therein. We have performed the review of the detailed income statement in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that it is not presented fairly in accordance with the accounting policies adopted in the annual financial report of the Company.

The detailed income statement has been prepared for distribution to the Members of the Company. We disclaim any assumption of responsibility for any reliance on this review report or on the detailed income statement to which it relates to any person other than the Members of the Company.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of company personnel and analytical procedures and limited sample testing applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit on the detailed income statement and, accordingly, we do not express an audit opinion.

Statement

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the detailed income statement of Tulgeen Group for the year ended 30 June 2017 does not present fairly the financial performance of the company for the year then ended in accordance with the accounting policies adopted in the annual financial report of the Company.

Selina Stanford
Audit Director
sstanford@synergygroup.net.au
0438 664 110

Dated at Canberra this 3rd day of November 2017

Tulgeen Group
A.B.N.23 001 616 100

Detailed Income Statement
For the Year Ended 30 June 2017

	2017 $	2016 $
TRADING STATEMENT		
Sales	**666,197**	634,457
Less: Cost of goods sold		
Opening Stock	**(90,453)**	(64,756)
Add: purchases	**(194,815)**	(204,463)
Less: closing Stock	**80,856**	90,453
Cost of goods sold	**(204,412)**	(178,766)
Gross trading profit	**461,785**	455,691
INCOME STATEMENT		
Income		
Department of Ageing, Disability and Home Care	**2,570,667**	4,887,053
Department of Health	**343,498**	-
Department of Social Services	**579,138**	618,886
National Disability Insurance Scheme	**2,435,145**	-
Other grants	**20,000**	(295)
Interest revenue - other parties	**5,698**	9,785
Residential board and service fees	**252,053**	353,266
Other income from rendering of services	**73,790**	18,208
Other income	**390**	135,695
Total income and gross trading profit	**6,742,164**	6,478,289
Expenses:		
Borrowing costs	**14,768**	12,263
Employment Expenses		
Fringe benefits	**-**	1,266
Provision for Annual Leave / Long Service Leave	**256,280**	340,037
Staff and client amenities	**19,366**	20,456
Staff training	**40,121**	54,341
Superannuation	**405,075**	436,104
Workers' Compensation Insurance	**140,206**	315,201
Wages	**4,025,708**	4,026,620
	4,886,757	5,194,025
Travel Expenses		
Motor vehicle expenses	**209,061**	193,858
Travel, fares etc.	**4,789**	1,737
	213,850	195,595
Depreciation expense	**196,693**	114,268
Property Expenses		
Power	**38,089**	31,760
Rates	**23,785**	18,728
Rent	**24,219**	16,213
Repairs and maintenance	**86,582**	122,395
	172,675	189,096

Tulgeen Group
A.B.N.23 001 616 100

Detailed Income Statement continued
For the Year Ended 30 June 2017

	2017 $	2016 $
Administration & Overhead Expenses		
Advertising and promotions	**36,216**	19,475
Bad debts expense	**77,014**	861
Bank charges	**3,491**	4,137
Computer expenses	**146,563**	165,141
Fees:		
Audit and accounting fees	**85,520**	124,443
Legal fees	**600**	-
Consulting fees	**24,862**	6,583
Freight	**1,567**	2,438
General	**49,173**	98,013
Insurance	**63,177**	60,839
Occupational health and safety	**6,744**	9,005
Phone	**21,659**	25,284
Printing/Postage/Stationery	**22,011**	22,515
Programme expenses	**23,362**	11,621
Security expenses	**4,275**	7,126
Subscriptions/Licences	**14,458**	19,519
	580,692	577,000
Total expenses	**6,065,434**	6,282,247
Surplus for the period	**676,730**	196,042