



# **Tulgeen Group**

ABN: 23 001 616 100

## **Financial Statements**

For the Year Ended 30 June 2019

# Tulgeen Group

ABN: 23 001 616 100

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For the Year Ended 30 June 2019

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## Tulgeen Group

ABN: 23 001 616 100

## Directors' Report 30 June 2019

The directors present their report on Tulgeen Group for the financial year ended 30 June 2019.

### 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>Christine Van Den Berg</b>	Director
Qualifications	BN, PG Dip HSM
Experience	Board member since 15 January 2015
Special Responsibilities	Chair, Quality & Safeguarding 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
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, Quality & Safeguarding Committee

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

The deficit of the Company for the year amounted to \$103,939 (2018: surplus of \$266,166). The reduced result for the current year is a result of the previous year including a number of positive one-off events, which were not anticipated to reoccur.

During the year, a variety of services were provided to over 100 people with disability, an increase of 25% from the previous year. Tulgeen has invested in the growth of current and future services by recruiting and training additional employees.

The result for the current year has benefited from donations of \$200,000 raised through a charity event.

## **Directors' Report**

**30 June 2019**

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

The principal activity of Tulgeen Group during the financial year was as a social purpose 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.

### **Strategic directions**

In meeting its core purpose and delivering services, by 2022, 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 people with disability to achieve their National Disability Insurance Scheme (NDIS) goals. We have service agreements with over 100 NDIS participants 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.

## Tulgeen Group

ABN: 23 001 616 100

## Directors' Report

30 June 2019

### 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 2019 the collective liability of members was \$1,450 (2018: \$1,450).

### 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).

### Meetings of directors

During the financial year, 19 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Audit & Finance Committee		Quality & Safeguarding 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	7	6	6	4	-	-	-	-
Peter Hughes	7	5	1	1	-	-	3	2
Dallys Baker	7	7	-	-	3	3	-	-
Liam O'Duibhir	7	7	-	-	-	-	3	2
John Stylianou	7	7	6	5	-	-	-	-
Christine van den Berg	7	5	-	-	3	3	-	-

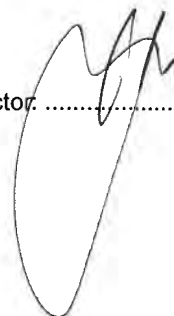
Signed in accordance with a resolution of the Board of Directors:

Director: .....



Grattan Smith

Director: .....



John Stylianou

BEGA

Dated 26 September 2019

**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Year Ended 30 June 2019**

	Note	2019 \$	2018 \$
Revenue and Other Income	5	7,271,772	6,673,601
Gain on disposal of assets		1,091	154,108
Employee benefits expense		(6,219,565)	(5,391,946)
Depreciation and amortisation expense		(135,998)	(110,678)
Finance costs - Bad debts (received) / provided for		-	61,304
Finance costs - Interest on borrowings		(376)	(6,593)
Cost of sales		(245,948)	(208,091)
Administrative and overhead expenses		(429,878)	(555,986)
Property expenses		(192,045)	(153,679)
Motor vehicle and travel expenses		(152,992)	(195,874)
<b>Surplus before income tax</b>		<b>(103,939)</b>	266,166
Income tax expense		-	-
<b>Surplus from continuing operations</b>		<b>(103,939)</b>	266,166
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Revaluation changes for property, plant and equipment	10(a)	-	541,240
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	541,240
<b>Total comprehensive income for the year</b>		<b>(103,939)</b>	807,406

The Company has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

## Tulgeen Group

ABN: 23 001 616 100

### Statement of Financial Position As At 30 June 2019

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	1,031,283	939,325
Trade and other receivables	8	233,047	435,009
Inventories	9	82,219	100,259
Prepayments		47,343	47,445
<b>TOTAL CURRENT ASSETS</b>		<b>1,393,892</b>	<b>1,522,038</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	3,419,043	3,193,450
Intangible assets	11	47,387	46,741
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,466,430</b>	<b>3,240,191</b>
<b>TOTAL ASSETS</b>		<b>4,860,322</b>	<b>4,762,229</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	501,300	372,884
Borrowings	13	13,798	16,663
Employee benefits	14	540,589	460,275
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,055,687</b>	<b>849,822</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	13	28,260	42,001
Employee benefits	14	36,067	26,159
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>64,327</b>	<b>68,160</b>
<b>TOTAL LIABILITIES</b>		<b>1,120,014</b>	<b>917,982</b>
<b>NET ASSETS</b>		<b>3,740,308</b>	<b>3,844,247</b>
<b>EQUITY</b>			
Reserves	15	2,683,458	2,580,001
Retained earnings		1,056,850	1,264,246
<b>TOTAL EQUITY</b>		<b>3,740,308</b>	<b>3,844,247</b>

The Company has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

The accompanying notes form part of these financial statements.

## Statement of Changes in Equity

For the Year Ended 30 June 2019

2019

	Retained Earnings	Public Benevolent Fund	Asset Revaluation Reserve	Building Fund Reserve	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2018</b>	<b>1,264,246</b>	<b>196,794</b>	<b>883,207</b>	<b>1,500,000</b>	<b>3,844,247</b>
Transfers to/(from) Reserves	(103,457)	103,457	-	-	-
Result for the year	(103,939)	-	-	-	(103,939)
<b>Balance at 30 June 2019</b>	<b>1,056,850</b>	<b>300,251</b>	<b>883,207</b>	<b>1,500,000</b>	<b>3,740,308</b>

2018

	Retained Earnings	Public Benevolent Fund	Asset Revaluation Reserve	Building Fund Reserve	Sundry Reserves	Total
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2017</b>	<b>1,471,441</b>	<b>110,434</b>	<b>521,966</b>	<b>500,000</b>	<b>433,000</b>	<b>3,036,841</b>
Transfers to/(from) Reserves	(473,361)	86,360	(179,999)	1,000,000	(433,000)	-
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>3,844,247</b>

The Company has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.



## Tulgeen Group

ABN: 23 001 616 100

### Statement of Cash Flows For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers		6,790,122	6,143,597
Grants received		889,991	799,105
Payments to suppliers and employees		(7,220,553)	(6,509,768)
Interest received		10,526	9,211
Interest paid		(376)	(6,593)
Net cash provided by/(used in) operating activities		<u>469,710</u>	<u>435,552</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property, plant and equipment		(339,359)	(153,712)
Proceeds from sale of property, plant and equipment		1,091	391,894
Purchase of intangibles		(22,878)	(28,042)
Net cash provided by/(used in) investing activities		<u>(361,146)</u>	<u>210,140</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Repayment of borrowings		(16,606)	(136,482)
Net cash provided by/(used in) financing activities		<u>(16,606)</u>	<u>(136,482)</u>
Net increase/(decrease) in cash and cash equivalents held		91,958	509,210
Cash and cash equivalents at beginning of year		939,325	430,115
Cash and cash equivalents at end of financial year	7	<u>1,031,283</u>	<u>939,325</u>

The accompanying notes form part of these financial statements.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2019**

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 2024.

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

The financial report was authorised for issue by the Directors on 26 September 2019.

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 Change in Accounting Policy**

##### **Financial Instruments - Adoption of AASB 9**

The Company has adopted AASB 9 *Financial Instruments* for the first time in the current year with a date of initial adoption of 1 July 2018.

As part of the adoption of AASB 9, the Company adopted consequential amendments to other accounting standards arising from the issue of AASB 9 as follows:

- AASB 101 *Presentation of Financial Statements* requires the impairment of financial assets to be presented in a separate line item in the statement of profit or loss and other comprehensive income. In the comparative year, this information was presented as part of other expenses.
- AASB 7 *Financial Instruments: Disclosures* requires amended disclosures due to changes arising from AASB 9, this disclosures have been provided for the current year.

There has been no impact on these financial statements other than disclosing the impairment of financial assets in a separate line item in the statement of profit or loss and other comprehensive income from applying AASB 9.

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

The incurred loss model from AASB 139 has been replaced with an expected credit loss model in AASB 9 for assets measured at amortised cost, contract assets and fair value through other comprehensive income. This has had no effect on the level of impairment losses recognised.

#### **3 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*.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2019**

#### **3 Summary of Significant Accounting Policies**

##### **(b) Leases**

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.

##### **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 entity and the amount of the grant can be measured reliably.

##### **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.

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 3 Summary of Significant Accounting Policies

(c) **Revenue and other income**

**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.

(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.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2019**

#### **3 Summary of Significant Accounting Policies**

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

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 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).

##### **Financial assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. The company only holds financial assets classified as amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

##### *Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 3 Summary of Significant Accounting Policies

##### (g) Financial instruments

###### Financial assets

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

Impairment of financial assets is recognised on an expected credit loss (ECL) basis.

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held).

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

###### *Trade receivables*

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

###### *Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced a significant increase in credit risk then the lifetime losses are estimated and recognised.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2019**

#### **3 Summary of Significant Accounting Policies**

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

###### **Financial liabilities**

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank loans and finance lease liabilities.

##### **(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.

##### **(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**

The Company has adopted all standards which became effective for the first time at 30 June 2019, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company or refer to Note 2 for details of the changes due to standards adopted.

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 4 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.

##### 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.

#### 5 Revenue and Other Income

##### Revenue from continuing operations

	2019	2018
	\$	\$
Revenue		
- Grants received	798,271	726,459
- National Disability Insurance Scheme	5,249,604	4,934,237
- Residential accommodation and service fees	181,563	185,097
- Sale of goods	706,855	618,587
- Other revenue from rendering of services	59,581	47,383
	<u>6,995,874</u>	<u>6,511,763</u>
Finance income		
- Interest received on bank deposits	10,526	9,211
Other revenue		
- Member subscriptions	250	155
- Donations	203,672	103,632
- Wage expense recoveries	61,226	48,126
- Sundry revenue	224	714
	<u>265,372</u>	<u>152,627</u>
<b>Total Revenue</b>	<u><b>7,271,772</b></u>	<u><b>6,673,601</b></u>



## Tulgeen Group

ABN: 23 001 616 100

### Notes to the Financial Statements For the Year Ended 30 June 2019

#### 6 Result for the Year

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

	2019	2018
	\$	\$
Finance Costs		
Financial liabilities measured at amortised cost:		
- Interest on borrowings	376	6,593

The result for the year includes the following specific expenses:

Impairment of receivables:		
- Bad debts provision net movement	-	(61,304)
Individually significant revenues included in result:		
Donations - Bega Cheese Charity Auction	200,000	100,000

#### 7 Cash and Cash Equivalents

Cash at bank and in hand	1,031,283	939,325
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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.

#### 8 Trade and Other Receivables

CURRENT		
Trade receivables	246,142	448,104
Provision for impairment	(13,095)	(13,095)
<b>Total current trade and other receivables</b>	<b>233,047</b>	<b>435,009</b>

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.

#### 9 Inventories

CURRENT		
At cost:		
Raw materials and stores	82,219	100,259

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2019**

**10 Property, plant and equipment**

	2019	2018
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At fair value	725,000	725,000
Buildings		
At fair value	2,348,798	2,195,000
Accumulated depreciation	(57,200)	-
Total buildings	2,291,598	2,195,000
Total land and buildings	3,016,598	2,920,000
Capital works in progress		
At cost	1,875	43,311
Plant and equipment		
At cost	1,027,169	1,256,643
Accumulated depreciation	(848,228)	(1,126,956)
Total plant and equipment	178,941	129,687
Motor vehicles		
At cost	204,866	95,339
Accumulated depreciation	(90,664)	(82,385)
Total motor vehicles	114,202	12,954
Leasehold improvements		
At cost	119,591	99,112
Accumulated amortisation	(12,164)	(11,614)
Total leasehold improvements	107,427	87,498
<b>Total property, plant and equipment</b>	<b>3,419,043</b>	<b>3,193,450</b>

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2019**

**10 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 2019</b>							
Balance at the beginning of year	43,311	725,000	2,195,000	129,687	12,954	87,498	3,193,450
Additions	1,875	-	110,487	94,990	109,528	22,479	339,359
Transfers	(43,311)	-	43,311	-	-	-	-
Depreciation expense	-	-	(57,200)	(45,736)	(8,280)	(2,550)	(113,766)
<b>Balance at the end of the year</b>	<b>1,875</b>	<b>725,000</b>	<b>2,291,598</b>	<b>178,941</b>	<b>114,202</b>	<b>107,427</b>	<b>3,419,043</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.

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 11 Intangible Assets

	2019	2018
	\$	\$
Computer software		
Cost	93,460	42,540
Accumulated amortisation and impairment	(46,073)	(23,841)
<b>Net carrying value</b>	<b>47,387</b>	<b>18,699</b>
Intangible assets work in progress		
Cost	-	28,042
<b>Total Intangibles</b>	<b>47,387</b>	<b>46,741</b>

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

	Computer software	Intangible assets work in progress	Total
	\$	\$	\$
<b>Year ended 30 June 2019</b>			
Balance at the beginning of the year	18,699	28,042	46,741
Additions	-	22,878	22,878
Transfers	50,920	(50,920)	-
Amortisation	(22,232)	-	(22,232)
<b>Closing value at 30 June 2019</b>	<b>47,387</b>	<b>-</b>	<b>47,387</b>

#### 12 Trade and Other Payables

Current		
Trade payables	90,436	94,231
Income received in advance	95,799	29,030
GST payable	4,784	-
Other creditors	310,281	249,623
	<b>501,300</b>	<b>372,884</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.

## Tulgeen Group

ABN: 23 001 616 100

### Notes to the Financial Statements For the Year Ended 30 June 2019

#### 13 Borrowings

	2019	2018
	\$	\$
<b>CURRENT</b>		
Secured liabilities:		
Lease liability secured	-	1,333
Bank loan - IMB Spindler St Loan	-	1,532
Other loan - Bega Valley Shire Council	13,798	13,798
<b>Total current borrowings</b>	<b>13,798</b>	<b>16,663</b>
<b>NON-CURRENT</b>		
Secured liabilities:		
Bank loan - IMB Spindler St Loan	663	606
Other loans - Bega Valley Shire Council	27,597	41,395
<b>Total non-current borrowings</b>	<b>28,260</b>	<b>42,001</b>
<b>Total borrowings</b>	<b>42,058</b>	<b>58,664</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.

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 14 Employee Benefits

	2019	2018
	\$	\$
Current liabilities		
Provision for employee benefits: long service leave	267,627	239,404
Provision for employee benefits: annual leave	272,962	220,871
	<u>540,589</u>	<u>460,275</u>
Non-current liabilities		
Provision for employee benefits: long service leave	36,067	26,159
	<u>36,067</u>	<u>26,159</u>
Total	<u>576,656</u>	<u>486,434</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.

#### 15 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:

Public Benevolent Fund	300,251	196,794
Building Fund Reserve	1,500,000	1,500,000
Asset Revaluation Reserve	883,207	883,207
Total	<u>2,683,458</u>	<u>2,580,001</u>

**Notes to the Financial Statements  
For the Year Ended 30 June 2019**

**16 Leasing Commitments**

**(a) Finance leases**

	2019	2018
	\$	\$
Minimum lease payments:		
- not later than one year	-	1,333

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	11,149	67,156
- between one year and five years	6,204	17,353
	<u>17,353</u>	<u>84,509</u>

The company has three motor vehicles under a fleet leasing arrangement with lease end dates ranging from 12 August 2019 to 13 February 2021.

**17 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 2019 the number of members was 29 (2018: 29).

**18 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.

**19 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 2019**

#### **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  
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.

#### **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 26 September 2019 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.



## Tulgeen Group

ABN: 23 001 616 100

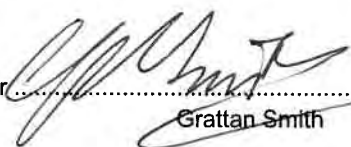
### Directors' Declaration

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

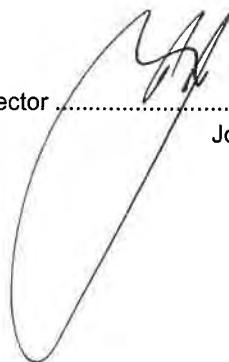


Grattan Smith

BEGA

Dated 26 September 2019

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

BEGA

Dated 26 September 2019

Director .....

John Stylianou



## 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 2019, 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, 26 September 2019



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

**BEGA**  
**MERIMBULA**  
**EDEN**  
**BOMBALA**  
**BERMAGUI**  
**COOMA**  
**JINDABYNE**

T 02 6491 6491  
admin@kothes.com.au  
77 Main St, Merimbula NSW 2548  
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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 2019, 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 2019 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.



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## Independent Audit Report to the members of Tulgeen Group (Continued)

### Responsibilities of Directors for the Financial Report

The directors 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 directors 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 directors 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.

### 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, 26 September 2019

## Supplementary Information For the Year Ended 30 June 2019

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 2019. 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, 26 September 2019



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## Tulgeen Group

ABN: 23 001 616 100

For the Year Ended 30 June 2019

### Detailed Income Statement

	2019	2018
	\$	\$
<b>Trading Result</b>	<b>460,907</b>	<b>410,495</b>
<b>Income</b>		
Department of Ageing, Disability and Home Care	-	(62,948)
Department of Health	609,892	597,156
Department of Social Services	159,349	183,378
National Disability Insurance Scheme	5,249,604	4,934,237
Other grants	29,030	8,874
Interest received	10,526	9,211
Residential accommodation and service fees	181,563	185,097
Other revenue from rendering of services	59,581	47,383
Member subscriptions	250	155
Donations	203,672	103,632
Wage expense recoveries	61,226	48,126
Sundry revenue	224	714
<b>Total income and trading profit</b>	<b>7,025,824</b>	<b>6,465,510</b>
<b>Expenses</b>		
Finance costs	376	6,593
<b>Employment Expenses</b>		
Provision for annual and long service leave movement	444,745	399,295
Staff and client amenities	19,184	19,169
Staff training	22,746	31,381
Superannuation contributions	513,913	445,801
Workers compensation	206,245	135,174
Wages	5,012,732	4,361,127
	<b>6,219,565</b>	<b>5,391,947</b>
<b>Travel Expenses</b>		
Motor vehicle expenses	139,416	193,885
Travel, fares etc.	13,576	1,989
	<b>152,992</b>	<b>195,874</b>
<b>Depreciation and amortisation expense</b>	<b>135,998</b>	<b>110,678</b>
<b>Property Expenses</b>		
Power	45,159	39,045
Rates	27,944	25,777
Rent	59,699	18,026
Repairs and maintenance	59,243	70,831
	<b>192,045</b>	<b>153,679</b>
<b>Administration &amp; Overhead Expenses</b>		
Advertising and promotions	44,256	44,540
Bad debts (received) / provided for	-	(61,304)
Bank charges	4,225	3,859
Computer expenses	166,180	143,893
Donations	350	3,250

## Tulgeen Group

ABN: 23 001 616 100

For the Year Ended 30 June 2019

### Detailed Income Statement

	2019	2018
	\$	\$
Equipment purchases under \$2,000	10,023	25,652
Fees:		
Audit and accounting fees	46,365	86,210
Legal fees	1,759	25
Consulting fees	7,698	13,253
Freight	3,216	2,069
Equipment hire	799	-
General expenses	7,811	6,461
Insurance	47,250	43,889
Occupational health and safety	11,525	8,273
Other expenses	9,303	-
Phone	13,384	15,991
Printing, postage and stationery	31,445	25,528
Programme expenses	18,332	110,434
Recruitment expenses	800	7,297
Security expenses	4,549	5,996
Subscriptions/Licences	608	9,365
	<u>429,878</u>	<u>494,681</u>
	<u>7,130,854</u>	<u>6,353,452</u>
<b>Result before other income</b>	<u>(105,030)</u>	<u>112,058</u>
<b>Other income:</b>		
Gain on disposal of assets	1,091	154,108
	<u>(103,939)</u>	<u>266,166</u>

### Trading account

<b>Sales revenue</b>		
Sales	706,855	618,587
	<u>706,855</u>	<u>618,587</u>
<b>Cost of sales</b>		
Opening stock	100,259	80,857
Purchases	227,908	227,494
Closing stock	(82,219)	(100,259)
	<u>245,948</u>	<u>208,092</u>
<b>Cost of goods sold</b>	<u>245,948</u>	<u>208,092</u>
<b>Gross profit</b>	<u>460,907</u>	<u>410,495</u>