



# **Tulgeen Group**

ABN: 23 001 616 100

## **Financial Statements**

For the Year Ended 30 June 2020

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## Tulgeen Group

ABN: 23 001 616 100

## Directors' Report 30 June 2020

The directors present their report on Tulgeen Group for the financial year ended 30 June 2020.

### 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 (resigned 28 May 2020)
Qualifications	BN, PG Dip HSM
Experience	Board member since 15 January 2015
Special Responsibilities	Chair, Quality and Safeguarding Committee
<b>Peter Hughes</b>	Director and Secretary
Experience	Board member since 15 March 2016
Special Responsibilities	Deputy Chair, Board; 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 (resigned 28 November 2019)
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 and Safeguarding Committee
<b>Peter Mitford-Burgess</b>	Director-
Qualifications	Diploma in Project Management
Experience	Board member since 26 September 2019
Special Responsibilities	Member, Quality and Safeguarding Committee
<b>Natalie Baggett</b>	Director
Qualifications	PhD (Biochemistry and Molecular Biology)
Experience	Board member since 29 May 2020
Special Responsibilities	Member, Quality and Safeguarding Committee

## Tulgeen Group

ABN: 23 001 616 100

## Directors' Report

30 June 2020

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

The surplus of the Company for the year amounted to \$296,270 (2019: deficit of \$103,939). The improved result for the current year is a result of continued growth in services provided, and the economic benefits provided under the Australian Government subsidies provided in response to the COVID-19 pandemic.

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

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

The following significant changes in the nature of the principal activities occurred during the financial year:

- The COVID-19 pandemic resulted in the temporary cessation of several of Tulgeen Group's activities, resulting in lost revenue. This was offset by income from the JobKeeper subsidy, net of additional JobKeeper wage payments and wage incentive payments.

There were no other 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:

- Continually improve the delivery of specialist disability support services to the community it serves;
- Continually 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 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 social purpose 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 2020

### 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 2020 the collective liability of members was \$1,500 (2019: \$ 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, 23 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 and 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	6	5	6	5	-	-	-	-
Peter Hughes	6	6	1	1	-	-	6	3
Natalie Baggett	-	-	-	-	-	-	-	-
Dallys Baker	3	3	-	-	2	2	-	-
Peter Mitford-Burgess	5	4	-	-	3	3	-	-
Liam O'Duibhir	6	6	-	-	-	-	6	6
John Stylianou	6	6	6	6	-	-	-	-
Christine van den Berg	6	5	-	-	5	5	-	-

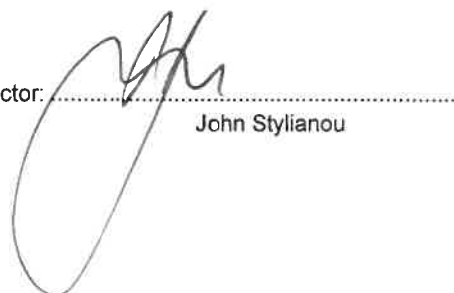
Signed in accordance with a resolution of the Board of Directors:

Director: .....



Peter Hughes

Director: .....



John Stylianou

Dated 24 September 2020

## Statement of Profit or Loss and Other Comprehensive Income

### For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
Revenue	5	8,565,248	7,261,246
Finance income	6	5,722	10,526
Gain on disposal of assets		16,238	1,091
Employee benefits expense		(7,049,740)	(6,219,565)
Impairment losses on financial assets		(39,936)	-
Depreciation and amortisation expense		(242,390)	(135,998)
Finance expenses	6	(5,591)	(376)
Cost of sales		(309,929)	(245,948)
Administrative and overhead expenses		(431,778)	(429,878)
Property expenses		(140,917)	(192,045)
Motor vehicle and travel expenses		(70,657)	(152,992)
<b>Surplus / (Deficit) before income tax</b>		<b>296,270</b>	<b>(103,939)</b>
Income tax expense	3(a)	-	-
<b>Surplus / (Deficit) from continuing operations</b>		<b>296,270</b>	<b>(103,939)</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>296,270</b>	<b>(103,939)</b>

The Company has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 118, AASB 1004 and related interpretations.

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

## Tulgeen Group

ABN: 23 001 616 100

### Statement of Financial Position As At 30 June 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	8	1,751,337	1,031,283
Trade and other receivables	9	700,558	233,047
Inventories	10	81,034	82,219
Other assets		69,859	47,343
<b>TOTAL CURRENT ASSETS</b>		<b>2,602,788</b>	<b>1,393,892</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	4,078,973	3,419,043
Intangible assets	12	32,718	47,387
Right-of-use assets	13	531,668	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,643,359</b>	<b>3,466,430</b>
<b>TOTAL ASSETS</b>		<b>7,246,147</b>	<b>4,860,322</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	495,946	405,501
Borrowings	15	13,798	13,798
Lease liabilities	13	85,808	-
Employee benefits	16	724,053	540,589
Income received in advance		1,376,046	95,799
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,695,651</b>	<b>1,055,687</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	15	14,500	28,260
Lease liabilities	13	437,641	-
Employee benefits	16	61,777	36,067
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>513,918</b>	<b>64,327</b>
<b>TOTAL LIABILITIES</b>		<b>3,209,569</b>	<b>1,120,014</b>
<b>NET ASSETS</b>		<b>4,036,578</b>	<b>3,740,308</b>
<b>EQUITY</b>			
Reserves	17	2,681,731	2,683,458
Retained earnings		1,354,847	1,056,850
<b>TOTAL EQUITY</b>		<b>4,036,578</b>	<b>3,740,308</b>

The Company has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 118, AASB 1004 and related interpretations.

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

The accompanying notes form part of these financial statements.

## Statement of Changes in Equity

### For the Year Ended 30 June 2020

## 2020

	Retained Earnings	Public Benevolent Fund	Asset Revaluation Reserve	Building Fund Reserve	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 July 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>
Transfer to/(from) Reserves	1,727	(1,727)	-	-	-
Result for the year	296,270	-	-	-	296,270
<b>Balance at 30 June 2020</b>	<b>1,354,847</b>	<b>298,524</b>	<b>883,207</b>	<b>1,500,000</b>	<b>4,036,578</b>

## 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>
Transfer 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>

The Company has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 118, AASB 1004 and related interpretations.

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.



## Tulgeen Group

ABN: 23 001 616 100

### Statement of Cash Flows For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	7,777,217	6,790,122
Grants received	1,858,942	889,991
Payments to suppliers and employees	(8,022,843)	(7,220,553)
Interest received	5,722	10,526
Interest paid	(5,591)	(376)
Net cash provided by/(used in) operating activities	<u>1,613,447</u>	<u>469,710</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(818,162)	(339,359)
Proceeds from sale of property, plant and equipment	24,604	1,091
Purchase of intangibles	-	(22,878)
Net cash provided by/(used in) investing activities	<u>(793,558)</u>	<u>(361,146)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of borrowings	(13,760)	(16,606)
Repayment of leases	(86,075)	-
Net cash provided by/(used in) financing activities	<u>(99,835)</u>	<u>(16,606)</u>
Net increase/(decrease) in cash and cash equivalents held	720,054	91,958
Cash and cash equivalents at beginning of year	<u>1,031,283</u>	<u>939,325</u>
Cash and cash equivalents at end of financial year	8 <u>1,751,337</u>	<u>1,031,283</u>

The Company has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 118, AASB 1004 and related interpretations.

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements For the Year Ended 30 June 2020

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 24 September 2020.

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

#### Revenue from Contracts with Customers - Adoption of AASB 15

The Company has adopted AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* for the first time in the current year with a date of initial application of 1 July 2019.

The Company has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations. There were no prior year adjustments on adoption of AASB 15 and AASB 1058 to any account balances, only changes in the presentation of revenue items in the financial statements.

#### Leases - Adoption of AASB 16

The Company has adopted AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 *Leases* and associated Accounting Interpretations.

#### Impact of adoption of AASB 16

The impact of adopting AASB 16 is described below:

##### Company as a lessee

Under AASB 117, the Company assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Company or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets).

The Company has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight line basis.

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 2 Change in Accounting Policy

#### Leases - Adoption of AASB 16

#### Impact of adoption of AASB 16

##### *Practical expedients used on transition*

AASB 16 includes a number of practical expedients which can be used on transition, the Company has used the following expedients:

- contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16;
- lease liabilities have been discounted using the Company's incremental borrowing rate at 1 July 2019;
- right-of-use assets at 1 July 2019 have been measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments;
- a single discount rate was applied to all leases with similar characteristics;
- excluded leases with an expiry date prior to 30 June 2020 from the statement of financial position and lease expenses for these leases have been recorded on a straight-line basis over the remaining term;
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

#### Financial statement impact of adoption of AASB 16

The Company has recognised right-of-use assets of \$584,854 and lease liabilities of \$584,584 at 1 July 2019, for leases previously classified as operating leases.

The weighted average lessee's incremental borrowing rate applied to lease liabilities at 1 July 2019 was 4.84%.

	\$
Operating leases as at 30 June 2019	750,085
Less: Interest for term of leases	(165,231)
Discounted using the incremental borrowing rate at 1 July 2019	584,854
<b>Lease liabilities recognised at 1 July 2019</b>	<b><u>584,854</u></b>

### 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 2020

#### 3 Summary of Significant Accounting Policies

##### (b) Revenue and other income

###### *For comparative year*

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.

###### **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.

###### *For current year*

###### **Revenue from contracts with customers**

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability. None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

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

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

###### **Specific revenue streams**

The revenue recognition policies for the principal revenue streams of the Company are:

###### **NDIS Income**

Revenue from the provision of services from participants in the National Disability Insurance Scheme (NDIS) is booked when the services are provided.

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

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

Amounts arising from grants in the scope of AASB 1058 are recognised at the assets fair value when the asset is received. The company considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard. Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

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

Revenue relating to the provision of accommodation and associated services is recognised on an accruals basis at the time the accommodation and services are provided.

###### **Donations**

Donations and bequests are recognised as revenue when received.

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

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

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

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

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

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

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 3 Summary of Significant Accounting Policies

#### (d) 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.

#### (e) 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.

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

Fixed asset class	Useful life
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.

#### (f) 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).

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2020**

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

#### **(f) Financial instruments**

##### **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.

##### *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.

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 3 Summary of Significant Accounting Policies

#### (f) Financial instruments

##### Financial assets

###### *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.

##### 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, a bank and non-bank loan and lease liabilities.

#### (g) 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.

#### (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) Leases

##### *For comparative year*

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.



## **Notes to the Financial Statements**

**For the Year Ended 30 June 2020**

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

#### **(i) Leases**

##### ***For current year***

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

##### **Lessee accounting**

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received. The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

##### ***Exceptions to lease accounting***

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 3 Summary of Significant Accounting Policies

##### (j) Employee benefits

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

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

##### (k) Economic dependence

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

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

The Company has adopted all standards which became effective for the first time at 30 June 2020, 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.

#### 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.

## Tulgeen Group

ABN: 23 001 616 100

### Notes to the Financial Statements For the Year Ended 30 June 2020

#### 5 Revenue and Other Income

##### Revenue from continuing operations

	2020	2019
	\$	\$
Revenue from contracts with customers (AASB 15)		
- Grants received	791,310	798,271
- National Disability Insurance Scheme	5,785,021	5,249,604
- Residential accommodation and service fees	181,948	181,563
- Sale of goods	769,417	706,855
- Other revenue from rendering of services	43,555	59,581
- Other income	3,161	224
	<u>7,574,412</u>	<u>6,996,098</u>
Revenue recognised on receipt (not enforceable or no sufficiently specific performance obligations - AASB 1058)		
- ATO Cash Flow Boost income	50,000	-
- Donations	3,755	203,672
- JobKeeper subsidy	879,000	-
- Member subscriptions	164	250
- Wage expense recoveries	57,917	61,226
	<u>990,836</u>	<u>265,148</u>
<b>Total Revenue</b>	<u><b>8,565,248</b></u>	<u><b>7,261,246</b></u>

#### 6 Finance Income and Expenses

##### Finance income

###### Interest income

- Assets measured at amortised cost - cash at bank

5,722	10,526
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##### Finance expenses

Interest expense on lease liability

5,414	-
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Interest on borrowings

177	376
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**Total finance expenses**

<u><b>5,591</b></u>	<u><b>376</b></u>
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## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 7 Result for the Year

The result for the year includes the following specific expenses:

	2020	2019
	\$	\$
Impairment of receivables:		
- Bad debts provision net movement	39,936	-
Individually significant revenues included in result:		
ATO Cash Flow Boost income	50,000	-
JobKeeper subsidy **	879,000	-
Donations - Bega Cheese Charity Auction	-	200,000

\*\* The JobKeeper subsidy income of \$879,000 was offset by a reduction in revenue from services provided, and an increase in wage expenses for JobKeeper and other wage incentive payments to eligible employees.

#### 8 Cash and Cash Equivalents

Cash at bank and in hand	<u>1,751,337</u>	<u>1,031,283</u>
--------------------------	------------------	------------------

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

#### 9 Trade and Other Receivables

##### CURRENT

Trade receivables	753,589	246,142
Provision for impairment	<u>(53,031)</u>	<u>(13,095)</u>
	<u>700,558</u>	<u>233,047</u>
<b>Total current trade and other receivables</b>	<u><b>700,558</b></u>	<u><b>233,047</b></u>

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

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

#### 10 Inventories

##### CURRENT

At cost:

Raw materials and stores	<u>81,034</u>	<u>82,219</u>
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## Tulgeen Group

ABN: 23 001 616 100

### Notes to the Financial Statements For the Year Ended 30 June 2020

#### 11 Property, plant and equipment

	2020	2019
	\$	\$
<b>LAND AND BUILDINGS</b>		
Freehold land		
At fair value	<u>1,226,726</u>	725,000
Buildings		
At fair value	<u>2,362,667</u>	2,348,798
Accumulated depreciation	<u>(120,097)</u>	(57,200)
Total buildings	<u>2,242,570</u>	2,291,598
Total land and buildings	<u>3,469,296</u>	3,016,598
Capital works in progress		
At cost	<u>140,662</u>	1,875
Plant and equipment		
At cost	<u>1,005,326</u>	1,027,169
Accumulated depreciation	<u>(811,218)</u>	(848,228)
Total plant and equipment	<u>194,108</u>	178,941
Motor vehicles		
At cost	<u>258,023</u>	204,866
Accumulated depreciation	<u>(96,038)</u>	(90,664)
Total motor vehicles	<u>161,985</u>	114,202
<b>RIGHT-OF-USE</b>		
Right-of-Use - Leasehold Improvements		
At cost	<u>151,510</u>	119,591
Accumulated depreciation	<u>(38,588)</u>	(12,164)
Total Right-of-Use - Leasehold Improvements	<u>112,922</u>	107,427
<b>Total property, plant and equipment</b>	<u><b>4,078,973</b></u>	<u>3,419,043</u>

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 11 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:

	Works in Progress	Land	Buildings	Plant and Equipment	Motor Vehicles	Leasehold Improvements	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Year ended 30 June 2020</b>							
Balance at the beginning of year	1,875	725,000	2,291,598	178,941	114,202	107,427	3,419,043
Additions	140,662	501,726	13,869	62,405	85,763	13,737	818,162
Disposals	-	-	-	(7,066)	(1,300)	-	(8,366)
Transfers	(1,875)	-	-	1,875	-	-	-
Depreciation expense	-	-	(62,897)	(42,046)	(36,681)	(8,242)	(149,866)
<b>Balance at the end of the year</b>	<b>140,662</b>	<b>1,226,726</b>	<b>2,242,570</b>	<b>194,109</b>	<b>161,984</b>	<b>112,922</b>	<b>4,078,973</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.

#### 12 Intangible Assets

	2020	2019
	\$	\$
Computer software		
Cost	93,460	93,460
Accumulated amortisation and impairment	(60,742)	(46,073)
<b>Net carrying value</b>	<b>32,718</b>	<b>47,387</b>
<b>Total Intangibles</b>	<b>32,718</b>	<b>47,387</b>

##### Movements in carrying amounts of intangible assets

	Computer software
	\$
<b>Year ended 30 June 2020</b>	
Balance at the beginning of the year	47,387
Amortisation charge	(14,669)
<b>Closing value at 30 June 2020</b>	<b>32,718</b>

## Tulgeen Group

ABN: 23 001 616 100

### Notes to the Financial Statements For the Year Ended 30 June 2020

#### 13 Leases

The Company has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations.

##### Company as a lessee

The Company has leases over a range of assets including buildings, vehicles and office equipment.

Information relating to the leases in place and associated balances and transactions are provided below.

##### *Terms and conditions of leases*

The company has one motor vehicle under a fleet leasing arrangement with a lease end date of 13 February 2021.

The company leases office and activity space in two locations with the leases ending in October 2028 and December 2021. The lease to October 2028 is subject to annual rental increases of 3%. Under the terms of this lease of office premises if the company does not renew the lease it must repay the costs of the fitout of the premises. The cost of the fitout is not known and the maximum amount repayable is not material.

The company leases several photocopiers which all have a term of 5 years.

Leased liabilities are secured by the underlying leased assets.

##### Right-of-use assets

	Office and activity space	Motor Vehicles	Office Equipment	Total
	\$	\$	\$	\$
<b>Year ended 30 June 2020</b>				
Balance at beginning of year	-	-	-	-
Operating lease capitalised 1 July 2019 formerly expensed	544,904	13,220	26,730	584,854
Additions to right-of-use assets	15,254	-	9,416	24,670
Amortisation charge	(62,196)	(8,350)	(7,310)	(77,856)
<b>Balance at end of year</b>	<b>497,962</b>	<b>4,870</b>	<b>28,836</b>	<b>531,668</b>

##### Lease liabilities

	2020	2019
	\$	\$
Operating leases - current	85,808	-
Operating leases - non-current	437,641	-
<b>Total</b>	<b>523,449</b>	<b>-</b>

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 13 Leases

##### Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Company is a lessee are shown below:

	2020	2019
	\$	\$
Interest expense on lease liabilities	(5,414)	-
Depreciation of right-of-use assets	(77,856)	-
	<u>(83,270)</u>	<u>-</u>

##### Statement of Cash Flows

Total cash outflow for leases	<u>(86,075)</u>	<u>-</u>
-------------------------------	-----------------	----------

#### 14 Trade and Other Payables

Current		
Trade payables	104,568	90,436
GST payable	8,419	4,784
Other creditors	382,959	310,281
	<u>495,946</u>	<u>405,501</u>

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 2020

#### 15 Borrowings

	2020	2019
	\$	\$
CURRENT		
Secured liabilities:		
Other loan - Bega Valley Shire Council	13,798	13,798
<b>Total current borrowings</b>	<b>13,798</b>	<b>13,798</b>
NON-CURRENT		
Secured liabilities:		
Bank loan - IMB Spindler St Loan	702	663
Other loans - Bega Valley Shire Council	13,798	27,597
<b>Total non-current borrowings</b>	<b>14,500</b>	<b>28,260</b>
<b>Total borrowings</b>	<b>28,298</b>	<b>42,058</b>

##### (a) 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.

##### (b) 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 2020

#### 16 Employee Benefits

	2020	2019
	\$	\$
Current liabilities		
Provision for employee benefits: long service leave	324,162	267,627
Provision for employee benefits: annual leave	399,891	272,962
	<u>724,053</u>	<u>540,589</u>
Non-current liabilities		
Provision for employee benefits: long service leave	61,777	36,067
	<u>61,777</u>	<u>36,067</u>

#### 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.

#### 17 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	298,524	300,251
Building Fund Reserve	1,500,000	1,500,000
Asset Revaluation Reserve	883,207	883,207
<b>Total</b>	<u>2,681,731</u>	<u>2,683,458</u>

#### 18 Leasing Commitments

##### Operating leases

Minimum lease payments under non-cancellable operating leases:

- not later than one year	-	11,149
- between one year and five years	-	6,204
	<u>-</u>	<u>17,353</u>

Lease commitments are referred to in Note 13 Leases.

## Tulgeen Group

ABN: 23 001 616 100

# Notes to the Financial Statements

For the Year Ended 30 June 2020

### 19 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 2020 the number of members was 30 (2019: 29).

### 20 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.

### 21 Fair Value Measurement

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

- Property, plant and equipment
  - Land
  - Buildings

### 22 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  
Peter Mitford-Burgess  
Natalie Baggett

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

Key management personnel - refer to Note 23.

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.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **23 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.

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

The financial report was authorised for issue on 24 September 2020 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*.

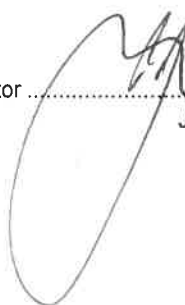
Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Director .....



Peter Hughes

Director .....



John Stylianou

Dated 24 September 2020

## **Fundraising Declaration**

In the opinion of the Board:

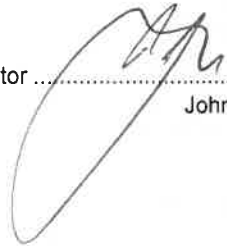
- the financial reports give a true and fair view of all income and expenditure of the Company with respect to fundraising appeals, and
- the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeals conducted by the Company, and
- the provisions 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 .....

  
Peter Hughes

Director .....

  
John Stylianou

Dated 24 September 2020



## 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 2020, 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)  
24 September 2020



CHARTERED ACCOUNTANTS  
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approved under Professional  
Standards Legislation

#### DIRECTORS

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

BECA  
MERIMBULA  
EDEN  
BOMBALA  
BERMAGUI  
COOMA  
JINDABYNE

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Kothes Chartered Accountants  
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## 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 2020, 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 2020 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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#### DIRECTORS

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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)  
24 September 2020

## Supplementary Information For the Year Ended 30 June 2020

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 2020. 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)  
24 September 2020



CHARTERED ACCOUNTANTS  
AUSTRALIA + NEW ZEALAND

Liability limited by a scheme  
approved under Professional  
Standards Legislation

**DIRECTORS**

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

BECA  
MERIMBULA  
EDEN  
BOMBALA  
BERMACUI  
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Kothes Chartered Accountants  
ABN 36 472 755 795

## Tulgeen Group

ABN: 23 001 616 100

For the Year Ended 30 June 2020

### Detailed Income Statement

	2020	2019
	\$	\$
<b>Trading Result</b>	<b>459,488</b>	460,907
<b>Income</b>		
Department of Health	625,138	609,892
Department of Social Services	163,172	159,349
National Disability Insurance Scheme	5,785,021	5,249,604
Other grants	3,000	29,030
Interest income	5,722	10,526
Residential accommodation and service fees	181,948	181,563
Other revenue from rendering of services	43,555	59,581
Member subscriptions	164	250
Donations	3,755	203,672
Wage expense recoveries	57,917	61,226
Sundry revenue	3,161	224
JobKeeper subsidy	879,000	-
ATO Cash Flow Boost income	50,000	-
<b>Total income and trading profit</b>	<b>8,261,041</b>	7,025,824
<b>Expenses</b>		
Finance costs	5,591	376
<b>Employment Expenses</b>		
Provision for annual and long service leave movement	209,174	-
Staff and client amenities	22,195	19,184
Staff training	9,732	22,746
Superannuation contributions	584,928	513,913
Workers compensation	299,188	206,245
Wages	5,924,523	5,457,477
	<b>7,049,740</b>	6,219,565
<b>Travel Expenses</b>		
Motor vehicle expenses	65,332	139,416
Travel, fares etc.	5,324	13,576
	<b>70,656</b>	152,992
<b>Bad debts net movement</b>	<b>39,936</b>	-
<b>Depreciation and amortisation expense</b>	<b>242,390</b>	135,998
<b>Property Expenses</b>		
Power	40,989	45,159
Rates	32,353	27,944
Rent	11,411	59,699
Repairs and maintenance	56,164	59,243
	<b>140,917</b>	192,045
<b>Administration &amp; Overhead Expenses</b>		
Advertising and promotions	32,254	44,256
Bank charges	4,958	4,225
Computer expenses	202,369	166,180

## Tulgeen Group

ABN: 23 001 616 100

For the Year Ended 30 June 2020

### Detailed Income Statement

	2020	2019
	\$	\$
Donations	150	350
Equipment hire	341	799
Fees:		
Audit and accounting fees	31,158	46,365
Legal fees	1,360	1,759
Consulting fees	3,220	7,698
Fuel - Day program activities	996	1,729
General expenses	8,651	7,811
Insurance	58,382	47,250
Low value equipment purchases	15,133	10,023
Occupational health and safety	20,359	11,525
Other expenses	5,445	9,303
Phone	4,155	13,384
Printing, postage and stationery	17,965	34,661
Programme expenses	8,782	16,603
Recruitment expenses	1,178	800
Security expenses	3,971	4,549
Subscriptions/Licences	10,953	608
	<u>431,780</u>	<u>429,878</u>
	<u>7,981,010</u>	<u>7,130,854</u>
<b>Result before other income</b>	<u>280,031</u>	<u>(105,030)</u>
<b>Other income:</b>		
Gain on disposal of assets	16,238	1,091
	<u>16,238</u>	<u>1,091</u>
<b>Surplus / (Deficit) for the year</b>	<u>296,269</u>	<u>(103,939)</u>

### Trading account

<b>Sales revenue</b>		
Sales	<u>769,417</u>	<u>706,855</u>
<b>Cost of sales</b>		
Opening stock	82,219	100,259
Purchases	308,744	227,908
Closing stock	<u>(81,034)</u>	<u>(82,219)</u>
<b>Cost of goods sold</b>	<u>309,929</u>	<u>245,948</u>
<b>Gross profit</b>	<u>459,488</u>	<u>460,907</u>