Tulgeen Group

ABN: 23 001 616 100

Financial Statements

For the Year Ended 30 June 2022

Tulgeen Group

ABN: 23 001 616 100

Contents

For the Year Ended 30 June 2022

Directors' Report

30 June 2022

The directors present their report on Tulgeen Group for the financial year ended 30 June 2022.

Information on directors

The directors at any time during the financial year were**:**

Grattan Smith	Director
Qualifications	Graduate of the Company Directors Course (AICD), Bachelor of Business (WSU), General Manager Program (AGSM)
Experience	Board member since 29 July 2014
Special Responsibilities	Chair, Board; Chair, People, Culture and Community Committee
Peter Hughes	Director and Secretary (resigned 30 September 2021)
Experience	Board member since 15 March 2016
Special Responsibilities	Deputy Chair, Board; Chair, Community Engagement and Fundraising Committee
Natalie Baggett	Director
Qualifications	PhD (Biochemistry and Molecular Biology)
Experience	Board member since 29 May 2020
Special Responsibilities	Deputy Chair, Board; Chair, Quality and Safeguarding Committee
Chris McEwan	Director
Qualifications	Certificate 3 in Information technology, ITIL Foundations on IT Service Management
Experience	Board member since 27 May 2021
Special Responsibilities	Member, Audit and Finance Committee
Alice Howe	Director
Qualifications	PhD (Environmental Engineering), Graduate of the Company Directors Course (AICD)
Experience	Board member since 1 July 2022
Special Responsibilities	Member, People, Culture & Community Committee
Peter Mitford-Burgess	Director (resigned 14 March 2022)
Qualifications	Diploma in Project Management
Experience	Board member since 26 September 2019
Special Responsibilities	Chair, Quality and Safeguarding Committee
John Stylianou	Director
Qualifications	B.Bus, CPA
Experience	Board member since 30 March 2017
Special Responsibilities	Chair, Audit and Finance Committee
Peter Symonds	Director
Qualifications	Graduate Certificate of Business, Advanced Diploma of Community Service, Advanced Diploma of Leadership/Management
Experience	Board member since 1 March 2022
Special Responsibilities	Member, Quality and Safeguarding Committee
Matt Taylor	Director
Qualifications	B Com, MBA
Experience	Board member since 30 September 2021
Special Responsibilities	Member, People, Culture and Community Committee

Directors' Report
30 June 2022

Operating results and review of operations for the year

The total deficit of the Company for the year amounted to $252,683 (2021 surplus: $4,630,563). These results include several significant one-off events, including:

- Grant income for capital projects of $801,212 (2021: $3,947,458).
- Government subsidies of $276,448 received in relation to the COVID-19 pandemic (2021: $1,038,500).

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.

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

- The COVID-19 pandemic continued to impact services in several of Tulgeen Group's activities, resulting in lost revenue. This was partially offset by income from the NSW Government JobSaver subsidy.
- During the financial year, two social enterprises (Stitches and Prints and Tulgeen Workcrew) closed due to loss of operating grant subsidies which made these enterprises unviable to retain.
- Significant investment in construction of new specialised disability accommodation in Bega has occurred during the year, with funding assistance from the Department of Regional NSW. The new accommodation units were ready for occupancy in October 2021, but difficulties in attracting additional staff delayed commencement of occupancy until March 2022. Once fully occupied, these new dwellings will bring additional economic benefits to the Company.

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 broadening its revenue base.
- 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.

Directors' Report
30 June 2022

Strategic directions

In meeting its core purpose and delivering services, by 2024, the Company has the following strategic directions:

Our Clients
- Promote and deliver choice and control
- Empower people with disability to lead their best life
- Enable skilled & caring staff to ensure equity & human rights
- Establish an advisory board to increase client & advocate input
- Provide a continuum of lifetime services

Our People
- Be the employer of choice
- Develop & empower our teams
- Develop workforce capability & flexibility
- Enable career pathways & succession
- Strengthen business practices to support high performance

Our Enterprises
- Operate vibrant & sustainable social enterprises, showcasing inclusive employment
- Facilitate pathways to open employment
- Create innovative employment & digital learning opportunities
- Foster individual enterprise opportunities

Our Market
- Explore alliances & partnerships
- Expand our services across Bega Valley LGA
- Broaden our services to meet the growing youth cohort
- Advance our profile across our community & throughout the sector

Our Community
- Develop an active & representative membership
- Recognise our donors & supporter-base
- Establish collaborative, sustainable & engaged community partnerships
- Advocate for people with disability in relation to access and equity issues

Our Capital
- Maintain fit-for- purpose assets
- Optimise our Riverside precinct
- Establish beachside respite options
- Invest for the future & respond to opportunities
- Grow private & public funding, and sharpen grant processes
- Strengthen our relationships with supporters & partners

Our Performance
- Cultivate a culture of ownership & accountability
- Embrace innovation & continually improve
- Measure what matters & use benchmarks
- Manage risk without being risk adverse
- Be influential through strategic thought leadership
- Provide safe, healthy & compliant work environments

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 objectives, long term objectives, and core purpose are being achieved.

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Directors' Report
30 June 2022

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 2022 the collective liability of members was $1,550 (2021: $1,550).

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, 20 meetings of directors (including committees of directors) were held. During the year, the Community Engagement and Fundraising Committee was discontinued and replaced by the People, Culture and Community Committee.

The Chair is an ex officio member of all committees.

Attendances by each director during the year were as follows:

	Directors' Meetings		Audit & Finance Committee		Quality and Safeguarding Committee		People, Culture and Community Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Grattan Smith	6	6	2	2	-	-	4	4
Peter Hughes	2	2	-	-	-	-	-	-
Natalie Baggett	6	6	-	-	4	3	-	-
Chris McEwan	6	6	4	4	-	-	4	4
Alice Howe	-	-	-	-	-	-	-	-
Peter Mitford-Burgess	4	4	-	-	2	1	-	-
John Stylianou	6	6	6	5	-	-	-	-
Peter Symonds	2	2	-	-	2	1		
Matt Taylor	5	4	-	-	-	-	4	4

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

Director: ....
John Stylianou

Dated 18 October 2022

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2022

	Note	2022 $	2021 $
Revenue	4	**8,426,636**	12,981,667
Finance income	5	**603**	4,524
Employee benefits expense		**(7,269,191)**	(6,915,091)
Impairment losses on financial assets		**(298)**	1,634
Depreciation and amortisation expense		**(391,491)**	(261,326)
Cost of sales		**(251,919)**	(368,974)
Administrative and overhead expenses		**(524,080)**	(500,161)
Property expenses		**(157,483)**	(180,616)
Motor vehicle and travel expenses		**(51,461)**	(61,942)
Loss on disposal of assets		**(2,501)**	(33,472)
Finance expenses	5	**(31,498)**	(35,680)
Surplus / (Deficit) before income tax		**(252,683)**	4,630,563
Income tax expense	2(a)	**-**	-
Surplus / (Deficit) from continuing operations		**(252,683)**	4,630,563
Revaluation changes for property, plant and equipment	10(a)	**1,863,272**	-
Other comprehensive income for the year, net of tax		**1,863,272**	-
Total comprehensive income for the year		**1,610,589**	4,630,563

The accompanying notes form part of these financial statements.

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Statement of Financial Position
As At 30 June 2022

	Note	2022 $	2021 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	**484,909**	1,359,625
Trade and other receivables	8	**1,357,253**	1,253,577
Inventories	9	**237,740**	177,351
Other assets - prepayments		**98,619**	93,329
TOTAL CURRENT ASSETS		**2,178,521**	2,883,882
NON-CURRENT ASSETS			
Property, plant and equipment	10	**9,860,270**	7,250,336
Intangible assets	11	**11,374**	21,558
Right-of-use assets	12	**381,460**	452,222
TOTAL NON-CURRENT ASSETS		**10,253,104**	7,724,116
TOTAL ASSETS		**12,431,625**	10,607,998
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	**1,015,522**	442,468
Borrowings	14	**-**	13,798
Lease liabilities	12	**59,797**	57,336
Employee benefits	15	**668,522**	811,774
Income received in advance		**7,446**	139,403
TOTAL CURRENT LIABILITIES		**1,751,287**	1,464,779
NON-CURRENT LIABILITIES			
Borrowings	14	**773**	737
Lease liabilities	12	**346,622**	406,418
Employee benefits	15	**55,213**	68,923
TOTAL NON-CURRENT LIABILITIES		**402,608**	476,078
TOTAL LIABILITIES		**2,153,895**	1,940,857
NET ASSETS		**10,277,730**	8,667,141
EQUITY			
Reserves	16	**4,271,779**	2,683,396
Retained earnings		**6,005,951**	5,983,745
TOTAL EQUITY		**10,277,730**	8,667,141

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2022

2022

	Retained Earnings	Public Benevolent Fund	Asset Revaluation Reserve	Building Fund Reserve	Total
	$	$	$	$	$
Balance at 1 July 2021	**5,983,745**	**300,189**	**883,207**	**1,500,000**	**8,667,141**
Transfer to/(from) Reserves	**274,889**	**(274,889)**	**-**	**-**	**-**
Result for the year	**(252,683)**	**-**	**-**	**-**	**(252,683)**
Revaluation increment (decrement)	**-**	**-**	**1,863,272**	**-**	**1,863,272**
Balance at 30 June 2022	**6,005,951**	**25,300**	**2,746,479**	**1,500,000**	**10,277,730**

2021

	Retained Earnings	Public Benevolent Fund	Asset Revaluation Reserve	Building Fund Reserve	Total
	$	$	$	$	$
Balance at 1 July 2020	1,354,847	298,524	883,207	1,500,000	4,036,578
Transfer to/(from) Reserves	(1,665)	1,665	-	-	-
Result for the year	4,630,563	-	-	-	4,630,563
Balance at 30 June 2021	5,983,745	300,189	883,207	1,500,000	8,667,141

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

For the Year Ended 30 June 2022

	Note	2022 $	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**6,976,356**	6,992,587
Grants received		**1,470,790**	4,707,247
Payments to suppliers and employees		**(8,160,162)**	(8,611,378)
Interest received		**603**	4,524
Interest paid		**(31,498)**	(35,680)
Net cash provided by/(used in) operating activities		**256,089**	3,057,300
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		**(1,083,390)**	(3,395,423)
Proceeds from sale of property, plant and equipment		**23,682**	19,869
Net cash provided by/(used in) investing activities		**(1,059,708)**	(3,375,554)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of borrowings		**(13,762)**	(13,763)
Repayment of leases		**(57,335)**	(59,695)
Net cash provided by/(used in) financing activities		**(71,097)**	(73,458)
Net increase/(decrease) in cash and cash equivalents held		**(874,716)**	(391,712)
Cash and cash equivalents at beginning of year		**1,359,625**	1,751,337
Cash and cash equivalents at end of financial year	7	**484,909**	1,359,625

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2022

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 18 October 2022.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

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

2 Summary of Significant Accounting Policies

(a) Income Tax

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

(b) Revenue and other income

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.

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.

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.

2 Summary of Significant Accounting Policies

(b) Revenue and other income

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

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.

(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.

2 Summary of Significant Accounting Policies

(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 significantly less than fair value 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).

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.

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

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

Amortised cost

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 is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial assets has increased significant 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.

2 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 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 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.

2 Summary of Significant Accounting Policies

(i) Leases

At inception of a contract, the Company assesses whether a lease exists.

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.

(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.

2 Summary of Significant Accounting Policies

(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.

3 Critical Accounting Estimates and Judgments

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

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

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

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

The Company carries its land and buildings at fair value with changes in the fair value recognised in the asset revaluation reserve. Independent valuations are obtained at least triennially and at the end of each reporting period, the directors update their assessment of the fair value of each property, taking into account the most recent valuations and movements in the market. Land and Buildings were revalued in June 2022.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2022

4 Revenue and Other Income

Revenue from continuing operations

	2022	2021
	$	$
Revenue from contracts with customers (AASB 15)		
- Grants received - recurrent	**669,578**	803,903
- Grants received - capital	**801,212**	3,903,344
- National Disability Insurance Scheme	**5,638,969**	5,986,241
- Residential accommodation and service fees	**170,285**	156,279
- Sale of goods	**639,848**	889,294
- Other revenue from rendering of services	**74,657**	60,682
- Other income	**20**	427
	7,994,569	11,800,170
Revenue recognised on receipt (not enforceable or no sufficiently specific performance obligations - AASB 1058)		
- ATO Cash Flow Boost income	**-**	50,000
- COVID-19 employment subsidies	**276,448**	988,500
- Donations	**3,750**	71,956
- Member subscriptions	**36**	155
- Wage expense recoveries	**151,833**	70,886
	432,067	1,181,497
Total Revenue	**8,426,636**	12,981,667

5 Finance Income and Expenses

Finance income

	2022	2021
Interest income		
- Assets measured at amortised cost - cash at bank	**603**	4,524

Finance expenses

	2022	2021
Interest expense on lease liability	**30,509**	35,432
Interest on borrowings	**989**	248
Total finance expenses	**31,498**	35,680

Notes to the Financial Statements

For the Year Ended 30 June 2022

6 Result for the Year

The result for the year includes the following specific expenses:

	2022	2021
	$	$
Net loss on disposal of property, plant and equipment	**2,501**	33,472
Impairment of receivables:		
- Bad debts provision net movement	**298**	(1,634)
Provision for employee benefits: other	**600,000**	-
Individually significant revenues included in result:		
Grants received - capital	**801,212**	3,903,344
ATO Cash Flow Boost income	**-**	50,000
COVID-19 Employment Subsidies (JobKeeper subsidy 2021 **)	**276,448**	988,500

** The JobKeeper subsidy income received in 2021 of $988,500 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.

7 Cash and Cash Equivalents

Cash at bank and in hand	**484,909**	1,359,625

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	**1,360,295**	1,262,422
Provision for impairment	**(8,626)**	(8,845)
	1,351,669	1,253,577
GST receivable	**5,584**	-
Total current trade and other receivables	**1,357,253**	1,253,577

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	**237,740**	177,351

Notes to the Financial Statements

For the Year Ended 30 June 2022

10 Property, plant and equipment

	2022	2021
	$	$
LAND AND BUILDINGS		
Freehold land		
At fair value	**1,970,000**	1,341,726
Buildings		
At fair value	**7,255,000**	2,747,866
Accumulated depreciation	**-**	(191,863)
Total buildings	**7,255,000**	2,556,003
Total land and buildings	**9,225,000**	3,897,729
Capital works in progress		
At cost	**-**	2,911,913
Plant and equipment		
At cost	**1,074,535**	937,462
Accumulated depreciation	**(777,093)**	(793,163)
Total plant and equipment	**297,442**	144,299
Motor vehicles		
At cost	**389,158**	330,965
Accumulated depreciation	**(193,860)**	(139,034)
Total motor vehicles	**195,298**	191,931
RIGHT-OF-USE		
Right-of-Use - Leasehold Improvements		
At cost	**203,295**	151,510
Accumulated depreciation	**(60,765)**	(47,046)
Total Right-of-Use - Leasehold Improvements	**142,530**	104,464
Total property, plant and equipment	**9,860,270**	7,250,336

Notes to the Financial Statements

For the Year Ended 30 June 2022

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:

	Works in Progress	Land	Buildings	Plant and Equipment	Motor Vehicles	Leasehold Improvements	Total
	$	$	$	$	$	$	$
Year ended 30 June 2022							
Balance at the beginning of year	2,911,913	1,341,726	2,556,003	144,299	191,931	104,464	7,250,336
Additions	-	26,296	750,229	222,972	83,893	-	1,083,390
Disposals	-	-	-	(8,091)	(18,092)	-	(26,183)
Transfers	(2,911,913)	-	2,862,886	-	-	49,027	-
Depreciation expense	-	-	(175,412)	(61,738)	(62,434)	(10,961)	(310,545)
Revaluation increase	-	601,978	1,261,294	-	-	-	1,863,272
Balance at the end of the year	-	1,970,000	7,255,000	297,442	195,298	142,530	9,860,270

(b) Land and building valuation

Independent valuers revalued the Company's land and buildings at 30 June 2022. 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 2022.

11 Intangible Assets

	2022	2021
	$	$
Computer software		
Cost	**93,460**	93,460
Accumulated amortisation and impairment	**(82,086)**	(71,902)
Net carrying value	**11,374**	21,558
Total Intangibles	**11,374**	21,558

Movements in carrying amounts of intangible assets

	Computer software
	$
Year ended 30 June 2022	
Balance at the beginning of the year	**21,558**
Amortisation charge	**(10,184)**
Closing value at 30 June 2022	**11,374**

Notes to the Financial Statements

For the Year Ended 30 June 2022

12 Leases

Company as a lessee

The Company has leases over a range of assets including buildings and IT equipment.

Terms and conditions of leases

The company leases office space in one location with the leases ending in October 2023 (with option to renew for 5 years). The lease to October 2023 is subject to annual rental increases of 3%.

The company leases photocopiers which all have a term of 5 years. Equipment leased is secured by the underlying leased assets.

Right-of-use assets

	Office space	Office Equipment	Total
	$	$	$
Year ended 30 June 2022			
Balance at beginning of year	**431,952**	**20,270**	**452,222**
Amortisation charge	**(62,197)**	**(8,565)**	**(70,762)**
Balance at end of year	**369,755**	**11,705**	**381,460**

	Office and activity space	Motor Vehicles	Office Equipment	Total
	$	$	$	$
Year ended 30 June 2021				
Balance at beginning of year	497,962	4,870	28,836	531,668
Amortisation charge	(66,010)	(4,870)	(8,566)	(79,446)
Balance at end of year	431,952	-	20,270	452,222

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
	$	$	$	$	$
2022					
Lease liabilities	**86,056**	**307,621**	**108,602**	**502,279**	**406,419**
2021					
Lease liabilities	87,845	314,791	187,488	590,124	463,754

Notes to the Financial Statements

For the Year Ended 30 June 2022

12 Leases

	2022	2021
	$	$
Operating leases - current	**59,797**	57,336
Operating leases - non-current	**346,622**	406,418
Total	**406,419**	463,754

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:

	2022	2021
Interest expense on lease liabilities	**(30,509)**	(35,432)
Depreciation of right-of-use assets	**(70,762)**	(79,446)
	(101,271)	(114,878)

Statement of Cash Flows

	2022	2021
Total cash outflow for leases	**(57,335)**	(59,695)

13 Trade and Other Payables

	2022	2021
Current		
Trade payables	**73,299**	193,577
Provision for employee benefits: other	**600,000**	-
Other creditors	**342,223**	248,891
	1,015,522	442,468

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.

14 Borrowings

	2022 $	2021 $
CURRENT		
Secured liabilities:		
Other loan - Bega Valley Shire Council	-	13,798
Total current borrowings	-	13,798
NON-CURRENT		
Secured liabilities:		
Bank loan - IMB Spindler St Loan	**773**	737
Total non-current borrowings	**773**	737
Total borrowings	**773**	14,535

(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.

(b) Defaults and breaches

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

15 Employee Benefits

	2022 $	2021 $
Current liabilities		
Provision for employee benefits: long service leave	**244,706**	344,388
Provision for employee benefits: annual leave	**423,816**	467,386
	668,522	811,774
Non-current liabilities		
Provision for employee benefits: long service leave	**55,213**	68,923

(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.

Notes to the Financial Statements

For the Year Ended 30 June 2022

16 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:

	2022	2021
	$	$
Public Benevolent Fund	**25,300**	300,189
Building Fund Reserve	**1,500,000**	1,500,000
Asset Revaluation Reserve	**2,746,479**	883,207
Total	**4,271,779**	2,683,396

17 Members' Guarantee

The Company is registered with the *Australian Charities and Not-for-profits Commission Act 2012* 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 outstanding obligations of the Company. At 30 June 2022 the number of members was 31 (2021: 31).

18 Contingencies

Under the terms of various grant funding agreements with state and federal government funding providers, any unexpended grant receipts may be required to be refunded. Furthermore, a proportion of any funds advanced for the purpose of purchasing assets may be required to be refunded on disposal of the assets. The probability of any grants accounted for as income becoming repayable by the Company has been assessed as very unlikely.

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

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
John Stylianou
Peter Mitford-Burgess
Natalie Baggett
Chris McEwan
Alice Howe
Peter Symonds
Matt Taylor

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 remuneration paid to key management personnel of the Company is $287,194 (2021: $271,154).

22 Events after the end of the Reporting Period

The financial report was authorised for issue on 18 October 2022 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 ....
John Stylianou

Dated 18 October 2022

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 ....
John Stylianou

Dated 18 October 2022

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 2022, 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

SIMON BYRNE
Partner
Registered Company Auditor (# 153624)
18 October 2022

KOTHES
ACCOUNTING GROUP

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 2022, 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 Registered Entity's financial position as at 30 June 2022 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 201*3.

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 Registered Entity 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 (including Independence Standards)* (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.

Responsibilities of Directors for the Financial Report

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

CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND
Liability limited by a scheme approved under Professional Standards Legislation

DIRECTORS
Simon Byrne
Fiona Dunham
Gary Pearce
Kevin Philistin
Gary Skelton

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Independent Regional Member of Walker Wayland Australasia Limited

KOTHES
ACCOUNTING GROUP

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Registered Entity'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 Registered Entity'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 Registered Entity 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

SIMON BYRNE
Partner
Registered Company Auditor (# 153624)
18 October 2022